

**REGULATIONS OF THE BOARD OF DIRECTORS  
OF  
APPLUS SERVICES, S.A.**



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# **REGULATIONS OF THE BOARD OF DIRECTORS OF APPLUS SERVICES, S.A.**

## **PREAMBLE**

Following the recommendations of the Good Governance Code of Listed Companies approved by the Spanish Securities Market Commission (“**CNMV**”) on 18 February 2015 and in view of the practices of Spanish listed companies in this area and the provisions of Articles 528 and 529 of Royal Legislative Decree 1/2010 of July 2, which approves the Consolidated Text of the Spanish Capital Companies Act (the “**Spanish Companies Act**”), these Regulations (the “**Regulations**”) of the Board of Directors of APPLUS SERVICES, S.A. (the “**Company**”) sets forth the rules of internal governance and functioning of the Board of Directors 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. Purpose**

The Purpose of these Regulations is to determine the principles of action of the Board of Directors, the basic rules of its organization and operation, and the standards of conduct applicable to its members, in order to ensure the greatest possible effectiveness and transparency in its management.

### **Article 2. Scope**

2.1. These Regulations are applicable to members of the Board of Directors of the Company.

For the purposes of these Regulations, the Company and the affiliates and subsidiaries over whose management the Company exercises control shall be referred to as the “**Applus+ Group**”.

2.2. Board Members must be familiar with, comply with, and ensure compliance with, the contents of these Regulations. The Secretary of the Board of Directors of the Company will deliver a copy of these Regulations to each Board Member at the time of their respective appointments or when their appointment becomes effective.

- 2.3. The Board of Directors shall adopt the measures necessary in order ensure the widespread dissemination of these Regulations among shareholders and the investing public in general. To this end, the content of these Regulations in its entirety will be notified to the CNMV and recorded in the Commercial Registry, and will also be available on the website of the Company.

### **Article 3. Interpretation**

These Regulations supplement the provisions established for the Board of Directors under current corporate legislation and in the By-laws 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 may clarify the contents of the same.

### **Article 4. Amendments**

- 4.1. Amendments to these Regulations shall be passed by the Board of Directors, in accordance with the requirements set forth in this article.
- 4.2. Amendments to these Regulations may be made at the request of the Chairman 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. The proposed amendment must be accompanied by an explanatory report on the reasons for and scope of the proposed amendment.
- 4.3. Proposed amendments must be reported by the Audit Committee.
- 4.4. The wording of the proposal, the explanatory report, and the report by the Audit Committee must be attached to the call for the meeting of the Board of Directors that will deliberate on said amendment.

The call must be made with the prior notice and in accordance with the procedures set forth in the By-laws and in these Regulations.

In order to be valid, any amendment to the Regulations must be approved by at least an absolute majority of the members of the Board of Directors.

- 4.5. The Board of Directors must inform shareholders of any amendments to the Regulations.

## **CHAPTER II COMPOSITION, COMPETENCIES, AND FUNCTIONS OF THE BOARD OF DIRECTORS**

### **Article 5. Quantitative composition**

- 5.1. According to the By-laws, the Board of Directors will have a minimum of three (3) and a maximum of twelve (12) members. The actual number of members will be determined by the General Shareholders' Meeting within the minimum and maximum limits referred to above.
- 5.2. The Board of Directors will propose to the Meeting the exact number of Board Members that, depending on the changing circumstances of the Company, is most appropriate at any given time to ensure that the Board is duly representative and can operate in an effective and participatory manner.

### **Article 6. Qualitative composition**

- 6.1. In addition to the conditions stipulated in the Spanish Companies Act and in the By-laws, persons appointed to the Board of Directors must meet the conditions stipulated in these Regulations.
- 6.2. In exercising its authority to submit proposals to the General Shareholders Meeting and power of co-optation for the appointment of Board Members, the Board of Directors will assign relative importance within the same to three categories of Board Members:
- a) **Independent Directors.** Independent Directors are Directors appointed for their personal and professional qualities and who can perform their duties without being influenced by their connections to the Company or its Group, its significant shareholders, or its management. At the same time, Independent Directors must meet the following requirements:
- (i) They shall not be former employees or Executive Directors of companies in the Applus+ Group, unless three (3) or five (5) years, respectively, have elapsed since the end of said relationship.

- (ii) They shall not receive from the Company or the Applus+ Group any payment or other form of compensation other than their remuneration as a Director, unless the amount involved is not significant for the Directors. For these purposes, neither dividends nor pension complements received by Directors on the grounds of their previous professional or labour relationship, will be taken into account, as long as such complements are unconditional and, consequently, the Company cannot at its sole discretion suspend, amend or revoke the accrual of such complements, without breaching their obligations.
- (iii) They shall not be, or have been in the last three (3) years, a partner in the external auditor or the firm responsible for the audit report, whether in relation to the audit of the Company conducted during said period or of any other company within the Applus+ Group.
- (iv) They shall not be Executive Director or senior manager of another company in which an Executive Director or senior manager of the Company is a Nominee or Independent Director.
- (v) They shall not have, or have had in the last year, significant business dealings with the Company or with any company from the Applus+ Group, either on their own behalf or as a significant shareholder, Director, or senior manager of a company that has or has had such dealings. Business dealings shall include the provision of goods or services (including financial, advisory, or consultancy services).
- (vi) They shall not be significant shareholders, Executive Directors, or senior managers of an entity in receipt of donations from the Company or from the Applus+ Group, or which has been in receipt of such donations in the last three (3) years. This requirement shall not apply to those who are merely trustees of a foundation that receives donations.
- (vii) They shall not be the spouse or partner in a similar affective relationship, or family member up to the second degree of kinship, of an Executive Director or senior manager of the Company.
- (viii) They shall have been proposed for appointment or renewal

by the Appointments and Compensations Committee.

- (ix) They shall not have held the position of Director for a period of more than twelve (12) consecutive years.
- (x) They shall not be affected, with respect to a significant shareholder or to a shareholder represented on the Board of Directors, by any of the circumstances described in points i), v), vi), or vii). In the case of a relationship such as that described in vii), this limitation shall apply not only in connection with the shareholder, but also with their Nominee Directors in the investee company.

Nominee Directors who are disqualified as such as a result of the sale of shares by the shareholder they represent may only be reappointed as Independent Directors once said shareholder has sold all of its remaining shares in the Company.

A Director with shares in the Company may qualify as Independent if it meets all of the conditions set forth in this recommendation and the holding in question is not significant, in accordance with applicable legal provisions.

- b) **Nominee Directors.** Nominee Directors are Directors who are or represent shareholders with a shareholding that is equal to or greater than that is legally considered as significant or who have been nominated as a result of their condition as shareholders, even if their shareholding does not reach such threshold.

For the purposes of this definition, it will be presumed that a Director represents a shareholder when: (i) they have been nominated in the exercise of the right of representation; (ii) they are a Director, senior manager, employee, or regular provider of services to said shareholder or to companies within its group; (iii) company records show that the relevant shareholder acknowledges the Director as its appointee or representative; or when (iv) they are the spouse or partner in a similar affective relationship or family member up to the second degree of kinship of a significant shareholder.

- c) **Executive Directors.** Executive Directors are Directors who perform management functions or are employees of the Company or of the Applus+ Group, regardless of the legal relationship that they maintain with it. When a Director performs management functions



and is or represents a significant shareholder or a shareholder represented in the Board, they will be considered an executive Director.

d) **Other External Directors.** This category consists of external Directors who cannot be considered Nominee or Independent Directors. This situation and, where appropriate, the relations of these Directors with the Company, its management, and its shareholders, shall be explained in the Annual Corporate Governance Report.

6.3. Nominee and Independent Directors shall constitute an ample majority of the Board of Directors, and the number of Executive Directors will be the minimum number necessary. The Board of Directors will be comprised of an adequate number of Independent Directors, not less than one-third (1/3) of the Board of Directors. With regard to external Directors, to the extent possible, the ratio of Nominee Directors to Independent Directors shall match, as closely as possible, the existing proportion between the capital of the Company represented by the Nominee Directors and the remaining capital.

6.4. The nature of each Director shall be explained by the Board of Directors to the General Shareholders Meeting, which will make or ratify their appointment. Said determination should then be confirmed or reviewed each year (as appropriate) in the Annual Corporate Governance Report, subject to verification by the Appointments and Compensations Committee.

#### **Article 7. Competencies of the Board of Directors. Catalogue of non-delegable matters**

7.1. The Board of Directors must assume, in an effective manner, the responsibility for the supervision, management, control, and representation of the Company attributed to it in the Spanish Companies Act and the By-laws and, as the core of its mission, must approve the strategy of the Company and the specific organization for its implementation, as well as the supervision and control of the completion of the objectives by the management and observance of the corporate purpose and interests of the Company.

The Board of Directors shall perform its duties with a unity of purpose and independent judgment, according all shareholders the same treatment. It shall be guided at all times by the best interests of the Company and, as such, strive to maximize its value over time. It will also ensure that in its dealings with stakeholders, the Company abides by the laws and regulations, fulfils its obligations and contracts in good faith, respects the customs and good practices of the sectors and territories where it does business, and observes any additional principles of social responsibility it has

subscribed to on a voluntary basis.

- 7.2. In any event, the Board of Directors shall reserve for itself addressing the following issues, through the approval in each case of resolutions in accordance with the Spanish Companies Act or the By-laws, all the non-delegable matters by virtue of the Law and, in particular, the following matters (which will be likewise non-delegable):
- a) Monitoring the effective functioning of the constituted Committees and the performance of the delegated bodies and the managers that have been appointed.
  - b) Authorizing or waiving the obligations arising from the duty of loyalty, in accordance with the provisions in Article 230 of the Act.
  - c) Its own organization and functioning.
  - d) Drawing-up the annual accounts and its submission to the General Shareholders Meeting.
  - e) Drawing-up any kind of reports required by Law to the Board of Directors, provided the transaction by means of which the report is issued cannot be delegated.
  - f) Setting the general policies and strategies of the Company and, in particular:
    - (i) The approval of the strategic or business plan, as well as management targets and annual budgets, the investment and financing policy and the environmental social governance ("**ESG**") policy;
    - (ii) The design of the structure of the Applus+ Group;
    - (iii) The determination of the corporate governance policy of the Company and the Applus+ Group, its organization and functioning and, in particular, the approval and the amendment of these Regulations;
    - (iv) The policy for the remuneration and evaluation of the performance of the managers who directly report to the Board of Directors or any of its members as well as their appointment and dismissal and the main terms of their contracts, including

remuneration and any potential compensation clauses;

- (v) The determination of the control and risk management policies, including tax risks, as well as the periodical monitoring of information and control internal systems;
  - (vi) The approval of the dividend policy, as well the treasury stock policy and, in special, its limits; and
  - (vii) The establishment of the tax strategy.
- g) The following decisions:
- (i) The appointment and removal of the Chief Executive Officers of the Company and the granting to any other Directors of executive powers, as well as the establishment of the terms of their contracts;
  - (ii) The decisions related to the remuneration of the Directors for their membership to the Board of Directors and its Committees, within the statutory framework set in the Bylaws and of the remuneration policy approved by the General Shareholders Meeting;
  - (iii) The approval of the financial and non-financial information that, by virtue of its status as a listed company, it must publish on a periodic basis;
  - (iv) Convening the General Shareholders Meeting, the preparation of the agenda and proposed resolutions;
  - (v) The approval of all types of investments or operations carried out by any company of the Applus+ Group considered strategic by virtue of their value, strategic nature or special tax risk, unless they must be approved by the General Shareholders Meeting, and, in particular:
    - the sale, disposal, assignment or encumbrance of assets, when the amount of the transaction exceeds, individually or jointly, the figure of ten million Euros (€10,000,000), including tangible or intangible assets, shares in affiliates or in any other entities and joint ventures;

- the investment or the acquisition of assets when the amount of the transaction exceeds, individually or jointly, the figure of ten million Euros (€10,000,000), including tangible and intangible assets, shares in affiliates or in any other entities and joint ventures;
  - in case of delegation in favour of the Board of Directors of the faculty to execute a capital increase: (i) the agreement to set the date in which the agreement of capital increase approved by the General Shareholders Meeting shall be carried out in the agreed figure and the power to set the conditions for all aspects not envisaged in the resolution of the General Shareholders Meeting; and (ii) the agreement of increasing one or more times the share capital up to the amount determined by the General Shareholders Meeting;
  - the granting of letters of credit, performance bonds or any other personal or in rem guarantees when the amount of the transaction equals to or exceeds, individually or jointly, the figure of ten million Euros (€10,000,000);
  - the granting of loans or lines of credit to third parties not belonging to the Applus+ Group, when the amount of the transaction equals to or exceeds, individually or jointly, the figure of twenty million Euros (€20,000,000); and
  - the request of loans or credits to third parties not belonging to the Applus+ Group, when the amount of the transaction equals to or exceeds, individually or jointly, the figure of twenty million Euros (€20,000,000).
- (vi) The creation or acquisition of shares in special purpose vehicles or entities resident in jurisdictions considered tax havens, as well as any other transactions or operations of a similar nature that, due to their complexity, could impair the transparency of the Applus+ Group.
- h) The approval, subject to a prior report from the Audit Committee, of the transactions carried out by the Company or companies of the Applus+ Group with its Directors, shareholders, whether on their

own or together with others, considered as significant, including the shareholders represented on the Board of Directors of the Company or of other companies that are part of the Applus+ Group, or with persons related thereto ("**Related-Party Transactions**"). The authorization by the Board of Director shall not be deemed necessary in the cases provided for in Article 21 below.

- 7.3. Notwithstanding the foregoing, the Board of Directors shall be informed, prior to its execution, about the following matters:
- a) the content of any announcements to the market which are considered inside or relevant information;
  - b) material renewal or revisions to insurance contracts undersigned by any company of the Applus+ Group; and
  - c) material claims or issues in which any company of the Applus+ Group is a party and whose amount exceeds, individually or jointly, the figure of ten million Euros (€10,000,000).
- 7.4. Notwithstanding the foregoing, the Chief Executive Officer shall be entitled to approve a resolution on the following matters:
- a) the granting by any company of the Applus+ Group of letters of credit, performance bonds or any other personal or in rem guarantees when the amount of the transaction is, individually or jointly, below the figure of ten million Euros (€10,000,000);
  - b) the granting by any company of the Applus+ Group of loans or lines of credit to third parties not belonging to the Applus+ Group when the amount of the transaction is, individually or jointly, below the figure of twenty million Euros (€20,000,000);
  - c) the request of loans or credits to third parties not belonging to the Applus +Group, when the amount of the transaction is, individually or jointly, below the figure of twenty million Euros (€20,000,000); and
  - d) any other decisions which are not reserved to the Board of Directors when the amount of the transaction is, individually or jointly, below the figure of five million Euros (€5,000,000).

**Article 8. Balance in the performance of the functions of the Board of Directors**

- 8.1. The Board of Directors shall perform any acts required in order to accomplish the corporate purpose set forth in the By-laws, in accordance with the applicable legislation.
- 8.2. The delegation of powers by the Board of Directors to one or more members or a supervisory committee within the limits set forth in the Spanish Companies Act that does not deprive it of these powers.
- 8.3. The Board of Directors shall put in place mechanisms that are convenient and suitable or necessary to oversee decisions adopted by any of its members or committees.
- 8.4. The Board of Directors shall report to the General Shareholders Meeting.

**Article 9. Representative functions**

- 9.1. The Board of Directors is the representative of the Company in accordance with the legal provisions and those set forth in the By-laws.
- 9.2. Committees and members of the Board of Directors entrusted with powers of representation shall keep the Board of Directors informed in a timely manner of any actions undertaken in the execution of said powers that go beyond the scope of ordinary administration.

**Article 10. Specific functions relating to the annual accounts and management report**

- 10.1 The Board of Directors shall prepare the annual accounts and the management report (both individual and consolidated) so that they provide a true and fair view of the equity, financial position, and results of the Company, as provided for in the Spanish Companies Act, subject to the prior report of the Audit Committee.
- 10.2 Upon analysis of the reports referred to in point 10.1 above, the Board of Directors may request from those who have issued these reports any clarifications it considers appropriate.
- 10.3 In particular, the Board of Directors shall ensure that the above financial documents are written in clear and precise terms that make them easy to

understand. In particular, these documents shall include all comments appropriate for this purpose.

- 10.4 Each quarter, the Board of Directors shall monitor the accounts of the Company, subject to a report from the Audit Committee.
- 10.5 The Board of Directors will file a certification of the resolutions of the General Shareholders Meeting approving the annual accounts and the distribution of results and a copy of said accounts, duly signed, together with the management report and the audit report, with the Commercial Registry of the registered address of the Company within one month of the approval of the annual accounts.
- 10.6 Where relevant and with the appropriate adaptations, the rules contained in the paragraphs above shall apply to all information made available to the markets, including half-yearly and quarterly information. The Board must ensure that said information is prepared in accordance with the same principles, criteria, and professional practices observed in the preparation of the annual accounts and that it is as reliable as the accounts.

### **CHAPTER III RELATIONSHIPS OF THE BOARD OF DIRECTORS**

#### **Article 11. Relationships with shareholders**

The Board of Directors shall promote communication between the Company and its shareholders. To this end, it shall encourage information meetings with institutional shareholders on the performance of the Applus+ Group, being in attendance those Directors and senior managers it deems appropriate. Under no circumstances shall these meetings involve the delivery of information that could give them privilege or an advantage over other shareholders.

#### **Article 12. Relationships with the markets**

- 12.1. The Board of Directors shall adopt the provisions necessary in order to provide the public with information on the following matters through submissions to the CNMV, making them simultaneously available through the Company's corporate website:
  - a) Inside information that can have a significant impact on the market price of shares in the Company;
  - b) Changes that have a significant impact on the shareholder structure

of the Company; and

- c) Any other relevant information, including substantial amendments to the rules of governance of the Company, which currently consist of the By-laws, the Regulations of the General Shareholders Meeting, the Regulations of the Board of Directors, the Internal Regulations for Conduct in the Securities Markets and the Regulations of Board's Committees.

12.2. The Board of Directors must determine the content of the information to be provided on the corporate website of the Company, in accordance with the provisions of the Law.

### **Article 13. Relationships with auditors**

13.1. The Board of Directors shall deal with external auditors of the Company through the Audit Committee, as provided for in the By-laws and in these Regulations.

13.2. The Board of Directors shall not propose to hire auditing firms for which the fees payable by the Company and companies in the Applus+ Group exceed ten percent (10%) of turnover for the auditing firm in Spain in the previous financial year.

13.3. The Board of Directors shall attempt to formulate definitive financial and non-financial information so that there is no scope for qualifications or reservations on the part of the auditor. However, when the Board of Directors is of the view that it must sustain its criteria, the Chairman of the Audit Committee (and the auditors) shall explain to the shareholders the content and scope of said reservations and qualifications.

## **CHAPTER IV APPOINTMENT AND REMOVAL OF DIRECTORS**

### **Article 14. Appointment of Directors**

14.1. The proposals for the appointment or re-election of Directors submitted by the Board of Directors to the consideration of the General Shareholders Meeting and appointment decisions adopted by the Board of Directors pursuant to its interim appointment authority shall be made subject to the prior proposal of the Appointments and Compensations in the case of Independent Directors, and subject to the prior report of said Committee in



the case of the rest of Directors. The proposed appointments shall be accompanied in all cases by a report issued by the Board of Directors assessing the competence, experience and merits of the nominee, which shall be attached to the minutes of the General Shareholders Meeting or of the Board of Directors itself.

- 14.2. The provisions of the preceding paragraph shall also apply to the natural persons who are appointed as representatives of a legal entity director. A report of the Appointments and Compensations Committee related to the proposed natural person representative nominee shall be issued.
- 14.3. The Board of Directors shall ensure that the appointment procedures of its members favour diversity with respect to aspect such as age, gender, disability or training and professional experience and have no implied bias that might entail any discrimination and, in particular, that they facilitate the selection of female Directors in a number allowing to reach a balanced presence of women and men.
- 14.4. The Company will publish and keep up to date the following information concerning its Directors on its website:
  - a) Professional and biographical profile;
  - b) Other Boards of Directors of which the Director is member, both of unlisted and listed companies;
  - c) The category of the Director, with the name of the shareholder that it represents or with whom it has a relationship (in the case of Nominee Directors);
  - d) The date of first appointment as Director of the Company, as well as the date of subsequent appointments; and
  - e) Shares and share options in the Company held by the Director.
- 14.5. The Secretary of the Board of Directors shall provide each new Director with a copy of the By-laws, these Regulations, the Internal Regulations for Conduct in the Securities Markets, the most recent annual accounts and management reports (individual and consolidated) approved by the General Shareholders Meeting, the audit reports for these accounts, the most recent Annual Corporate Governance Report, and the latest economic-financial information provided to the markets. Each new Director will also be provided with the name of the current auditors and their interlocutors.

14.6. The Company will have an orientation program that rapidly provides new Directors with sufficient knowledge of the Company and of its rules of corporate governance, without prejudice to specific update programs, when dictated by circumstances.

#### **Article 15. Term of office**

15.1. Directors shall remain in their positions for the term stipulated in the By- laws, which in no case shall exceed four (4) years and may be reappointed for periods of equal maximum duration.

15.2. Directors appointed by interim appointment shall remain in their posts until the date of the first General Shareholders Meeting, or until the next meeting if the vacancy occur once the General Shareholders Meeting has been convened and before it is held. This period shall not be included in the calculations for the purposes of the paragraph above.

#### **Article 16. Reappointment of Directors**

16.1. The proposal for the reappointment of the Independent Directors corresponds to the Appointments and Compensations Committee and to the Board of Directors in the case of the rest of Directors, and in this latter case they shall also be preceded by a report of the Appointments and Compensations Committee.

16.2. The proposed reappointments shall be accompanied in all cases by a report of the Board of Directors assessing the competence, experience and merits of the nominee, which shall be attached to the minutes of the General Shareholders Meeting or of the Board of Directors itself.

16.3. The provisions of this Article shall also apply to the natural persons who are appointed as representatives of a legal entity Director. A report of the Appointments and Compensations Committee related to the proposed natural person representative nominee shall be issued.

#### **Article 17. Removal of Directors**

17. 1. Directors shall be removed from their post once the term for which they were appointed has lapsed or when so decided by the General Shareholders Meeting pursuant to the powers conferred upon them by law and in the By- laws, with no need for said decision to be included in the Agenda of the General Shareholders Meeting.

17. 2. The Board of Directors shall not propose the removal of any Independent Director before the end of the statutory term for which they have been appointed, except where the Board of Directors considers that sufficient grounds for such action exist, based on a report by the Appointments and Compensations Committee. In particular, sufficient grounds will be deemed to exist when the Directors hold new posts or undertake new obligations that prevent them from devoting the necessary time to perform the duties of the post of Director or have failed to fulfil the duties inherent to their position or are affected by one or more of the circumstances that would have prevented their appointment as an Independent Director, in accordance with the applicable legal provisions. The removal of Independent Directors may also be proposed when a takeover bid, merger or similar corporate transaction alters the Company's capital structure, provided the changes in Board membership ensue from the proportionality criteria set out in Article 6.3 of these Regulations.
17. 3. Directors must tend their resignation to the Board of Directors and, where considered appropriate by the Board, formalize the appropriate resignation in the following circumstances:
- a) When they cease in the positions, posts, or functions related with their appointment as Executive Directors;
  - b) In the case of Nominee Directors, when the shareholder whose interests they represent transfer all of their shares, or transfer a number of shares in the event that the shareholder reduce its holding in the Company;
  - c) When they are affected by any of the incompatibility or prohibitions provisions legally established;
  - d) If they are severely reprimanded by the Board of Directors on the basis of a report by the Appointments and Compensations Committee as a result of having breached their duties as Directors; or
  - e) When their continued presence on the Board of Directors may jeopardize the interests of the Company.
17. 4. When a Director is removed from its office before the end of the term of office following its resignation or through resolution of the general meeting, the Director shall explain sufficiently the reasons for doing so, or in the case of non-executive Director, his/her opinion of the reasons for the general meeting resolution, in a letter addressed to all the members of the Board of Directors. This should all be reported in the Annual Corporate

Governance Report, and if it is relevant for investors, the Company should publish an announcement of the departure as rapidly as possible, with sufficient reference to the reasons or circumstances provided by the Director.

## **CHAPTER V DIRECTOR'S DUTIES**

### **Article 18. General duties of Directors**

18. 1. Directors must fulfil the duties stipulated in the Spanish Companies Act and in the By-laws, the Regulations of the Company (Regulations of the General Shareholders Meeting, Regulations of the Board of Directors, and the Internal Regulations for Conduct in the Securities Markets), remaining faithful to the interests of the Company.

The role of the Director is to guide and monitor the management of the Company in order to maximize the economic value of the business in a sustainable manner.

18. 2. While performing its duties, Directors shall act with the diligence of an prudent businessperson and a faithful representative. In particular, the Director shall:

a) Attend meetings of bodies of which it is part with the required dedication and actively participating in deliberations, so that it can effectively contribute to the decision-making process.

If it cannot be present at sessions to which it has been called to attend, where applicable, it must instruct the Director that it has appointed as representative. The number of absences will be recorded in the Annual Corporate Governance Report.

b) Be informed and prepare the meetings of the Board of Directors and of bodies of which it is a member. To this end, Directors have the duty to demand and the right to gather the appropriate or necessary information for the compliance of their legal duties.

c) Clearly express his/her opposition when he/she believes that a proposed decision submitted to the Board of Directors may be contrary to the interests of the Company.

d) Attend General Shareholders Meetings.

- e) Undertake any specific commitment entrusted to the Director by the Board of Directors, and which can be considered to reasonably fall within his/her duties.
- f) Urge the persons authorized to call meetings to convene an extraordinary meeting of the Board of Directors or to include in the agenda of the first meeting held the points the Director considers appropriate.
- g) Without prejudice to the provisions of the Internal Regulations for Conduct in the Securities Markets of the Company, inform the Board of Directors of:
  - (i) The Director's direct or indirect shareholding (or that of the related parties referred to in Article 231 of the Spanish Companies Act) in the capital of a Company engaged in activities that are the same as, similar to, or complementary to those that constitute the corporate purpose of the Company. In this case, the Director will also provide information on its positions or roles in such companies.
  - (ii) The involvement of the Director, either in its own name or on behalf of a third party, in activities that are the same as, similar to, or complementary to those that constitute the corporate purpose of the Company, in the event that such involvement has been expressly authorized by the Company.
  - (iii) Shares in the Company of which the Director is or has been the owner.
  - (iv) Transactions conducted the previous year by the Director in its own name (or by persons acting on its behalf) with the Company or with companies in the Applus+ Group, when such transactions are relevant, not related to the ordinary course of business of the Applus+ Group, or do not take place under arm's length conditions. This information must also be provided specifically at the time of each transaction or action.
  - (v) The Director's other professional obligations, in the event that they prevent the Director from acting with the required level of dedication.

The Secretary of the Board of Directors shall collect the information referred to in point (g) above from the Directors.

18. 3. Within the scope of strategic and business decisions, subject to the business judgement, the standard of care of a prudent businessman shall be deemed to have been complied with when the Director has acted in good faith, without a personal interest in the item that was the object of the decision, with sufficient information and according to a suitable decision-making procedure. Those decisions that personally affect other Directors and the persons related to them, and in particular, those who shall authorize the transactions provided for in Article 230 of the Law, shall not be deemed to be included within the scope of the business judgement.

### **Article 19. Duty of Loyalty**

19.1 The Directors shall perform their duties with the loyalty of a faithful representative, acting in good faith and in the best interest of the Company. In particular, the duty of loyalty obliges the Director:

- a) Not to exercise their powers for purposes other than those for which they have been conferred.
- b) To keep confidential all the information, data, reports or background information they have access to in the performance of their duties, even when they leave their post, except insofar as it is permitted or required by law.
- c) To refrain from participating in the discussion and voting on resolutions or decisions in which they or a person related to them has a, direct or indirect, conflict of interest. The agreements or decisions relating to them in their condition of Directors, including their appointment or revocation for the positions on the board or others analogous in nature, shall be excluded from the above obligation of refrain from participating and voting.
- d) To perform their duties under the principle of personal responsibility with freedom of judgement or good judgement and independence with regard to the instructions and links to third parties.
- e) To adopt the necessary measures to avoid finding themselves in situations in which their interests, on their own account or that of a third party, may conflict with the corporate interest and their duties to the Company.
- f) In particular, the duty to avoid the conflicts of interest referred to in the previous paragraph obliges the Director to refrain from:

- (i) Carrying out transactions with the Company, except in the event of ordinary transactions, carried out under standard conditions for the clients and non-material, defined as those transactions whose information is not necessary to present a fair view of the Company's equity, the financial situation and the results of the entity.
  - (ii) Using the name of the Company or using their status as Director to unduly influence private operations being conducted.
  - (iii) Making use of the corporate assets, including the confidential information of the Company, for private purposes.
  - (iv) Taking advantage of the business opportunities of the Company.
  - (v) Obtaining advantages or remuneration from third parties other than the Company and the Applus+ Group associated to the performance of their duties, except in the case of the corporate hospitality.
  - (vi) Carrying out activities on their own account or on behalf of a third party which entail effective competition, whether actual or potential, with the Company or that, otherwise, would create a permanent conflict of interests with regard to the interests of the Company.
- g) The foregoing provisions shall also apply in the event that the beneficiary of the acts or activities prohibited is a person related to a Director.
- h) In any case, the Directors shall inform the other Directors and the Board of Directors of any conflict, direct or indirect, that they or persons related to them may have with the interests of the Company.
- i) The conflict of interest of the Directors shall be disclosed in the Notes of the financial statements.

## **Article 20. Exemptions to the confidentiality duty**

- 20.1. Notwithstanding the provisions contained in section 19.1.b, this requirement shall not apply to cases in which the Spanish Companies Act or any other regulations applicable establish that said information shall be disclosed or disseminated to supervisory authorities or third parties; in this case, the information must be disclosed in accordance with the provisions of the Spanish Companies Act or of the relevant regulations.
- 20.2. For the sake of clarity, when the Director is a legal entity, the obligation of secrecy will also apply to the individual representative of said entity, without prejudice of the representative's duty to inform the corresponding legal entity.

## **Article 21. Mandatory nature and exemptions to the duty of loyalty**

21. 1. The regime governing the duty of loyalty and the responsibility for its breach is imperative.
21. 2. Notwithstanding the provisions of the preceding paragraph, the Company may waive the prohibitions contained in Article 19 above in individual cases authorizing a Director or a person related to them to carry out an specific transaction with the Company, the use of certain corporate assets, the use of a particular business opportunity or obtainment of a benefit or remuneration from a third party.
21. 3. The authorization shall necessarily be approved by the General Shareholders Meeting when its object is the waiver of the prohibition of obtaining a benefit or compensation from third parties, or affects a transaction whose value exceeds ten per cent of the corporate assets.
21. 4. In all other cases, the authorization may also be granted by the Board of Directors, provided that the independence of the members that grant the authorization with regard to authorized Director is ensured. It will also be necessary to ensure the harmlessness of the authorized transaction for the company's equity or, where applicable, that it is carried out at arm's length conditions and that the transparency of the process is ensured.
21. 5. The obligation not to compete with the Company may only be waived in the event that no damages to the Company are expected or if the expected damages are offset by the benefits derived from providing the waiver. The waiver shall be granted by express and separate resolution of the General Shareholders Meeting.



21. 6. In any case, at the request of any shareholder, the General Shareholders Meeting shall decide on the removal of the Director that carries out competitive activities in which the risk of damages to the Company has become material.
21. 7. The Directors affected or the Directors who represent or who are linked to affected shareholders shall not participate in the discussions and voting of such resolutions.
21. 8. The above transactions shall be assessed from the point of view of equal treatment and the arm's length conditions, and shall be included in the Annual Corporate Governance Report and in the periodic disclosure information in accordance with the provisions of the applicable regulations.
21. 9. The authorization provided for in this Article 21 shall not be necessary, however, for transactions that simultaneously meet the following three conditions:
- a) They are carried out under the terms of contracts whose conditions are standardized and applied to a large number of clients;
  - b) They are implemented at prices or rates generally set by the person supplying the good or service in question; and
  - c) The value of these transactions does not exceed 1% of the annual turnover of the Company.
21. 10. If the conditions referred to in the previous paragraph are met, those affected shall not be obliged to report said transactions.
21. 11. In accordance with Article 7.2 above, the acknowledgement and approval, following a report from the Audit Committee, of the Related-Party Transactions are among the non-delegable competencies of the Board of Directors. However, in accordance with Article 7.5, when, for reasons of urgency, duly justified, the Related-Party Transactions may be authorized, where appropriate, by delegated persons or bodies and shall be ratified at the first meeting of the Board of Directors that is held after the adoption of the resolution.

## **Article 22. Director's information requirements**

- 22.1. The Director shall inform the Appointments and Compensations Committee of the Company of the following:

- a) Shares that it holds in companies of the Applus+ Group listed on secondary markets, whether directly, or through companies in which it has a significant holding. This information shall extend to share options or derivatives related to the share value, in addition to amendments arising in that holding or related rights, within a term of ten calendar days from the date that said changes occurred.
- b) Positions held and professional activities carried out in other companies or entities.
- c) Significant changes in his/her professional situation which affect the nature or condition by virtue of which he/she has been appointed as Director.
- d) In general, any fact or situation which may be relevant to his/her activity as a Director of the Company.

22.2. In particular, the Director shall be required to notify any fact or situation which may be relevant to his/her activity as a Director of the Company, or which can damage the credit or reputation of the Company, related or not related with his/her acting in the Company, including in particular any criminal proceedings in which he/she is involved as defendant, and any legal proceedings deriving from that action.

When the Board is informed or becomes aware by any mean of any of the situations mentioned in the previous paragraph, the Board shall examine the case as soon as possible and, attending to the particular circumstances, decide, based on a report from the Appointments and Compensations Committee, whether or not to adopt any measures such as opening of an internal investigation, calling on the Director to resign or proposing his/her dismissal. The Board of Directors shall give a reasoned account of all this in the Annual Corporate Governance Report unless there are special circumstances that justify otherwise, which must be recorded in the minutes. This is without prejudice to the information that the Board must disclose, if appropriate, at the time it adopts the corresponding measures.

## **CHAPTER VI DIRECTOR INFORMATION**

### **Article 23. Faculties of information and inspection**

23.1. In order to comply with his/her functions, the Directors may be informed of any aspect of the Company and companies of the Applus+ Group,

whether Spanish or foreign. To this end, he/she may examine the documentation he/she deems appropriate, contact with the heads of the relevant departments, and visit the corresponding facilities.

- 23.2. In order to avoid disrupting the normal management of the Applus+ Group, the exercise of the faculties of information shall be channelled through the Chairman, who shall address the Director's requests, providing him/her with the information directly or making him/her available the appropriate interlocutors at the relevant level of the organization.
- 23.3. In the event that the information request is declined, delayed, or not properly addressed, the Director requesting the information may reiterate his/her request to the Audit Committee which, having heard the Chairman, and the Director, shall decide accordingly.
- 23.4. The information requested may only be refused when, in the opinion of the Chairman and the Audit Committee, it is unnecessary or prejudicial to the corporate interests. Such refusal shall not be possible when the request is supported by the majority of the Directors.

#### **Article 24. Assistance of experts**

- 24.1. For the purpose of assisting the Directors in the performance of their duties, the external Directors may request the Company to hire legal, accounting or financial advisers or any other experts, whose services shall be paid by the Company.

Such engagement shall necessarily address specific problems of certain significance and complexity, arising in the context of the performance of their duties.

- 24.2. The request for contracting advisers or external experts should be addressed to the Chairman of the Board of Directors and shall be authorized by the Board of Directors if, in its opinion:
  - a) it is necessary to ensure the effective performance of the duties entrusted to the Independent Directors;
  - b) the cost of this assistance is reasonable, in view of the importance of the issue and given the assets and income of the Company; and
  - c) the technical assistance sought cannot be provided adequately by Company experts and specialists.

- 24.3. In the event that the request for expert assistance were made by any of the Committees of the Board of Directors, it may not be refused, unless the majority of Directors considers that the circumstances established in paragraph 2 of this article do not apply.

## **CHAPTER VI DIRECTORS' REMUNERATION**

### **Article 25. Remuneration policy**

25.1. Without prejudice to the faculties conferred to the General Shareholders Meeting related to the approval of the Directors' remuneration policy in their capacity as Directors and the establishment of the maximum amount of the remuneration to be paid to all the members of the Board of Directors in their capacity as Directors, the proposal of the remuneration policy will be approved by the Board of Directors which shall address at least the following matters, within the limits established in the By-laws:

- a) The distribution of the total amount approved by the General Shareholders Meeting among the Directors, taking into consideration the roles and responsibilities attributed to each Director, their membership to the Board Committees and any other objective circumstances that may be deemed as appropriate.
- b) The amount of the fixed components, with a breakdown, if appropriate, of the expenses stemming from being member of the Board of Directors and of its Committees, and an estimate of the fixed annual remuneration resulting thereunder.
- c) Remuneration components of a variable nature including in particular:
  - (i) types of Director to whom they are applicable, and an explanation of the relative importance of the variable remuneration with respect to the fixed remuneration;
  - (ii) criteria applicable to the assessment of the results on which any right to remuneration in shares, share options or any variable components is based;
  - (iii) fundamental parameters and basis of any system of annual bonuses or any other benefits not paid in cash; and

- (iv) an estimate of the absolute amount of the variable remuneration to which the proposed remuneration plan has given rise, based on the degree of compliance of the milestones or targets taken as a reference.
  - d) The main characteristics of pension systems (complementary pensions, life insurance and similar benefits) with an estimate of their amount or equivalent annual cost.
- 25.2. The proposed remuneration policy of the Board of Directors shall be reasoned and shall be accompanied by a specific report from the Appointments and Compensations Committee. Both documents shall be made available to the shareholders on the website of the Company since the moment the General Shareholders Meeting is convened. The shareholders may also request such documents to be sent or delivered to them free of charge. The notice convening the General Shareholders Meeting shall mention this right.
- 25.3. The remuneration policy of the Directors thus approved shall be valid for the three years following the one on which it has been approved by the General Shareholders Meeting, except as provided in article 28.1 of these Regulations. Any modification or replacement within said period shall require the prior approval of the General Shareholders Meeting in accordance with the procedure established for its approval.

## **Article 26. Contract of the Executive Directors**

- 26.1. When a member of the Board of Directors is appointed as Chief Executive Director or assumes executive duties under another title, it shall be necessary that a contract is entered into between them and the Company that shall be approved previously by the Board of Directors with two thirds of its members voting in favour. The Director affected shall refrain from attending the discussion and from voting. The contract approved shall be attached to the minutes of the meeting.
- 26.2. The contract shall detail all the items for which they can obtain a remuneration for the performance of executive duties, including, where applicable, any compensation for early termination of said duties and the amounts to be paid by the Company as insurance premiums or contribution to savings systems. The Directors shall not receive any remuneration for the performance of executive duties related to amounts or items that are not listed in that contract.
- 26.3. The remuneration of the Directors for the performance of the executive

duties provided for in the contracts approved in accordance with the provisions of this Article shall comply with the remuneration policy of the directors, which shall necessarily include the amount of the fixed annual remuneration and its variation in the period the policy refers to, the various parameters for establishing the variable components and the main terms and conditions of their contracts including, in particular, their duration, compensation for early termination or termination of the contractual relationship and exclusivity agreements, post-contractual non-competition and permanence or loyalty. The contract shall comply with the remuneration policy adopted, where appropriate, by the General Shareholders Meeting.

## **Article 27. Content of the remuneration**

- 27.1. Remuneration based on the delivery of Company shares or of shares in companies within Applus+ Group, share options or instruments related to the share value, variable remuneration linked to Company's performance, or pension systems shall be limited to Executive Directors. All of the above without prejudice to the rights that could have been previously exceptionally conferred to other Directors on an exceptional basis.
- 27.2. Independent Directors or Other External Directors shall be eligible for remuneration as a reward for their dedication, qualification and responsibility that the office demands, however, this remuneration should not reach a level which compromised their independence. An amount that adequately rewards the duties conferred to the Coordinating Director shall be determined, where appropriate.
- 27.3. Remuneration relating to the Company's results shall take into account any possible conditions indicated in the external audit report which may reduce those results.
- 27.4. In the event of variable remuneration, remuneration policies shall incorporate precautionary techniques, which shall specifically ensure that such remuneration maintains a relation with the professional performance of the beneficiaries and does not derive simply from the general evolution of markets, or the sector in which the Company operates, or any other similar circumstances.
- 27.5. The Company shall maintain a civil liability insurance policy for its Directors.
- 27.6. The Directors shall, where appropriate, be entitled to the payment or reimbursement of the expenses they had incurred as a result of their attendance to meetings and other tasks directly related to the performance of

their duties, such as travel, accommodation, meals and any other they might incur, after the delivery of the supporting documentation for such expenses.

#### **Article 28. Annual Directors' Remuneration Report**

- 28.1. The Board of Directors shall submit the Annual Directors' Remuneration Report to the General Shareholders Meeting as a separate item on the agenda and with non-binding effects presented by the Appointments and Compensations Committee. In the event that the Annual Directors' Remuneration Report is rejected with the non-binding vote of the General Shareholders Meeting, the remuneration policy applicable for the following year shall be subject to the approval of the General Shareholders Meeting prior to being applied, although the term of three (3) year had not elapsed. Should the remuneration policy had been approved at the same General Shareholders Meeting, the above shall not apply.
- 28.2. The Annual Directors' Remuneration Report shall be made available to the shareholders and disclosed as an announcement to the market.
- 28.3. The Annual Directors' Remuneration Report shall include clear, comprehensive and easy to understand information on the Company's remuneration policy approved by the Board of Directors for the current year. The report shall address all the issues referred to in article 29 of this Regulation, except for those points which may concern disclosure of sensitive business information. The Annual Directors' Remuneration Report shall highlight the most significant changes in those policies in respect of the policy applied during the financial year previous to the year when the General Shareholders Meeting is held. It shall also include a global summary of how the remuneration policy was applied during the financial period, and the details of the individual remunerations paid to each of the Directors.
- 28.4. The Board of Directors shall also inform the meeting of the role carried out by the Appointments and Compensations Committee in drawing up the remuneration policy, and, if they used external advisers, the identity of the external consultants shall be indicated.

#### **Article 29. Transparency of the remuneration**

- 29.1 The Annual Directors' Remuneration Report shall detail the individual remunerations of the Directors during the financial year and shall include, amongst others:
  - a) An itemized breakdown of the remuneration of each Director which

shall include if appropriate:

- (i) attendance expenses, or other fixed remuneration as Director;
  - (ii) additional remuneration such as Chairman, Vice Chairman or member of any Committee of the Board of Directors;
  - (iii) any remuneration based on profits or bonuses, and the reasons why such amounts were paid;
  - (iv) contributions to defined contribution pension plans for the Director, or increase in the Director's vested rights, in the case of defined contribution plans;
  - (v) any indemnities agreed or paid in the event of termination of their duties;
  - (vi) remuneration received as Director of other Applus+ Group companies;
  - (vii) remuneration for performance of senior management duties by Executive Directors; and
  - (viii) any other remuneration apart from the foregoing, irrespective of its nature or the Applus+ Group entity that pays it, especially when it is considered to be a Related-Party Transaction or when its omission would detract from a true and fair view of the total remuneration received by the Director.
- b) The itemized breakdown of the possible delivery to Executive Directors of shares, share options or any other share based instrument detailing:
- (i) the number of shares or share options granted during the financial year and the conditions for their exercise;
  - (ii) number of options exercised during the financial year, indicating the number of shares and the exercise price;
  - (iii) number of options pending exercise at the end of the financial year, indicating their price, date and other requirements of the period; and



- (iv) any amendment during the financial period of the conditions for exercising options already granted.
- c) Information on the relationship during the previous financial year between the remuneration obtained by the Executive Directors and the results or other performance indicators of the Company.

## **CHAPTER VIII STRUCTURE AND OPERATION OF THE BOARD OF DIRECTORS**

### **Article 30. Chairman Duties**

- 30.1. The Board of Directors, following a report from the Appointments and Compensations Committee, shall appoint a Chairman. If the Chairman is an Executive Director, it shall be required the vote in favour of two-thirds (2/3) of the Directors.
- 30.2. The Chairman shall have the ordinary power to convene the Board of Directors, set the agenda for meetings and preside over said meetings as well as to chair the General Shareholders Meetings. However, the Chairman shall also be required to convene the Board of Directors when a third (1/3) of the members of the Board so requests, indicating in the agenda whether the meeting is to be held at the registered address of the company or at premises located in Barcelona, if, having previously requested that the Chairman of the Board of Directors call a meeting, it has failed to do so within a period of one (1) month from the initial request.
- 30.3. As the Chairman of the Board of Directors is maximum responsible for the effective operation and functioning of the Board of Directors, it shall be required to ensure that the Directors are provided with sufficient information beforehand; it shall encourage debate and the active participation of Directors during the Board meetings, safeguarding their freedom to take a particular stance and express their opinions and shall organize and coordinate with the Chairmen of the relevant committees the periodic assessment of the Board of Directors and, if appropriate, the senior executive.

### **Article 31. Vice-chairmen. Delegations**

- 31.1. The Board of Directors may appoint, following the issuance of a report of the Appointments and Compensations Committee, one or more Vice Chairmen who shall substitute the Chairman in the event of vacancy, absence or illness, in accordance with the terms of the By-laws. In the event that there are several Vice Chairmen, an order should be assigned to them as

to their appointment. In the absence of the Chairman and the Vice Chairman, the eldest board member shall preside over the meeting.

- 31.2. The Board of Directors may permanently delegate the Board's powers to one or several of its members, or to a Committee, except for those which are its exclusive competence through effect of law, or according to the By-laws or this Regulation.

The permanent delegation of powers of the Board of Directors and the appointment of the Director or Members to whom these delegated faculties are attributed, or the Committee members to whom they are also attributed, irrespective of their denomination, shall, in order to be valid, require the favourable vote of at least two thirds (2/3) of the components of the Board of Directors.

### **Article 32. Coordinating Director**

- 32.1. When the Chairman is an Executive Director, the Board of Directors, at the proposal of the Appointments and Compensations Committee, with the abstention of the Executive Directors, shall appoint necessarily a Coordinating Director among the Independent Directors, who may have the following responsibilities:

- a) Request the Chairman of the Board to convene the Board of Directors when appropriate.
- b) Request the inclusion of items on the Agenda of the meetings of the Board of Directors that have already been convened.
- c) Coordinate and gather the non-Executive Directors.
- d) Conduct the evaluation by the Board of the Chairman and, where appropriate, of the Chief Executive Officer.
- e) Act as Vice Chairman assuming the responsibilities of the Chairman concerning the Board of Directors in the event of his/her absence, illness or inability for any other reason. In the absence of the Coordinating Director the oldest Director shall replace the Chairman for the purposes of this paragraph.

- 32.2. The appointment of the Coordinating Director shall be voluntary when the Chairman is not an Executive Director.

**Article 33. Secretary of the Board of Directors Duties Deputy Secretary of the Board of Directors**

- 33.1. The Secretary of the Board of Directors may not be a Director.
- 33.2. The Secretary shall assist the Chairman so that the Directors receive the relevant information for the performance of their duties in good time and in the right format and shall ensure the correct operation of the Board of Directors, and shall be in charge of duly recording in the minutes the content of meetings and the discussions, and certifying its content and the resolutions of the Board. In addition, the Secretary of the Board shall keep the documentation of the Board of Directors.
- 33.3. The Secretary shall take particular care to ensure that the Board of Directors is duly adjusted to the applicable regulations (including that approved by the regulatory entities) and that they conform to the By-laws and the Regulations of the Board of Directors and any other corporate rules; and take into account the recommendations for good governance approved by the Company.
- 33.4. The appointment and removal of the Secretary shall be subject to a report by the Appointments and Compensations Committee, and shall be approved by the full Board of Directors.
- 33.5. The Secretary shall clearly express its opposition if it considers that any decision proposal submitted to the Board of Directors may be contrary to the corporate interest. When the Board of Directors takes significant or reiterated decisions on which the Secretary has serious reservations, it shall draw the appropriate conclusions and if the Secretary decides to resign, it shall explain the reasons for doing so in a letter addressed to all the members of the Board of Directors.
- 33.6. The Board of Directors may appoint a Deputy Secretary who need not be a Director, in order to assist the Board Secretary or replace it in its absence.

**Article 34. Company Books of Minutes**

- 34.1. Unless otherwise agreed by the Board of Directors, the Company shall maintain a single Book of Minutes in which the Minutes of the General Shareholder's Meeting shall be recorded, along with those of the Board of Directors and its Committees.
- 34.2. The Record shall be kept by the Company under the supervision of the

Chairman of the Board of Directors.

### **Article 35. Meetings of the Board of Directors**

35.1. The Board of Directors shall meet with sufficient frequency to effectively perform its duties, provided that this is in the interest of the Company and, at least, on a quarterly basis. The Board of Directors shall draw up a schedule of dates and matters to be addressed at the start of the financial year. The schedule may be modified at the decision of the Board of Directors or the Chairman, who shall inform the Directors of the change within a maximum term of five (5) days prior to the date initially established for holding the meeting, or the new date set for the meeting, should this be earlier. Without prejudice to the foregoing, the Board of Directors shall retain at all times the power to resolve any matters within its competencies, even on matters not expressly included in the Agenda, provided that the Chairman deems it appropriate to the interest of the Company, or necessary for reasons of urgency or opportunity.

35.2. Ordinary Board meetings shall be convened with at least seven (7) calendar days prior notice by letter or e-mail, or any other means, whether written or electronic, that ensures their receipt, and shall be authorized by the Chairman's signature or, pursuant to the Chairman's instructions, that of the Secretary or Deputy Secretary.

With every call for meeting of the Board of Directors, a meeting agenda shall be included along with all the necessary documentation to prepare for the meeting, which in any event shall be made available to the Members of the Board of Directors sufficiently in advance so that they may form their opinion, and if appropriate, issue their vote in relation to the subjects submitted for consideration.

In the event of urgency, prior notice of the meeting shall be given within twenty-four (24) hours, restricting the agenda of the meeting in this case to items of urgency.

35.3. When the Chairman of the Board is also the Chief Executive Officer of the Company, the Board may also be convened by the Coordinating Director who may also request the inclusion of new items on the Agenda of an already convened meeting of the Board, coordinate and gather the non-Executive Directors and direct, where appropriate, the periodic evaluation of the Chairman of the Board.

35.4. The Board of Directors shall be deemed to be validly constituted without the need for formal call, when all the board members, either present or

represented, unanimously agree to hold the meeting and address the items of the agenda. In addition, if no board member is opposed, the voting may be made by writing procedure in lieu of a meeting.

- 35.5. The Chairman shall decide on the agenda of the meeting. The Directors may put forward matters to the Chairman to be included on the agenda and the Chairman shall be required to include them when they have been submitted them within a maximum of four (4) days prior to the date established for holding the meeting.

When, at the request of the Directors, specific items are included in the agenda, the Members who had requested that inclusion shall be required to submit, together with their application, the pertinent documentation in order to provide the other members of the Board with the relevant information.

Every endeavour shall be made, given the requirement for confidentiality of each Director, to ensure that the importance and the private nature of such information is not used as a pretext -except in case of exceptional circumstances considered by the Chairman- for failing to comply with this provision.

- 35.6. The agenda of the meetings and the decision-making regime shall comply with the Spanish Companies Act and with the By-laws.
- 35.7. The Directors may delegate their representation to another Director. Non-Executive Directors may only delegate their representation in favour of another Non-Executive Director. The Chairman shall decide, in the event of any doubt, on the validity of the delegations conferred by Directors who are not present at the meeting. Said delegations may be granted by letter or any other written method which, in the Chairman's opinion, ensures that said representation is valid.
- 35.8. When the Directors or the Secretary express concern over any proposal or, in the case of the Directors, regarding the situation of the Company, and such concerns are not resolved by the Board of Directors, at the request of whoever expressed such concerns, they shall be recorded in the minutes.
- 35.9. Meetings of the Board of Directors 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.

35.10. The decisions of the Board of Directors shall be taken by absolute majority of the Directors. Any other reinforced majorities which may be established at any time under law or in the By-laws shall be exempt from this requirement. In case of a tie, the Vice-Chairman shall have a casting vote.

35.11. The resolutions of the Board of Directors shall be recorded in the minutes, which must be approved by the board at the end of the meeting or in the next one. The minutes may be written in English and must be signed by the Secretary of the Board of Directors or of the session, with the approval of the person acting as Chairman in said session. The minutes shall be included in the Book of Minutes.

### **Article 36. Self-assessment of the Board of Directors**

The Board of Directors shall dedicate the first meeting of the year to an assessment of its operation and of its Committees during the previous financial year, evaluating the quality of its work, assessing the effectiveness of its regulations, and if appropriate, correcting those aspects that were found not to be functional and proposing an action plan to correct the potential deficiencies identified. Furthermore, the Board of Directors shall assess the performance of its duties through the Chairman of the Board of Directors and the senior executive of the Company, based on the report issued by the Appointments and Compensations Committee, as well as the operation of the Board of Directors Committees, based on their reports. The result of the assessment shall be inserted in the Minutes of the meeting or shall be attached thereof as an annex.

### **Article 37. Board of Directors Committees**

37.1. In order to obtain greater efficacy and transparency in the exercise of its powers, and compliance with the functions and duties attributed to it, the Board of Directors shall arrange its work through the creation of Committees which reinforce the guarantees of objectivity with which it addresses specific issues.

37.2. Without prejudice to the statutory capacity of the Board of Directors to create other committees, in any case, the following shall be appointed:

- a) Audit Committee
- b) Appointments and Compensations Committee

## **Article 38. Audit Committee**

38.1. The Company shall have an Audit Committee comprising a minimum of three (3) and a maximum of five (5) Directors, appointed by the Board of Directors, at the proposal of the Appointments and Compensations Committee. All the members of the Audit Committee should be Non-Executive Directors, and the majority of the members of the Audit Committee shall be required to be Independent Directors, and shall be appointed taking into account their knowledge and experience with regard to accounting, auditing and risk management matters, both financial and non-financial.

As a whole, all of the members of the Audit Committee shall have relevant technical knowledge in connection with the sector of activity in which the Company operates.

38.2. The members of the Audit Committee shall be appointed for a term of four (4) years, and may be re-elected, once or several times, for periods of the same duration.

38.3 Despite the terms of the previous paragraph, the Audit Committee shall appoint a Chairman among the Independent Directors for a term not exceeding four (4) years, being able to be re-elected after one (1) year as of the end of its term as Chairman, even if he/she continues to hold the office or he/she is re-appointed as member of the Audit Committee.

38.4. The Audit Committee shall appoint a Secretary, who may not be a member of said Committee, and who will assist the Chairman of the Audit Committee and shall provide for the correct operation of the Audit Committee ensuring that the minutes reflect the progress of the meetings and the content of the discussions and decisions taken. For each meeting the Secretary or person acting on its behalf shall issue the minutes of the meeting, which shall be signed by the members of the Audit Committee who attended the meeting. A copy of the minutes shall be sent to all the members of the Board of Directors.

38.5. The main function of the Audit Committee is to support the Board of Directors in all its tasks of surveillance, through the regular review of the process of preparing the economic and financial information, the monitoring of the function of the internal audit and the conduction of the relationship with the external auditor, watching for its independence.

38.6. The Audit Committee shall monitor the internal audit, which shall ensure proper functioning and operation of the information and internal control

systems. The person in charge of the internal auditing functions shall submit its annual work plan to the Audit Committee. shall directly inform the Audit Committee of the execution of the annual work plan, including any incidents or scope limitations arising during its implementation, the results and monitoring of its recommendations and, at the end of each year, shall also submit to the Audit Committee an activity report.

38.7. Without prejudice to the other competences that are attributed to the Audit Committee, the Audit Committee is responsible for, at least:

- a) To report the General Shareholders Meeting on the issues raised in relation to those matters within the competence of the Audit Committee, and in particular on the outcome of the audit explaining how the audit has contributed to the integrity of financial information and the role the Committee has played throughout this process.
- b) In relation to the information and internal control systems:
  - (i) To monitor the effectiveness of the internal control of the Company, the internal audit, and the risk management systems, as well as to discuss with the external auditor any significant weaknesses in the internal control system detected during the course of the audit, all of which without breaching their independence. For this purpose, the Audit Committee may submit recommendations or proposals that will be considered by the Board of Directors within a specific timeframe.
  - (ii) To monitor and to evaluate the preparation and the integrity of the mandatory financial information, reviewing compliance with regulatory requirements, the accurate demarcation of the consolidation perimeter and the correct application of accounting principles.
  - (iii) To monitor the independence and efficacy of the internal audit function; propose the selection, appointment, re-appointment and removal of the head of the internal audit; propose the department's budget; to approve the priorities and annual work plan of the internal audit unit, ensuring that it focuses primarily on the main risks the Company is exposed to (including reputational risk); receive regular information on its activities; and verify that the senior management are acting on the findings and recommendations of their reports.



- (iv) To analyse financial and accounting irregularities with potentially serious implications that may have been reported through the mechanism provided in section 41.6.viii.
  - (v) To monitor and to evaluate the control and management systems of the financial and non-financial risks the Company and the Applus+ Group are exposed to, including operational, technological, legal, social, environmental, political and reputational risks.
  - (vi) To monitor in general that the policies and systems related to internal control are applied effectively in practise.
- c) In respect of the external auditor:
- (i) To make recommendations to the Board of Directors for the selection, appointment, re-appointment and removal of the external auditor and the conditions of its engagement, being held fully responsible for the selection process, in accordance with the provisions set forth in articles 16, section 2, 3 and 5, and 17.5 of Regulation (EU) N° 537/2014, of 16 April.
  - (ii) To gather regularly information from the external auditor on the audit programme, its implementation and the results of its implementation, as well as verify that the senior management are acting on its recommendations.
  - (iii) To monitor the independence of the external auditor, to which end, the Company shall:
    - Notify any change of auditor to the CNMV, accompanied by a statement of any disagreements arising with the outgoing auditor and, should this be the case, their content.
    - Ensure that the Company and the auditor comply with current regulations on the provision of non-audit services, the limits on the auditor's business concentration, the regulations referring to the requirement to rotate the auditor issuing the audit report, and in general, any other provisions established in order to ensure the independence of the auditors.
    - The Audit Committee shall issue a report annually, in

which it shall express its opinion on whether the auditors' independence is compromised. This report shall contain in any case a reasoned assessment of each and every one of the provision of additional services, other than the legal audit, provided by the auditors to the Company or to any entity associated with the company, whether directly or indirectly.

- To this end, the Audit Committee shall receive, on a yearly basis, the auditors' written confirmation of their independence in respect of the Company, and any of its associated entities, whether directly or indirectly, as well as detailed and individualized information on additional services of any kind that they have provided to the Company or any of its associated entities, whether directly or indirectly, as well as the fees received from such entities.
  - In the event that the external auditor withdraws, the circumstances motivating this withdrawal shall be examined.
- (iv) With respect to the Applus+ Group, the Audit Committee shall encourage that the Group auditor also carries out the audits of the companies of the Group.
- (v) To establish the appropriate relationships with the external auditor to receive information on any issues that could be a threat to their independence, to be considered by the Audit Committee, when appropriate, the authorisation of services other than those prohibited under the terms set out in articles 5, section 4 and 6.2.b) of Regulation (EU) N° 537/2014, of 16 April, and as provided in the 3rd section of chapter IV of Title I of Law 22/2015, of 20 July, on auditing, regarding the independence regime, as well as other communications provided for in the legislation on auditing of the accounts and in the auditing standards.
- d) In relation with other duties, it corresponds to the Audit Committee:
- (i) To report during the General Meeting of Shareholders on the matters raised therein by shareholders which fall under its scope of responsibility.
  - (ii) To monitor the process of preparing the annual accounts and

management reports, individual and consolidated, for their formulation by the Board of Directors in accordance with the Spanish Companies Act.

- (iii) To report to the Board of Directors, for its formulation in accordance with the Spanish Companies Act, on the correctness and reliability of the annual statements and management reports, individual and consolidated, and the periodic financial information disseminated to the markets.
- (iv) To prepare reports on the proposals to modify these Regulations.
- (v) To decide what is appropriate in relation with rights to information of the Directors who attend the Audit Committee, in accordance with the provisions of Article 25.3 of these Regulations.
- (vi) To issue the reports and the proposals that are requested by the Board of Directors and by its Chairman and those which it deems pertinent for the optimum fulfilment of their duties.
- (vii) To report, where necessary, on business opportunities or the use of assets previously evaluated and discarded by the Applus+ Group over which a Director takes advantage in its own benefit.
- (viii) To monitor compliance with internal codes of conduct and, in particular, with these Regulations under the terms provided herein.
- (ix) To report to the Board of Directors, prior to its adoption of the corresponding decisions, on the following subjects:
  - The financial information that the Company must periodically make public as a listed company. The Audit Committee must ensure that these interim statements are formulated using the same accounting criteria as the annual ones and, to that end, consider if a limited review from the external auditor is required.
  - The creation or acquisition of holdings in special purpose entities or those established in countries or territories

which are considered tax havens, as well as any other transactions or operations of an analogous nature, which, due to their complexity, might diminish the transparency of the Applus+ Group.

- The preparation of a report on all those transactions that have the condition of Related-Party Transactions, as provided for under article 7.2.h) of these Regulations.

38.8. In order for the Audit Committee to best fulfil its duties, it will be able to seek out advisory services from external professionals, for the purpose of which the provisions set forth in article 24 of these Regulations shall apply.

38.9. The provisions in the By-laws relating to the functioning of the Board of Directors shall be applicable to the Audit Committee on an ancillary basis, to the extent that its nature and functions make it possible. In any event, the rules governing the Audit Committee can be developed and complemented through specific regulations, the approval and amendment of which is the responsibility of the Board of Directors.

38.10 The Audit Committee will meet at the least every quarter and, in addition, each time its Chairman convenes it, or at the request of two (2) of its members. Annually, the Audit Committee shall prepare a plan of action for the financial year on which it will report to the Board of Directors.

38.11. Any member of the management team and of the Applus+ Group personnel who are required for such a purpose will be required to attend the sessions of the Audit Committee and to provide their cooperation and access to the information which they possess, even ordering that employees appear before the Committee without any senior manager being in attendance. The Audit Committee may also require that the Company's auditors attend its sessions.

38.12. The Audit Committee will have access to the information and documentation necessary to carry out its duties.

38.13. Regarding any aspect that is not set forth under this article, the provisions set forth in the By-laws relating to the functioning of the Board of Directors shall be applicable on an ancillary basis to the extent that its nature and functions make it possible.

38.14. The members of the Audit Committee may be assisted, during the sitting of its sessions, by individuals who, in the capacity of advisors, they consider suitable. Such advisors will attend the meeting with voice, but without vote.

38.15. The Chairman of the Audit Committee, in the first plenary session of the Board of Directors subsequent to the meeting of the Audit Committee, will give an account of its activity and will answer for the work performed. Annually, the Audit Committee will put forward a report on its functioning to the Board of Directors.

### **Article 39. Appointments and Compensations Committee**

39.1. The Company will have an Appointments and Compensations Committee comprised of a minimum of three (3) and a maximum of five (5) Directors appointed by the Board of Directors for a period not exceeding that of their term as Directors and without prejudice to their ability to be re-appointed insofar as they were re-appointed as Directors. 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 commitments of the Appointments and Compensations Committee.

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.

39.2. The Appointments and Compensations Committee will designate a Chairman from among its members with the category of Independent Directors. It will also designate a Secretary, who may not be a member of the Committee and who will assist the Chairman and will have to cooperate for the good functioning of the Committee, taking care that the minutes duly reflect the progress of the sessions and the content of the deliberations.

The members of the Appointments and Compensations Committee will resign as a result of their resignation as Directors or when the Board of Directors so decides.

39.3. 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, re-appointment and removal of Independent Directors, and to report on the proposals for appointment, re-appointment 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 the diversity issues, and safeguard that, when filling new vacancies, the Board shall respect the provisions set forth in Article 14.3 of these Regulations.
- (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 these Regulations.
- (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) Ensure that conflicts of interest do not undermine the independence of the external professionals referred to the following Article 40.4.
- (vii) Verify the information on Director and senior officers' pay contained in corporate documents, including the annual Directors' remuneration report.

39.4. In order for the Appointments and Compensations Committee to best fulfil its duties, it may seek advisory services from external professionals, for the purpose of which the provisions set forth in article 24 of these Regulations shall apply.

39.5. The provisions in the By-laws relating to the functioning of the Board of Directors shall be applicable to the Appointments and Compensations Committee on an ancillary basis, to the extent that its nature and functions make it possible. In any event, the rules governing the Appointments and Compensations Committee can be developed and complemented through specific regulations, the approval and amendment of which is the responsibility of the Board of Directors.

- 39.6. The Appointments and Compensations Committee will meet with the frequency which is decided upon and every time it is convened by its Chairman or when two of its members so request. Annually, the Appointments and Compensations Committee will prepare a plan of action for the financial year, which will be communicated to the Board of Directors.
- 39.7. Minutes will be taken at each session and will be signed by the members of the Appointments and Compensations Committee who attended the meeting. The minutes will be sent to all the members of the Board of Directors.
- 39.8. Any member of the management team and of the Applus+ Group personnel who is required for such a purpose will have to attend the sessions of the Appointments and Compensations Committee and will have to provide its cooperation and access to the information which it possesses.
- 39.9. The Appointments and Compensations Committee will have access to the information and documentation necessary for the performance of its duties.
- 39.10. 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.
- 39.11. The Chairman of the Appointments and Compensations Committee, in the first plenary session of the Board of Directors subsequent to the meeting of the Audit Committee, will give an account of its activity and will answer for the work performed. Annually, the Appointments and Compensations Committee will put forward a report to the Board of Directors on its functioning.

#### **Article 40. Environmental Social Governance Committee**

- 40.1. The Company will have an Environmental Social Governance Committee (the "**ESG Committee**") comprised of a minimum of three (3) and a maximum of five (5) Directors appointed by the Board of Directors, for a period not exceeding that of their term as Directors and without prejudice to their ability to be re-appointed insofar as they were re-appointed as Directors. The Board of Directors will appoint the members of the ESG Committee based on the expertise, skills and experience of the Directors and the commitments of the ESG Committee.



- 40.2. The majority of the members of the ESG Committee must be Independent Directors.
- 40.3. The ESG Committee will designate a Chairman from among its members with the category of Independent Directors. It will also designate a Secretary, who may not be a member of the Committee and who will assist the Chairman and will have to cooperate for the good functioning of the Committee, taking care that the minutes duly reflect the progress of the sessions and the content of the deliberations.
- 40.4. The Members of the ESG Committee will resign as a result of their resignation as Directors or when the Board of Directors so decide.
- 40.5. The main function of the ESG Committee is to promote the implementation of the Company's policy in terms of ESG and in particular the management of corporate governance matters, environmental and social responsibility, ethic and transparency as well as to advice the Board of Directors within its field of competence.
- 40.6. Without prejudice to any other duties that are assigned to it, the ESG Committee shall have at least the following duties:
- (i) To promote the Company's policy in terms of ESG and of the Applus+ Group supervising and ensuring the adoption and effective implementation of good practices in the field of environmental social governance responsibility, good governance, ethics and transparency and procuring that expectations of the various stakeholders in the framework of value creation are taken into account.
  - (ii) To submit to the Board of Directors the initiatives and proposals it deems appropriate and inform on the proposals submitted for the consideration thereof, ensuring that the business strategy of the Company is aligned with the values of the Company's policy in terms of ESG approved by the Board of Directors.
  - (iii) In particular, to design, define and approve initiative and according development plans for the achievement of the goals previously set up according to the Company's policy in terms of ESG and to such other policies or codes that, within the scope of its functions, it may promote.
  - (iv) Likewise, to define the necessary organization and coordination for the implementation of such initiatives and strategies for the Company's policy in terms of ESG including, if necessary, the possibility

to appoint ad-hoc committees to monitor specific areas that, in its view, may require specialized dedication.

- (v) To assess, review and monitor the development and implementation of initiatives and plans of the Company in implementing the Company's policy in terms of ESG, by monitoring their compliance with the indicators defined.
- (vi) To monitor and to evaluate the preparation and the integrity of the annual report on corporate governance, the annual report on ESG matters and any other mandatory non-financial information, coordinating whenever necessary the process for reporting such information in accordance with applicable regulations and international reference standards.
- (vii) To issue the reports and take such other actions on ESG matters as may be requested by the Board of Directors or by its Chairman.
- (viii) To establish and to monitor a mechanism whereby employees and other persons related to the Company, such as Directors, shareholders, suppliers, contractors or subcontractors can report irregularities of potential significance, including financial, non-financial and accounting irregularities, or those of any other nature, related to the Company which are evidenced within the Company or the Applus+ Group. Said mechanism shall guarantee the confidentiality, and in any circumstance, foresee cases enabling communications to be made anonymously and respecting the rights of both the complainant and the accused party..
- (ix) To oversee compliance with the general policy regarding the disclosure of economic-financial, non-financial and corporate information, as well as the communication and relations strategy with shareholders and investors, proxy advisors and other stakeholders, including small and medium-sized shareholders.
- (x) To periodically evaluate the effectiveness of the Company's corporate governance system and of the Company's policy in terms of ESG, in order to confirm that it is fulfilling its mission to promote the corporate interest and to take into account, where appropriate, the legitimate interests of the remaining stakeholders.
- (xi) To monitor and evaluate the Company's interaction with its stakeholder groups.

(xii) To monitor that the Company's environmental and social practices are in accordance with the established strategy and policy.

(xiii) To oversee the acting of the Company in respect of training, reporting and investigations.

40.7. In order for the ESG Committee to best fulfil its duties, it may seek advisory services from external professionals, for the purpose of which the provisions set forth in article 24 of these Regulations shall apply.

40.8. The ESG Committee may delegate its functions to specialized committees.

The ESG Committee shall always be apprised of the matters addressed and the decisions taken by any other Committees that it may constitute for the better performance of its functions.

40.9. The provisions in the By-laws relating to the functioning of the Board of Directors shall be applicable to the ESG Committee on an ancillary basis, to the extent that its nature and functions make it possible. In any event, the rules governing the ESG Committee can be developed and complemented through specific regulations, the approval and amendment of which is the responsibility of the Board of Directors.

40.10. The ESG 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. Annually, the ESG Committee shall prepare a plan of action for the year on which it will report to the Board of Directors.

40.11. For each meeting minutes shall be issued and signed by the members of the ESG Committee who attended the meeting. A copy of the minutes shall be sent to all the members of the Board of Directors.

40.12. 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 ESG Committee and to provide their cooperation and access to the information which they possess.

40.13. The ESG Committee will have access to the information and documentation necessary to carry out its duties.

40.14. The Chairman of the ESG Committee in the first plenary session of the Board of Directors subsequent to the meeting of the ESG Committee will

give an account of its activity and will answer for the work performed. Annually, the ESG Committee will put forward a report on its functioning to the Board of Directors.

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