

**REGULATIONS OF THE APPOINTMENTS AND COMPENSATIONS
COMMITTEE**

OF

APPLUS SERVICES, S.A.



(December 2020 version)

TABLE OF CONTENTS

| | |
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| PREAMBLE | 1 |
| CHAPTER I INTRODUCTION | 1 |
| Article 1. Nature of the Committee | 1 |
| Article 2. Scope | 1 |
| Article 3. Interpretation and amendments..... | 1 |
| CHAPTER II COMPOSITION OF THE APPOINTMENTS AND COMPENSATIONS COMMITTEE | 2 |
| Article 4. Quantitative and qualitative composition | 2 |
| Article 5. Term of office and reappointment | 3 |
| Article 6. Positions | 3 |
| Article 7. Removal of members | 3 |
| CHAPTER III COMPETENCES OF THE APPOINTMENTS AND COMPENSATIONS COMMITTEE | 4 |
| Article 8. Competences of the Appointments and Compensations Committee | 4 |
| CHAPTER IV RIGHTS AND DUTIES OF THE APPOINTMENTS AND COMPENSATIONS COMMITTEE MEMBERS..... | 6 |
| Article 9. Faculties of information, participation and assistance of experts . | 6 |
| Article 10. General duties of the Appointments and Compensations Committee Members..... | 7 |
| Article 11. Information to the Board of Directors | 7 |
| Article 12. Evaluation of the operation of the Committee | 7 |
| CHAPTER V OPERATION OF THE APPOINTMENTS AND COMPENSATIONS COMMITTEE..... | 8 |
| Article 13. Annual Work Plan | 8 |
| Article 14. Meetings | 8 |
| Article 15. Attendance of third parties..... | 9 |
| Article 16. Call to meetings | 9 |
| Article 17. Venue..... | 9 |
| Article 18. Constitution and meeting positions..... | 10 |
| Article 19. Resolutions | 10 |

**REGULATIONS OF THE APPOINTMENTS AND COMPENSATIONS
COMMITTEE OF APPLUS SERVICES, S.A.**

PREAMBLE

Following the principles and recommendations on corporate governance generally accepted in international markets, including in particular those contained in the Technical Guide on Nomination and Remuneration Committees approved by the Securities Market Commission on 20 February 2019, and in view of the practices of Spanish listed companies in this area, these Regulations of the Appointments and Compensations Committee (the "**Appointments and Compensations 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 Appointments and Compensations 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 Appointments and Compensations 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 Appointments and Compensations 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 Appointments and Compensations Committee under current corporate legislation, 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 Appointments and Compensation 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 APPOINTMENTS AND COMPENSATIONS COMMITTEE

Article 4. Quantitative and qualitative composition

- 4.1. According to the Regulations of the Board of Directors, the Appointments and Compensations 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 itself.
- 4.2. All of the members of the Appointments and Compensations Committee will have to meet the condition of Non-Executive Director, and at least two (2) of its members must be Independent Directors.
- 4.3. The Board of Directors will appoint the members of the Appointments and Compensations Committee based on the expertise, skills and experience of the Directors and the missions of the Appointments and Compensations Committee. In particular, it will be sought that the members of the Committee as a whole have knowledge and experience in the following areas:
 - i. corporate governance;
 - ii. strategic analysis and evaluation of human resources;
 - iii. Selection of directors and managers, including the evaluation of any suitability requirements that must be met under the rules applicable to the

Company;

- iv. performance of senior manager functions;
- v. design of remuneration policies and plans for directors and senior managers.

4.4. Likewise, all of the members of the Appointments and Compensations 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 Appointments and Compensations 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 Appointments and Compensations 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 Appointments and Compensations 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 Appointments and Compensations 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 Appointments and Compensations Committee shall be removed from their position:

- i. as a result of their resignation as Directors;

- ii. when they cease to be Non-Executive Directors, even if they continue as Directors of the Company;
- iii. when the Board of Directors so decide.

CHAPTER III
COMPETENCES OF THE APPOINTMENTS AND COMPENSATIONS COMMITTEE

Article 8. Competences of the Appointments and Compensations Committee

Without prejudice to any other duties that are assigned to it, the Appointments and Compensations Committee shall have at least the following duties:

- a) In relation to appointments:
 - i. To formulate the proposals for appointment, reappointment and removal of Independent Directors, and to report on the proposals for appointment, reappointment and removal of the rest of Directors.
 - ii. To establish an objective of representation for the under-represented gender on the Board of Directors and to prepare guidelines on how to achieve said objective.
 - iii. To verify the character of each Director and check that he/she meets the requirements for qualification as Executive, Independent, Nominee or Other External Director.
 - iv. To evaluate the skills, expertise and experience necessary in the Board of Directors, to define, consequently, the functions and abilities needed in candidates who are to fill each vacancy, and to evaluate the time and dedication necessary in order for them to perform their duties.
 - v. To examine and organize, in such a way as is understood to be suitable, the succession of the Chairman and the chief executive and, where necessary, to make proposals to the Board of Directors, so that such succession occurs in an orderly and well-planned manner.
 - vi. To report annually on the duties performed by the Chairman of the

Board of Directors and by the chief executive of the Company.

- vii. To report on the appointments and resignations of the Secretary and Deputy Secretary of the Board of Directors and of the senior executives whom the chief executive proposes to the Board of Directors.
 - viii. To report to the Board of Directors on diversity issues and safeguard that, when filling new vacancies, the Board shall respect the provisions set forth in Article 14.3 of the Regulations of the Board of Directors.
 - ix. To develop and implement a record of situations concerning Directors and senior executives from the Company, and to receive and maintain in that record the personal information provided by the Directors, as established under articles 18 and 19 of the Regulations of the Board of Directors.
 - x. To receive the information supplied by Directors.
- b) In relation with the remuneration of Directors:
- i. 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, supervisory committees or chief executive officers.
 - ii. To propose to the Board of Directors the individual remuneration of Executive Directors and other conditions of their contracts.
 - iii. To propose to the Board of Directors the basic conditions of contracts for senior executives.
 - iv. To oversee compliance with the remuneration policy set by the Company.
 - v. 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.
 - vi. To ensure that conflicts of interest do not undermine the independence of the external professionals referred to in Article 39.4 of the

Regulations of the Board of Directors.

- vii. To verify the information on Director and senior officers' pay contained in corporate documents, including the annual Directors' remuneration report.

CHAPTER IV
RIGHTS AND DUTIES OF THE APPOINTMENTS AND COMPENSATIONS
COMMITTEE MEMBERS

Article 9. Faculties of information, participation and assistance of experts

- 9.1. The Appointments and Compensations Committee will have access to the information and documentation necessary to carry out its duties.
- 9.2. The Appointments and Compensations Committee will have to consult with the Chairman and the chief executive of the Company, especially when dealing with matters relating to Executive Directors and senior management. Any Director will be able to request the Appointments and Compensations Committee to take into consideration, should they be considered suitable, potential candidates to fill Director vacancies.
- 9.3. 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.

- 9.4. In order for the Appointments and Compensations 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 10. General duties of the Appointments and Compensations Committee Members

- 10.1. 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.
- 10.2. 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.
- 10.3. 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 11. 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 12. Evaluation of the operation of the Committee

- 12.1. 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.
- 12.2. In the interest of greater transparency, the report on the functioning of the Committee referred to under article 19.3 of these Regulations shall state the extent to which the evaluation has caused significant changes in the organisation and procedures of the Committee.

CHAPTER V
OPERATION OF THE APPOINTMENTS AND COMPENSATIONS COMMITTEE

Article 13. Annual Work Plan

13.1. 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 Appointments and Compensations 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.

13.2. 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 14. Meetings

14.1. The Appointments and Compensations 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.

- 14.2. Meetings shall be planned by the Chairman of the Appointments and Compensations Committee and notified to the Secretary of the Committee so that members receive the documentation sufficiently in advance.

Article 15. 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 Appointments and Compensations Committee and to provide their cooperation and access to the information which they possess.

Article 16. Call to meetings

- 16.1. 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.
- 16.2. 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.
- 16.3. 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 17. Venue

- 17.1. 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.
- 17.2. 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 18. Constitution and meeting positions

- 18.1. A valid quorum for Committee meetings shall be established with the attendance, in person or by proxy, of a majority of its members.
- 18.2. 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.
- 18.3. 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 19. Resolutions

- 19.1. 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.
- 19.2. 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.
- 19.3 The Chairman of the Appointments and Compensations Committee in the first plenary session of the Board of Directors subsequent to the meeting of the Appointments and Compensations Committee will report its activity and will answer for the work performed. Annually, the Appointments and Compensations Committee will submit a report on its functioning to the Board of Directors.

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