



**Report drafted by the Audit Committee of the Board of Directors of Applus Services, S.A. in relation to the proposed amendment of certain articles of the Regulations of the Board of Directors**

## **I. Purpose of the report**

This Report is drafted by the Audit Committee of Applus Services, S.A. (hereinafter, “**Applus**” or the “**Company**”) in accordance with the provisions set forth in article 4.3 and 39.7.d. (iv) of the Regulations of the Board of Directors of Applus (hereinafter, the “**Regulations**”), to justify and explain the proposed amendments of certain articles of the aforementioned Regulations which shall be submitted to the Board of Directors for approval.

The complete text of the proposed amendments is included in the Annex attached hereto. For the purposes of facilitating the identification and understanding of such amendments, the aforementioned Annex includes, for information purposes only, a comparative table of the articles whose amendment is proposed, which contains, on the left column, the transcription of the current wording of such articles and, on the right column, the transcription of the proposed new wording identifying the changes included therein.

It is hereby acknowledged that, in accordance with the provisions of articles 518 and 528 of the Spanish Companies Act, approved by Royal Legislative Decree 1/2010 of 2 July (“*Real Decreto Legislativo 1/2010, de 2 de Julio, por el que se aprueba el texto refundido de la Ley de Sociedades de Capital*”) (hereinafter, the “**Spanish Companies Act**”) and article 4.5 of the Regulations, this Report will be made available to the shareholders at the Company’s registered office and published uninterruptedly in the corporate website of the Company as from the date of the announcement of the calling until the holding of the next General Shareholders’ Meeting of the Company.

## **II. General justification for the proposal**

The proposal subject to this report essentially serves three purposes:

- (i) To better accommodate the Regulations to the Spanish Good Corporate Governance Code (*Código de buen gobierno de las sociedades cotizadas*) pursuant to the reform of the latter approved by the CNMV on June 26, 2020 (the “**Good Corporate Governance Code**”) as well as to the Technical Guide 3/2017 on audit committees at public-interest entities (*Guía Técnica 3/2017 sobre comisiones de auditoría de entidades de interés público*) and the Technical Guide 1/2019 on appointments and compensations committees (*Guía Técnica 1/2019 sobre comisiones de nombramientos y retribuciones*) also approved by the CNMV in 2017 and 2019 respectively;
- (ii) To delete the provisions of the Supervisory Committee of the Board of Directors of the Company (the “**Supervisory Committee**”) and the references to it as a consequence of the disappearance of said committee and while its use is not foreseen in the near future; and

- (iii) To introduce technical improvements in the wording of certain articles of the Regulations, clarifying their content and correcting minor errors, as well as to update some legislative references and legal terms.

### **III. Detailed explanation of the proposed amendments**

A detailed explanation of each of the proposed amendments is included below:

- (i) Proposed amendment of the first paragraph of section 2 of article 7 of the Regulations (Competencies of the Board of Directors. Catalogue of non-delegable matters)

It is proposed to specify that the matters included in said provision are of non-delegable nature in accordance with the proposed deletion of section 5 of article 7 of the Regulations and as a consequence of the disappearance of the Supervisory Committee.

- (ii) Proposed amendment of section 2f)(i) of article 7 of the Regulations (Competencies of the Board of Directors. Catalogue of non-delegable matters)

It is proposed to substitute the reference to the *corporate social responsibility policy* by the reference to *environmental social governance policy* ("ESG") as a consequence of the amendment to the Recommendations 53, 54 and 55 of the Good Corporate Governance Code including concepts such as "sustainability" and "environmental social governance matters".

- (iii) Proposed amendment of section 2g)(i) of article 7 of the Regulations (Competencies of the Board of Directors. Catalogue of non-delegable matters)

It is proposed to better adapt the wording of this section to the wording of article 249.3 of the Spanish Companies Act (*Ley de Sociedades de Capital*) regarding the delegation of powers in favor of Managing Directors or of individuals to who executive functions have been entrusted.

- (iv) Proposed amendment of section 2g)(iii) of article 7 of the Regulations (Competencies of the Board of Directors. Catalogue of non-delegable matters)

It is proposed to add the reference to non-financial information in order to better accommodate the Regulations to the recent amendments introduced in the Good Corporate Governance Code with regard to the competences of the Audit Committee, clarifying that the approval of said non-financial information is the exclusive competence of the Board of Directors.

- (v) Proposed amendment of section 3a) of article 7 of the Regulations (Competencies of the Board of Directors. Catalogue of non-delegable matters)

It is proposed to adapt the wording of this section in order to reflect the distinction between inside and relevant information established in the market abuse regulations, removing the reference to article 228 of the Spanish Securities Market Law, which is not correct anymore after the last amendments to said article.

- (vi) Proposed removal of sections 4, 5 and 6 of article 7 of the Regulations (Competencies of the Board of Directors. Catalogue of non-delegable matters)

It is proposed to remove sections 4, 5 and 6 of article 7 of the Regulations as a consequence of the actual disappearance of the Supervisory Committee, which was suppressed in 2016 and is not foreseen to be recovered in the near future. The removal of these sections entails the renumbering of section 7, which will become section 4.

- (vii) Proposed amendment of section 7d) (future 4d)) of article 7 of the Regulations (Competencies of the Board of Directors. Catalogue of non-delegable matters)

It is proposed to remove the reference to the Supervisory Committee in this section, in accordance with the amendment proposed under point (vi) above.

- (viii) Proposed amendment of section 2 of article 8 of the Regulations (Balance in the performance of the functions of the Board of Directors)

It is proposed to substitute the specific reference to the Supervisory Committee in this section 2 by a generic reference as a consequence of the disappearance of the Supervisory Committee.

- (ix) Proposed amendment of sections 1a) and 1c) of article 12 of the Regulations (Relationships with the markets)

It is proposed to adapt the wording of these sections in order to reflect the distinction between inside and relevant information established in the market abuse regulations.

Likewise, it is proposed to introduce in section 1c) a reference to the Regulations of the Committees that the Board intends to approve.

(x) Proposed amendment of section 3 of article 13 of the Regulations (Relationships with auditors)

It is proposed to add a reference to non-financial information in order to better accommodate the Regulations to the recent amendments introduced in the Good Corporate Governance Code, in accordance with the references to this kind of information contained in others articles of the Regulations.

(xi) Proposed amendment of section 1 of article 14 of the Regulations (Appointment of Directors)

It is proposed to amend this section in order to adapt its content to the new reality in relation to the existence of a new category of Directors (Other External).

(xii) Proposed amendment of section 3 of article 14 of the Regulations (Appointment of Directors)

It is proposed to amend this section in order to better adapt its content to the wording of article 529 bis of the Spanish Companies Act (*Ley de Sociedades de Capital*) regarding diversity within the Board of Directors.

(xiii) Proposed amendment of section 1 of article 16 of the Regulations (Reappointment of Directors)

It is proposed to amend this section in order to adapt its contents to the new reality in relation to the existence of a new category of Directors (Other External).

(xiv) Proposed removal of section 3 of article 16 of the Regulations (Reappointment of Directors)

It is proposed to remove this section because its contents are already included in section 1 of this article . Consequently, section 4 will become section 3.

(xv) Proposed amendment of section 1 of article 17 of the Regulations (Removal of Directors)

It is proposed to divide section 1 of article 17 in two sections in order to ease its reading and to increase the number of cases on which it is possible to propose the removal of Independent Directors, in line with the changes introduced in Recommendation 21 of the Good Corporate Governance Code. The addition of a new section 2 in this article entails the renumbering of current sections 2 and 3, which will become 3 and 4, respectively.

- (xvi) Proposed amendment of section 3 (future 4) of article 17 of the Regulations

It is proposed to amend this section in order to adapt its wording to the changes introduced in Recommendation 24 of the Good Corporate Governance Code.

- (xvii) Proposed amendment of section 2 of article 22 of the Regulations (Director's information requirements)

It is proposed to amend this section in order to adapt its wording to the changes introduced in Recommendation 22 of the Good Corporate Governance Code.

- (xviii) Proposed amendment of section 2 of article 27 of the Regulations (Content of the Remuneration)

It is proposed to amend this section in order to adapt its content to the new reality in relation to the existence of a new category of Directors (Other External).

- (xix) Proposed amendment of section 2 of article 35 of the Regulations (Meetings of the Board of Directors)

It is proposed to amend this section in order to (i) avoid redundancies among the first and second sub-paragraphs and (ii) give greater flexibility to the Board of Directors with regard to the available time it has for providing the relevant documentation in connection with the call and the celebration of Board meetings.

- (xx) Proposed removal of article 38 of the Regulations (Supervisory Committee)

It is proposed to remove this article as a consequence of the actual disappearance of the Supervisory Committee, which was suppressed in 2016 and is not foreseen to be recovered in the near future. The removal of this article entails the renumbering of current articles 39, 40 and 41, which will become articles 38, 39 and 40, respectively.

- (xxi) Proposed amendment of section 1 of article 39 (future 38) of the Regulations (Audit Committee)

It is proposed to amend this section in order to adapt its wording to the changes introduced in the Recommendation 31 of the Good Corporate Governance Code.

- (xxii) Proposed amendment of section 5 of article 39 (future 38) of the Regulations (Audit Committee)

It is proposed to amend this section in order to improve its wording.

- (xxiii) Proposed amendment of section 6 of article 39 (future 38) of the Regulations (Audit Committee)

It is proposed to amend this section in order to adapt its wording to the changes introduced in Recommendation 41 of the Good Corporate Governance Code.

- (xxiv) Proposed amendment of section 7b) (ii), (iii), (iv) (v) and (vi) of article 39 (future 38) of the Regulations (Audit Committee)

It is proposed to amend these sections in order to adapt their wording to the changes introduced in section 1 of Recommendation 42 of the Good Corporate Governance Code.

- (xxv) Proposed amendment of section 7c) (iii) of article 39 (future 38) of the Regulations (Audit Committee)

It is proposed to amend this section in order to adapt its wording to the changes introduced in section 2 of Recommendation 42 of the Good Corporate Governance Code.

- (xxvi) Proposed amendment of section 7c) (iv) of article 39 (future 38) of the Regulations (Audit Committee)

It is proposed to amend this section in order to improve its current wording, which may be was misleading, and to clarify that the Audit Committee shall encourage the appointment of a single auditor for the whole Group.

- (xxvii) Proposed amendment of section 9 of article 39 (future 38) of the Regulations (Audit Committee)

It is proposed to amend this section in order to adapt its wording to the Technical Guide 3/2017 on audit committees at public-interest entities (*Guía Técnica 3/2017 sobre comisiones de auditoría de entidades de interés público*), so that the Audit Committee have a specific regulation to be approved by the Board of Directors.

(xxviii) Proposed amendment of section 14 of article 39 (future 38) of the Regulations (Audit Committee)

It is proposed to amend this section in order to delete the limitation of the number of individuals who can assist the members of the Audit Committee during the sitting of its sessions, as such limitation has been considered to be meaningless.

(xxix) Proposed amendment of section 3a) of article 40 (future 39) of the Regulations (Appointments and Compensations Committee)

It is proposed to amend the following sub-sections of this section 3a) as follows:

- To include in current sub-paragraph (i) a reference to the dismissal of directors, for consistency purposes.
- To remove current sub-paragraph (ii) in order to avoid unnecessary redundancies with the provisions of current sub-paragraph (ix) (future (viii)).
- To remove current sub-paragraph (iv), the content of which has been moved to sub-paragraph (i).
- As a result of the two preceding amendments, to renumber current sub-paragraphs (v) to (xii), which will become (iii) to (x)
- To amend current sub-paragraph (v) (future (iii)) in order to adapt its content to the new reality in relation to the existence of a new category of Directors (Other External).
- To adjust the wording of sub-paragraph (x) (future (viii)) in order to replace the mentions to diversity issues by a reference to article 14.3 of the Regulations.

(xxx) Proposed amendment of section 3b) of article 40 (future 39) of the Regulations (Appointments and Compensations Committee)

It is proposed to amend the following sub-sections of this section 3b) as follows:

- To remove sub-paragraph (i) in order to avoid unnecessary redundancies with the provisions of sub-paragraph (ii). Consequently, current sub-paragraphs (ii) to (v) will become (i) to (iv).
- To amend sub-paragraph (ii) (future (i)) to delete any specific reference to the Supervisory Committee as a committee of the Board.



- To include new sub-paragraphs (v), (vi) and (vii) to adapt the wording of this article to the changes introduced in Recommendation 50 of the Good Corporate Governance Code.

(xxxi) Proposed amendment of section 5 of article 40 (future 39) of the Regulations (Appointments and Compensations Committee)

It is proposed to amend this section in order to adapt its wording to the Technical Guide 1/2019 on appointments and compensations committees (*Guía Técnica 1/2019 sobre comisiones de nombramientos y retribuciones*) so that the Appointments and Compensations Committee have a specific regulation to be approved by the Board of Directors.

(xxxii) Proposed amendment of all sections of article 41 (future 40) of the Regulations (Corporate Social Responsibility Governance Committee)

It is proposed to amend all the sections of this article to substitute the references to the *corporate social responsibility* by references to *environmental social governance* ("ESG"), as a consequence of the changes introduced in the Recommendations 53, 54 and 55 of the Good Corporate Governance Code including concepts such as "sustainability" and "environmental social governance matters". This amendment affects the name of the Committee, which in the future shall be known as Environmental, Social, Governance Committee or ESG Committee.

(xxxiii) Proposed amendment of section 6(vi) of article 41 (future 40) of the Regulations (Corporate Social Responsibility Governance Committee)

It is proposed to amend this section in order to clarify that the ESG Committee is in charge of monitoring the annual report on corporate governance, the annual report on ESG matters and any other mandatory non-financial information.

(xxxiv) Proposed amendment of section 6(viii) of article 41 (future 40) of the Regulations (Corporate Social Responsibility Governance Committee)

It is proposed to amend this section in order to adapt its wording to the changes introduced in Recommendation 42 of the Good Corporate Governance Code, while keeping the competences of the ESG Committee with regard to the whistleblowing system of the Company.

- (xxxv) Proposed amendment of section 6(ix) of article 41 (future 40) of the Regulations (Corporate Social Responsibility Governance Committee)

It is proposed to amend this section in order to adapt its wording to the changes introduced in Recommendation 54 of the Good Corporate Governance Code.

- (xxxvi) Proposed introduction of a new section 6(xii) in article 41 (future 40) of the Regulations (Corporate Social Responsibility Governance Committee)

It is proposed to introduce a new section 6(xii) in order to adapt the wording of this article to the changes introduced in Recommendation 54 of the Good Corporate Governance Code. Consequently, current section 6(xii) will become 6(xiii).

- (xxxvii) Proposed amendment of section 9 of article 41 (future 40) of the Regulations (Corporate Social Responsibility Governance Committee)

It is proposed to amend this section in order to provide that the ESG Committee must have a specific regulation to be approved by the Board of Directors, as provided for in connection with the Audit and the Appointments and Compensations Committees.

For the appropriate purposes, it is noted that minor modifications have been introduced to certain articles of the English version of the Regulations of the Board of Directors in order to improve its translation and to correct grammatical or meaning errors and that their reproduction has been avoided herein as they have no legal effect.

In Madrid, on 22 October 2020.

## Annex

### Full text of the proposed amendments

CURRENT TEXT	PROPOSED TEXT
[...]	[...]
<b>Article 7. - Competencies of the Board of Directors. Catalogue of non-delegable matters</b>  [...]	<b>Article 7.- Competencies of the Board of Directors. Catalogue of non-delegable matters</b>  [...]
7.2 In any event, the Board of Directors shall reserve for itself addressing the following issues, through the approval in each case of resolutions in accordance with the Spanish Companies Act or the By-laws, all the non-delegable matters by virtue of the Law and, in particular, the following matters:  [...]	7.2 In any event, the Board of Directors shall reserve for itself addressing the following issues, through the approval in each case of resolutions in accordance with the Spanish Companies Act or the By-laws, all the non-delegable matters by virtue of the Law and, in particular, the following matters <u>(which will be likewise non-delegable)</u> :  [...]
f) Setting the general policies and strategies of the Company and, in particular:  [...]	f) Setting the general policies and strategies of the Company and, in particular:  [...]
(i) The approval of the strategic or business plan, as well as management targets and annual budgets, the investment and financing policy and the corporate social responsibility policy;  [...]	(i) The approval of the strategic or business plan, as well as management targets and annual budgets, the investment and financing policy and the <del>corporate</del> <u>environmental</u> social <del>responsibility</del> <u>governance</u> ("ESG") policy;  [...]
g) The following decisions:  [...]	g) The following decisions:  [...]

<p>(i) The appointment and removal of the Chief Executive Officers of Applus and of any other Directors who have been conferred executive powers, as well as the establishment of the terms of their contracts;</p> <p>[...]</p>	<p>(i) The appointment and removal of the Chief Executive Officers of <del>Applus</del><u>the Company</u> and <del>of the granting to</del> any other Directors <del>who have been conferred</del> <u>of</u> executive powers, as well as the establishment of the terms of their contracts;</p> <p>[...]</p>
<p>(iii)The approval of the financial information that, by virtue of its status as a listed company, it must publish on a periodic basis;</p> <p>[...]</p>	<p>(iii) The approval of the <u>financial and non</u>-financial information that, by virtue of its status as a listed company, it must publish on a periodic basis;</p> <p>[...]</p>
<p>7.3 Notwithstanding the foregoing, the Board of Directors shall be informed, prior to its execution, about the following matters:</p> <p>[...]</p>	<p>7.3 Notwithstanding the foregoing, the Board of Directors shall be informed, prior to its execution, about the following matters:</p> <p>[...]</p>
<p>a) the content of any announcements to the market which are considered relevant information pursuant to article 228 of the Consolidated Text of the Securities Market Act and, in any case, when such information is made available to the public through an announcement;</p> <p>[...]</p>	<p>a) the content of any announcements to the market which are considered <u>inside or</u> relevant information <del>pursuant to article 228 of the Consolidated Text of the Securities Market Act and, in any case, when such information is made available to the public through an announcement;</del></p> <p>[...]</p>
<p>7.4 Notwithstanding the foregoing, the Supervisory Committee shall be responsible, through the adoption of the appropriate resolutions, in accordance with the applicable regulations or the By-laws, for the approval of any matters not exclusively reserved to the Board of Directors in full, when the amount of the transaction is, individually or jointly, between five million Euros (€5,000,000) and ten million Euros (€10,000,000).</p>	<p><del>7.4 Notwithstanding the foregoing, the Supervisory Committee shall be responsible, through the adoption of the appropriate resolutions, in accordance with the applicable regulations or the By laws, for the approval of any matters not exclusively reserved to the Board of Directors in full, when the amount of the transaction is, individually or jointly, between five million Euros (€5,000,000) and ten million Euros (€10,000,000).</del></p>

<p>7.5 The competencies of the Board of Directors set forth in article 7.2 will be non-delegable. Nevertheless, the competencies expressly allowed by the Law may be approved by the Supervisory Committee in urgent cases duly substantiated, and subsequently they shall be ratified in the first meeting of the Board of Directors that is held after the approval of the resolutions.</p>	<p><del>7.5 The competencies of the Board of Directors set forth in article 7.2 will be non-delegable. Nevertheless, the competencies expressly allowed by the Law may be approved by the Supervisory Committee in urgent cases duly substantiated, and subsequently they shall be ratified in the first meeting of the Board of Directors that is held after the approval of the resolutions.</del></p>
<p>7.6 Those matters reserved to the Board of Directors in full may be discussed by the Supervisory Committee although the appropriate resolution shall remain to the Board of Directors. In any case, the Chairman of the Supervisory Committee may decide to refer other relevant decisions to the Board of Directors, if deemed appropriate.</p>	<p><del>7.6 Those matters reserved to the Board of Directors in full may be discussed by the Supervisory Committee although the appropriate resolution shall remain to the Board of Directors. In any case, the Chairman of the Supervisory Committee may decide to refer other relevant decisions to the Board of Directors, if deemed appropriate.</del></p>
<p>7.7 Notwithstanding the foregoing, the Chief Executive Officer shall be entitled to approve a resolution on the following matters:</p> <p>[...]</p>	<p><del>7.7</del> <u>7.4</u> Notwithstanding the foregoing, the Chief Executive Officer shall be entitled to approve a resolution on the following matters:</p> <p>[...]</p>
<p>d) any other decisions which are not reserved to the Board of Directors or to the Supervisory Committee when the amount of the transaction is, individually or jointly, below the figure of five million Euros (€5,000,000);</p> <p>[...]</p>	<p>d) any other decisions which are not reserved to the Board of Directors <del>or to the Supervisory Committee</del> when the amount of the transaction is, individually or jointly, below the figure of five million Euros (€5,000,000).</p> <p>[...]</p>
<p><b>Article 8.- Balance in the performance of the functions of the Board of Directors</b></p> <p>[...]</p>	<p><b>Article 8.- Balance in the performance of the functions of the Board of Directors</b></p> <p>[...]</p>
<p>8.2 The delegation of powers by the Board of Directors to one or more members of the Supervisory Committee within the limits set forth in the Spanish Companies Act that does not deprive it of these powers.</p> <p>[...]</p>	<p>8.2 The delegation of powers by the Board of Directors to one or more members <del>of the Supervisory Committee</del> <u>or a supervisory committee</u> within the limits set forth in the Spanish Companies Act that does not deprive it of these powers.</p> <p>[...]</p>

<p><b>Article 12.- Relationships with the markets</b></p>	<p><b>Article 12.- Relationships with the markets</b></p>
<p>12.1 The Board of Directors shall adopt the provisions necessary in order to provide the public with information on the following matters through submissions to the CNMV, making them simultaneously available through the Company's corporate website:</p> <p>[...]</p>	<p>12.1 The Board of Directors shall adopt the provisions necessary in order to provide the public with information on the following matters through submissions to the CNMV, making them simultaneously available through the Company's corporate website:</p> <p>[...]</p>
<p>a) Relevant facts that can have a significant impact on the market price of shares in the Company;</p> <p>[...]</p>	<p>a) <del>Relevant facts</del><u>Inside information</u> that can have a significant impact on the market price of shares in the Company;</p> <p>[...]</p>
<p>c) Substantial amendments to the rules of governance of the Company, which currently consist of the By-laws, the Regulations of the General Shareholders Meeting, the Regulations of the Board of Directors, and the Internal Regulations for Conduct in the Securities Markets.</p> <p>[...]</p>	<p>c) <del>Substantial</del><u>Any other relevant information, including substantial</u> amendments to the rules of governance of the Company, which currently consist of the By-laws, the Regulations of the General Shareholders Meeting, the Regulations of the Board of Directors, <del>and</del> the Internal Regulations for Conduct in the Securities Markets <u>and the Regulations of the Board's Committees.</u></p> <p>[...]</p>
<p><b>Article 13.- Relationships with auditors</b></p> <p>[...]</p>	<p><b>Article 13.- Relationships with auditors</b></p> <p>[...]</p>
<p>13.3 The Board of Directors shall attempt to formulate definitive financial information so that there is no scope for qualifications or reservations on the part of the auditor. However, when the Board of Directors is of the view that it must sustain its criteria, the Chairman of the Audit Committee (and the auditors) shall explain to the shareholders the content and scope of said reservations and qualifications.</p>	<p>13.3 The Board of Directors shall attempt to formulate definitive <u>financial and non-</u>financial information so that there is no scope for qualifications or reservations on the part of the auditor. However, when the Board of Directors is of the view that it must sustain its criteria, the Chairman of the Audit Committee (and the auditors) shall explain to the shareholders the content and scope of said reservations and qualifications.</p>

[...]	[...]
<b>Article 14.- Appointment of Directors</b>	<b>Article 14.- Appointment of Directors</b>
<p>14.1 The proposals for the appointment or re-election of Directors submitted by the Board of Directors to the consideration of the General Shareholders Meeting and appointment decisions adopted by the Board of Directors pursuant to its interim appointment authority shall be made subject to the prior report of the Appointments and Compensations Committee, in the case of Executive and Nominee Directors, and subject to the prior proposal of the Appointments and Compensations Committee, in the case of Independent Directors. The proposed appointments shall be accompanied in all cases by a report issued by the Board of Directors assessing the competence, experience and merits of the nominee, which shall be attached to the minutes of the General Shareholders Meeting or of the Board of Directors itself.</p> <p>[...]</p>	<p>14.1 The proposals for the appointment or re-election of Directors submitted by the Board of Directors to the consideration of the General Shareholders Meeting and appointment decisions adopted by the Board of Directors pursuant to its interim appointment authority shall be made subject to the prior <del>report</del><u>proposal</u> of the Appointments and Compensations <del>Committee</del>, in the case of <del>Executive and Nominee</del><u>Independent</u> Directors, and subject to the prior <del>proposal of the Appointments and Compensations report of said</del><u>report of said</u> Committee, in the case of <del>Independent</del><u>the rest of</u> Directors. The proposed appointments shall be accompanied in all cases by a report issued by the Board of Directors assessing the competence, experience and merits of the nominee, which shall be attached to the minutes of the General Shareholders Meeting or of the Board of Directors itself.</p> <p>[...]</p>
<p>14.3 The Board of Directors shall ensure that the appointment procedures of its members promote gender diversity and a diversity of experiences and knowledge and have no implied bias that might entail any discrimination and, in particular, that they facilitate the selection of female Directors.</p> <p>[...]</p>	<p>14.3 The Board of Directors shall ensure that the appointment procedures of its members <del>promote gender diversity and a diversity of experiences and knowledge</del><u>favour diversity with respect to aspect such as age, gender, disability or training and professional experience</u> and have no implied bias that might entail any discrimination and, in particular, that they facilitate the selection of female Directors <u>in a number allowing to reach a balanced presence of women and men.</u></p> <p>[...]</p>
<b>Article 16.- Reappointment of Directors</b>	<b>Article 16.- Reappointment of Directors</b>
<p>16.1 The proposal for the reappointment of the Independent Directors corresponds to the Appointments and Compensations Committee and to the Board of Directors in the case of Executive and Nominee Directors, which</p>	<p>16.1 The proposal for the reappointment of the Independent Directors corresponds to the Appointments and Compensations Committee and to the Board of Directors in the case of <del>Executive and Nominee</del> <u>the</u></p>

<p>shall also be preceded by a report of the Appointments and Compensations Committee.</p> <p>[...]</p>	<p><u>rest of Directors, which and in this latter case they</u> shall also be preceded by a report of the Appointments and Compensations Committee.</p> <p>[...]</p>
<p>16.3 Before the reappointment of Directors is proposed to the General Shareholders Meeting, the Appointments and Compensations Committee shall issue a report evaluating the work and dedication of the Non-Independent Directors proposed during the previous term in office.</p> <p>[...]</p>	<p><del>16.3 Before the reappointment of Directors is proposed to the General Shareholders Meeting, the Appointments and Compensations Committee shall issue a report evaluating the work and dedication of the Non Independent Directors proposed during the previous term in office.</del></p> <p>[...]</p>
<p><b>Article 17.- Removal of Directors</b></p>	<p><b>Article 17.- Removal of Directors</b></p>
<p>17.1 Directors shall be removed from their post once the term for which they were appointed has lapsed or when so decided by the General Shareholders Meeting pursuant to the powers conferred upon them by law and in the By-laws, with no need for said decision to be included in the Agenda of the General Shareholders Meeting. The Board of Directors shall not propose the removal of any Independent Director before the end of the statutory term for which they have been appointed, except where the Board of Directors considers that sufficient grounds for such action exist, based on a report by the Appointments and Compensations Committee. In particular, sufficient grounds will be deemed to exist when the Directors hold new posts or undertake new obligations that prevent them from devoting the necessary time to perform the duties of the post of Director or have failed to fulfil the duties inherent to their position or are affected by one or more of the circumstances that would have prevented their appointment as an Independent Director, in accordance with the applicable legal provisions.</p>	<p>17.1 Directors shall be removed from their post once the term for which they were appointed has lapsed or when so decided by the General Shareholders Meeting pursuant to the powers conferred upon them by law and in the By-laws, with no need for said decision to be included in the Agenda of the General Shareholders Meeting. <del>The Board of Directors shall not propose the removal of any Independent Director before the end of the statutory term for which they have been appointed, except where the Board of Directors considers that sufficient grounds for such action exist, based on a report by the Appointments and Compensations Committee. In particular, sufficient grounds will be deemed to exist when the Directors hold new posts or undertake new obligations that prevent them from devoting the necessary time to perform the duties of the post of Director or have failed to fulfil the duties inherent to their position or are affected by one or more of the circumstances that would have prevented their appointment as an Independent Director, in accordance with the applicable legal provisions.</del></p>
	<p><u>17.2</u> The Board of Directors shall not propose the removal of any Independent Director before the end of the statutory term for which they have been</p>



	<p>appointed, except where the Board of Directors considers that sufficient grounds for such action exist, based on a report by the Appointments and Compensations Committee. In particular, sufficient grounds will be deemed to exist when the Directors hold new posts or undertake new obligations that prevent them from devoting the necessary time to perform the duties of the post of Director or have failed to fulfil the duties inherent to their position or are affected by one or more of the circumstances that would have prevented their appointment as an Independent Director, in accordance with the applicable legal provisions. <u>The removal of Independent Directors may also be proposed when a takeover bid, merger or similar corporate transaction alters the Company's capital structure, provided the changes in Board membership ensue from the proportionality criteria set out in Article 6.3 of these Regulations.</u></p> <p>[...]</p>
<p>17.3 When a Director is removed from its office before the end of the term of office following its resignation or for whatever other reason, the Director shall explain the reasons for doing so in a letter addressed to all the members of the Board of Directors. Even if said removal is communicated as an announcement to the market, the reasons for said removal will be included in the Annual Corporate Governance Report.</p> <p>[...]</p>	<p><del>17.4</del><sup>17.3</sup> When a Director is removed from its office before the end of the term of office following its resignation or <del>for whatever other reason</del> <u>through resolution of the general meeting</u>, the Director shall explain <u>sufficiently</u> the reasons for doing so, <u>or in the case of non-executive Director, his/her opinion of the reasons for the general meeting resolution</u>, in a letter addressed to all the members of the Board of Directors. <del>Even if said removal is communicated as an announcement to the market, the reasons for said removal will be included</del> <u>This should all be reported</u> in the Annual Corporate Governance Report, <u>and if it is relevant for investors, the Company should publish an announcement of the departure as rapidly as possible, with sufficient reference to the reasons or circumstances provided by the Director.</u></p> <p>[...]</p>

<p><b>Article 22.- Director's information requirements</b></p> <p>[...]</p>	<p><b>Article 22.- Director's information requirements</b></p> <p>[...]</p>
<p>22.2 In particular, the Director shall be required to notify any criminal proceedings in which he/she is involved as defendant, and any subsequent legal proceedings deriving from that action. If a Director is involved in a lawsuit, or if any court order is issued involving him/her in a court hearing for any of the offences indicated in article 213 of the Spanish Companies Act, the Board of Directors shall examine the case as soon as possible, and, in view of the specific circumstances, decide whether or not the Director should continue in his/her post. The Board of Directors shall give a reasoned account of all this in the Annual Corporate Governance Report.</p> <p>[...]</p>	<p>22.2 In particular, the Director shall be required to notify <u>any fact or situation which may be relevant to his/her activity as a Director of the Company, or which can damage the credit or reputation of the Company, related or not related with his/her acting in the Company, including in particular</u> any criminal proceedings in which he/she is involved as defendant, and any <del>subsequent</del> legal proceedings deriving from that action. <del>If a Director is involved in a lawsuit, or if any court order is issued involving him/her in a court hearing for any of the offences indicated in article 213 of the Spanish Companies Act, the Board of Directors shall examine the case as soon as possible, and, in view of the specific circumstances, decide whether or not the Director should continue in his/her post. The Board of Directors shall give a reasoned account of all this in the Annual Corporate Governance Report.</del></p> <p><u>When the Board is informed or becomes aware by any mean of any of the situations mentioned in the previous paragraph, the Board shall examine the case as soon as possible and, attending to the particular circumstances, de-cide, based on a report from the Appointments and Compensations Commit-tee, whether or not to adopt any measures such as opening of an internal investigation, calling on the Director to resign or proposing his/her dismissal. The Board of Directors shall give a reasoned account of all this in the Annual Corporate Governance Report unless there are special circumstances that justify otherwise, which must be recorded in the minutes. This is without prejudice to the information that the Board must disclose, if appropriate, at the time it adopts the corresponding measures.</u></p> <p>[...]</p>

<p><b>Article 27.- Contenido de las retribuciones</b></p> <p>[...]</p>	<p><b>Article 27.- Contenido de las retribuciones</b></p> <p>[...]</p>
<p>27.2 Independent Directors shall be eligible for remuneration as a reward for their dedication, qualification and responsibility that the office demands, however, this remuneration should not reach a level which compromised their independence. An amount that adequately rewards the duties conferred to the Coordinating Director shall be determined, where appropriate.</p> <p>[...]</p>	<p>27.2 Independent <u>Directors or Other External</u> Directors shall be eligible for remuneration as a reward for their dedication, qualification and responsibility that the office demands, however, this remuneration should not reach a level which compromised their independence. An amount that adequately rewards the duties conferred to the Coordinating Director shall be determined, where appropriate.</p> <p>[...]</p>
<p><b>Article 35.- Meetings of the Board of Directors</b></p> <p>[...]</p>	<p><b>Article 35.- Meetings of the Board of Directors</b></p> <p>[...]</p>
<p>35.2 Ordinary meetings shall be convened by letter or e-mail, or any other means, whether written or electronic, that ensures their receipt, and shall be authorized by the Chairman's signature or, pursuant to the Chairman's instructions, that of the Secretary or Deputy Secretary.</p> <p>The meetings of the Board of Directors shall be convened with at least seven (7) calendar days prior notice, through letter or e-mail or any other means, whether written or electronic, that ensures their receipt. With every call for meeting of the Board of Directors, a meeting agenda shall be included along with the pertinent documentation, so that the Members of the Board of Directors may form their opinion, and if appropriate, issue their vote in relation to the subjects submitted for consideration.</p> <p>In the event of urgency, prior notice of the meeting shall be given within twenty-four (24) hours, restricting the agenda of the meeting in this case to items of urgency.</p>	<p>35.2 Ordinary <u>Board</u> meetings shall be convened <u>with at least seven (7) calendar days prior notice</u> by letter or e-mail, or any other means, whether written or electronic, that ensures their receipt, and shall be authorized by the Chairman's signature or, pursuant to the Chairman's instructions, that of the Secretary or Deputy Secretary.</p> <p><del>The meetings of the Board of Directors shall be convened with at least seven (7) calendar days prior to notice, through letter or e-mail or any other means, whether written or electronic, that ensures their receipt.</del> With every call for meeting of the Board of Directors, a meeting agenda shall be included along with <u>all the pertinent necessary</u> documentation <u>to prepare for the meeting, so that which in any event shall be made available to</u> the Members of the Board of Directors <u>sufficiently in advance so that they</u> may form their opinion, and if appropriate, issue their vote in relation to the subjects submitted for consideration.</p> <p>In the event of urgency, prior notice of the meeting shall be given within twenty-four (24) hours, restricting the agenda of the meeting in this case to items of urgency.</p>

[...]	[...]
<b>Article 38.- Supervisory Committee</b>	<del><b>Article 38.- Supervisory Committee</b></del>
<p>38.1 The Board of Directors may permanently delegate to the Supervisory Committee all the Board's powers, except for those which according to the law, the By-laws or this Regulation are its exclusive competencies. As an exception, the Supervisory Committee may take decisions in relation to the matters contained in article 7.2 sections (f) and (g) of this Regulation, when there are reasons of urgency, and with subsequent ratification by the full Board of Directors.</p> <p>38.2. The Board of Directors shall appoint the Directors who are to make up the Supervisory Committee. The Board of Directors may also appoint a Chairman of the Supervisory Committee.</p> <p>38.3. The Supervisory Committee shall comprise a minimum of three (3) members and a maximum of five (5). The Supervisory Committee shall appoint a Secretary, who may not be a member of said Committee, and who will assist the Chairman of the Supervisory Committee, and shall provide for the correct operation of the Supervisory Committee, ensuring that the minutes reflect the progress of the meetings and the content of the discussions and decisions taken. For each meeting, the Secretary, or person acting on its behalf, shall issue the minutes of the meeting, which shall be signed by the members of the Supervisory Committee who attended the meeting. A copy of the minutes shall be sent to all the members of the Board of Directors.</p> <p>38.4. Members of the Supervisory Committee shall resign when they cease to be Directors, or when the Board of Directors decides to relieve them from their duties.</p> <p>38.5. Vacancies occurring shall be covered in a timely manner by the Board of Directors.</p> <p>38.6. In the absence of the Chairman of the Supervisory Committee, its duties shall be exercised by the member elected for this purpose.</p>	<p><del>38.1 The Board of Directors may permanently delegate to the Supervisory Committee all the Board's powers, except for those which according to the law, the By laws or this Regulation are its exclusive competencies. As an exception, the Supervisory Committee may take decisions in relation to the matters contained in article 7.2 sections (f) and (g) of this Regulation, when there are reasons of urgency, and with subsequent ratification by the full Board of Directors.</del></p> <p><del>38.2. The Board of Directors shall appoint the Directors who are to make up the Supervisory Committee. The Board of Directors may also appoint a Chairman of the Supervisory Committee.</del></p> <p><del>38.3. The Supervisory Committee shall comprise a minimum of three (3) members and a maximum of five (5). The Supervisory Committee shall appoint a Secretary, who may not be a member of said Committee, and who will assist the Chairman of the Supervisory Committee, and shall provide for the correct operation of the Supervisory Committee, ensuring that the minutes reflect the progress of the meetings and the content of the discussions and decisions taken. For each meeting, the Secretary, or person acting on its behalf, shall issue the minutes of the meeting, which shall be signed by the members of the Supervisory Committee who attended the meeting. A copy of the minutes shall be sent to all the members of the Board of Directors.</del></p> <p><del>38.4. Members of the Supervisory Committee shall resign when they cease to be Directors, or when the Board of Directors decides to relieve them from their duties.</del></p> <p><del>38.5. Vacancies occurring shall be covered in a timely manner by the Board of Directors.</del></p> <p><del>38.6. In the absence of the Chairman of the Supervisory Committee, its duties shall be exercised by the member elected for this purpose.</del></p>

<p>38.7. The Supervisory Committee may hold ordinary meetings on a monthly basis, and may meet on an extraordinary basis when corporate interests so require.</p> <p>38.8. The Supervisory Committee shall be convened by the Chairman of the Supervisory Committee (or by the acting Chairman) by letter or e-mail, or any other means, whether written or electronic, that ensures their receipt. It shall be ensured that, unless justified on urgent grounds, this shall be with a maximum of seven (7) days prior notice. Together with the call for meeting, the members of the Supervisory Committee shall be sent the pertinent documentation in order to form an opinion and issue their vote.</p> <p>38.9. The Supervisory Committee shall remain validly constituted when half plus one of its members are either present, or duly represented.</p> <p>38.10. The Board of Directors shall always be apprised of the matters addressed and the decisions taken by the Supervisory Committee.</p> <p>38.11. In any other aspects, the Supervisory Committee shall be governed by the terms of the By-laws and, on an ancillary basis, also by the terms of the By-laws and this Regulation applicable to the Board of Directors.</p> <p>[...]</p>	<p><del>38.7. The Supervisory Committee may hold ordinary meetings on a monthly basis, and may meet on an extraordinary basis when corporate interests so require.</del></p> <p><del>38.8. The Supervisory Committee shall be convened by the Chairman of the Supervisory Committee (or by the acting Chairman) by letter or e-mail, or any other means, whether written or electronic, that ensures their receipt. It shall be ensured that, unless justified on urgent grounds, this shall be with a maximum of seven (7) days prior notice. Together with the call for meeting, the members of the Supervisory Committee shall be sent the pertinent documentation in order to form an opinion and issue their vote.</del></p> <p><del>38.9. The Supervisory Committee shall remain validly constituted when half plus one of its members are either present, or duly represented.</del></p> <p><del>38.10. The Board of Directors shall always be apprised of the matters addressed and the decisions taken by the Supervisory Committee.</del></p> <p><del>38.11. In any other aspects, the Supervisory Committee shall be governed by the terms of the By laws and, on an ancillary basis, also by the terms of the By laws and this Regulation applicable to the Board of Directors.</del></p> <p>[...]</p>
<p><b>Article 39.- Audit Committee</b></p>	<p><b>Article <del>38</del><sup>39</sup>. - Audit Committee</b></p>
<p>39.1 The Company shall have an Audit Committee comprising a minimum of three (3) and a maximum of five (5) Directors, appointed by the Board of Directors, at the proposal of the Appointments and Compensations Committee. All the members of the Audit Committee should be Non-Executive Directors, and the majority of the members of the Audit Committee shall be required to be Independent Directors, and one (1) of them shall be appointed on the basis of its knowledge and experience in matters of accounting or auditing, or in both these areas.</p>	<p><del>38.1</del><sup>39.1</sup> The Company shall have an Audit Committee comprising a minimum of three (3) and a maximum of five (5) Directors, appointed by the Board of Directors, at the proposal of the Appointments and Compensations Committee. All the members of the Audit Committee should be Non-Executive Directors, and the majority of the members of the Audit Committee shall be required to be Independent Directors, and <del>one (1) of them</del> shall be appointed <del>on the basis of its</del><u>taking into account their</u> knowledge and experience <del>in matters of</del><u>with regard to</u> accounting <del>or auditing, or</del></p>

<p>As a whole, all of the members of the Audit Committee shall have relevant technical knowledge in connection with the sector of activity in which the Company operates.</p> <p>[...]</p>	<p><del>in both these areas</del> <u>auditing and risk management matters, both financial and non-financial.</u></p> <p>As a whole, all of the members of the Audit Committee shall have relevant technical knowledge in connection with the sector of activity in which the Company operates.</p> <p>[...]</p>
<p>39.5 The main function of the Audit Committee is to support the Board of Directors in all its tasks of surveillance, through regular review of the process of preparing the economic and financial information, the function of the internal audit and the independence of the external auditor.</p>	<p><del>38.5</del><u>39.5</u>—The main function of the Audit Committee is to support the Board of Directors in all its tasks of surveillance, through <u>the</u> regular review of the process of preparing the economic and financial information, the <u>monitoring of the</u> function of the internal audit and the <del>independence of</del><u>conduction of the relationship with</u> the external auditor, <u>watching for its independence.</u></p>
<p>39.6 The Audit Committee shall monitor the internal audit, which shall ensure proper functioning and operation of the information and internal control systems. The person in charge of the internal auditing functions shall submit its annual work plan to the Audit Committee and shall directly inform the committee of any incidents occurring during its compilation, as well as submitting an activity report on conclusion of the financial period.</p>	<p><del>38.6</del><u>39.6</u>—The Audit Committee shall monitor the internal audit, which shall ensure proper functioning and operation of the information and internal control systems. The person in charge of the internal auditing functions shall submit its annual work plan to the Audit Committee <del>and</del>, shall directly inform the <del>committee of any incidents occurring during its compilation, as well as submitting an activity report on conclusion of the financial period.</del><u>Audit Committee of the execution of the annual work plan, including any incidents or scope limitations arising during its implementation, the results and monitoring of its recommendations and, at the end of each year, shall also submit to the Audit Committee an activity report.</u></p>
<p>39.7 Without prejudice to the other competences that are attributed to the Audit Committee, the Audit Committee is responsible for, at least:</p> <p>[...]</p>	<p><del>38.7</del><u>39.7</u>—Without prejudice to the other competences that are attributed to the Audit Committee, the Audit Committee is responsible for, at least:</p> <p>[...]</p>
<p>b) In relation to the information and internal control systems:</p> <p>[...]</p>	<p>b) In relation to the information and internal control systems:</p> <p>[...]</p>

<p>(ii) To monitor the preparation and presentation of the mandatory financial information and present recommendations or proposals to the Board of Directors, with the purpose of safeguarding its integrity.</p>	<p>(ii) To monitor <u>and to evaluate the preparation and presentation</u> the integrity of the mandatory financial information <del>and present recommendations or proposals to the Board of Directors, with the purpose of safeguarding its integrity,</del> <u>reviewing compliance with regulatory requirements, the accurate demarcation of the consolidation perimeter and the correct application of accounting principles.</u></p>
<p>(iii) To monitor the independence and efficacy of the internal audit function; propose the selection, appointment, re-appointment and removal of the head of the internal audit; propose the department's budget; receive regular information on its activities; and verify that the senior management are acting on the findings and recommendations of their reports.</p>	<p>(iii) To monitor the independence and efficacy of the internal audit function; propose the selection, appointment, re-appointment and removal of the head of the internal audit; propose the department's budget; <u>to approve the priorities and annual work plan of the internal audit unit, ensuring that it focuses primarily on the main risks the Company is exposed to (including reputational risk);</u> receive regular information on its activities; and verify that the senior management are acting on the findings and recommendations of their reports.</p>
<p>(iv) To analyse financial and accounting irregularities –with potentially serious implications– that may have been reported by employees through the mechanism provided in section 41.6.viii.</p>	<p>(iv) To analyse financial and accounting irregularities <del>–with</del> <u>with</u> potentially serious <del>implications–implications</del> that may have been reported by employees through the mechanism provided in section 41.6.viii.</p>
<p>(v) To evaluate all aspects of the financial and non-financial risks the Company is exposed to, including operational, technological, legal, social, environmental, political and reputational risks.</p>	<p>(v) <del>To</del> <u>To monitor and to evaluate all aspects</u> the control and management systems of the financial and non-financial risks the Company <del>is</del> <u>and the Applus+ Group are</u> exposed to, including operational, technological, legal, social, environmental, political and reputational risks.</p>
	<p>(vi) <u>To monitor in general that the policies and systems related to internal control are applied effectively in practise.</u></p>

	[...]
c) In respect of the external auditor:	c) In respect of the external auditor: [...]
(iii) To monitor the independence of the external auditor, to which end, the Company shall: [...]	(iii) To monitor the Independence of the external auditor, to which end, the Company shall: [...]
<ul style="list-style-type: none"> <li>Notify any change of auditor to the CNMV as an announcement to the market, accompanied by a statement of any disagreements arising with the outgoing auditor and, should this be the case, their content.</li> </ul> [...]	<ul style="list-style-type: none"> <li>Notify any change of auditor to the CNMV <del>as an announcement to the market</del>, accompanied by a statement of any disagreements arising with the outgoing auditor and, should this be the case, their content.</li> </ul> [...]
(iv) With respect to the Applus+ Group, the Audit Committee encourage that the group auditor assumes the responsibility for the audits of the companies of the group. [...]	(iv) With respect to the Applus+ Group, the Audit Committee <u>shall</u> encourage that the <del>group</del> <u>Group</u> auditor <del>assumes the responsibility for</del> <u>also carries out</u> the audits of the companies of the <del>group</del> <u>Group</u> . [...]
39.9 The Audit Committee will regulate its own functioning in all matters which are not anticipated under the By-laws, being the statutory provisions relating to the functioning of the Board of Directors, applicable on an ancillary basis to the extent that its nature and functions make it possible. [...]	<del>38.9</del> <del>39.9 The Audit Committee will regulate its own functioning in all matters which are not anticipated under the By laws, being the statutory provisions</del> <u>The provisions in the By-Laws relating to the functioning of the Board of Directors, shall be applicable to the Audit Committee on an ancillary basis, to the extent that its nature and functions make it possible. In any event, the rules governing the Audit Committee can be developed and complemented through specific regulations, the approval and amendment of which is the responsibility of the Board of Directors.</u> [...]
39.14 The members of the Audit Committee may be assisted, during the sitting of its sessions, by	<del>38.14</del> <del>39.14</del> The members of the Audit Committee may be assisted, during the



<p>individuals who, in the capacity of advisors and up to a maximum of two per Audit Committee member, they consider suitable. Such advisors will attend the meeting with voice, but without vote.</p> <p>[...]</p>	<p>sitting of its sessions, by individuals who, in the capacity of advisors <del>and up to a maximum of two per Audit Committee member</del>, they consider suitable. Such advisors will attend the meeting with voice, but without vote.</p> <p>[...]</p>
<p><b>Article 40.- Appointments and Compensations Committee</b></p> <p>[...]</p>	<p><b>Article <u>39</u>40.- Appointments and Compensations Committee</b></p> <p>[...]</p>
<p>40.3 Without prejudice to any other duties that are assigned to it, the Appointments and Compensations Committee shall have at least the following duties:</p> <p>[...]</p>	<p><u>39.3</u>40.3 Without prejudice to any other duties that are assigned to it, the Appointments and Compensations Committee shall have at least the following duties:</p> <p>[...]</p>
<p>a) In relation to appointments:</p>	<p>a) In relation to appointments:</p>
<p>(i) To report on the proposals for appointment and reappointment of Executive and Nominee Directors, and to formulate the proposals for appointment of Independent Directors.</p> <p>[...]</p>	<p>(i) To <del>report on the proposals for appointment and reappointment of Executive and Nominee Directors,</del> and to formulate the proposals for appointment, <u>re-appointment and removal</u> of Independent <u>Directors,</u> and to report on the proposals for <u>appointment, re-appointment and removal of the rest of</u> Directors.</p> <p>[...]</p>
<p>(iii) To inform of the appointment of the Secretary of the Board and, where appropriate, the Vice-Secretary of the Board.</p> <p>[...]</p>	<p><del>(iii) To inform of the appointment of the Secretary of the Board and, where appropriate, the Vice-Secretary of the Board.</del></p> <p>[...]</p>
<p>(iv) To report on proposals for the removal of members of the Board of Directors.</p> <p>[...]</p>	<p><del>(iv) To report on proposals for the removal of members of the Board of Directors.</del></p> <p>[...]</p>
<p>(v) To verify the character of each Director and check that he/she meets</p>	<p>(iii) <del>(v)</del> To verify the character of each Director and check that he/she meets the</p>

<p>the requirements for qualification as Executive, Independent or Nominee.</p> <p>[...]</p>	<p>requirements for qualification as Executive, Independent <del>or</del>, Nominee <u>or Other External Director.</u></p> <p>[...]</p>
<p>(ix) To report on the appointments and resignations of the Secretary of the Board of Directors and of the senior executives whom the chief executive proposes to the Board of Directors.</p> <p>[...]</p>	<p>(vii) <del>(ix)</del> To report on the appointments and resignations of the <u>Secretary and Deputy</u> Secretary of the Board of Directors and of the senior executives whom the chief executive proposes to the Board of Directors.</p> <p>[...]</p>
<p>(x) To report to the Board of Directors on the issues of gender diversity, and safeguard that, when filling new vacancies, the selection procedure does not suffer from implicit biases that might hinder the selection of female Directors; and so that the Company deliberately searches for, and includes among potential candidates, women who meet the sought after professional profile.</p> <p>[...]</p>	<p>(viii) <del>(x)</del> To report to the Board of Directors on the <del>issues of gender diversity</del> <u>issues</u>, and safeguard that, when filling new vacancies, the <del>selection procedure does not suffer from implicit biases that might hinder the selection of female Directors; and so that the Company deliberately searches for, and includes among potential candidates, women who meet the sought after professional profile</del> <u>Board shall respect the provisions set forth in Article 14.3 of these Regulations.</u></p> <p>[...]</p>
<p>b) In relation with the remuneration of Directors:</p>	<p>b) In relation with the remuneration of Directors:</p>
<p>(i) To inform and propose for the consideration of the Board of Directors the remuneration policy of the Directors.</p>	<p><del>(i) To inform and propose for the consideration of the Board of Directors the remuneration policy of the Directors.</del></p>
<p>(ii) To propose to the Board of Directors the remuneration policy for Directors and managing directors or others who perform their top management duties and directly depend on the Board of Directors, the Supervisory Committee or the Chief Executive Officer.</p> <p>[...]</p>	<p>(i) <del>(ii)</del> To propose to the Board of Directors the remuneration policy for Directors and managing directors or others who perform their top management duties and directly depend on the Board of Directors, <del>the Supervisory Committee or the Chief Executive Officer</del> <u>supervisory committees or chief executive officers.</u></p> <p>[...]</p>

	<p>(v) <u>Periodically review the remuneration policy for Directors and senior officers, including share-based remuneration systems and their application, and ensure that their individual compensation is proportionate to the amounts paid to other Directors and senior officers in the Company.</u></p> <p>[...]</p>
	<p>(vi) <u>Ensure that conflicts of interest do not undermine the independence of the external professionals referred to the following Article 40.4.</u></p> <p>[...]</p>
	<p>(vii) <u>Verify the information on Director and senior officers' pay contained in corporate documents, including the annual Directors' remuneration report.</u></p> <p>[...]</p>
<p>40.5 The Appointments and Compensations Committee will regulate its own functioning in all matters which are not anticipated under the By-laws, being the statutory provisions relating to the functioning of the Board of Directors, applicable on an ancillary basis to the extent that its nature and functions make it possible.</p> <p>[...]</p>	<p><del>39.5</del><u>40.5 The Appointments and Compensations Committee will regulate its own functioning in all matters which are not anticipated under the By laws, being the statutory provisions</u><del>The provisions in the By-Laws relating to the functioning of the Board of Directors,</del><u> shall be applicable to the Appointments and Compensations Committee on an ancillary basis, to the extent that its nature and functions make it possible. In any event, the rules governing the Appointments and Compensations Committee can be developed and complemented through specific regulations, the approval and amendment of which is the responsibility of the Board of Directors.</u></p> <p>[...]</p>

<p><b>Artículo 41.- Corporate Social Responsibility Committe</b></p>	<p><b>Artículo <del>40</del>41.- <del>Corporate</del><u>Environmental</u> <del>Social Responsibility</del><u>Governance</u> Committe</b></p>
<p>41.1 The Company will have a Corporate Social Responsibility Committee comprised of a minimum of three (3) and a maximum of five (5) Directors appointed by the Board of Directors, for a period not exceeding that of their term as Directors and without prejudice to their ability to be re-appointed insofar as they were re-appointed as Directors. The Board of Directors will appoint the members of the Corporate Social Responsibility Committee based on the expertise, skills and experience of the Directors and the commitments of the Corporate Social Responsibility Committee.</p>	<p><del>40.1</del><u>41.1</u> The Company will have <del>a Corporate</del><u>an Environmental</u> Social <del>Responsibility</del><u>Governance</u> Committee (the "ESG Committee") comprised of a minimum of three (3) and a maximum of five (5) Directors appointed by the Board of Directors, for a period not exceeding that of their term as Directors and without prejudice to their ability to be re-appointed insofar as they were re-appointed as Directors. The Board of Directors will appoint the members of the <del>Corporate Social Responsibility</del><u>ESG</u> Committee based on the expertise, skills and experience of the Directors and the commitments of the <del>Corporate Social Responsibility</del><u>ESG</u> Committee.</p>
<p>41.2 The majority of the members of the Corporate Social Responsibility Committee must be Independent Directors.</p>	<p><del>40.2</del><u>41.2</u> The majority of the members of the <del>Corporate Social Responsibility</del><u>ESG</u> Committee must be Independent Directors.</p>
<p>41.3 The Corporate Social Responsibility Committee will designate a Chairman from among its members with the category of Independent Directors. It will also designate a Secretary, who may not be a member of the Committee and who will assist the Chairman and will have to cooperate for the good functioning of the Committee, taking care that the minutes duly reflect the progress of the sessions and the content of the deliberations.</p>	<p><del>40.3</del><u>41.3</u> The <del>Corporate Social</del><u>ESG</u> Committee will designate a Chairman from among its members with the category of Independent Directors. It will also designate a Secretary, who may not be a member of the Committee and who will assist the Chairman and will have to cooperate for the good functioning of the Committee, taking care that the minutes duly reflect the progress of the sessions and the content of the deliberations.</p>
<p>41.4 The Members of the Corporate Social Responsibility Committee will resign as a result of their resignation as Directors or when the Board of Directors so decide.</p>	<p><del>40.4</del><u>41.4</u> The Members of the <del>Corporate Social</del><u>ESG</u> Committee will resign as a result of their resignation as Directors or when the Board of Directors so decide.</p>
<p>41.5 The main function of the Corporate Social Responsibility Committee is to promote the implementation of the Corporate Social Responsibility Policy of the Company and in particular the management of corporate governance matters, corporate social responsibility, ethic and transparency as well as to advise the Board of Directors within its</p>	<p><del>40.5</del><u>41.5</u> The main function of the <del>Corporate Social Responsibility</del><u>ESG</u> Committee is to promote the implementation of the <del>Corporate Social Responsibility Policy of the Company</del><u>Company's policy in terms of ESG</u> and in particular the management of <del>corporate</del><u>environmental</u> and governance matters, corporate social</p>

<p>field of competence.</p>	<p>responsibility, ethic and transparency as well as to advise the Board of Directors within its field of competence.</p>
<p>41.6 Without prejudice to any other duties that are assigned to it, the Corporate Social Responsibility Committee shall have at least the following duties:</p>	<p><del>40.6</del><del>41.6</del> Without prejudice to any other duties that are assigned to it, the <del>Corporate Social Responsibility</del> <u>ESG</u> Committee shall have at least the following duties:</p>
<p>(i) To promote the Corporate Social Responsibility strategy of the Company and of the Applus + Group ensuring the adoption and effective implementation of good practices in the field of corporate social responsibility, good governance, ethics and transparency and procuring that expectations of the various stakeholders in the framework of value creation are taken into account.</p>	<p>(i) To promote the <del>Corporate Social Responsibility strategy of the Company</del> <u>Company's policy in terms of ESG</u> and of the Applus + Group <u>supervising and</u> ensuring the adoption and effective implementation of good practices in the field of <del>corporate</del> <u>environmental</u> social <u>governance</u> responsibility, good governance, ethics and transparency and procuring that expectations of the various stakeholders in the framework of value creation are taken into account.</p>
<p>(ii) To submit to the Board of Directors the initiatives and proposals it deems appropriate and inform on the proposals submitted for the consideration thereof, ensuring that the business strategy of the Company is aligned with the values of the Corporate Social Responsibility Policy approved by the Board of Directors.</p>	<p>(ii) To submit to the Board of Directors the initiatives and proposals it deems appropriate and inform on the proposals submitted for the consideration thereof, ensuring that the business strategy of the Company is aligned with the values of the <del>Corporate Social Responsibility Policy</del> <u>Company's policy in terms of ESG</u> approved by the Board of Directors.</p>
<p>(iii) In particular, to design, define and approve initiative and according development plans for the achievement of the goals previously set up according to the Corporate Social Responsibility Policy of the Company and to such other policies or codes that, within the scope of its functions, it may promote.</p>	<p>(iii) In particular, to design, define and approve initiative and according development plans for the achievement of the goals previously set up according to the <del>Corporate Social Responsibility Policy of the Company</del> <u>Company's policy in terms of ESG</u> and to such other policies or codes that, within the scope of its functions, it may promote.</p>

<p>(iv) Likewise, to define the necessary organization and coordination for the implementation of such initiatives and strategies for Corporate Social Responsibility including, if necessary, the possibility to appoint ad-hoc committees to monitor specific areas that, in its view, may require specialized dedication.</p>	<p>(iv) Likewise, to define the necessary organization and coordination for the implementation of such initiatives and strategies for <del>Corporate</del> <u>Social Responsibility</u> <del>the Company's policy in terms of ESG</del> including, if necessary, the possibility to appoint ad-hoc committees to monitor specific areas that, in its view, may require specialized dedication.</p>
<p>(v) To assess, review and monitor the development and implementation of initiatives and plans of the Company in implementing the Corporate Social Responsibility Policy, by monitoring their compliance with the indicators defined.</p>	<p>(v) To assess, review and monitor the development and implementation of initiatives and plans of the Company in implementing the <del>Corporate Social Responsibility Policy</del> <u>Company's policy in terms of ESG</u>, by monitoring their compliance with the indicators defined.</p>
<p>(vi) To report, prior to its approval by the Board of Directors, on the Annual Corporate Social Responsibility Report and to coordinate whenever necessary the process for reporting non-financial information in accordance with applicable regulations and international reference standards.</p>	<p>(vi) <del>To report, prior to its approval by the Board of Directors, on the Annual Corporate Social Responsibility Report and to coordinate</del> <u>To monitor and to evaluate the preparation and the integrity of the annual report on corporate governance, the annual re-port on ESG matters and any other mandatory non-financial information, coordinating</u> whenever necessary the process for reporting <del>non-financial</del> <u>such</u> information in accordance with applicable regulations and international reference standards.</p>
<p>(vii) To issue the reports and take such other actions on Corporate Social Responsibility matters as may be requested by the Board of Directors or by its Chairman.</p>	<p>(vii) To issue the reports and take such other actions on <del>Corporate Social Responsibility</del> <u>ESG</u> matters as may be requested by the Board of Directors or by its Chairman.</p>
<p>(viii) To establish and to monitor a mechanism whereby employees can report, confidentially, and if necessary, anonymously, any</p>	<p>(viii) To establish and to monitor a mechanism whereby employees <del>can report, confidentially, and if necessary, anonymously, any</del></p>

<p>irregularities they detect in the Company with potentially serious implications.</p>	<p><del>irregularities they detect in the Company with potentially serious implications.</del> <u>and other persons related to the Company, such as Directors, shareholders, suppliers, contractors or subcontractors can re-report irregularities of potential significance, including financial, non-financial and accounting irregularities, or those of any other nature, related to the Company which are evidenced within the Company or the Applus+ Group. Said mechanism shall guarantee the confidentiality, and in any circumstance, foresee cases enabling communications to be made anonymously and respecting the rights of both the complainant and the accused party.</u></p>
<p>(ix) To oversee the communication and relations strategy with shareholders and investors, including small and medium-sized shareholders.</p>	<p>(x) To oversee <u>compliance with the general policy regarding the disclosure of economic-financial, non-financial and corporate information, as well as the communication and relations strategy with shareholders and investors, proxy advisors and other stakeholders,</u> including small and medium-sized shareholders.</p>
<p>(x) To periodically evaluate the effectiveness of the Company's corporate governance system, in order to confirm that it is fulfilling its mission to promote the corporate interest and to take into account, where appropriate, the legitimate interests of the remaining stakeholders.</p>	<p>(xi) To periodically evaluate the effectiveness of the Company's corporate governance system <u>and of the Company's policy in terms of ESG,</u> in order to confirm that it is fulfilling its mission to promote the corporate interest and to take into account, where appropriate, the legitimate interests of the remaining stakeholders.</p>
	<p>(xii) <u>To monitor that the Company's environmental and social practices are in accordance with the established strategy and policy.</u></p>

<p>(xiii) To oversee the acting of the Company in respect of training, reporting and investigations.</p>	<p>(xiii) To oversee the acting of the Company in respect of training, reporting and investigations.</p>
<p>41.7 In order for the Corporate Social Responsibility Committee to best fulfil its duties, it may seek advisory services from external professionals, for the purpose of which the provisions set forth in article 24 of these Regulations shall apply.</p>	<p><del>40.7</del>41.7 In order for the <del>Corporate Social Responsibility</del>ESG Committee to best fulfil its duties, it may seek advisory services from external professionals, for the purpose of which the provisions set forth in article 24 of these Regulations shall apply.</p>
<p>41.8 The Corporate Social Responsibility Committee may delegate its functions to specialized committees.</p> <p>The Corporate Social Responsibility Committee shall always be apprised of the matters addressed and the decisions taken by any other Committees that it may constitute for the better performance of its functions.</p>	<p><del>40.8</del>41.8 <del>The Corporate Social Responsibility</del>ESG Committee may delegate its functions to specialized committees.</p> <p>The <del>Corporate Social Responsibility</del>ESG Committee shall always be apprised of the matters addressed and the decisions taken by any other Committees that it may constitute for the better performance of its functions.</p>
<p>41.9 The Corporate Social Responsibility Committee will regulate its own functioning, being the statutory provisions relating to the functioning of the Board of Directors, applicable on an ancillary basis to the extent that its nature and functions make it possible.</p>	<p><del>40.9</del>41.9 <del>The Corporate Social Responsibility Committee will regulate its own functioning, being the statutory</del>The provisions <u>in the By-Laws</u> relating to the functioning of the Board of Directors; <u>shall be applicable to the ESG Committee</u> on an ancillary basis, to the extent that its nature and functions make it possible. <u>In any event, the rules governing the ESG Committee can be developed and complemented through specific regulations, the approval and amendment of which is the responsibility of the Board of Directors.</u></p>
<p>41.10 The Corporate Social Responsibility Committee will meet as many times as deemed necessary and, in addition, each time its Chairman convenes it, or at the request of two (2) of its members. Annually, the Corporate Social Responsibility Committee shall prepare a plan of action for the year on which it will report to the Board of Directors.</p>	<p><del>40.10</del>41.10 <del>The Corporate Social Responsibility</del>ESG Committee will meet as many times as deemed necessary and, in addition, each time its Chairman convenes it, or at the request of two (2) of its members. Annually, the <del>Corporate Social Responsibility</del>ESG Committee shall prepare a plan of action for the year on which it will report to the Board of Directors.</p>
<p>41.11 For each meeting minutes shall be issued and</p>	<p><del>40.11</del>41.11 For each meeting minutes shall be</p>



<p>signed by the members of the Corporate Social Responsibility Committee who attended the meeting. A copy of the minutes shall be sent to all the members of the Board of Directors.</p>	<p>issued and signed by the members of the <del>Corporate Social Responsibility</del>ESG Committee who attended the meeting. A copy of the minutes shall be sent to all the members of the Board of Directors.</p>
<p>41.12 Any member of the management team and of Applus+ Group personnel who are required for such a purpose will be required to attend the sessions of the Corporate Social Responsibility Committee and to provide their cooperation and access to the information which they possess.</p>	<p><del>40.12</del>41.12 Any member of the management team and of Applus+ Group personnel who are required for such a purpose will be required to attend the sessions of the <del>Corporate Social Responsibility</del>ESG Committee and to provide their cooperation and access to the information which they possess.</p>
<p>41.13 The Corporate Social Responsibility Committee will have access to the information and documentation necessary to carry out its duties.</p>	<p><del>40.13</del>41.13 <del>The Corporate Social Responsibility</del>ESG Committee will have access to the information and documentation necessary to carry out its duties.</p>
<p>41.14 The Chairman of the Corporate Social Responsibility Committee in the first plenary session of the Board of Directors subsequent to the meeting of the Corporate Social Responsibility Committee will give an account of its activity and will answer for the work performed. Annually, the Corporate Social Responsibility Committee will put forward a report on its functioning to the Board of Directors.</p>	<p><del>40.14</del>41.14 The Chairman of the <del>Corporate Social Responsibility</del>ESG Committee in the first plenary session of the Board of Directors subsequent to the meeting of the <del>Corporate Social Responsibility</del>ESG Committee will give an account of its activity and will answer for the work performed. Annually, the <del>Corporate Social Responsibility</del>ESG Committee will put forward a report on its functioning to the Board of Directors.</p>

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