



**Report drafted by the Audit Committee of the Board of Directors of Applus Services, S.A. in relation to the proposed amendment of article 35 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 amendment of section 9 of article 35 of the aforementioned Regulations (*Meetings of the Board of Directors*) which shall be submitted to the Board of Directors for approval at its meeting of February 2021.

As indicated in section III below, this proposal to amend the Regulations is subject to the approval by the next General Shareholders' Meeting of the Company of an amendment to the By-laws in line with the amendment proposed in this Report.

The complete text of the proposed amendment is included in the Annex of this Report. For the purposes of facilitating the identification and understanding of such amendment, the aforementioned Annex includes, for information purposes only, a comparative table of the article whose amendment is proposed, which contains, on the left column, the transcription of the current wording of such article 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. Justification for the proposal**

The proposal subject to this Report aims to hold Board meetings on an exclusively remote basis, since the current legislation requires to keep a physical venue where the Board Secretary must attend in person.

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

Section 9 of article 35 of the Regulations of the Regulations, under its current wording, allows remote attendance to the meetings of the Board of Directors, but provided always that a physical venue be designated when the meeting is called and that the Secretary to the Board of Directors attend such physical venue in person.

Ever since the first state of alarm was declared last March 2020 as a result of the covid-19 pandemic, all meetings of the Board of Directors have been held on an exclusively remote basis pursuant to the exceptional authorizations granted for these purposes under Royal Decree-law 8/2020, of 17 March, first, and then under the above-mentioned

Royal Decree-law 34/2020, of 17 November.

It is now proposed to amend this section 9 of article 35 in order to remove the requirement that the meetings of the Board of Directors must have a physical venue and to allow that they may be held on an exclusively remote basis, in line with the rules provided for the meetings of the three Board Committees under their respective Regulations.

The proposed modification is subject to the prior approval by the General Shareholders' Meeting of the Company of the correlative amendment to section 4 of article 27 of the By-laws, which regulates the remote participation in the Board of Directors.

In Madrid, on 17 February 2021.

Annex

**Full text of the proposed amendment**

CURRENT TEXT	PROPOSED TEXT
[...]	[...]
<b>Article 35. - Meetings of the Board of Directors</b>  [...]	<b>Article 35.- Meetings of the Board of Directors</b>  [...]
35.9 Meetings of the Board of Directors may be held through multi-conference call, video conference or any other similar system, so that one or several Directors may attend the meeting using the systems indicated. To this end, the meeting call, in addition to indicating the place where it will take place, where the Secretary of the Board of Directors shall attend, must indicate the possibility of attending the meeting through conference call, video conference or any equivalent system, and shall indicate and make available the technical resources required for this purpose, which in any case should enable direct or simultaneous communication of the attendees.	35.9 Meetings of the Board of Directors may be held through multi-conference call, video conference or any other similar system, <u>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.</u> <del>so that one or several Directors may attend the meeting using the systems indicated. To this end, the meeting call, in addition to indicating the place where it will take place, where the Secretary of the Board of Directors shall attend, must indicate the possibility of attending the meeting through conference call, video conference or any equivalent system, and shall indicate and make available the technical resources required for this purpose, which in any case should enable direct or simultaneous communication of the attendees.</del>

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