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**To the *Comisión Nacional del Mercado de Valores***

In accordance with article 228 of Spanish Securities Exchange Act (*Texto Refundido de la Ley del Mercado de Valores, aprobado por el Real Decreto Legislativo 4/2015, de 23 de octubre*), Applus Services, S.A. (hereinafter, “**Applus**”) notifies the following

**RELEVANT INFORMATION**

**Resolutions approved by the General Shareholders’ Meeting**

The General Shareholders’ Meeting of Applus held today on second call, has approved with sufficient majority each and every resolution included in the Agenda of such General Shareholders’ Meeting. Such resolutions are attached hereto as an Annex to this Relevant Information disclosure.

The above is disclosed as relevant information to all effects, in Madrid, on 31 May 2018

**Applus Services, S.A.**



**RESOLUTIONS OF THE GENERAL SHAREHOLDERS MEETING OF  
APPLUS SERVICES, S.A.**

**31 May 2018**

**RESOLUTION REGARDING ITEM FIRST OF THE AGENDA**

**Review and approval of the Individual Annual Accounts and Management Report of Applus, as well as the Consolidated Annual Accounts of Applus and its subsidiaries and the Consolidated Management Report, for the financial year ended on 31 December 2017**

To approve the individual Financial Statements of the Company (balance sheet, profit and loss account, statement of changes in equity, cash-flow statement and notes) and Applus' Management Report for the financial year ended on 31 December 2017, as well as the consolidated Financial Statements of the Company and its subsidiaries (consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity, cash-flow consolidated statement and consolidated notes) and Applus' Consolidated Management Report for the financial year ended on 31 December 2017, which were drawn-up by the Board of Directors at its meeting held on 21 February 2018 and duly reviewed by the auditor of the Company.

**RESOLUTION REGARDING ITEM SECOND OF THE AGENDA**

**Approval of the proposed allocation of Appplus' profits of the financial year ended on 31 December 2017**

To approve the proposal for the allocation of the result of the financial year ended 31 December 2017, in accordance with the formulation approved by the Board of Directors at its meeting held on 21 February 2018, as follows:

| <b>BASIS OF ALLOCATION</b>                  | <b>Euro thousands</b> |
|---|-----------------------|
| Profit for the year                         | 31,059                |
| <b>TOTAL</b>                                | <b>31,059</b>         |
| <b>DISTRIBUTION</b>                         | <b>Euro thousands</b> |
| Dividend (gross amount of € 0.13 per share) | 18,592                |
| Legal reserve                               | 260                   |
| Unrestricted reserves                       | 12,207                |
| <b>TOTAL</b>                                | <b>31,059</b>         |

This dividend shall be paid out on 12 July 2018 via the participating entities of Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal (IBERCLEAR).

The Board of Directors is empowered, with express powers of substitution, to appoint the entity which shall act as paying agent and to undertake any other actions necessary or convenient to successfully pay the dividend.

**RESOLUTION REGARDING ITEM THIRD OF THE AGENDA**

**Approval of the management and performance of the Board of Directors of Applus during the financial year ended on 31 December 2017**

To approve the performance and the management of the Board of Directors of Applus in the financial year ended on 31 December 2017.

**RESOLUTION REGARDING ITEM FOURTH OF THE AGENDA**

**Reelection of Deloitte, S.L. as external auditor of the Company and its consolidated Group for the financial year 2018**

At the proposal of the Audit Committee, to re-elect Deloitte S.L., with registered offices in Madrid, Plaza Pablo Ruiz Picasso, 1, (Torre Picasso), 28020, and Spanish tax identification number (N.I.F.) B-79104469, registered with the Madrid Commercial Register, at Volume 13,650, Sheet 188, Section 8, Page M-54414, and with the Official Register of Spanish Auditors (*Registro Oficial de Auditores de Cuentas de España - ROAC*) under number S-0692, as external auditor of Applus Services, S.A. and of its Consolidated Group for the year ending on 31 December 2018.

**RESOLUTION REGARDING ITEM FIFTH OF THE AGENDA**

**Reelection of the following directors:**

**1. Mr. Christopher Cole**

At the proposal of the Appointments and Compensation Committee, to reelect Mr. Christopher Cole (whose personal particulars are recorded in the Commercial Registry) as independent director for a term of four years.

**2. Mr. Fernando Basabe Armijo**

At the proposal of the Board of Directors and upon a favourable report from the Appointments and Compensation Committee, to reelect Mr. Fernando Basabe Armijo (whose personal particulars are recorded in the Commercial Registry) as executive director for a term of four years.

**3. Mr. Ernesto Gerardo Mata López**

At the proposal of the Appointments and Compensation Committee, to reelect Mr. Ernesto Gerardo Mata López (whose personal particulars are recorded in the Commercial Registry) as independent director for a term of four years.

**4. Mr. John Daniel Hofmeister**

At the proposal of the Appointments and Compensation Committee, to reelect Mr. John Daniel Hofmeister (whose personal particulars are recorded in the Commercial Registry) as independent director for a term of four years.

**5. Mr. Richard Campbell Nelson**

At the proposal of the Appointments and Compensation Committee, to reelect Mr. Richard Campbell Nelson (whose personal particulars are recorded in the Commercial Registry) as independent director for a term of four years.

**RESOLUTION REGARDING ITEM SIXTH OF THE AGENDA**

**Advisory vote regarding the Directors' Remuneration Annual Report for 2017**

To approve, by an advisory vote, the Director's Remuneration Annual Report corresponding to year 2017, which was approved by the Board of Directors of the Company on 21 February 2018, at the proposal of the Appointments and Compensation Committee.



**RESOLUTION REGARDING ITEM SEVENTH OF THE AGENDA**

**Approval of new Directors' Remuneration Policy**

To approve, pursuant to the provisions of section 529 novodecies of the Spanish Companies Act, a new Directors' Remuneration Policy for years 2018, 2019 and 2020 which is attached to this resolution.

It his hereby noted that, as this Directors' Remuneration Policy includes a remuneration system based on the delivery of shares in the Company, it is also subject to a separate vote under the following item Eighth of the Agenda.

**ANNEX TO RESOLUTION REGARDING ITEM SEVENTH OF THE AGENDA**

**Directors' Remuneration Policy**

**REMUNERATION POLICY OF THE DIRECTORS OF APPLUS SERVICES, S.A.**

**1. Duration of the policy**

The Remuneration Policy will be in force during the present financial year 2018 and the following two years (2019 and 2020) unless an agreement amending or replacing such policy is passed at the Annual General Meeting during its applicable period, in accordance with article 529 novodecies of the Spanish Corporate Companies Act.

**2. Principles and grounds**

The principles and grounds of the directors' Remuneration Policy of Applus, in their capacity as board members and for the performance of executive duties, are based on a remuneration centered on market practices, capable of attracting, retaining and motivating the necessary talent in accordance with the characteristics of its industry and of the countries in which the Company operates in order to satisfy its business needs and shareholders' expectations.

Likewise, according to article 27.2 of the Board of Directors Regulation of the Company, independent directors shall be eligible for remuneration as a reward for the dedication, qualification and responsibility that the office demands, however, this remuneration should not reach a level which compromises their independence.

In any case, the directors' remuneration provided for in this Remuneration Policy will be reasonably proportionate to the importance of the Company, the economic situation and the market standards of comparable companies. Furthermore, the remuneration system is oriented towards the promotion, in the long-term, of the profitability and sustainability of the Company and it incorporates the necessary cautions to avoid an excessive assumption of risks and the reward of unfavourable results.

**3. Remuneration for directors, in their condition as such**

The office of director of the Company is remunerated. In general, such remuneration comprises a fixed annual amount, as follows:

- (i) The maximum amount of the annual remuneration for the Board of Directors as a whole, in their capacity as board members (as fixed amount), will be approved by the General Shareholders' Meeting. If such sum is not set by the General Shareholders' Meeting, the amount will be the same as that set for the preceding year.

- (ii) The Board of Directors will set the specific remuneration for each director, in his/her condition as board member (as fixed amount), taking into account the functions and responsibilities attributed to each director, if they sit in Board committees and any other objective circumstances that may be deemed relevant.

Notwithstanding the above, proprietary and executive directors shall not receive any remuneration for sitting on the Board of Directors or any other committee of the Board of Directors.

The maximum amount the Company can pay to the Company directors, as fixed annual amount, in their capacity as board members, for each financial year in which this Policy is in force, shall not exceed EUR 1,500,000. This amount aims to grant the board of directors with certain leeway should it be necessary to increase the number of members of the board of directors while this Policy is in force. In addition, directors will be reimbursed for travel, accommodation and any other expenses incurred due to attendance to Board of Directors and Committees meetings, as long as they are duly justified.

The Company has entered into a civil liability insurance policy for its directors on market conditions.

#### **4. Directors' remuneration for the performance of executive duties**

As of this date, Mr. Fernando Basabe Armijo is the only member of the Board of Directors performing executive functions in the Company.

##### *4.1 Fixed remuneration*

The fixed remuneration to be paid to the executive director (with effect from January 1, 2018) amounts to EUR 750,000. During the term of this Remuneration Policy, said amount may be increased with reference to the Consumer Price Index or any other index which may substitute it in the future.

Furthermore, the executive director of the Company shall receive other benefits as remuneration in kind, for a maximum amount equal to 10% of the fixed remuneration in cash, in accordance with the Directors' Remuneration Annual Report and the executive director contract. In addition, the Company will annually contribute to the executive director's pension scheme an amount equal to the difference between the referred 10% of the fixed remuneration and the amount of the actual benefits received by the executive director as remuneration in kind in said year.

##### *4.2 Variable remuneration*

Pursuant to article 27.1 of the Board of Directors' Regulation, remuneration comprising the delivery of shares of the Company or of its group companies, share options or other share-indexed instruments, variable payments indexed to the Company's performance or membership of pension schemes will be confined to executive directors. Deductions should be made to remuneration linked to Company earnings in line with any

qualifications stated in the external auditors' report that reduce such earnings.

The variable remuneration for the executive director comprises (i) a variable annual amount both in cash and by means of the free delivery of rights over the Company shares called restricted stock units (“**RSUs**”) linked to achieving targets; and (ii) a long term incentive plan.

- (i) The executive director's variable annual remuneration will be linked to achieving targets (based on the Group's adjusted operating profit and operating cash flow).

The variable amount will be increased by 2% for every increment of 1% achieved in excess of the targets, up to a maximum of 150% of the variable base target, which is established as 80% of the fixed remuneration paid in cash (that is, Eur 600,000). 62.5% of the variable remuneration to be received shall be paid in cash and the remaining 37.5% through the delivery of RSUs.

For the sake of clarity, for instance, on the basis of the abovementioned criteria, if one year the amount of the remuneration to be received matches the variable base target (Eur 600,000), Eur 375,000 would be received in cash and Eur 225,000 by RSUs.

On the other hand, if the targets are not achieved, the variable remuneration will be reduced by 5% for every decrease of 1% on the targets.

The basis for the calculation of the RSUs to be delivered to the executive director will be the average market value of Applus Services, S.A. shares during the 30-day period prior to the date of delivery of the RSUs. The RSUs will be delivered every year on the date of approval by the Board of Directors of Applus Services, S.A.'s annual results and the amount of the executive director's annual variable remuneration. Specifically, the first RSUs will be delivered in February 2019.

Each RSU shall be vested into one share of Applus Services, S.A. within a three-year period as from the date they were awarded, on a 30% basis for the first two years and a 40% basis for the last year. The first RSUs delivered will be vested into shares in February 2020. Likewise, the RSUs might be vested in advance in certain circumstances.

- (ii) Each year the long term incentive plan (which started in 2016 under the former Remuneration Policy) awards the executive director PSUs (Performance Stock Units) equal to, in principle, 60% of his fixed remuneration (even though, depending on the degree of achievement of the parameters set forth below such amount may finally fluctuate between a minimum of 0% and a maximum of 120% of his fixed remuneration), where the value of each PSU is equivalent to the average quote value of a share in the Company during the thirty days prior to the granting of the PSUs. Each PSU will be exchangeable for one Company share in accordance with the vesting schedule referred to below.

The PSUs will be granted every year on the date of approval by the Board of Directors of Applus Services, S.A.'s annual results, even though the number of PSUs to be delivered may be adjusted over the course of the year if the executive director's fixed remuneration is modified (as it will be the case in year 2018 as a result of the modifications introduced by this Remuneration Policy). Notwithstanding the latter, the day of delivery of the additional PSUs shall be considered as the date of approval of the corresponding annual results.

The PSUs awarded in each year shall be vested into shares within a three-year period as from the day they were awarded provided that certain parameters regarding total shareholder return and adjusted earnings per share reported by Applus, as set out below, are met. The number of PSUs that will be vested will have a value between 0% and 120% of the fixed remuneration of the executive director depending on the degree of compliance with such parameters during the three years prior to the vesting, so as to ensure that the vesting reflects the professional performance of the executive director during each three-year period. Provided the conditions are met, the first PSUs granted in 2016 will vest in February 2019.

In particular, the vesting of PSUs will be based on the following quantitative parameters:

- a) A target based on relative total shareholder return ("**TSR**") within a three-year period, where the Company's TSR will be compared with an unweighted index composed of a group of peer companies within the testing, inspection and certification industry.

This parameter will represent 40% of the total PSUs granted each year.

In particular, within this 40%, 50% of PSUs will be vested should the TSR performance be equal to the index and 200% of PSUs will be vested should the TSR performance be 5% greater on an annual cumulative basis than the index. Between the index and the TSR value that gives right to vest 200% of PSUs, there will be a straight line vesting between such two values. As a result, 100% of PSUs will be vested should the TSR performance be 1.67% greater than the index.

If the TSR performance is below the index, no PSUs will vest for this parameter.

- b) A target regarding adjusted earnings per share ("**EPS**") accumulated within a three-year period.

This parameter will represent 60% of the total PSUs granted each year.

The Board of Directors will set specific thresholds for this EPS target at which 50%, 100% and 200% (within the 60% this parameter represents) of

target PSUs will be vested. The maximum number of PSUs that will be vested will be 200% of the target PSUs.

If the EPS performance is below the specific threshold that gives right to vest 50% PSUs, no PSUs will vest for this parameter.

If accredited inaccuracies in the data taken into account for the purpose of awarding the PSUs are observed, mechanisms will be implemented so that the Company may claim the refund of the amount corresponding to the relevant PSUs, net of any withholding, taxes or fees, effectively received by the executive director.

Likewise, the PSUs may vest early if some events occur.

#### *4.3 Main terms and conditions of the executive director's contract*

The essential terms and conditions of the executive director's contract are, apart from those relating to his remuneration, the following:

- (i) Duration: the executive director's contract is of indefinite term.
- (ii) Exclusivity: while he performs executive duties, the executive director may not hold any direct or indirect interest in any other business or activity which may represent a conflict of interests in relation to the Company's obligations and liabilities or in relation to its activity and that of the Applus Group.
- (iii) Termination: the executive director's contract may be terminated, at any moment, at the request of the executive director or the Company, provided that it is notified in writing to the other party. Six months' advance notice must be provided in any case. In this context, the executive director is not entitled to any compensation as a result of the termination of the contract, except for the provisions contained in the non-competition agreement. Nevertheless, if the executive director or the Company fully or partially breaches the advance notice obligation, the other party would be entitled to an indemnity equal to the fixed remuneration of the executive director relating to the duration of the breached advance notice period.
- (iv) Post-contractual non-competition agreement: in the two years following the termination date of the contract, the executive director will not compete against the Company or any Applus Group company. Competition shall be understood as the provision of any kind of services, on his own behalf or on behalf of a third party, whether it entails executive duties or mere advisory duties, or the direct or indirect promotion of the incorporation of companies and entities that will develop a competing business, as well as equity stake in these companies or entities. For these purposes, a competing business shall be deemed as any activity that, at the time of termination of the executive director's contract, is being developed by any company belonging to the Applus Group in a certain territory or it is scheduled to start being developed in a certain territory within

the 12 months following the termination of the executive director's contract. Likewise, the executive director will not recruit nor participate in the recruitment (for him or for the entity which he represents or in which he performs his activities) of employees who, at the date of termination of their contract or in the preceding twelve months, form part or have formed part of the Company's workforce or that of any Applus Group.

In order to adequately meet the aforementioned non-competition commitments assumed by the executive director once the contract has been terminated, upon such termination (whether at the request of the executive director or the Company), the executive director shall be entitled to receive an amount equal to the double of the fixed annual remuneration received in cash in the last year prior to the termination of the contract, that will be paid for the 24-month period following such termination by means of 24 equal installments. The referred amount shall be reduced by the sum that, as the case may be, the Company would have to grant the executive director as legal compensation – which might result from the enforcement of the applicable law – for the termination of the contract, so that the total amount to be received by the executive director once the contract has been terminated does not exceed, in any case, the double of the fixed remuneration that he received in the last year prior to the termination of the contract. Such reduction would be equally apportioned among the monthly payments pending to be paid.

Should the executive director breach this commitment and compete with the Company and with any Applus Group company, he must return the amounts paid by the Company to compensate the agreement.

It must be noted that part of the compensation formerly received by the executive director for its non-competition commitments (that is, 30% of the fixed remuneration in cash) will be deemed as consolidated into his fixed remuneration, without it being linked to the non-competition agreement in any way that, as from this date, will only be awarded as stated above.

## RESOLUTION REGARDING ITEM EIGHTH OF THE AGENDA

### Approval of shares delivery plan as part of the variable remuneration of the Chief Executive Officer

To approve, pursuant to the provisions of section 219 of the Spanish Companies Act, as well as article 25.6 of the By-laws of Applus Services, S.A. (“**Applus**” or the “**Company**”), the free delivery of rights over Company shares called *restricted stock units* (“**RSUs**”), linked to achieving targets, which shall be considered as part of the variable annual remuneration of the Chief Executive Officer (the “**Annual Remuneration in RSUs**”), in accordance with the following terms and conditions:

1. **Beneficiary:** Applus’ Chief Executive Officer.
2. **Purpose:** The Chief Executive Officer’s variable annual remuneration aims to award the Beneficiary with a variable annual amount, in cash and by means of the delivery of RSUs, which shall be linked to achieving targets (based on the Applus Group’s adjusted operating profit and operating cash flow).

The variable amount will increase by 2% for each 1% achieved in excess of the targets, up to a maximum of 150% of the variable base target, comprising 80% of the fixed remuneration paid in cash (that is, EUR 600,000). Further, 62.5% of the variable remuneration to be received would be paid in cash and 37.5% by the delivery of RSUs.

On the other hand, if the targets are not achieved, the variable remuneration will decrease by 5% for every 1% by which the targets are missed.

3. **Maximum number of shares allocated to the Annual Remuneration in RSUs:** The total number of Applus shares to be delivered to the Beneficiary will depend on the number of RSUs awarded to the Chief Executive Officer, which shall be vested into Applus shares with the vesting schedule referred to below.

Therefore, the number of shares that will finally be awarded annually will depend on the amount of the annual variable remuneration corresponding to the Beneficiary according to the degree of achievement of the established targets (with a maximum of 150% of the EUR 225,000 that may be paid by means of the delivery of RSUs) and to the average market value of Applus shares during the 30-day period prior to the date of delivery of the RSUs.

If the Beneficiary reached the maximum degree of achievement, and therefore, had the right to the maximum amount of remuneration, the maximum total number of RSUs to be annually delivered by the Company (which, consequently, shall be vested into Applus shares with the vesting schedule referred to below) will be equivalent to the result obtained from dividing EUR 337,500 (that is, EUR



225,000 multiplied by 150%) by the average market value of Applus shares during the 30-day period prior to the date of delivery of the RSUs.

The shares to be delivered in exchange for the vesting of the RSUs shall be owned by the Company, and may be newly-issued shares, treasury shares or shares purchased in the market.

4. **Term of delivery of the RSUs and vesting schedule:**

The RSUs will be delivered every year on the date of approval of the Company's annual result by the Board of Directors of Applus and the amount of the Chief Executive Officer's annual variable remuneration. Specifically, the first RSUs will be delivered in February 2019.

Each RSU shall be vested into one Applus share within a three-year period as from the date they were awarded, on a 30% basis for the first two years and a 40% basis for the last year. The first RSUs delivered will be vested into shares in February 2020. Likewise, the RSUs might be vested in advance in certain circumstances.

5. **Reference value:** The basis for the calculation of the RSUs to be delivered to the Beneficiary will be the average market value of Applus Services, S.A. shares during the 30-day period prior to the date of delivery of the RSUs.
6. **Duration of the Annual Remuneration in RSUs:** The Annual Remuneration in RSUs will have an indefinite term, provided that it is foreseen in the Directors' Remuneration Policy of Applus in force.
7. **Delegation of powers:** It is resolved to authorise the Applus' Board of Directors, with express power of further delegation, to implement, develop, formalise, execute and pay the Annual Remuneration in RSUs, passing any resolutions and signing any public or private documents as may be necessary or appropriate for its full effectiveness.

**RESOLUTION REGARDING ITEM NINTH OF THE AGENDA**

**Approval of the maximum amount of the directors' remuneration for the financial year ending on 31 December 2018**

For the purposes of article 217.3 of the Spanish Companies Act and article 25.2 of Applus' By-laws, it is agreed to set in ONE MILLION FIVE HUNDRED THOUSAND EUROS (€1,500,000) the maximum amount of the annual remuneration of the Independent Directors in their condition as such. Said amount shall be applicable for the year 2018 and will remain in force as long as the General Shareholders' Meeting does not agree to amend it, and it may be reduced by the Board of Directors in accordance with the provisions included in the referred article of Applus' By-laws.

According to said article of Applus' By-laws, the Board of Directors shall be responsible for the distribution of the exact amount payable to each Director taking into consideration the roles and responsibilities of each Independent Director on the Board and each of its Committees.

## **RESOLUTION FOR ITEM ELEVENTH OF THE AGENDA**

**Authorisation to the Board of Directors to increase the share capital within a period of five years, with the power to exclude pre-emptive rights, up to a maximum nominal amount of 10% of the existing share capital if pre-emptive rights are excluded, pursuant to the provisions of articles 297.1.b) and 506 of the Spanish Companies Act.**

To authorise the Board of Directors to increase the share capital on one or more occasions and at any time upon the terms and within the limits set out in section 297.1.b) of the Spanish Companies Act, i.e. within a term of five years from the date of approval of this resolution and by up to one-half of the current share capital.

Increases in share capital under this authorisation shall be carried out through the issuance and flotation of new shares –with or without a premium– the consideration for which shall be cash contributions.

In each increase, the Board of Directors shall decide whether the new shares to be issued are ordinary, preferred, redeemable, non-voting, or any other kinds of shares among those permitted by law.

As to all matters not otherwise contemplated, the Board of Directors may establish the terms and conditions of the increase in share capital and the characteristics of the shares, and may also freely offer the new shares that are not subscribed for within the period or periods for the exercise of pre-emptive rights. The Board of Directors may also resolve that, in the event of incomplete subscription, the share capital shall be increased only by the amount of the subscriptions made.

In connection with the increases in share capital that may be carried out under this authorisation, the Board of Directors is authorised to totally or partially exclude pre-emptive rights as permitted by section 506 of the Spanish Companies Act, provided, however, that such power shall be limited to increases in share capital carried out pursuant to authorisations granted by the shareholders at this General Shareholders' Meeting up to a maximum amount equal, in the aggregate, to 10% of the current share capital of the Company.

The Company shall, when appropriate, make application for trading of the shares issued under this authorisation on Spanish or foreign, official or unofficial, organised or other secondary markets, and the Board of Directors shall be authorised to carry out all acts and formalities that may be required for admission to listing with the appropriate authorities of the various Spanish or foreign securities markets.

Due to the authorisation, the Board of Directors is empowered to amend the article of the By-Laws related to the share capital once the increase is agreed and executed.

The Board of Directors is expressly authorised to further delegate to any director the powers delegated in its favour by virtue of this resolution.

This resolution fully repeals the authorisation to increase the share capital granted to the Board of Directors by the General Shareholders' Meeting held on 21 June 2017 under item Eleventh of the agenda.

## RESOLUTION FOR ITEM TWELFTH OF THE AGENDA

**Authorisation to the Board of Directors to issue debentures or bonds that are exchangeable for and/or convertible into shares of the Company for a maximum amount of Eur 200 million within a period of five years, with the power to exclude pre-emptive rights, and to increase the share capital to the extent required for conversion, up to a maximum nominal amount of 10% of the existing share capital if pre-emptive rights are excluded, pursuant to the provisions of article 511 of the Spanish Companies Act.**

“To authorise the Board of Directors to issue debentures and bonds exchangeable for shares of the Company or of any other company and/or convertible into shares of the Company, according to the following terms and conditions:

1. **Term:** The issuance of the securities covered by the authorisation may be effected on one or more occasions within a maximum period of five years following the date of approval of this resolution.
2. **Maximum Amount:** The maximum total amount of the issuance(s) of securities approved under this authorisation shall be Eur 200,000,000 or the equivalent thereof in another currency.
3. **Scope:** For each issuance, the Board of Directors shall be authorised to, among other things, determine the amount thereof, always within the above-mentioned overall quantitative limit, the place of issuance (in Spain or abroad) and the domestic or foreign currency and, in the case of foreign currency, its equivalence in euros; the specific instrument to be issued whether bonds or debentures, including subordinated bonds or debentures, or any other form permitted by law; the date or dates of issuance; the number of securities and the nominal value thereof, which, in the case of convertible and/or exchangeable bonds or debentures, shall not be less than the par value of the shares; the interest rate (whether fixed or variable); the dates and procedures for payment of the coupon; whether the instrument issued is perpetual or subject to repayment and, in the latter case, the period for repayment and the maturity date or dates; guarantees, reimbursement rate, premiums, and lots; the form of representation, as securities or book entries; the establishment of anti-dilution provisions; the rules applicable to subscription; the rank of the securities and the subordination clauses, if any; the law applicable to the issuance; the power to make application, where appropriate, for the trading of the securities to be issued on Spanish or foreign, official or unofficial, organised or other secondary markets, subject to the requirements established by applicable regulations in each case and, in general, any other terms of the issuance, as well as, if applicable, the appointment of the security-holders' syndicate representative (*comisario*) and the approval of the basic rules that are to govern the legal relations between the Company and the syndicate of holders of

the securities to be issued in the event that such syndicate must or is decided to be created.

In addition, the Board of Directors is authorised such that, when it deems it appropriate and subject, if applicable, to any appropriate authorisations being secured and to the consent of security-holders coming together at a meeting of the corresponding syndicates of security-holders, it may modify the terms and conditions applicable to the repayment of the fixed-income securities issued as well as the respective period thereof, and the rate of interest, if any, accrued by the securities included in each of the issuances effected under this authorisation.

4. **Basis for and Terms and Conditions Applicable to the Conversion and/or Exchange:** The specific terms and conditions for the conversion and/or exchange of the debentures and bonds to be issued under this authorisation shall be subject to the following standards:

- (i) The securities issued pursuant to this resolution shall be exchangeable for shares of the Company or of any other company and/or convertible into shares of the Company, in accordance with a fixed or variable conversion and/or exchange ratio determined or to be determined, with the Board of Directors being authorised to determine whether they are convertible and/or exchangeable, as well as to determine whether they are mandatorily or voluntarily convertible and/or exchangeable, and if voluntarily, at the option of the holder thereof or of the Company, at the intervals, and during the period established in the resolution providing for the issuance, which may not exceed thirty years from the date of issuance.
- (ii) In the event that the issue is convertible and exchangeable, the Board of Directors may also provide that the issuer reserves the right at any time to elect between conversion into new shares or the exchange thereof for outstanding shares of the Company, with the nature of the shares to be delivered being determined at the time of conversion or exchange, and may also elect to deliver a combination of newly-issued shares and existing shares of the Company and even to pay the difference in cash. In any event, the issuer shall afford equal treatment to all holders of fixed-income securities converting and/or exchanging their securities on the same date.
- (iii) For purposes of the conversion and/or exchange, the securities shall be valued at the nominal amount thereof and the shares at the fixed exchange ratio established in the resolution of the Board of Directors making use of this authorisation, or at the variable ratio to be determined on the date or dates specified in the resolution of the Board, based on the listing price of the Company's shares on the date(s) or during the period(s) used as a reference in such resolution. In any event, the fixed ratio thus determined may not be less than the average exchange ratio for the shares on the Bilbao, Madrid, Barcelona, and Valencia Stock Exchanges, through the Automated Quotation System (Continuous Market), in accordance with closing listing

prices during a period to be set by the Board of Directors and which shall not be more than three months or less than five calendar days prior to the date of approval by the Board of Directors of the resolution providing for the issuance of the fixed-income securities or prior to the date of payment of the securities by the subscribers, at a premium or at a discount, as the case may be, on such price per share, provided, however, that if a discount on the price per share is established, it shall not be greater than 25% of the value of the shares used as a reference as set forth above.

- (iv) It may also be resolved that the convertible and/or exchangeable fixed-income securities be issued at a variable conversion and/or exchange ratio. In such case, the price of the shares for purposes of the conversion and/or exchange shall be the arithmetic mean of the closing prices of the shares of the Company on the Continuous Market during a period to be determined by the Board of Directors, which shall not be more than three months or less than five calendar days prior to the date of conversion and/or exchange, at a premium or at a discount, as the case may be, on such price per share. The premium or discount may be different for each date of conversion and/or exchange of each issuance (or for each tranche of an issuance, if any), provided, however, that if a discount is established on the price per share, it shall not be greater than 25% of the value of the shares used as a reference as set forth above.
  - (v) Whenever a conversion and/or exchange is admissible, any fractional shares to be delivered to the holder of the debentures shall be rounded downwards by default to the immediately lower integer, and each holder shall receive in cash, if so provided in the terms of issuance, any difference that may arise in such case.
  - (vi) In no event may the value of the shares for purposes of the ratio for conversion of debentures into shares be less than the par value thereof. Furthermore, debentures may not be converted into shares if the nominal value of the former is less than that of the latter.
  - (vii) When approving an issuance of convertible and/or exchangeable debentures or bonds under the authorisation granted in this resolution, the Board of Directors shall issue a directors' report, elaborating on and specifying, on the basis of the standards described above, the basis and terms and conditions for conversion that are specifically applicable to the respective issuance. This report shall be accompanied by the corresponding audit report as provided by law.
5. **Admission to Trading:** The Company shall, when appropriate, make application for trading of the convertible and/or exchangeable debentures and/or bonds issued by the Company under this authorisation on Spanish or foreign, official or unofficial, organised or other secondary markets, and the Board of Directors shall be authorised as broadly as required to carry out all acts and formalities that may

be required for admission to listing with the appropriate authorities of the various Spanish or foreign securities markets.

It is expressly stated for the record that if application is subsequently made for delisting, it shall be made in compliance with the same formalities as the application for listing, to the extent any such formalities are required, and in such case, the interests of the shareholders or debenture-holders opposing or not voting in favour of the resolution shall be safeguarded as provided by applicable law. In addition, it is expressly stated that the Company undertakes to abide by Stock Market regulations, whether now existing or as may hereafter be issued, particularly as regards trading, continued listing, and delisting.

6. **Guarantee in Support of Issuances of Convertible and/or Exchangeable Fixed-income Securities by Subsidiaries:** The Board of Directors is also authorised to guarantee, on behalf of the Company and within the limits set forth above, new issuances of convertible and/or exchangeable fixed-income securities carried out by subsidiaries during the effective period of this resolution.
7. **Delegation of Powers to the Board of Directors:** This authorisation to the Board of Directors also includes, without limitation, the delegation thereto of the following powers:
  - (i) The power of the Board of Directors, pursuant to the provisions of section 511 of the Spanish Companies Act, to totally or partially exclude the pre-emptive rights of the shareholders. In any event, if the Board of Directors decides to exclude the pre-emptive rights of the shareholders in connection with any specific issuance of convertible bonds or debentures and other securities similar thereto that it ultimately decides to effect under this authorisation, the Board shall issue, at the time of approval of the issuance and pursuant to applicable laws and regulations, a report setting forth the specific reasons based on the corporate interest that justify such measure, on which there shall be prepared the corresponding report of an auditor, other than the Company's auditor and appointed by the Commercial Registry, mentioned in sections 414 and 511 of the Spanish Companies Act. Both such reports shall be made available to the shareholders and disclosed at the first General Shareholders' Meeting that is held following approval of the resolution providing for the issuance.
  - (ii) The power to increase share capital to the extent required to accommodate requests for conversion. Such power may only be exercised to the extent that the Board of Directors, adding the increase in capital effected to accommodate the issuance of convertible debentures or bonds and other similar securities to the other increases in capital approved under authorisations granted by the shareholders at this General Shareholders' Meeting, does not exceed the limit of one-half of the amount of the share capital provided by section 297.1(b) of the Spanish Companies Act.



Likewise, in the event that the Board of Directors had decided to exclude the pre-emptive rights of the shareholders in connection with the specific issuance of convertible bonds or debentures to which the capital increase relates, this power shall in any event be limited to those increases in capital carried out pursuant to authorisations granted by the shareholders at this General Shareholders' Meeting up to a maximum amount equal, in the aggregate, to 10% of the share capital on the date of adoption of this resolution.

This authorisation to increase capital includes the authorisation to issue and float, on one or more occasions, the shares representing such capital that are necessary to carry out the conversion, as well as the power to amend the article of the By-Laws relating to the amount of the share capital and, if appropriate, to cancel the portion of such increase in capital that was not required for the conversion.

- (iii) The power to elaborate on and specify the basis for and specific terms and conditions for the conversion and/or exchange of the debentures and bonds to be issued, taking into account the standards set out in section 4 above.
- (iv) The delegation to the Board of Directors includes the powers required in order to interpret, apply, implement, and develop the resolutions providing for the issuance of securities that are convertible into or exchangeable for shares of the Company, on one or more occasions, and to carry out the corresponding increase in capital, as well as the power to correct and supplement such resolutions as to all matters that may be necessary and to comply with all legal requirements for the successful implementation thereof. To such end the Board of Directors may correct any omissions or defects in the aforementioned resolutions that may be identified by any Spanish or foreign authorities, officials, or bodies, and may also adopt all such resolutions and execute all such public or private documents as it may deem necessary or appropriate in order to adjust the preceding resolutions for the issuance of convertible or exchangeable securities and the corresponding increase in capital to the oral or written assessment of the Commercial Registrar or, in general, of any other competent Spanish or foreign authorities, officials, or entities.

The Board of Directors is expressly authorised to further delegate to any director the powers delegated in its favour by virtue of this resolution.

8. **Revocation of current authorisation:** This resolution fully repeals the authorisation to issue debentures or bonds that are exchangeable for and/or convertible into shares of the Company granted to the Board of Directors by the General Shareholders' Meeting held on 21 June 2017 under item Twelfth of the agenda.”

**RESOLUTION FOR ITEM THIRTEEN OF THE AGENDA**

**Delegation of powers to formalize and implement all resolutions adopted by the General Shareholders' Meeting**

**First.**-To delegate to the Board of Directors the broadest possible powers, including the power to delegate all or part of the powers received to a supervisory committee or to one or more managing directors (*consejeros delegados*), that may be necessary to supplement, construe, develop, clarify, specify, perform and remedy any of the resolutions approved by the General Meeting, and for the purpose of meeting any legal requirements necessary for the enforceability thereof. The power to remedy shall encompass the power to make any modifications, amendments and additions as may be necessary or convenient as a result of any objections or observations made by the regulatory authorities of the securities markets, Stock Exchanges, the Commercial Register and any other competent public authority in connection with the resolutions approved herein.

**Second.**-To delegate jointly and severally to each member of the Board of Directors, the Secretary Non-Director and the Vice Secretary Non-Director the necessary powers to raise to public deed the above corporate resolutions, to appear before a Notary Public and to execute on behalf of the Company any public deeds as may be necessary or convenient in connection with the resolutions approved by the General Meeting, and to register any resolutions subject to registration, in full or in part, including powers relating to the deposit of the financial statements and other documentation, with the ability to execute these purposes all kinds of public or private documents, or rectify the resolutions.