

Directors' selection policy

Applus⁺

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Contents

Scope	3
Objectives and main principles	3
Selection procedure	3
Conditions to be met by candidates and candidate ineligibility	4
Policy's communication and compliance control / Policy owner	4

The Board of Directors of **APPLUS SERVICES, S.A.** (hereinafter, the Company or Applus+), following its authority to determine and approve Company policies and general strategies not permitted to be delegated, and in accordance with the Good Governance Code of Listed Companies (the “**Code**”) as amended, has approved the present update on **Applus+ Directors’ selection policy** formerly adopted in October 2016 and revised in February 2019.

This Policy develops one of the core concepts of Applus+ ESG and its commitment to good corporate governance and in particular, to ensure a diverse composition of the board of directors.

This policy is public and available on the corporate website (www.applus.com).

Scope

This Policy is applicable to the selection of candidates to the position of director in the Company who are natural persons and, for legal entity directors, the individual people appointed to represent them.

Objectives and main principles

The objective of this Policy is to explain the principles that will govern the selection of candidates to the position of directors of the Company. The selection procedures shall be aimed at achieving an adequate balance on the Board of Directors as a whole and, in particular, at promoting the goal of having at least 40% of total board places occupied by women directors by the end of 2022 year and thereafter.

The Applus+ Board of Directors shall ensure in any case that the selection procedures favours diversity in gender, age disabilities, experience, professional education or experience and that they do not suffer from implicit bias that might imply any discrimination and, in particular, that might make it more difficult for the selection of female candidates, promoting an increase of women’s presence on the Board in view of best corporate governance practices and in line with the specific analysis of the Company’s needs performed by the Board of Directors.

In particular, the Board will ensure that the Company adopts measures that encourage the company to have a significant number of female senior managers to contribute to gender diversity overall.

Selection procedure

When a vacancy occurs, the Board of Directors shall require the Appointments and Remuneration Committee to prepare a report which shall contain the evaluation of skills, knowledge and experience as well as the diversity which might be necessary in the Board of Directors and consequently define the functions and aptitudes required in the candidates to cover each vacancy. Likewise, it shall evaluate the required time and dedication so that the director can perform his or her duties.

On the basis of the Appointments and Remuneration Committee’s report, the Board of Directors shall carry out an analysis of the needs of the Company that will serve as the basis for the selection procedure of the director.

The result of the analysis of the Board of Directors’ needs will be included in the report issued by the Appointments and Remuneration Committee to be published at the time of calling of the shareholders’ meeting to ratify the appointment or re-election of each director.

In order to maintain the best integrity and transparency standards in the selection procedures and to strengthen the efficiency, efficacy and impartiality of procedures, the Company might be supported by external advisors who are experts in the search and selection of candidates.

Any director might ask that the Appointments and Remunerations Committee takes into consideration, in case they find them appropriate, potential candidates in order to cover director's vacancies, provided they meet the requirements established in this policy.

Conditions to be met by candidates and candidate ineligibility

Candidates for the position of director of the Company must have a prestigious professional reputation, competence and adequate experience and professional knowledge for the fulfilment of the position, with sufficient availability for their dedication and commitment to the performance of the positions' duties, as identified in the analysis of the needs performed by the Board of Directors. In particular, they shall be professionals with integrity and whose conduct and professional career is aligned with the principles set forth in the Applus+ Code of Ethics.

In the case of candidates for the position of an independent director, the Appointments and Remuneration Committee must specifically verify the fulfilment of the independency requirements laid out in the Law.

The following individuals cannot be considered as candidates for the position of director or, where applicable, legal representatives of a legal entity director:

- Any person who is included in any case of incompatibility or prohibition foreseen in the current legislation;
- People whose position on the Board might affect the reputation of the Company in the market or jeopardize its interests.

Policy's communication and compliance control / Policy owner

This policy is public and available on the corporate website (www.applus.com).

The Appointments and Remunerations Committee will annually verify the compliance with this policy and will inform the Board of Directors of its conclusions, which will then be summarised in the Annual Report on Corporate Governance.

The Applus+ Board of Directors is the owner of this Policy.
