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

In accordance with the provisions of article 227 of the Spanish Securities Exchange Act (Texto Refundido de la Ley del Mercado de Valores, aprobado por el Real Decreto Legislativo 4/2015, de 23 de octubre), Applus Services, S.A. (hereinafter, "Applus" or the "Company") notifies the following

#### **OTHER RELEVANT INFORMATION**

##### **Resolutions approved by the General Shareholders' Meeting**

The General Shareholders' Meeting of Applus held today on second call, has approved with sufficient majority each and every resolution included in the Agenda of such General Shareholders' Meeting.

Such resolutions are attached hereto as an Annex to this Relevant Information disclosure.

The foregoing is notified as relevant information for all appropriate purposes, in Madrid, on 28 June 2022.



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

**28 JUNE 2022**



**RESOLUTION REGARDING ITEM FIRST OF THE AGENDA**

**Review and approval of the Individual Annual Accounts and Management Report of Applus, as well as the Consolidated Annual Accounts and the Consolidated Management Report of Applus and its subsidiaries, for the financial year ended on 31 December 2021**

To approve the Individual Financial Statements of the Company (statement of financial position, statement of profit or loss, statement of changes in equity, statement of cash-flows and notes) and Applus' Management Report for the financial year ended on 31 December 2021, as well as the Consolidated Financial Statements of the Company and its subsidiaries (consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of changes in equity, consolidated statement of comprehensive income, consolidated statement of cash-flows and consolidated notes) and Applus' Consolidated Management Report for the financial year ended on 31 December 2021, which were drawn-up by the Board of Directors at its meeting held on 24 February 2022 following the format and labelling requirements set out in Delegated Regulation (EU) 2019/815, and duly reviewed by the auditor of the Company.



**RESOLUTION REGARDING ITEM SECOND OF THE AGENDA**

**Review and approval of the consolidated non-financial information statement for the financial year ended on 31 December 2021**

To approve the consolidated non-financial information statement included in Applus' Consolidated Management Report for the financial year ended on 31 December 2021.



**RESOLUTION REGARDING ITEM THIRD OF THE AGENDA**

**Approval of the proposed allocation of Applus' profits of the financial year ended on 31 December 2021**

To approve the following allocation of the result of the financial year ended on 31 December 2021, as proposed by the Board of Directors at its meeting held on 24 February 2022:

<b>BASIS OF ALLOCATION</b>	<b>Euros (thousands)</b>
Profit for the year 2021	41,265
<b>TOTAL</b>	<b>41,265</b>
<b>DISTRIBUTION</b>	<b>Euros (thousands)</b>
To dividends (€0.15 gross per share)	21,453
To unrestricted voluntary reserves	19,812
<b>TOTAL</b>	<b>41,265</b>

The payment of the aforementioned dividend will be made on 7 July 2022, through the entities participating in *Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear)*.

The Board of Directors is hereby empowered, with express power of substitution, to appoint the entity that shall act as paying agent and to carry out any other actions necessary or convenient for the successful distribution of this dividend.



**RESOLUTION REGARDING ITEM FOURTH OF THE AGENDA**

**Approval of the management and performance of the Board of Directors of Applus during the financial year ended on 31 December 2021**

To approve the performance and the management of the Board of Directors of Applus during the financial year ended on 31 December 2021.



**RESOLUTION REGARDING ITEM FIFTH OF THE AGENDA**

**Re-election of Deloitte, S.L. as external auditor of the Company and its consolidated group for the financial year 2022**

At the proposal of the Audit Committee, to re-elect Deloitte, S.L., with registered offices in Madrid, Plaza Pablo Ruiz Picasso, 1, (Torre Picasso), 28020, and Spanish tax identification number (N.I.F.) B-79104469, registered with the Madrid Commercial Registry, at Volume 13,650, Sheet 188, Section 8, Page M-54414, and with the Official Register of Spanish Auditors (*Registro Oficial de Auditores de Cuentas de España - ROAC*) under number S-0692, as external auditor of the Company and of its consolidated group for the financial year ending on 31 December 2022.



**RESOLUTION REGARDING ITEM SIXTH OF THE AGENDA**

**Ratification and re-election of members of the Board of Directors.**

**1. Ratification of the appointment of Mr. Brendan Connolly as Independent Director**

To ratify the appointment of Mr. Brendan Connolly (whose personal particulars are recorded in the Commercial Registry) as Independent Director, as agreed by the Board of Directors of Applus in the meeting held on 17 November 2021, at the proposal of the Appointments and Compensation Committee.

**2. Ratification of the appointment of Ms. Marie-Françoise Madeleine Damesin as Independent Director**

To ratify the appointment of Ms. Marie-Françoise Madeleine Damesin (whose personal particulars are recorded in the Commercial Registry) as Independent Director, as agreed by the Board of Directors of Applus in the meeting held on 17 November 2021, at the proposal of the Appointments and Compensation Committee.

**3. Re-election of Mr. Christopher Cole as Independent Director**

At the proposal of the Appointments and Compensation Committee, to re-elect Mr. Christopher Cole (whose personal particulars are recorded in the Commercial Registry) as Independent Director for a term of four years.

**4. Re-election of Mr. Ernesto Gerardo Mata López as External Director**

At the proposal of the Board of Directors upon the previous favourable report from the Appointments and Compensation Committee, to re-elect Mr. Ernesto Gerardo Mata López (whose personal particulars are recorded in the Commercial Registry) as External Director for a term of four years.





**RESOLUTION REGARDING ITEM SEVENTH OF THE AGENDA**

**Advisory vote regarding the 2021 Directors' Remuneration Annual Report**

To approve, by an advisory vote, the Directors' Remuneration Annual Report corresponding to financial year 2021, which was approved by the Board of Directors of the Company on 24 February 2022, at the proposal of the Appointments and Compensation Committee.



**RESOLUTION REGARDING ITEM EIGHTH OF THE AGENDA**

**Approval of the new Directors' Remuneration Policy**

To approve, pursuant to the provisions of section 529 novodecies of the Spanish Companies Act and upon the favourable report from the Appointments and Compensation Committee, the new Directors' Remuneration Policy for years 2022, 2023 and 2024 that is attached to this resolution.



## ANNEX TO RESOLUTION REGARDING ITEM EIGHTH OF THE AGENDA

### Directors' Remuneration Policy

#### 1. Duration of the policy

The Remuneration Policy will be in force during the present financial year 2022 and the following two years (2023 and 2024) unless an agreement amending or replacing such policy is passed by the General Shareholders' Meeting during its applicable period, in accordance with article 529 novodecies of the Spanish Companies Act.

#### 2. Principles and grounds

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

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

In any case, the directors' remuneration provided for in this Remuneration Policy will be reasonably proportionate to the importance of the Company, the economic situation and the market standards of comparable companies.

A significant portion of the remuneration of the Executive Directors is linked to the achievement of results that reflect the Group's strategic priorities. Long-term sustainability and Diversity are strategic priorities for Applus Board, so this Policy links the Executive Directors' annual bonus and long term incentive (LTI) to ESG targets, including diversity among them, and recognizes the commitment to maintain a minimum percentage of 40% female Directors already achieved in 2021. This Policy also links the Executive Directors' annual bonus with the adjusted operating profit and adjusted operating cash flow, therefore reflecting the strategic priorities for the Company relating to its operating profitability and cash flow generation. Moreover, this Policy also links the Executive Directors' LTI with the total shareholder return, earnings per share and return on capital employed, therefore reflecting the Company's long-term strategic priorities relative to sustainable shareholder value creation.

In setting the Remuneration Policy, the conditions of remuneration and employment of the Company's employees have been taken into account, specifically (i) since 2018, the CEO's remuneration has not been increased, despite the fact that the remuneration of the Group's



employees has been increasing in recent years; (ii) the structure and metrics of the annual variable remuneration system and the LTI of the Executive Directors is the same as that of the Group's employees; and (iii) the structure of benefits and pension plans is the same as that existing for the Company's executives in Spain.

Furthermore, the remuneration system is oriented towards the promotion, in the long-term, of the profitability, interests and sustainability of the Company and it incorporates the necessary cautions to avoid an excessive assumption of risks and the reward of unfavorable results.

Due to all of the reasons mentioned above, this Policy contributes to promote Applus' business strategy, long-term interests and sustainability.

This Policy has been prepared with the support of Mercer Consulting (UK & Spain) and approved by the Board of Directors after being submitted and informed by the Appointments and Compensation Committee.

### **3. Remuneration for non-executive directors, in their condition as such**

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

- (i) The amount of the annual remuneration payable by the Company to the Board of Directors as a whole, in their capacity as Board members (as fixed amount), was set by the General Shareholders' Meeting held on 30 May 2019 at EUR 1,500,000, and will remain in form until amended by the General Shareholders' Meeting.
- (ii) Unless otherwise determined by the General Shareholders' Meeting, the Board of Directors will determine the exact amount payable within the limit approved by the General Shareholders' Meeting, as well as the specific remuneration for each director, in his/her condition as Board member (as fixed amount), taking into account the functions and responsibilities attributed to each director, time commitment required and with reference to appropriate market conditions.

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

According to the above, for informative purposes, the Board has determined that the fixed annual remuneration for the Directors for 2022, in their capacity as Board members (as fixed amount) is:

- Compensation as Chairman of the Board: EUR 275,000.
- Compensation as Director (with the exception of the Chairman of the Board): EUR 66,000.



- Compensation as Head of a Committee: EUR 30,000.
- Compensation as member of a Committee: EUR 20,000.

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

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

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

As of this date, the "CEO" and the "CFO" are the only positions of the Board of Directors performing executive functions in the Company.

The proposal of compensation (fixed remuneration, annual bonus, benefits in kind and long term incentive) for the Executive Directors in this Policy have been analyzed by the Appointments and Compensation Committee and approved by the Board of Directors, based on a salary benchmark for their positions provided by Mercer Consulting.

##### **4.1 Fixed remuneration**

The fixed remuneration to be paid to the CEO amounts up to a maximum of EUR 750,000.

Furthermore, the CEO of the Company shall receive other benefits as remuneration in kind, at a maximum cost equal to 15% of the fixed remuneration in cash. This percentage of the base salary as remuneration in kind is in line with the policy in place for Senior Managers. In addition, the Company will annually contribute to the CEO's pension scheme an amount equal to the difference between the referred 15% of the fixed remuneration and the cost of the actual benefits received by the CEO in said year. The executive director will decide every year the amount to be used for each benefit, keeping always the maximum cost equal to 15% of the fixed remuneration in cash

The CEO can also decide every year if he wants a reduction in his fixed salary to have this same amount invested in a pension scheme, an option also available for Senior Managers.

The fixed remuneration of the CFO amounts to EUR 360,000.

Furthermore, the CFO of the Company shall receive other benefits as remuneration in kind, at a maximum cost equal to 15% of the fixed remuneration in cash, which may among other items include a pension scheme contribution at the discretion of the director. This percentage of the base salary as remuneration in kind is in line with the policy in place for Senior Managers.



The executive director will decide every year the amount to be used for each benefit, keeping always the maximum cost equal to 15% of the fixed remuneration in cash

The CFO can also decide every year if he wants a reduction in his fixed salary to have this same amount invested in a pension scheme, an option also available for Senior Managers.

For the sake of clarity, Applus does not have a corporate pension plan, and the policy regarding this benefit is based on the practice of each of the countries / business. The pension plan policy for executive directors is aligned with the company practice for managers in Spain, where the executive directors are located.

During the term of this Remuneration Policy, the annual fixed remuneration amount for the executive directors will be increased with reference to the Consumer Price Index in Spain or any other index which may substitute it in the future, unless the Board of Directors decides not to apply this increase.

#### 4.2 Variable remuneration

The variable remuneration for the executive directors comprises: (i) a variable annual amount both in cash and by means of the delivery of RSUs, linked to achieving targets; and (ii) a long term incentive plan, payable by means of the award of *performance stock units* ("PSUs") and also linked to achieving targets.

- (i) The executive directors' variable annual remuneration will be linked to achieving targets (55% based on the Group's adjusted operating profit – AOP – and 30% based on its adjusted operating cash flow – AOCF – and 15% based on four ESG targets).

The AOP and AOCF targets will be disclosed *ex post* annually at the Annual Report on the Remuneration of the Directors to avoid sharing in advance strategic confidential information.

The ESG targets will be disclosed every year in February after being approved by the Board of Directors. This year 2022 this information has been released with this Policy.

The AOP, AOCF and ESG results will be disclosed *ex post* annually at the Annual Report on the Remuneration of the Directors to avoid sharing in advance strategic confidential information.

The amount of this remuneration item will be calculated as follows:

For the CEO:

- ✓ the variable base target amount, which is established up to a maximum of 80% of the fixed remuneration, will be increased by 2% for every increment of 1% achieved in excess of the targets, up to a maximum of 150% of the



variable base target (however each target can achieve a 200% payout). On the other hand, the variable remuneration will be reduced by 5% for every decrease of 1% on the targets. Same policy as for Senior Managers.

- ✓ 62.5% of the variable remuneration to be received shall be paid in cash and the remaining 37.5% through the delivery of RSUs. Same policy as for Senior Managers.

For the CFO:

- ✓ the variable base target amount, which is established as 70% of the fixed remuneration, will be increased by 2% for each increment of 1% achieved in excess of the targets, up to a maximum of 150% of the variable base target (however each target can achieve a 200% payout). On the other hand, the variable remuneration will be reduced by 5% for every decrease of 1% on the targets. Same policy as for Senior Managers.
- ✓ 62.5% of the variable remuneration to be received shall be paid in cash and the remaining 37.5% through the delivery of RSUs. Same policy as for Senior Managers.

The basis for the calculation of the RSUs to be delivered to each executive director will be the average market value of Applus shares during the 60-day period prior to the date of grant of the RSUs.

The RSUs will be delivered every year on the date of approval by the Board of Directors of Applus' annual results and the amount of each executive director's annual variable remuneration.

Each RSU will vest into one share, and 30%, 30%, and 40% of the RSUs will vest after one, two and three years from the date they were delivered, respectively, subject to continuous employment on the vesting date.

If the termination of the Participant's service is due to any of the following events: (i) *mortis causa*, (ii) permanent disability, (iii) good leaver (understanding as such the event of (a) retirement; (b) the Participant's office or employment being with either a company which ceases to be a member of the Applus Group or relating to a business or part of a business which is transferred to a person who is not a member of the Applus Group; and (c) any whatsoever termination carried out by the Company except in the event of a disciplinary dismissal classified as fair by a court in a definitive judgement or not challenged by the Participant; or (iv) change of control (understanding as such the event of (i) a merger, consolidation, acquisition or other transaction as a result of which securities possessing more than 50% of the total combined voting power of the Company's outstanding securities are transferred to a person or persons different from the persons holding those securities immediately prior to such transaction; (ii) the sale,



transfer or other disposition of all or substantially all of the Company's assets in complete liquidation or dissolution of the Company; or (iii) the acquisition by a third party (individual or legal entity), either individually or jointly with others which act in a coordinated way, of a control stake of the Company in accordance with what is set forth in article 4 of Royal Decree 1066/2007, 27 July, on the initial public offerings regime as amended from time to time), then all RSUs granted pursuant to the RSU plan that have not vested on the date the event takes effect shall be automatically vested on the date the event takes effect. The settlement of the vested RSUs in the event of a change of control will be paid in cash on the date of the change of control event.

If accredited inaccuracies in the information upon which the cash bonus and the RSUs were granted are reported by an accredited auditor and approved by the Board of Directors, the Company shall be entitled, for a period of three years following the payment of the cash bonus and the RSUs, or the vesting of the RSUs, respectively, to claim the refund of the net (of any withholding taxes or fees) amount of cash bonus, net amount of RSUs, and net amount of shares pursuant to a vesting of RSUs, as applicable, which has been effectively received by each executive director because of those inaccuracies.

The Board of Directors, prior a favorable proposal from the Appointments and Compensation Committee, may increase the result of the mathematical calculation of the annual variable compensation of the Executive Directors if (i) it is duly justified, (ii) the increase will be for a maximum amount of 50% of the target base (in cash and RSUs), and (iii) the final total amount of the annual variable compensation, after the increase if any, will not exceed the target base (in cash and RSUs). This decision shall be made public *ex post* annually at the Annual Report on the Remuneration of the Directors the Annual Compensation Report.

- (ii) The long term incentive plan (which started in 2016 under the then applicable Remuneration Policy) involves the annual receipt of PSUs by the executive directors, each one exchangeable for one share of the Company in accordance with the vesting schedule referred to below.

The long term incentive plan targets have been reviewed and updated taking into consideration the strategic objectives and challenges in 2022-2024 strategic plan (communicated last year), the feed-back gathered from investors and proxy-advisors and the ESG commitments of Applus.

The amount of the long term incentive for executive directors has also been updated after the Mercer Consulting compensation report, taking into consideration the salary benchmark, the need to retain and motivate the executive directors and the new strategic targets added into the incentive.





The targets of the long term incentive for the executive directors are the same targets of the managers who are also entitled to this incentive.

Each executive director will receive the following number of PSUs:

- The CEO will annually receive up to a maximum of PSUs equal to, in principle, 90 % of his fixed remuneration.
- The CFO will annually receive PSUs equal to, in principle, 50 % of his fixed remuneration.

However, depending on the degree of achievement of the parameters set forth below, such amounts may finally fluctuate as set forth below. The number of PSUs that will be vested will have a value between 0% and 150% of the number of PSUs target, depending on the degree of compliance with the targets. However, each target of the LTI can achieve a value between 0% and 200% payout.

The value of each PSU will be equivalent to the average quote value of a share in the Company during the sixty days prior to the granting of the PSUs.

The PSUs will be granted every year on the date of approval by the Board of Directors of Applus' annual results. The number of PSUs to be delivered to the executive directors may be adjusted over the course of the year if his fixed remuneration is modified. Notwithstanding the latter, the day of delivery of the additional PSUs shall be considered as the date of approval of the corresponding annual results.

The PSUs awarded in each year shall be vested into shares within a three-year period as from the day they were awarded provided that certain parameters, as set out below, are met. The number of PSUs that will be vested will have a value between 0% and 135% of the fixed remuneration of the CEO, if he were awarded with the maximum number of PSUs target equal to 90% of the fixed remuneration) and between 0% and 75% of the fixed remuneration of the CFO, depending on the degree of compliance with such parameters during the three years prior to the vesting, so as to ensure that the vesting reflects the professional performance of the executive directors during each three-year period.

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

- a) A target based on relative total shareholder return ("TSR") within a three-year period, where the Company's TSR will be compared with an unweighted index composed of a group of eight peer companies within the testing, inspection and certification industry (SGS, Bureau Veritas, Intertek, Eurofins Scientific, Core Laboratories, ALS, Team Industrial Services, Mistras).



The Board of Directors can modify the group of companies to be used for a LTI, if the changes are decided and disclosed before the LTI award.

The index is the result of calculating the annualized TSR of the media TSR of the eight peer companies.

This parameter will represent 30% of the total PSUs granted each year.

In particular, within this 30%, 50% of PSUs will be vested should the Applus annualized TSR performance be equal to the index and 200% of PSUs will be vested should the Applus annualized TSR performance be 5% greater on an annual cumulative basis than the index. Between the index and the TSR value that gives right to vest 200% of PSUs, there will be a straight line vesting between such two values. As a result, 100% of PSUs will be vested should the Applus annualized TSR performance be 1.67% greater than the index.

If the TSR performance is below the index, no PSUs will vest for this parameter. The maximum number of PSUs that will be vested will be 200% of the target PSUs.

The evaluation of the TSR is done by an external firm which submits a report to the Appointments and Compensation Committee. Every year the name of this firm will be disclosed at the Annual Report on the Remuneration of Directors. Since 2016 until 2021, the firm responsible for this report has been PWC.

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

This parameter will represent 50% of the total PSUs granted each year.

The Board of Directors will set specific thresholds for this EPS target at which PSUs will be vested. The maximum number of PSUs that will be vested will be 200% of the target PSUs.

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

- c) A target regarding the average Return on Capital Employed (ROCE) of the three-year period.

This parameter will represent 10% of the total PSUs granted each year.

The Board of Directors will set specific thresholds for this ROCE target at which PSUs will be vested. The maximum number of PSUs that will be vested will be 200% of the target PSUs.



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

- d) A target regarding four ESG targets to be achieved in the three-year period.

This parameter will represent 10% of the total PSUs granted each year.

The maximum number of PSUs that will be vested will be 200% of the target PSUs. If the performance is below the specific threshold that gives right to vest 50% PSUs, no PSUs will vest for this parameter.

ESG targets and results are calculated considering perimeter at January 1 of the first year of each three-year period. Acquisitions will not be included. However, we are committed to implement our Group policies in the new acquisitions, so they will be included in the target/metrics for the following strategic plan.

The ESG targets, the EPS targets and the ROCE targets will be disclosed *ex post* in the Annual Report on the Remuneration of Directors. However, the EPS and ROCE targets for the LTI 2022 – 2024 are the ones already communicated with the strategic plan and they have been disclosed with this Policy, with the ESG targets 2022 – 2024.

The evaluation of all targets of the LTI will be included in the Annual Report on the Remuneration of Directors.

If the Participant ceases in his contractual link with the Group by reason of any of the following events: (i) *mortis causa*; (ii) permanent disability; (iii) retirement; (iv) the Participant's office or employment being with either a company which ceases to be a member of the Applus Group or relating to a business or part of a business which is transferred to a person who is not a member of the Applus Group; (v) any whatsoever termination carried out by the Company except in the event of a disciplinary dismissal classified as fair by a court in a definitive judgement or not challenged by the Participant; then the Appointments and Compensation Committee shall determine the number of vested shares through the following steps: (a) the performance conditions will be considered to have been achieved at 100%; and (b) applying a pro rata reduction to the number of shares determined based on the period of time after the grant date and ending on the date of cessation relative to the period of 3 years.

Moreover, in the event of a change of control (understanding as such the event of (i) a merger, consolidation, acquisition or other transaction as a result of which securities possessing more than 50% of the total combined voting power of the Company's outstanding securities are transferred to a person or persons different from the persons holding those securities immediately prior to such transaction; (ii) the sale, transfer or other disposition of all or substantially all of the Company's assets in complete liquidation or dissolution of the Company; or (iii) the acquisition by a third party



(individual or legal entity), either individually or jointly with others which act in a coordinated way, of a control stake of the Company in accordance with what is set forth in article 4 of Royal Decree 1066/2007, 27 July, on the initial public offerings regime as amended from time to time), then the Appointments and Compensation Committee shall notify the Participant as soon as practicable from becoming aware of that event or a proposed event that all PSUs will be automatically vested on the date of such event, if they had not been vested yet. The settlement of the vested PSUs in the event of a change of control will be paid in cash on the date of the change of control event.

PSUs to be vested will not be reduced in any proportion to the time elapsed since the grant date, and the performance conditions will be considered to have been achieved at 100%. If the Participant ceases to be a director or employee of the Group concurrently with a change of control event, then the change of control rule shall prevail.

If accredited inaccuracies in the information upon which the PSUs or the shares pursuant to a vesting of PSUs were granted are reported by an accredited auditor and approved by the Board of Directors, the Company shall be entitled, for a period of three years following the payment of the PSUs or the vesting of the PSUs, respectively, to claim the refund of the net (of any withholding taxes or fees) amount of PSUs and net amount of shares pursuant to a vesting of PSUs, as applicable, which has been effectively received by each executive director because of those inaccuracies.

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

The essential terms and conditions of the executive directors' contracts are, apart from those relating to their remuneration, the following:

- (i) Duration: the executive directors' contracts are of indefinite term, but they can be terminated by any reason at any moment without any severance payment. The reason for this is that the legal amount to be paid for termination, if any, will be discounted from the non-compete payment keeping this agreement fully enforceable. This clause has been agreed in the non-compete provisions between the company and the executive directors.
- (ii) Exclusivity: while they perform executive duties, the executive directors may not hold any direct or indirect interest in any other business or activity which may represent a conflict of interests in relation to the Company's obligations and liabilities or in relation to its activity and that of the Applus Group.
- (iii) Termination: the executive directors' contracts may be terminated, at any moment, at the request of the corresponding executive director or the Company, provided that it is notified in writing to the other party. Six months' advance notice must be provided. If one of the executive directors or the Company fully or partially breaches the advance notice obligation, the other party would be entitled to an indemnity equal to the fixed



remuneration of the relevant executive director relating to the duration of the breached advance notice period.

The executive directors are not entitled to any compensation as a result of the termination of their contract, except for the provisions contained in the non-competition agreement.

- (iv) Post-contractual non-competition agreement: the executive directors shall not compete against the Company or any Applus Group company.

The non-competition commitment assumed by executive directors shall have a duration of two years following the termination of his contract. Competition shall be understood as the provision of any kind of services, on his own behalf or on behalf of a third party, whether it entails executive duties or mere advisory duties, or the direct or indirect promotion of the incorporation of companies and entities that will develop a competing business, as well as equity stake in these companies or entities. For these purposes, a competing business shall be deemed as any activity that, at the time of termination of the executive director's contract, is being developed by any company belonging to the Applus Group in a certain territory or it is scheduled to start being developed in a certain territory within the 12 months following the termination of the executive director's contract. Likewise, the executive director will not recruit or participate in the recruitment (for himself or for the entity which he represents or in which he performs his activities) of employees who, at the date of termination of his contract or in the preceding twelve months, form part or have formed part of the Applus Group's workforce.

As consideration, upon such termination (whether at the request of the executive director's or the Company), the executive director's shall be entitled to receive an amount equal to the double of the fixed annual remuneration received in cash at the time of the termination of the contract, that will be paid for the 24-month period following such termination by means of 24 equal installments. The referred amount shall be reduced by the sum that, as the case may be, the Company would have to grant the executive director as legal compensation —which might result from the enforcement of the applicable law— for the termination of the contract, so that the total amount to be received by the executive director once the contract has been terminated does not exceed, in any case, the double of the fixed remuneration that he received in the last year prior to the termination of the contract.

Should the executive director breach this commitment and compete with the Company or any company within the Applus Group, he shall return the amounts paid by the Company as compensation for this non-compete agreement.

For the sake of clarity, Applus non-compete policies and strategy depends on the practice and legal regulations of the country where the Group operates and wish to



enforce the non-compete. Spanish law allows an enforceable two year non-compete if there is a fair and enough compensation for the manager, so the Board has decided and the executives managers accepted to agree on the previous terms and conditions.

This non-compete agreement is binding, so neither the company can waive the commitments to pay nor the executive director can compete and renounce to his right to be paid.

According to the terms of the previous agreements, the termination payments for executive directors comply with the Good Governance Code of Listed Companies in Spain and protect the Group through an enforceable 2-years non-compete.

- (v) Shareholding retention: the executive directors will keep 1/3 of the net shares they receive per year, as the vesting of all RSUs and PSUs, until they achieve a number of shares which value (calculated with the share value at the date of the vesting) is equal to two times the net fixed salary. From that moment onwards, they will keep in shares at least two times the net fixed salary. That commitment will end in case of termination of their service to the Group or in case of change of control.
- (vi) Supplementary pension or early retirement systems: the executive directors shall not have supplementary pension or early retirement systems in place, but will be entitled to pension scheme contributions by the Company in the terms described in section 4.1.



## RESOLUTION REGARDING ITEM NINTH OF THE AGENDA

**Approval of the share capital reduction through the redemption of 7,150,922 treasury shares, representing 5% of the share capital.**

1. Share capital reduction through the redemption of own shares currently held as treasury stock.

To reduce the share capital of the Company by SEVEN HUNDRED FIFTEEN THOUSAND NINETY TWO EUROS AND TWENTY CENTS OF EURO (€715,092.20), through the redemption of 7,150,922 own shares held by the Company as treasury stock, with a par value of 0.10 Euros, representing 5% of the share capital (the "**Share Capital Reduction**").

These shares have been acquired by the Company within the framework of the share buyback programme approved by the Board of Directors, on 26 January 2022, pursuant to the authorisation granted in its favour by the General Shareholders' Meeting held on 29 May 2020, and within the limits provided for in articles 146 and 509 of the Spanish Companies Act.

2. Procedure for the Share Capital Reduction.

The Share Capital Reduction does not imply the return of contributions to the shareholders, as the Company itself is the owner of the shares to be redeemed. Consequently, the Share Capital Reduction is charged to voluntary or unrestricted reserves, with the corresponding allocation of a reserve for the redeemed share capital, for an amount equal to the par value of the redeemed treasury shares, which may only be drawn down subject to the same requirements as for the share capital reduction, in accordance with the provisions of article 335 c) of the Spanish Companies Act.

Likewise, in accordance with the aforementioned article, the Company's creditors will not be entitled to exercise the right of opposition referred to in article 334 of the Spanish Companies Act in relation to the Share Capital Reduction.

The Share Capital Reduction shall be executed within a period not exceeding one month from the adoption of this resolution by the General Shareholders' Meeting.

3. Amendment of article 5º of the By-laws

Pursuant to the foregoing, the General Shareholders' Meeting resolves to amend article 5 of the By-Laws, which shall henceforth be worded as follows:



**«Article 5.- Share capital and shares**

- 5.1. *The share capital is THIRTEEN MILLION FIVE HUNDRED EIGHTY-SIX THOUSAND SEVEN HUNDRED AND FIFTY EUROS WITH EIGHTY CENTS OF EURO (€13,586,750.80), divided into ONE HUNDRED THIRTY-FIVE MILLION EIGHT HUNDRED SIXTY-SEVEN THOUSAND FIVE HUNDRED AND EIGHT (135,867,508) common shares, all of the same class and series, each having a par value of TEN CENTS OF EURO (€0.10), fully subscribed and paid-up.*
- 5.2. *The shares are represented by book entries and they shall be governed by the Securities Market Act and other complementary provisions.*
- 5.3. *The register of the Company's book-entries shall be carried out by the company Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. (Iberclear) and its participating entities.*
- 5.4. *The Company shall acknowledge as a shareholder any party that appears entitled thereto as owner in the entries of the corresponding book-entry registry. Likewise, if the Company provides any service to the person who appears as a shareholder according to the accounting registry, it will be released from the corresponding liability, even if that person is not the current owner of the share, provided that the Company acted in good faith.»*

4. Delegation of powers

To delegate to the Board of Directors, with express power of substitution, the necessary powers to execute the Share Capital Reduction, being able to determine the points that have not been expressly provided for in this resolution or that are a consequence of it, and to adopt the resolutions, publish the announcements, perform the actions and execute the public or private documents that may be necessary or convenient for the most complete execution of the Share Capital Reduction.

In particular, and for illustrative purposes only, the following powers are delegated to the Board of Directors, with express power of substitution:

- (a) To declare the Share Capital Reduction closed and executed, and to appear before a Notary Public to grant the relevant public deed of share capital reduction.
- (b) To perform the formalities and actions that may be necessary and to submit the relevant documents to the competent bodies so that, once the redemption of the Company's own shares, the execution of the public deed corresponding to the Share Capital Reduction and its registration with the Commercial Registry have been completed, the redeemed shares may be delisted from trading on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges through the Stock Market Interconnection System (Continuous Market), and





the corresponding accounting records may be cancelled of *Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S. A.U. (Iberclear)*.

- (c) To perform as many actions as may be necessary or convenient to execute and formalise the Share Capital Reduction before any public or private entities and bodies, whether Spanish or foreign, including those corresponding to obtaining any authorisations and consents from third parties to which the Company may be obliged, as well as those of declaration, supplementation or rectification of defects or omissions that may prevent or hinder the full effectiveness of the foregoing resolutions, as well as the publication of announcements, inside information, relevant information and communications that may be necessary for such purpose.



**RESOLUTION REGARDING ITEM TENTH OF THE AGENDA**

**Authorisation to the Board of Directors for the potential acquisition of Company's own shares, in accordance with article 146 of the Spanish Companies Act**

To authorise and empower the Board of Directors, with powers of substitution, to undertake the derivative acquisition of the Company's own shares in accordance with article 146 of the Spanish Companies Act, in the following terms:

1. The acquisitions may be carried directly by Applus or indirectly by its subsidiaries on the same terms as those set out herein.
2. The acquisitions may be carried out in one or several transactions through a purchase, barter, dation in payment (*dación en pago*), share exchange or any other transaction permitted by Law.
3. The acquired shares, plus the already held by the Company, shall not exceed ten percent (10%) of the issued share capital.
4. The acquisition price or consideration shall range between the par value of the shares and one hundred and ten per cent (110%) of the listed price.
5. The present authorisation is granted for a maximum period of 5 years from the approval of this resolution.

For the appropriate purposes, it is hereby expressly stated that shares acquired pursuant to this authorisation may, in whole or in part, be directly sold, cancelled or awarded to employees or directors of the Company or the companies of its group, or awarded as a result of the exercise of options held by the former or pursuant to any other similar remuneration system.

In so far as it may be necessary, this resolution repeals and renders without force or effect, in the amount that has not been used, the authorisation granted by the Annual General Shareholders' Meeting held on 29 May 2020 in favour of the Board of Directors for the derivative acquisition of treasury shares.



**RESOLUTION REGARDING ITEM ELEVENTH OF THE AGENDA**

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

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

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