

**REGULATIONS OF THE ENVIRONMENTAL SOCIAL  
GOVERNANCE COMMITTEE**

**OF**

**APPLUS SERVICES, S.A.**



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**REGULATIONS OF THE ENVIRONMENTAL SOCIAL GOVERNANCE  
COMMITTEE OF APPLUS SERVICES, S.A.**

**PREAMBLE**

Following the principles and recommendations on corporate governance generally accepted in international markets and in view of the practices of Spanish listed companies in this area, these Regulations of the Environmental Social Governance Committee (the "**ESG Committee**" or the "**Committee**" and the "**Regulations**") of APPLUS SERVICES, S.A. (the "**Company**") sets forth the basic rules of organization and functioning of the ESG Committee and the standards of conduct of its members to ensure its correct operation, and to serve as a guide and point of reference for all of its members.

**CHAPTER I  
INTRODUCTION**

**Article 1. Nature of the Committee**

The ESG Committee is a permanent internal informational and consultative body of the Board of Directors of the Company, without representative or executive duties, with information, advisory and proposal-making powers within its scope of action and which shall be governed by the provisions set forth in the By-Laws, in the Regulations of the Board of Directors and in these Regulations.

**Article 2. Scope**

These Regulations are applicable to members of the ESG Committee of the Company, who must be familiar with, comply with, and ensure compliance with, the contents of these Regulations.

**Article 3. Interpretation and amendments**

- 3.1. These Regulations supplement the provisions established for the ESG Committee under the By-Laws of the Company and the Regulations of the Board of Directors of the Company, and must be interpreted in accordance with general criteria for the interpretation of legal provisions (in essence, taking the spirit and purpose of the same into account), and with principles and recommendations in relation to the corporate governance of listed companies approved by the competent Spanish authorities. The Board of Directors can clarify the contents of these Regulations.
- 3.2. Approval and amendments to these Regulations shall be approved by the

Board of Directors. Amendments to these Regulations may be done at the request of the ESG Committee itself, its Chairman, the Chairman of the Board of Directors or one-third (1/3) of the members of the Board of Directors when, in their opinion, circumstances that render such amendments convenient or necessary exist.

## **CHAPTER II COMPOSITION OF THE ESG COMMITTEE**

### **Article 4. Quantitative and qualitative composition**

- 4.1. According to the Regulations of the Board of Directors, the ESG Committee will be comprised by a minimum of three (3) and a maximum of five (5) Directors appointed by the Board of Directors of the Company upon the proposal of the Appointments and Compensations Committee, the majority of whom must be Independent Directors.
- 4.2. The members of the ESG Committee shall be appointed taking into account their knowledge and experience with regard to sustainability, social and environmental liability, corporate governance, business ethics and corporate communication.
- 4.3. Likewise, all of the members of the ESG Committee as a whole shall have relevant technical knowledge in connection with the sector of activity in which the Company operates.

### **Article 5. Term of office and reappointment**

- 5.1. The ESG Committee members shall remain in their positions for a period not exceeding that of their term as Directors and may only be reappointed when they were reappointed as Directors.
- 5.2. Committee members who are re-elected as Directors of the Company by resolution of the shareholders at a General Shareholders' Meeting shall continue in their positions on the Committee, without the need for a new election, unless the Board of Directors resolves otherwise.

### **Article 6. Positions**

- 6.1. The ESG Committee will designate a Chairman from among its members with the category of Independent Directors who must be a Director with sufficient capacity and availability to provide greater dedication to the Committee than the rest of the members thereof.

- 6.2. The ESG Committee shall appoint a Secretary, who may not be a member of said Committee, and who will assist its Chairman and shall provide for the correct operation of the ESG Committee ensuring that the minutes reflect the progress of the meetings and the content of the discussions and decisions taken.

#### **Article 7. Removal of members**

The members of the ESG Committee shall be removed from their position:

- i. as a result of their resignation as Directors;
- ii. when the Board of Directors so decide.

### **CHAPTER III COMPETENCES OF THE ESG COMMITTEE**

#### **Article 8. Competences of the ESG Committee**

- 8.1. The main function of the ESG Committee is to promote the implementation of the Company's policy in terms of environmental social governance ("**ESG**") approved by the Board of Directors and in particular the management of corporate governance matters, environmental social responsibility, ethic and transparency as well as to advise the Board of Directors within its field of competence.
- 8.2. Without prejudice to any other duties that are assigned to it, the ESG Committee shall have at least the following duties:
- i. To promote the Company's policy in terms of ESG and of the Applus + Group supervising and ensuring the adoption and effective implementation of good practices in the field of environmental social governance responsibility, good governance, ethics and transparency and procuring that expectations of the various stakeholders in the framework of value creation are taken into account.
  - 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 Company's policy in terms of ESG approved by the Board of Directors.
  - 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 Company's policy in terms of ESG and to such other policies or codes that, within the scope of its functions, it may promote.

- iv. Likewise, to define the necessary organization and coordination for the implementation of such initiatives and strategies for the Company's policy in terms of ESG including, if necessary, the possibility to appoint ad-hoc committees to monitor specific areas that, in its view, may require specialized dedication.
- v. To assess, review and monitor the development and implementation of initiatives and plans of the Company in implementing the Company's policy in terms of ESG, by monitoring their compliance with the indicators defined.
- vi. To monitor and to evaluate the preparation and the integrity of the annual report on corporate governance, the annual report on ESG matters and any other mandatory non-financial information, coordinating whenever necessary the process for reporting such information in accordance with applicable regulations and international reference standards.
- vii. To issue the reports and take such other actions on ESG matters as may be requested by the Board of Directors or by its Chairman.
- viii. To establish and to monitor a mechanism whereby employees and other persons related to the Company, such as Directors, shareholders, suppliers, contractors or subcontractors can 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.
- ix. To oversee 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, including small and medium-sized shareholders.

- x. To periodically evaluate the effectiveness of the Company's corporate governance system and of the Company's policy in terms of ESG, 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.
- xi. To monitor and evaluate the Company's interaction with its stakeholder groups.
- xii. To monitor that the Company's environmental and social practices are in accordance with the established strategy and policy.
- xiii. To oversee the acting of the Company in respect of training, reporting and investigations.

#### **Article 9. Specialized committees**

The ESG Committee may delegate the corresponding functions to specialized committees.

### **CHAPTER IV RIGHTS AND DUTIES OF THE ESG COMMITTEE MEMBERS**

#### **Article 10. Faculties of information participation and assistance of experts**

- 10.1. The 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.
- 10.2. The ESG Committee will have access to the information and documentation necessary to carry out its duties.
- 10.3. In order to promote a diversity of opinions that enriches the analysis and proposals of the Committee, the Chairman of the Committee shall ensure that all of the members freely participate in the deliberations, without being affected by internal or third-party pressures, and shall encourage constructive dialogue among them, promoting free expression and a critical attitude.

The Chairman of the Committee shall channel and provide the information and documentation required to the other members of the Committee sufficiently in advance of each meeting so that they can properly analyse it and

prepare for the meeting.

- 10.4. In order for the ESG Committee to best fulfil its duties, it may seek advisory services from external professionals, with regard to aspects of a technical or a particularly important nature in order to ensure the proper alignment of interests, for the purpose of which the provisions set forth in Article 24 of the Regulations of the Board of Directors shall apply and bearing in mind any possible conflict of interest when hiring said expert.

#### **Article 11. General duties of the ESG Committee Members**

- 11.1. Committee members must act with independence of judgement and action with respect to the rest of the organisation and perform their work with the utmost diligence and professional competence. In particular, attendance at meetings of the Committee shall be preceded by the sufficient dedication of its members to analyse and evaluate the information received.
- 11.2. In exercising their powers, the members of the Committee shall comply with the provisions of these Regulations and applicable law on professional scepticism and critical attitude regarding the conclusions reached by the Executive Directors and members of senior management of the Company, acknowledging the arguments for and against, and with each of the members, and the Committee as a whole, forming their and its own position.
- 11.3. Committee members are subject as such to all of the duties of a Director set forth in the Regulations of the Board of Directors, to the extent they are applicable to the responsibilities discharged by the Committee.

#### **Article 12. Information to the Board of Directors**

The Chairman of the Committee shall inform the Board of Directors, at the next meeting thereof following the meetings of the Committee, of the matters dealt with and the resolutions adopted during its meetings.

#### **Article 13. Evaluation of the operation of the Committee**

- 13.1. Within the framework of the annual evaluation provided for in the Regulations of the Board of Directors, the Committee shall independently evaluate the performance thereof in order to strengthen the operation thereof and improve planning for the next financial year, for which purpose it shall ask the opinion of the other directors.
- 13.2. In the interest of greater transparency, the report on the functioning of the Committee referred to under article 20.3 of these Regulations shall state



the extent to which the evaluation has caused significant changes in the organisation and procedures of the Committee.

## **CHAPTER VI OPERATION OF THE ESG COMMITTEE**

### **Article 14. Annual Work Plan**

14.1. Before the beginning of each financial year, the Committee shall approve an annual work plan that contemplates at least the following aspects:

- i. The specific goals established for the financial year relating to each of the competences of the Committee, especially those that might be new or relate to significant issues.
- ii. Issues that should be dealt with on a recurring or one-time basis during the financial year.
- iii. The planning of an annual calendar of meetings ensuring that there are at least three (3) meetings per year and that they are held on days prior to the meetings of the Board of Directors.

The calendar shall be prepared in accordance with the time that is to be dedicated to the various functions of the ESG Committee and shall take into account the calendar of meetings of the Board and of General Meetings so as to prepare, as appropriate, any reports to be produced on the matters to be dealt by those bodies and the Committee's own activity report.

The proposed calendar shall include the tentative agendas and any appearances that may be deemed necessary. Likewise, where appropriate, the calendar shall be supplemented with the scheduling of preparatory work sessions or meetings on specific issues.

- iv. The planning of the training deemed appropriate for the proper performance of the duties thereof.

14.2 This planning shall take into account that the members of the Committee have responsibilities, mainly of supervision and advice, and should not intervene in the performance or management of matters within the authority of the Company's management.

## **Article 15. Meetings**

- 15.1. The 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.
- 15.2. Meetings shall be planned by the Chairman of the ESG Committee and notified to the Secretary of the Committee so that members receive the documentation sufficiently in advance.

## **Article 16. Attendance of third parties**

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 ESG Committee and to provide their cooperation and access to the information which they possess.

## **Article 17. Call to meetings**

- 17.1. The Secretary of the Committee shall, by order of the Committee's Chairman, call the Committee to meeting sufficiently in advance, except in the case of urgent meetings.
- 17.2. The call to meeting shall be done by any means allowing its receipt and shall include the agenda for the meeting, the venue or the system to hold the meeting and all the necessary documentation to prepare for it, which in any event shall be made available to the Members of the Committee sufficiently in advance.
- 17.3. No prior call to a meeting of the Committee shall be required when all of its members are present and unanimously agree to the holding of the meeting and to the items of the agenda to be dealt with.

## **Article 18. Venue**

- 18.1. Meetings of the Committee shall be held in person at the venue designated in the call to meeting, without prejudice of the possibility that one or several members of the Committee may attend the meeting through any of the systems referred to under the following section.
- 18.2. Meetings of the Committee may be held through multi-conference call, video conference or any other similar system, that permit the recognition and identification of the attendees, the permanent communication among

them and the participation in the meeting and the casting of votes, all in real time, which meeting shall be deemed to be held at the registered office.

#### **Article 19. Constitution and meeting positions**

- 19.1. A valid quorum for Committee meetings shall be established with the attendance, in person or by proxy, of a majority of its members.
- 19.2. The Chairman of the Committee shall preside over the meeting. In the event of the vacancy, illness, incapacity or absence of the Chairman of the Committee, the meeting shall be chaired by the Director having the longest length of service on the Committee, and if equal lengths of service, by the oldest.
- 19.3. The Secretary of the Committee shall act as Secretary for the meeting. In the event of vacancy, illness, incapacity or absence of the Secretary of the Committee, the person appointed by the Committee for such purpose shall act as Secretary.

#### **Article 20. Resolutions**

- 20.1. Resolutions of the Committee shall be adopted by an absolute majority of the votes of the members present at the meeting in person or by proxy. In the event of a tie, the Chairman of the Committee shall have the tie-breaking vote. Likewise, voting by written procedure in lieu of a meeting will be valid if no Committee member objects to such procedure.
- 20.2. For each meeting the Secretary or person acting on its behalf shall issue the minutes of the meeting, which shall be approved by the attending Committee members, signed by the Secretary and the Chairman and entered in a book of minutes. A copy of the minutes shall be made available to all the members of the Board of Directors.
- 20.3. The Chairman of the ESG Committee in the first plenary session of the Board of Directors subsequent to the meeting of the ESG Committee will report its activity and will answer for the work performed. Annually, the ESG Committee will submit a report on its functioning to the Board of Directors.

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