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

REPORT PREPARED BY THE APPOINTMENTS AND REMUNERATION COMMITTEE OF APPLUS SERVICES, S.A. CONCERNING THE PROPOSED AGREEMENT OF THE REMUNERATION POLICY FOR THE COMPANY DIRECTORS

1. INTRODUCTION

The Appointments and Remuneration Committee of Applus Services, S.A. ("**Applus**" or the "**Company**") has drafted and approved this report on its meeting held on 5 May 2015 in accordance with article 529 novodecies of the Royal Legislative Decree 1/2010, of 2 July, approving the consolidated text of the Corporate Companies Act (the "**Spanish Corporate Companies Act**"), concerning the proposed agreement for directors' remuneration policy (the "**Remuneration Policy**"), which will be submitted by the Board of Directors of the Company for approval at the Annual General Meeting to be held on 17 June 2015 on first call and, if applicable, on second call on 18 June 2015 (the "**Report**").

2. REMUNERATION POLICY FOR DIRECTORS

2.1 Duration of the policy

The Remuneration Policy will be in force during the current financial year 2015 and the following three years (2016, 2017 and 2018), 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.

2.2 Principles and grounds

The principles and grounds of the directors' Remuneration Policy of Applus, in their capacity of board members and for the performance of executive duties, is 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, non-executive directors' remuneration shall be sufficient to attract and retain directors with the appropriate profile and to compensate the devotion, abilities and responsibilities that the position entails, but it shall not be so high as to compromise their independence of judgment.

In any case, the directors' compensation 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.

2.3 Remuneration for directors, in their condition as board members

The position 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 Shareholders' Meeting, the amount will be the same as that set for the preceding year, but may be increased by the Consumer Price Index or any other index which may substitute it in the future.

(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, membership of Board committees and any other objective circumstances that may be deemed relevant.

Notwithstanding the above, proprietary 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 to be paid to the Company directors, as fixed amount, in their capacity of board members, shall not exceed an annual amount of EUR 1,500,000 for the years 2015, 2016, 2017 y 2018. The main reason for the increase of the maximum amount compared with 2014 compensation is to provide the Board of Directors of Applus room to maneuver in case the number of directors of Applus increases in the future or additional Independent directors are appointed in the future. Such amount will be increased, during the term of the Remuneration Policy, with reference to the Consumer Price Index or any other index which may substitute it in the future, unless the General Meeting approves a different amount for the following years.

In addition, directors will be reimbursed for travel and accommodation expenses incurred due to attendance at Board of Directors and Committees meetings, as long as they are duly justified.

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

Notwithstanding the foregoing, directors are also entitled to receive wages, remuneration, indemnity payments, pensions, contributions to welfare benefit systems, life insurance or compensation of any kind, of a fixed or variable, annual or multiannual nature, set on a general or individual basis for those members of the Board of Directors who perform executive functions, whatever the nature of their relationship with the Company is.

In the context of the hiring and appointment of the Non-Executive Chairman of the Board of Directors, the Non-Executive Chairman was awarded with a non- recurrent and exceptional incentive in Applus share options referred to as restricted stock units (“**RSUs**”), which will vest in full on 9 May 2015, as duly disclosed to the *Comisión Nacional del Mercado de Valores*.

2.4 Directors remuneration for the performance of executive duties

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

2.4.1 Fixed remuneration

The fixed remuneration to be paid to the executive director amounts to EUR 650,000 for the financial year 2015. 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, as disclosed in the Compensation Annual Report and according to the executive director contract.

2.4.2 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 the following: (i) a variable annual amount in cash linked to the achievement of targets; (ii) a long term incentive plan.

(i) The variable remuneration in cash of the executive director will be linked, as from 2015, to the achievement of targets (adjusted operating profit[1] and operating cash-flow of the Group).

    Said variable amount will rise by 3% for each 1% increase in targets attained, up to a maximum of 250% of the variable base target (EUR 325,000). On the other hand, for each reduction of 1% on the targets attained, variable remuneration will fall by 10%.

[1] For this purpose, the "adjusted operating profit" will be equal to the result of subtracting the recurring EBITDA the amount corresponding to the depreciation and amortization of intangible assets (excluding the goodwill depreciation).

(ii) The Appointments and Compensation Committee and the Board are now discussing the terms of a new long term incentive plan which may be awarded to the executive director. Once the system proposal is finalized, it will be submitted to the Board and the Shareholders Meeting for approval.

As disclosed in the IPO Prospectus and the 2014 Annual Compensation Report the executive director was awarded before the Applus IPO with a one-off incentive linked to the IPO referred to as the "Economic incentive in RSUs" This system involves a cash payment in 2014 and the free delivery of a certain number of RSUs, to be each one exchangeable for one Company share in conformity with an accrual schedule within a three-year period (from 9 May 2015 to 9 May 2017), at a rate of a third of total RSUs delivered per year. This plan will end with the vesting in May 2017.

The right of the beneficiary to exchange his/her RSUs for Company shares under the economic incentive plan will remain in force so long as such beneficiary continues working in the Company at the vesting date of the RSUs or if the termination in the Company is not voluntary or as a result of a dismissal on disciplinary grounds declared fair by the labour courts in a final decision, all subject to RSUs accelerated vesting conditions (death, permanent disability and change of control).

2.4.3 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 stipulates that such 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' and three months' advance notice must be provided in the event that the executive director or the Company, respectively, terminates such contract. If the executive director or the Company fully or partially breaches the advance notice obligation, the other party would be entitled to indemnity equal to the fixed remuneration of the executive director relating to the duration of the breached advance notice period.

The termination or discontinuation of the contract decided by the Company (whatever its form, except in the event of dismissal on disciplinary grounds declared fair by the courts in a final decision), will entitle the executive director to receive compensation for termination of the contract equal to double the amount of the fixed remuneration received plus the annual variable remuneration accrued in the last year following the termination of the contract with a minimum indemnity payment of EUR 1,640,000. This entitlement substitutes any legal compensation arising from the application of the related legislation.

(iv) Post-contractual non-competition agreement: in the twelve months following the termination date of the contract, the executive director will not compete against the Company or any Applus Group company, be it for his own account, for the account of others or on behalf of other people or entities, or by providing services, advising, representing companies, people or entities whose activities represent competition for the business performed by the Company or by any Applus Group company at the termination date of the contract, specifically including the prohibition to own direct or indirect holdings in such companies or entities. 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.

The fixed annual remuneration in cash received by the executive director during the term of the contract includes, as a component, the consideration adapted to the post-contractual non-competition commitments. Accordingly, 30% of the fixed annual remuneration in cash is paid in consideration for these commitments and as adequate compensation for them. For greater clarity, the executive director is not entitled to any consideration for post-contractual non-competition commitments once this contract is terminated. 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.

3. CONCLUSIONS

In light of the foregoing, as per article 529 novodecies of the Spanish Corporate Companies Act, the Appointments and Remuneration Committee of Applus submits this report on directors' remuneration policy to the Board of Directors of the Company for its submission, in turn, to the General Meeting for its approval.

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