

# **Applus Services, S.A. and Subsidiaries**

Annual Remuneration Report

**ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED COMPANIES**

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## ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED COMPANIES

### A THE COMPANY'S REMUNERATION POLICY FOR THE CURRENT FINANCIAL YEAR

A.1.1 Explain the director remuneration policy in effect for the current financial year. Where relevant information can be incorporated by reference to the remuneration policy approved by the shareholders at the general shareholders' meeting, provided that the incorporation is clear, specific and concrete.

The specific provisions established for the current financial year must be described in terms of both remuneration of directors in their capacity as such and remuneration for the performance of executive duties that the board has performed under the terms of contracts signed with the executive directors and with the remuneration policy approved at the general meeting.

In any case, at least the following aspects must be reported on:

- a) Description of the company's procedures and decision-making bodies involved in the determination, approval and implementation of the remuneration policy and its terms.
- b) Statement and, if applicable, explanation of whether comparable companies have been taken into account to establish the company's remuneration policy.
- c) Information on whether any external advisor has participated and, if applicable, the identity thereof.
- d) Procedures under the existing remuneration policy for directors to apply for temporary exemptions to such policy, the conditions under which such exceptions may be applied for and the components that may be subject to exceptions under the policy.

At the General Shareholders' Meeting held on 8 June 2023, the shareholders approved the modification of the remuneration policy for the members of the Company's Board of Directors (the "**Remuneration Policy**"), which the Board of Directors approved to submit at the General Meeting during its meeting held on 4 May 2023 following a favourable report from the Appointments and Remuneration Committee ("**ARC**") issued on 3 May 2023.

This modification adjusted the Remuneration Policy in force at the time, which had been approved by the shareholders at the 2022 General Shareholders' Meeting for financial years 2022 to 2024, to introduce the following changes, with the remaining terms unaltered without prejudice to certain minor technical changes and corrections:

- (i) To modify the remuneration regime for the Chief Executive Officer Mr Joan Amigó (the "**Executive Director**"), to add to his remuneration a new long-term incentive plan linked to the Company's 2022-2024 Strategic Plan on similar terms to those established for the management team (the "**2022-2024 Strategic Plan LTI**"). Suggestions received from the various shareholders and proxy advisors contacted during the preparation of this plan have been taken into account in drawing up the 2022-2024 Strategic Plan LTI.
- (ii) To incorporate a series of formal adjustments to reflect the existence of a single Executive Director at the Company and to set out his specific remuneration package.

The principles and grounds of the Remuneration Policy for the Company's directors, revolve around remuneration based on market practices, capable of attracting, retaining and motivating the necessary talent in accordance with the features of its industry and of the countries in which the Company operates, to satisfy both the strategic needs of the business and shareholders' expectations.

Furthermore, independent directors will receive the remuneration necessary to reward the dedication, qualification and responsibility that the position requires, though it should not be so high as to compromise their independence.

In addition, the Remuneration Policy establishes that long-term sustainability is a strategic priority for the Board of Directors, and therefore the variable remuneration of the Executive Director and the long-term incentives are linked to the achievement of ESG targets.

The remuneration and employment conditions of the Company's employees have been taken into account in setting the Remuneration Policy, and particularly: (i) the remuneration system structure and metrics; and (ii) the benefit and pension plan structure, which is the same as the structure for the Company's executives in Spain.

The director remuneration established in the Remuneration Policy is reasonably proportionate to the importance of the Company, its financial situation and the market standards of comparable companies. It is aimed at promoting the long-term profitability and sustainability of the Company and it incorporates the necessary caution to prevent the excessive assumption of risks or the rewarding of unfavourable results.

The position of director of the Company is remunerated and is generally composed of an annual fixed amount. The maximum annual remuneration (as a fixed amount) for the directors in their capacity as such was set at EUR 1,500,000 at the General Shareholders' Meeting

Unless agreed otherwise at the General Shareholder's Meeting, the Board of Directors will set the exact amount to be paid within the limit approved at the General Meeting, as well as the specific remuneration of each director in their capacity as such (as a fixed amount), Proprietary and executive directors will not receive any remuneration for their membership of the Board of Directors or of any of its Committees.

The Board of Directors determined that the annual fixed remuneration of the directors in their capacity as such would be the following for financial year 2023:

- |   |               |
|---|---------------|
| • Remuneration as Chair of the Board of Directors                           | 275,000 euros |
| • Remuneration as Director (except for the Chair of the Board of Directors) | 66,000 euros  |
| • Remuneration as Chair of a Committee                                      | 30,000 euros  |
| • Remuneration as member of a Committee                                     | 20,000 euros  |

Directors will also be reimbursed for duly justified expenses relating to travel and accommodation to attend meetings and the Company has also contracted civil liability insurance for its directors on market conditions.

Following a report or proposal from the ARC, the Board of Directors applies the Remuneration Policy on its own terms and within the framework of the remuneration scheme set forth in the bylaws (and that established in the Executive Director's contract), with no procedures established for applying temporary exceptions to the Remuneration Policy.

The ARC assists the Board of Directors in the determination and implementation of the Remuneration Policy under the powers assigned to it by the Board Regulations. Article 39.4 of the Board Regulations provides that the ARC may seek external advisory services. In this regard, the consultant Korn Ferry (UK) advised the ARC on the modification of the Remuneration Policy approved at the 2023 General Shareholders' Meeting; said entity has not provided any other advice to the ARC.

Mr Joan Amigó was the only director who performed executive duties during financial year 2023.

A.1.2 Relative importance of variable remuneration items in comparison to fixed items (remunerative mix) and which criteria and targets have been taken into account in the determination thereof and to ensure an appropriate balance between the fixed and variable remuneration components. In particular, state the actions taken by the company about the remuneration scheme to reduce exposure to excessive risks and align it with the company's long-term objectives, values and interests, which will include (where applicable) a reference to measures established to ensure that the remuneration policy takes into account the company's long-term results, the measures adopted concerning those categories of staff whose professional activities have a material impact on the entity's risk profile and any measures established to avoid conflicts of interest.

Also state whether the company has established any accrual or consolidation period for certain variable remuneration items, in cash, shares or other financial instruments, a deferral period in the payment of sums or delivery of financial instruments already accrued and consolidated, or whether

any clause has been agreed for the reduction of deferred remuneration not yet consolidated or obliging the director to return remuneration received when said remuneration has been based on information whose inaccuracy has subsequently been clearly established.

The only remuneration with a variable component is that of the Executive Director, Mr Joan Amigó. Appius relied on: (i) the 2021 Mercer Consulting study for the Remuneration Policy approved in 2022, which provided the basis for the current Remuneration Policy approved in 2023; and (ii) the advice given by Korn Ferry for the approval of the modification to the Remuneration Policy approved in 2023. Also taken into account were the need to retain and motivate the Executive Director and the objectives of the 2022-2024 Strategic Plan with regard to the inclusion of the 2022-2024 Strategic Plan LTI.

#### Fixed Remuneration

According to the Remuneration Policy, the fixed components of the current Executive Director's remuneration comprise annual fixed remuneration of EUR 600,000, to be updated based on the Spanish CPI unless the Board of Directors resolves otherwise. It is also established that the Executive Director will receive other benefits, such as remuneration in kind, with a maximum cost equal to 15% of his annual fixed cash remuneration (*i.e.*, EUR 90,000). The Company will also make a pension plan contribution for the Executive Director in an amount equal to the difference between the aforementioned 15% of his fixed remuneration and the cost of the benefits that the Executive Director has actually received in that year. The Executive Director will choose the amount to allocate to each benefit each year, subject in any event to the cost being equal to 15% of his fixed cash remuneration. If the cost of the benefits is lower than that amount, the difference between 15% of his fixed cash remuneration and the cost of the benefits will be received as a cash supplement. The Executive Director may also decide whether he wants to reduce his fixed remuneration, provided that the amount of that reduction is invested in a pension plan, all in line with that established for Senior Management. The aggregate value of the fixed components of the Director's remuneration in cash and in kind will therefore amount to a total of EUR 690,000.

#### Variable Remuneration

The variable remuneration components of the CEO's remuneration consist of:

- (i) an annual variable amount payable as a combination of cash and restricted stock units ("**RSUs**"), which will amount to a maximum of 150% of the variable target base, which in turn amounts to 80% of fixed remuneration (*i.e.*, a maximum annual amount of EUR 720,000).
- (ii) an ordinary long-term incentive plan (Ordinary LTI), consisting of the delivery of performance stock units ("**PSUs**") exchangeable for shares at the time of vesting depending on the achievement of the established targets, whose number may vary from 0 to a maximum of 150% of the Ordinary LTI target, which is a number of PSUs calculated as 90% of fixed remuneration divided by the average value of the Company's shares in the 60 days prior to the delivery date (the date on which the Board of Directors approves the delivery). The maximum amount of the plan will depend on the number of PSUs that are converted into shares and their listing price on the date they are delivered; and
- (iii) a single, one-off strategic long-term incentive plan (2022-2024 Strategic Plan LTI), which was applied with retroactive effect from 1 January 2022, consisting of the delivery of a number of PSUs equal to the result of dividing EUR 1,200,000 by the value of the Company's shares used in 2022 when this plan was awarded to the management team (6.2262 EUR/share). Pursuant to the foregoing, the Executive Director received 192,734 target PSUs. The number of PSUs accruing at the end of the plan will range from 0% to 200% of the target number of target PSUs, depending on the level of achievement of the 2022-2024 Strategic Plan objectives. The maximum amount of the plan will depend on the number of PSUs that are converted into shares and their listing price on the date they are delivered.

The CEO's maximum approved variable remuneration items (without taking into account the extraordinary incentive or variations in the value of the shares at the time when the PSUs are converted into shares compared to their value at the time the PSUs were awarded) could therefore represent up to approximately 222% of his fixed items (in cash and in kind) (percentage of the sum of EUR 720,000, EUR 810,000 of variable items, divided by EUR 690,000 of fixed items (in cash and in kind)), if the respective targets are achieved.

The Company uses the following mechanisms to reduce exposure to excessive risks and align the remuneration scheme with the Company's long-term objectives, values and interests:

- (i) The final sum of the annual variable amount payable in cash and RSUs is linked as follows: (a) 55% is linked to achieving adjusted operating profit targets; (b) 30% is linked to adjusted operating cashflow; and (c) 15% is linked to achieving four ESG targets. Each 1% increase in the aforementioned targets implies a 2% increase of the target base amount, and each 1% decrease implies a 5% reduction of the target base amount, all subject to a maximum limit of 150% and a minimum of 0% of the target base amount. In addition to the aforementioned strategic priorities, this reflects the Company's priorities in relation to operating profitability and cash flow generation.

Furthermore, if inaccuracies in the information on which the annual variable amount was awarded are established by a certified auditor and approved by the Board of Directors, the Company will have the right, for three years after the payment of the variable cash remuneration and the RSUs or the vesting of the RSUs, respectively, to claim back the amount of the variable cash remuneration, net of any withholding tax or levy, the net amount of the RSUs and the net amount of the shares vested of the RSUs, as applicable, actually received by the Executive Director as a result of such inaccuracies. Finally, there is a delayed vesting schedule for the RSUs, such that 30%, 30% and 40% of the RSUs awarded in each financial year convert into shares 1, 2 and 3 years, respectively, after the date they are awarded.

- (ii) As regards the Ordinary LTI, the final number of PSUs that will be converted into shares is determined as follows: (a) 30% depends on the achievement of a target based on relative total shareholder return; (b) 50% depends on the achievement of a target based on adjusted earnings per share; (c) 10% depends on the achievement of a target based on return on capital employed; and (d) 10% depends on the achievement of four ESG targets. The achievement of these targets is measured for a three-year period, which makes it possible to take into account the Company's long-term results, Applus' strategic priority of long-term sustainability, as well as sustainable value creation for the shareholders.
- (iii) As regards the 2022-2024 Strategic Plan LTI, the final number of PSUs that will accrue will have a value between 0% and 200% of the target number of PSUs calculated as follows: (a) 50% depends on the achievement of a target based on relative total return for the Group's shareholders; and (b) 50% depends on the achievement of a target based on adjusted earnings per share. These targets are measured at the end of the 2022-2024 Strategic Plan period, i.e., in 2025.

For both the Ordinary LTI and the 2022-2024 Strategic Plan LTI, a minimum threshold is established for each target below which PSUs will not accrue and maximum limits are also established in respect of their amounts. In addition, it is provided that if proven inaccuracies in the information used as a basis to award the PSUs or the shares pursuant to a vesting of PSUs are reported by a certified auditor and approved by the Board of Directors, the Company will be entitled, for a period of three years following the award 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, as applicable, effectively received by the Executive Director because of those inaccuracies. The value of each PSU will be equivalent to the average listing value of the Company's shares during the sixty days prior to the award date of the PSUs. Finally, the PSUs will be subject to a delayed vesting schedule, such that the PSUs awarded in each financial year are converted into shares after a period of 3 years following the date they are awarded (and only in the event that the targets referred to in the preceding sections are achieved). Each PSU that ultimately accrues entitles the holder to receive the dividends corresponding to the relevant share during the three-year period corresponding to the LTI. In 2023, EUR 1,915 was received in dividends.

In conclusion, the relative importance of the variable items compared to fixed items has been maintained, the average listing price of Applus shares continues to be considered in the annual variable remuneration schemes and long-term incentive plans for the CEO, and a deferral period is established (accounting for 37.5% of the variable amount in the case of annual variable remuneration). Due to all the foregoing, the ARC considers that the remuneration mix established in the Remuneration Policy for the CEO is in line with market conditions for listed companies, as well as taking his performance and leadership into account.

As regards measures established to avoid conflicts of interest, the Board Regulations impose an obligation on directors to notify the other directors and the Board of Directors of any direct or indirect situation of conflict that they or persons related thereto may have with the Company's interest. Situations involving conflicts of interest for directors are disclosed in Applus' report on its annual accounts. Moreover, the director subject to conflict must refrain from attending or intervening in discussions affecting issues in which they have a personal interest and must refrain from voting on the corresponding decisions.

The features of the annual variable remuneration scheme and of the long-term incentive plans under the Remuneration Policy are described in more detail in section A.1.6. below.

### A.1.3 Amount and nature of the fixed components to be accrued during the financial year by directors in their capacity as such.

The annual fixed remuneration to be received in financial year 2024 by the members of the Board of Directors in their capacity as such is as follows:

- Remuneration as Chair of the Board of Directors 275,000 euros
- Remuneration as Director (except for the Chair of the Board of Directors) 66,000 euros

- Remuneration as Chair of a Committee 30,000 euros
- Remuneration as member of a Committee 20,000 euros

This remuneration is the result of the last 10% increase that was approved on 24 February 2022 for non-executive directors (including the Chair) in their capacity as such, with no increase in remuneration for participation in or chairmanship of Board Committees.

With the composition of the Board and the Committees as of the date of this ARR, the fixed remuneration to be received by non-executive directors in financial year 2024 would amount to EUR 967,000.

It is stated for the record that neither proprietary directors, of whom there are currently none and who there are no plans to appoint, nor the Executive Director, would or will receive any remuneration for their positions on the Board of Directors or for membership of any of its Committees.

In addition to the above-stated remuneration, the Company will pay the premiums for the civil liability insurance signed to cover its directors and managers on market conditions, which are expected to amount to EUR 170,798.40 in financial year 2024 if it is as in financial year 2023.

Finally, the directors will be reimbursed for duly justified travel and accommodation expenses incurred due to attendance at meetings of the Board of Directors and its Committees.

#### A.1.4 Amount and nature of fixed components that will be accrued during the financial year for the performance of senior management duties by executive directors.

For the CEO, the non-variable components for the performance of the duties associated with his position and accrued in financial year 2023 were as follows: (i) annual fixed remuneration of EUR 600,000 in cash; (ii) other benefits in kind with a cost of EUR 90,000 (15% of his fixed remuneration), which include a cash supplement of EUR 65,446 as described in section B.16 and a pension plan contribution in the gross amount of EUR 1,500. The RSUs given as fixed remuneration in 2020 (5,317 RSUs) and one-third of the RSUs given as fixed remuneration as 2022 (30% of 7,100 RSUs, implying 2,130 RSUs) under the applicable Policy at that time vested as shares in February 2023, totalling 7,447 gross shares.

The current Remuneration Policy provides that the CEO will accrue the following fixed remuneration in financial year 2024 for the performance of his executive duties: (i) annual fixed remuneration of EUR 600,000 in cash; (ii) other benefits in kind with a cost equal to 15% of his fixed remuneration, which will include the related cash supplement described in section B.16 and a pension plan contribution subject to the legally established limit in an amount equal to the difference between the aforementioned 15% and the cost of the benefits effectively received. The CEO may choose each year the amount to allocate to each benefit, subject in any event to the maximum cost equal to 15% of his fixed cash remuneration, and whether he wants to reduce his fixed remuneration to invest the same amount in a pension plan.

For the Executive Director, the RSUs given in 2021 (i.e., 6,649 RSUs gross) and 30% of the RSUs given in 2022 as fixed remuneration (30% of 7,100 RSUs, implying 2,130 RSUs gross) vested as shares in February 2024.

#### A.1.5. Amount and nature of any component of remuneration in kind that will be accrued during the financial year, including but not limited to insurance premiums paid on behalf of the director.

Remuneration in kind is only established in favour of the CEO. According to the provisions of the current Remuneration Policy, the CEO will receive other benefits at a cost equal to 15% of annual fixed remuneration in cash. The Company will also make an annual contribution to the CEO's pension scheme in an amount equal to the difference between the aforementioned 15% of his fixed remuneration and the cost of the benefits actually received by the CEO during that year, subject to legally established limits. The CEO may choose each year the amount to allocate to each benefit, subject in any event to the maximum cost equal to 15% of his fixed cash remuneration, and whether he wants to reduce his fixed remuneration to invest the same amount in a pension plan.

On terms similar to financial year 2023, the CEO is expected to receive benefits consisting of: (i) the use of a company vehicle and fuel; (ii) the contracting of medical insurance for him and his family, as well as medical check-ups for him and his wife; (iii) life insurance; (iv) the payment of professional association membership fees; (v) a pension plan; and (vi) a cash supplement.

Remuneration in kind under the Remuneration Policy approved in 2023 is described in section B.14.

#### A.1.6 Amount and nature of variable components, differentiating between short and long term. Financial and non-financial, including social, environmental and climate change parameters selected to

determine variable remuneration in the current year, describing the extent to which these parameters are related to performance, both of the director and of the company, together with their risk profile, and the methodology, necessary period and the techniques established to determine the degree of compliance with the parameters used in the design of the variable remuneration at the end of the year.

State the range in monetary terms of the different variable components, based on the level of achievement of established targets and parameters, and whether there is any absolute maximum monetary amount.

The actual amount of the Executive Director's annual variable remuneration is determined by the Board of Directors at the proposal of the ARC, which is responsible for assessing in detail the target achievement level following verification thereof. For purposes of this verification, the annual accounts of Applus will be considered following submission thereof and review and issuance of the report by the Company's auditor, in addition to review thereof by the Company's Audit Committee.

According to the provisions of the Remuneration Policy, the Executive Director's variable remuneration components are as follows.

A Annual variable remuneration:

The annual variable remuneration of the Executive Director consists of an annual variable amount payable via a combination of cash and the award of RSUs. This variable remuneration is linked to the achievement of various targets (55% linked to adjusted operating profit, 30% linked to adjusted operating cashflow and 15% linked to four ESG targets). All targets will be reported (as well as their results) *ex-post* in the Annual Remuneration Report.

The amount of this remuneration item for the Executive Director will be calculated on the following terms:

The target base amount of variable remuneration, which is set as 80% of the fixed remuneration, will increase by 2% for each 1% achievement increase above the targets, up to an amount of 150% of the variable target base (a 200% achievement level is possible for each target). On the other hand, variable remuneration will decrease by 5% for every 1% achievement decrease below the targets. Out of the total variable remuneration to be received by the Executive Director, 62.5% will be paid in cash and the remaining 37.5% via the award of RSUs. The same system is established for Senior Management.

The average listing value of the Applus shares during the 60 days preceding the date of award of the RSUs will be taken into account to calculate the number of RSUs to be awarded. The RSUs will be awarded every year on the date that the Board of Directors approves Applus' annual results and the amount of annual variable remuneration to be received by the Executive Director.

Each RSU will vest for one Applus share in proportions of 30%, 30% and 40% after one, two and three years, respectively, provided that the Executive Director is still employed by the Company on the vesting date. However, the vesting will not follow this schedule in certain circumstances:

- (i) Termination of the Executive Director's services for specific reasons: If the Participant's termination of services is due to some event then all the RSUs awarded under the RSU plan that have not vested on the date when the event takes effect will be automatically vested on that date.
- (ii) Change of control: In the event of a change of control all RSUs awarded under the RSU Plan that have not accrued on the date on which the event takes effect will automatically accrue on the date on which the event occurs. In the event of a change of control, the accrued RSUs would be settled by a cash payment on the date of the change of control.

If proven inaccuracies in the information upon which the cash bonus and the RSUs were awarded are reported by a certified auditor and approved by the Board of Directors, the Company will 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, effectively received by the Executive Director because of those inaccuracies.

Upon a favourable proposal from the ARC, the Board of Directors has discretion to increase the result of the mathematical calculation of the annual variable remuneration of the Executive Director if: (i) the calculated payment is not considered a true reflection of the underlying evolution of the business; (ii) the increase does not exceed 50% of the target base (in cash and RSUs); and (iii) the final total amount of the annual variable remuneration following any applicable increase will not



exceed the target base (in cash and RSUs). This decision will be disclosed *ex-post* annually in the Annual Remuneration Report.

The variable remuneration accrued in 2022 (associated with the achievement of the targets for 2022) and approved on 23 February 2023 (date of the relevant meeting of the Board of Directors) was EUR 437,433, of which 62.5% was in cash, amounting to EUR 273,395, and 37.5% was in RSUs, implying 25,116 RSUs.

For this calculation, an achievement level of 118.9% was applied to the target bonuses for each period in which the Executive Director was CFO (target bonus EUR 123,900) and CEO (target bonus EUR 244,000).

Of the RSUs awarded in previous years corresponding to variable remuneration for past financial years (2020, 2021 and 2022), the current CEO (Mr Joan Amigó) vested 9,203 RSUs gross in February 2023 in accordance with the established vesting schedule.

## B Long-term incentive plans

### B.1 Ordinary LTI:

The Ordinary LTI long-term incentive plan provides for the annual receipt by the Executive Director of PSUs, each capable of vesting as one share of the Company. The PSUs awarded in each financial year will vest as shares after a three-year period following their award date, based on the level of achievement of certain parameters.

The Executive Director will annually receive PSUs in an amount equal to 90% of his fixed remuneration. However, these amounts may fluctuate depending on the level of achievement of the parameters indicated below, such that the number of PSUs that will accrue will range from 0% to 150% of the number of PSUs, depending on the degree of achievement of the targets. Each target under the Ordinary LTI may represent an evaluation value ranging from 0% and 200%.

The value of each PSU will be equivalent to the average listing price of the Company's shares during the 60 days preceding the date of award of the PSUs.

The following quantitative targets will be assessed to determine the PSUs that will vest as shares:

- (a) Relative total shareholder return ("TSR"): This parameter represents 30% of the PSUs awarded each year. It is based on relative total shareholder return over a three-year period, whereby the Company's TSR will be compared against an unweighted index composed of a group of eight comparable companies within the inspection and certification industry. These companies are SGS S.A., Bureau Veritas S.A., Intertek Group PLC, Eurofins Scientific S.E., Core Laboratories, Inc., ALS Limited, TEAM Industrial Services, Inc. and Mistras Group, Inc. The index is the result of calculating the annualised TSR of the average TSR of the eight comparable companies. The Board of Directors may change the group of companies comprising the comparison index provided that such changes are approved and disclosed prior to the award of the PSUs.

Within this 30%, 50% of the PSUs will be converted into shares if Applus' annual TSR performance value is equal to the index, while 200% of the PSUs will be converted into shares if the annualised Applus TSR performance value is 5% higher than the index on a cumulative annual basis. Between the index value and the TSR value creating an entitlement to a 200% PSU-to-share conversion rate, conversion will take place according to a linear interpolation between said two values. As a result, 100% of the PSUs will vest if the annualised Applus TSR performance value is 1.67% higher than the index on a cumulative annual basis. No PSUs will vest in respect of this parameter if the TSR value is below the index. The maximum number of PSUs that will vest is 200% of the target PSUs.

The TSR assessment is performed by an external firm which submits a report to the Appointment and Remuneration Committee. The name of this firm will be disclosed each year in the Annual Directors' Remuneration Report. PwC has been engaged to perform this assessment in 2023 and 2024.

- (b) Adjusted earnings per share ("EPS"): This parameter represents 50% of the PSUs awarded each year. It is related to the adjusted earnings per share reported by Applus, accumulated within three years.

The Board of Directors will establish specific thresholds on an annual basis for this EPS target, at which target PSUs will be converted into shares.

- (c) Return on Capital Employed ("ROCE"): This parameter represents 10% of the PSUs awarded each year. It is related to the average return on capital employed for a three-year period.

The Board of Directors will establish specific thresholds for this ROCE target, at which target PSUs will be converted into shares.

- (d) ESG targets: This parameter represents 10% of the total PSUs awarded each year. It is related to the achievement of four ESG targets over a three-year period.

ESG targets and results are calculated considering the perimeter as at 1 January of the first year of each three-year period and will not include acquisitions.

An assessment of all Ordinary LTI incentive plan targets will be published *ex-post* in the Company's Annual Remuneration Report.

## B.2 2022-2024 Strategic Plan LTI

The 2022-2024 Strategic Plan was designed with the aim of covering the three financial years that started in 2022 and end in 2024. The Executive Director has been included as a participant in this plan to provide him with a clear incentive that directly encourages the fulfilment of the 2022-2024 Strategic Plan and aligns it with the achievement of solid and sustainable growth for the Company, thereby benefiting the shareholders.

Within the framework of the new 2022-2024 Strategic Plan LTI, the Executive Director received 192,734 target PSUs.

The number of PSUs that will ultimately accrue will have a value ranging from 0% to 200% of the number of target PSUs, depending on the target achievement level during the accrual period, ensuring that this accrual properly reflects the Executive Director's professional performance during each period. Each target may in turn imply a payment ranging from 0% and 200%. The achievement of these targets will be measured, and hence the total number of PSUs that will vest as shares will be determined, at the end of the 2022-2024 Strategic Plan period, i.e., in 2025.

The scope of the following performance targets will be assessed to determine the PSUs that will be converted into shares:

- (a) Total Shareholder Return: This parameter represents 50% of the PSUs awarded within the framework of the 2022-2024 Strategic Plan LTI. It measures the relative total shareholder return for the Group, calculated over the three-year period that comprises the accrual period for the Ordinary LTI that was implemented in 2022. The rules for the evaluation of this target are the same as those used for the evolution of TSR under the Ordinary LTI referred to in letter (a) of section B above.
- (b) Group Adjusted Earnings per Share (EPS): This parameter represents 50% of the PSUs awarded within the framework of the 2022-2024 Strategic Plan LTI. It will be calculated as the earnings for the financial year divided by the number of shares as at 31 December of the relevant financial year. If the EPS of potential divestments in 2023 and 2024 exceeds the adjusted EPS of the acquisitions for the same period, the target will be adjusted accordingly.

The Board of Directors set the thresholds to be used as a basis for the accrual of PSUs for this target. The maximum number of PSUs that will accrue will be 200% of the target PSUs. If the EPS performance is below the specific threshold creating an entitlement to the accrual of 50% of the PSUs, no PSUs will be awarded for this parameter. The Board of Directors reserves the right to fairly and reasonably, on a discretionary basis, review the formula for payment of each component if it considers that the result of the formula does not truly reflect the underlying performance of the Company. This discretionary power may be exercised to both increase and reduce the remuneration level. Any increase may only be implemented up to the award target for the corresponding component.

The Executive Director will be required to retain all the shares corresponding to him under the 2022-2024 Strategic Plan LTI for a minimum period of two years as from the accrual date, except in the event of an accelerated accrual as a result of a change of control on the terms outlined below.

The evaluation of the 2022-2024 LTI targets will be published *ex post* in the Company's Annual Remuneration Report.

## B.3 General conditions applicable to the Ordinary LTI and to the 2022-2024 Strategic Plan LTI

The general conditions regulating the Ordinary LTI and the 2022-2024 Strategic Plan LTI, which are identical, are as follows:

If proven inaccuracies in the information upon which the PSUs or the shares pursuant to a vesting of PSUs were awarded are reported by a certified auditor and approved by the Board of Directors, the Company will be entitled, for a period of three years following the award 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, effectively received by the Executive Director because of those inaccuracies.

If the Executive Director ceases to have a contractual relationship with the Group due to any the same events as established for RSUs and referred to in section A.(i) above, the ARC will determine the number of accrued shares as follows: (a) the performance conditions will be deemed 100% achieved; and (b) it will apply a pro-rata reduction to the

corresponding number of shares based on the period of time between the award date and the date of termination in relation to the three-year period.

In addition, in the event of a change of control of the Company all PSUs will automatically vest in advance on the date on which the event occurs, if they have not yet vested. The settlement of the accrued PSUs in the event of a change of control will be paid in cash on the date of the change of control event. PSUs that are to accrue will not be reduced in any proportion to the time elapsed since the vesting date, and the performance conditions will be deemed 100% achieved. If a PSU vests under the change of control rule and the Executive Director no longer has a relationship with the Group, then the change of control rule will prevail.

The amount and nature of the variable components of the Executive Director Mr Joan Amigó's remuneration under the Remuneration Policy approved in 2023 are described in section B.7.

The RSUs accrued during financial year 2023 were awarded on 21 February 2024 (date of the meeting of the Board of Directors).

On 21 February 2024, the Executive Director was awarded 51,749 PSUs, which is the number resulting from dividing 90% of his fixed remuneration (as established in section A.1.4, EUR 540,000) by the average value of the Applus share price for the 60 days preceding the award of the PSUs (EUR 10.435 per share).

In financial year 2023, the CEO (Mr Joan Amigó) was awarded 82,679 PSUs, which is the number resulting from dividing 90% of his fixed remuneration (as established in section A.1.4, EUR 540,000) by the aforementioned average value of the Applus share price (6.5313 EUR/share.)

Likewise, given that the level of compliance with the 2020-2022 LTI was 120%, in February 2023 Mr Joan Amigó received 6,382 shares of the PSUs delivered in 2020. This 120% achievement was obtained through a 0% assessment of the TSR target (relative weight of 40%) and a 200% assessment of the EPS target (relative weight of 60%), resulting in 120%.

## C

A.1.7 Main features of long-term savings schemes. Among other information, state the contingencies covered under the schemes, whether they are defined-contribution or defined-benefit, the annual contribution to be made to defined-contribution schemes, the benefit to which beneficiaries are entitled in the case of defined-benefit schemes, the conditions for vesting of economic rights in favour of directors, and the compatibility thereof with any class of payment or indemnity for early termination or cessation or arising from the termination of the contractual relationship on the terms established between the company and the director.

Also state whether the accrual or vesting of any of the long-term savings plans is linked to the achievement of certain targets or parameters related to the director's short- and long-term performance.

Under the provisions of the Remuneration Policy, the Executive Director will be entitled to receive an annual pension plan contribution from the Company. The pension plan is structured as a defined-contribution scheme whose annual amount the CEO has set as part of the 15% of the annual fixed remuneration in cash allocated to benefits to be received by the Executive Director during the financial year. It should also be noted that the Executive Director may choose each year the amount to allocate to each benefit, subject in any event to the maximum cost equal to 15% of his fixed cash remuneration, and whether he wants to reduce his fixed remuneration to invest the same amount in a pension plan.

The only limitation or restrictive condition relating to the Executive Director's enjoyment of the pension scheme is that its enjoyment will be executed in accordance with applicable Spanish law. The plan is compatible with the payments arising from the termination of the contractual relationship between the Executive Director and the Company.

The long-term savings schemes under the Remuneration Policy are described in section B.9.

A.1.8 Any class of payment or indemnity for early termination or cessation or arising from the termination of the contractual relationship on the terms established between the company and the director, whether the cessation is at the will of the company or the director, as well as any class of agreement entered into, such as exclusivity, post-contractual non-compete, continuance in office or loyalty agreements, that entitle the director to any payment.

Applus has assumed the following payments, indemnities and covenants under the terms and conditions of the Executive Director's contract, in addition to those relating to his remuneration:

- (i) Exclusivity: the Executive Director has an exclusivity obligation vis-à-vis the Company on the terms described in the following sub-section; it is not specifically remunerated.
- (ii) Termination: in the event of termination of contract, the Executive Director will only be entitled to any indemnities established under applicable Spanish law. The sums paid will be deducted from the indemnity under the post-contractual non-compete agreement that is explained below.

However, if the Executive Director or the Company fails to comply in part or in full with the six-month notice period established in the contract in the event of unilateral termination thereof by one of the parties, the other party will be entitled to compensation equivalent to the fixed remuneration of the Executive Director for the duration of the breached notice period.

- (iii) Post-contractual non-compete: the Executive Director is not to compete against the Company or any company of the Applus group. The Executive Director's non-compete undertaking will have a duration of two years from the termination of his agreement. In consideration for this undertaking, on the termination of the contract (whether by the Executive Director or by the Company), the Executive Director will be entitled to receive an amount equal to twice the annual fixed cash remuneration received in the last year before termination of the agreement, to be paid during the 24 months following termination in equal monthly instalments. This amount will be reduced by any amount that the Company must pay to the Executive Director as statutory indemnity (which may arise from the application of the relevant law) for the termination of the agreement, such that the total amount to be received by the Executive Director following termination of the agreement is not more than twice the annual fixed remuneration received in the last year before the termination of the agreement in any case. If the Executive Director breaches this covenant and competes with the Company or any group company, he must repay the amounts paid by the Company in compensation for the agreement. The Executive Director's termination payments comply with the provisions of the Corporate Governance Code for Listed Companies and protect the Applus group through the two-year post-contractual non-compete agreement.

All payments, indemnities and covenants vis-à-vis the Executive Director assumed by Applus under the 2023 Remuneration Policy are described in section B.10.

A.1.9 State the terms and conditions that must be included in the contracts of executive directors performing senior management duties. Include information regarding, among others, the term, limits on termination compensation amounts, continuance in office clauses, notice periods, and payment *in lieu* of the aforementioned notice periods, and any other clauses relating to hiring bonuses, as well as compensation or golden parachutes due to early termination of the contractual relationship between the company and the executive director. Include among other things any non-compete, exclusivity, continuance in office or loyalty, and post-contractual non-compete clauses or agreements, unless they have been explained in the preceding sub-section.

The essential terms and conditions of the agreement with the Executive Director in addition to those relating to his remuneration are set out below:

- (i) Term: the Executive Director's contract is for an indefinite term, but it may be terminated for any reason at any time without the need to pay any compensation for such termination. This is because any statutory amount payable on termination will be deducted from the payment under the non-compete agreement, thus keeping this undertaking in full force and effect. This clause has been agreed in the non-compete provisions entered into between the Company and the Executive Director.
- (ii) Exclusivity: While he is performing executive duties, the Executive Director must not hold any direct or indirect interest in any other business or activity that could represent a conflict of interests concerning his obligations and responsibilities in the Company or concerning the activity of the Company and of the Applus group.
- (iii) Termination: the Executive Director's contract can be terminated at any time at the discretion of the Executive Director or the Company, provided that termination is notified in writing to the other party with six months' notice. If this notice period is breached, the breaching party must pay the other the compensation described in section A.1.8 above.
- (iv) Post-contractual non-compete: See section A.1.8 above. The provision of any kind of service, whether on the Executive Director's behalf or for a third party, or in an executive or merely advisory capacity, or the direct or indirect promotion of the creation of companies or entities that will carry on a competing business, as well as shareholding participation in such companies or entities, will be deemed to be competition. Any activity that is being carried on by any company of the group or is expected to be started in the following 12 months at the time of termination of the Executive Director's agreement will

be deemed to be a competing business. Moreover, the Executive Director is not to hire or participate in the hiring of employees who are or have been part of the workforce of the Company or any company of the group at the time of termination of his agreement or in the preceding 12 months. This non-compete agreement is binding, meaning that the Company cannot abandon its payment commitments and the Executive Director cannot compete and waive his right to be paid.

- (v) Shareholding retention: the Executive Director will hold 1/3 of the net number of shares that he receives each year upon the accrual of all RSUs and PSUs, until he reaches a number of shares whose value (calculated at the value of the shares on the award date) amounts to twice his net fixed remuneration. Thereafter, the Executive Director will be required to hold shares with a value corresponding at least to twice his net fixed remuneration. This commitment will cease in the event of termination of the Executive Director's services to the Group or upon a change of control.
- (vi) Supplementary pension or early retirement schemes: the Executive Director will not have supplementary pensions or early retirement schemes, but he will be entitled to a Company pension plan on the terms described in section A.1.1.

The essential contractual terms and conditions for the Executive Director under the 2023 Remuneration Policy are described in section B.11.

#### A.1.10 Explain the nature and estimated amount of any other supplementary remuneration that will be accrued by the directors during the current financial year as consideration for services provided other than those inherent to their position.

No directors have provided or are expected to provide services other than those inherent to their position during the current financial year, for which reason they have not accrued and are not expected to accrue any supplementary remuneration for said items.

#### A.1.11 Other remuneration items such as any deriving from the company granting the director advances, loans, guarantees or other remuneration.

As at the date of this report, the Company has not granted its directors any other remuneration items such as any deriving from advances, loans, guarantees or other remuneration.

#### A.1.12 Explain the nature and estimated amount of any other scheduled supplementary remuneration not included in the preceding sub-sections, whether paid by the entity or another entity of the group, that will be accrued by the directors during the current financial year.

No supplementary remuneration of this nature has accrued or is expected to accrue during the current financial year.

#### A.2 Explain any significant changes in the remuneration policy applicable to the current financial year arising from:

- a) A new policy or an amendment to the policy previously approved by the shareholders at the General Meeting.
- b) Significant changes in the specific determinations established by the board for the current financial year for the current remuneration policy, in comparison with those applied in the preceding financial year.
- c) Proposals that the board of directors has resolved to present to the shareholders at the general shareholders' meeting to which it will submit this annual report and which are proposed to be applied to the current financial year.

The ARC annually reviews the Remuneration Policy to ensure that it is aligned with the Company's situation and short-, medium- and long-term strategy and with market conditions, and to assess whether it contributes to the creation of long-term value and to adequate risk control and management, amending it if necessary as in previous years. In preparation for this review, the Chair of the ARC conducts a formal dialogue process each January with the Company's main investors and proxy advisors involving the review of the existing policy and a request for assessments and opinions concerning that policy and the various ways to improve it.

At the General Shareholders' Meeting held on 8 June 2023, the shareholders approved the modification of the Remuneration Policy for the members of the Company's Board of Directors, which the Board of Directors approved to be proposed at the General Meeting during its meeting held on 4 May 2023 following a favourable report from the Appointments and Remuneration

Committee (“ARC”) issued on 3 May 2023. This report was made available to the shareholders at the Company’s registered office and it was published continuously on the website from the call until the holding of the General Meeting.

This modification adjusted the Remuneration Policy in force at the time, which had been approved by the shareholders at the 2022 General Shareholders’ Meeting for financial years 2022 to 2024 on the terms outlined in section A.1.1.

- A.3 Provide a direct link to the document featuring the company’s current remuneration policy, which must be made available on the company’s website.

[https://www.applus.com/en/dam/jcr:fa15495a-c6f5-453b-8fe3-6988774e8a76/Reasoned%20proposal%20of%20amendment%20to%20the%20Directors%20Remuneration%20Policy%20presented%20by%20the%20Board%20of%20Directors%20\(1\).pdf](https://www.applus.com/en/dam/jcr:fa15495a-c6f5-453b-8fe3-6988774e8a76/Reasoned%20proposal%20of%20amendment%20to%20the%20Directors%20Remuneration%20Policy%20presented%20by%20the%20Board%20of%20Directors%20(1).pdf)

- A.4 Taking into account the information provided in section B.4, explain how the shareholders’ votes at the general meeting at which the annual remuneration report for the previous financial year was submitted for a consultative vote have been taken into account.

The consultative vote of the shareholders at the 2023 General Shareholders’ Meeting in relation to the Annual Directors’ Remuneration Report for the previous financial year was very positive (97.252% of votes in favour, 1.970% against, 0% of blank votes and 0.778% abstentions), meaning that it is not planned to further amend the Remuneration Policy that was approved at the same General Shareholders’ Meeting and maintained the terms of the remuneration regime provided for in the Remuneration Policy approved in 2022, without prejudice to the changes referred to in sections A.1.1 and A.2 above.

## **B OVERALL SUMMARY OF THE APPLICATION OF THE REMUNERATION POLICY DURING THE LAST FINANCIAL YEAR**

- B.1.1 Explain the process followed to apply the remuneration policy and determine the individual remuneration outlined in section C of this report. This information will include the role of the remuneration committee, the decisions taken by the board of directors and, if applicable, the identity and role of external advisors whose services have been used in the process of applying the remuneration policy during the last financial year.

The ARC is the body that assists the Board concerning the remuneration policy, under the authority assigned to it for such purpose by the Board Regulations.

At the General Shareholders’ Meeting held on 8 June 2023, the shareholders approved the modification of the remuneration policy for the members of the Company’s Board of Directors, which the Board of Directors approved to be proposed at the General Meeting during its meeting held on 4 May 2023 upon a favourable report from the Appointments and Remuneration Committee issued on 3 May 2023.

Article 39.4 of the Board Regulations provides that the ARC may seek external advisory services. In this regard, Korn Ferry (London, UK) advised the ARC on the modification of the Remuneration Policy approved at the 2023 General Shareholders’ Meeting. Korn Ferry has not been engaged to provide any other advisory services to the ARC. No procedures are established for applying temporary exceptions to the Remuneration Policy.

In addition, under the provisions of section 529 *septdecies* of the Spanish Corporate Enterprises Act (*Ley de Sociedades de Capital*) and article 25.1 of the Board Regulations, it is for the Board to set the precise amount to be paid within the limit approved at the General Meeting as well as the specific remuneration of the director in their capacity as such, taking into consideration the duties and responsibilities allocated to the director, the time they have to dedicate to the position and relevant market conditions.

Under the terms of the Remuneration Policy for years 2022, 2023 and 2024 and within the framework of the bylaw-mandated remuneration scheme (as well as the Executive Director’s contract), the Board therefore applied the Policy as described in section C upon a proposal from the ARC.

The maximum total annual amount of remuneration for directors in their capacity as such is EUR 1,500,000. Proprietary and executive directors do not receive remuneration for their position on the Board or its Committees.

The remuneration of each director agreed by the Board for 2023 was as follows:

• Remuneration as Chair of the Board of Directors	275,000 euros
• Remuneration as Director (except for the Chair of the Board of Directors)	66,000 euros
• Remuneration as Chair of a Committee	30,000 euros
• Remuneration as member of a Committee	20,000 euros

These remuneration amounts are the result of the last 10% increase approved on 24 February 2022, effective as of that date for non-executive directors (including the Chair) in their capacity as such, with no increase in remuneration for participating in or chairing the Board.

As regards the remuneration of the Executive Director Mr Joan Amigo for the performance of his executive duties, his fixed remuneration in cash for financial year 2023 is as described in the Remuneration Policy, and the Board determined his actual variable remuneration upon a proposal from the ARC (this process is described in detail in section B.7).

The remuneration of the CEO Mr Joan Amigó for the performance of his executive duties in 2023 was as follows: fixed remuneration in cash of EUR 600,000, benefits with a cost of EUR 90,000, target annual variable remuneration accrued in 2023 and payable in 2024 of EUR 480,000 (80% of fixed remuneration), which, considering an achievement level of 140.5% approved by the Board at its meeting on 21 February 2024, results in a total of EUR 674,400 to be received in February 2024, of which 62.5% will be in cash and 37.5% will be in RSUs, and 82,679 PSUs awarded under the policy (90% of his fixed remuneration of EUR 600,000 divided by the aforementioned average listing price of 6.5313 EUR/share), in accordance with the Remuneration Policy approved in May 2023, and which will be converted into shares in February 2026 depending on the achievement of the targets associated with those PSUs. In February 2023, 6,382 PSUs were consolidated and vested out of the 5,318 PSUs awarded in 2020 in his capacity as CFO under the incentive plan (as there was a 120% target achievement), although they vested net of tax, i.e., 3,282 shares. RSUs granted in previous financial years (5,317 RSUs of fixed remuneration for 2020, 2,130 shares (equal to 30% of 7,100) of fixed remuneration for 2022, and 9,203 RSUs of variable remuneration pending vesting for 2020, 2021 and 2022) vested as shares in February 2023, although they were deposited net of tax, i.e., 3,947 shares of fixed remuneration and 4,878 shares of variable remuneration, respectively.

In addition, the CEO is entitled to receive a financial payment equal to the value of the dividends that would have been paid on the gross PSUs that were awarded and vested in 2023. Respective benefits were received in the amount of EUR 1,915.

#### B.1.2 Explain any deviations from the procedure established for the application of the remuneration policy that have occurred during the financial year.

There were no deviations from the procedure established for the application of the remuneration policy during financial year 2023.

#### B.1.3 Please disclose whether any temporary exceptions to the remuneration policy have been applied and, if so, explain the exceptional circumstances that have led to the application of these exceptions, the specific components of the remuneration policy affected and the reasons why the company considers that these exceptions have been necessary to serve the long-term interests and sustainability of the company as a whole or to ensure its viability. Please quantify the impact that the application of these exceptions has had on the remuneration of each director during the year.

No temporary exceptions have been applied to the Remuneration Policy.

#### B.2 Explain the different actions taken by the company concerning the remuneration scheme and how they have contributed to reducing exposure to excessive risk and aligning the system to the company's long-term objectives, values and interests, including a reference to the measures taken to ensure that the accrued remuneration has taken into account the company's long-term results and an appropriate balance has been achieved between the fixed and variable remuneration components, what measures have been taken about those categories of staff whose professional activities have a material impact on the entity's risk profile, and what measures have been taken to avoid conflicts of interest if any.

Applus modified its Remuneration Policy during financial year 2023 so that it regulated the inclusion of the Executive Director as a beneficiary of the 2022-2024 Strategic Plan LTI. The shareholders approved this new Remuneration Policy at the General Shareholders' Meeting held on 8 June 2023. This policy applies for financial years 2022, 2023 and 2024, as described in sections B.1.1 and B.7. The Company engaged Korn Kerry to provide advice on this modification.

The 2022-2024 Strategic Plan LTI that has been introduced is a one-off plan. Its main purpose is to foster the implementation of the 2022-2024 Strategic Plan. Suggestions received from the various shareholders and proxy advisors contacted during the preparation of this plan have been taken into account in drawing up the 2022-2024 Strategic Plan LTI. The 2022-2024 Strategic Plan LTI is linked to the achievement of targets regarding: (i) total shareholder return, which represents 50% of the PSUs awarded within the framework of the 2022-2024 Strategic Plan LTI; and (ii) adjusted earnings per share for the group, which represents 50% of the PSUs awarded within the framework of the 2022-2024 Strategic Plan LTI. Depending on the level of achievement of these targets, the Executive Director may be entitled to a percentage ranging from 0% to 200% of the target PSUs. The Executive Director undertook to hold the shares actually received in the context of the 2022-2024 Strategic Plan LTI for a period of two years following the award date, except in the case of accelerated vesting as a result of a change of control event. The 2022-2024 Strategic Plan LTI reinforces the fit of the remuneration system to the Company's long-term targets, values and interest, linking variable remuneration to targets involving long-term sustainability.

The Remuneration Policy was also adjusted to reflect the existence of a single executive director. The other remuneration items included in the Remuneration Policy have remained unaltered, consolidating the improvements made to the Remuneration Policy in 2022, in which the relative importance of variable items compared to fixed items was improved, the average listing price of Applus shares continued to be considered in the annual variable remuneration scheme and long-term incentive plan, and provision was made for a deferral period in the receipt of 37.5% of annual variable remuneration. Additionally, to reduce exposure to excessive risks and align the remuneration scheme with the Company's long-term objectives, values and interests, variable remuneration was linked to long-term sustainability and diversity parameters. Furthermore, the long-term incentive plan took into account quantitative parameters for a three-year period, which made it possible to take into account the Company's long-term results, sustainability and diversity, as well as the creation of sustainable value for the shareholders. Provision was also made for the inclusion of clawback clauses. As regards measures established to avoid conflicts of interest, the Board Regulations imposed an obligation on directors to notify the other directors and the Board of any direct or indirect conflict that they or persons related to them might have with the Company's interest, with such situations being disclosed in the notes to the financial statement and the director subject to conflict required to refrain from attending, participating in or voting on the relevant discussions.

**B.3 Explain how remuneration accrued and consolidated during the financial year complies with the provisions of the current remuneration policy and, specifically, how it contributes to the long-term and sustainable performance of the company.**

Also, please report on the relationship between remuneration obtained by directors and results or other short- and long-term performance measures for the entity, explaining where applicable how fluctuations in the company's performance may have influenced fluctuations in director remuneration, including accruals the payment of which is deferred, and how they contribute to the company's short- and long-term results.

The remuneration of directors in their capacity as such complies with the provisions of the current Remuneration Policy insofar as the maximum remuneration amount approved by the shareholders at the General Shareholders' Meeting has been respected.

The remuneration accrued contributes to the long-term and sustainable performance of the Company as it is based on a system designed to promote the Company's business strategy, profitability, interests and long-term sustainability.

The annual variable remuneration of the Executive Director under the Remuneration Policy approved in 2023 consisted of an annual variable amount, payable in cash and through the delivery of RSUs, linked to the achievement of targets that contributed to the Company's short- and long-term results (55% for adjusted operating profit, 30% for the Group's adjusted operating cash-flow and 15% for the four ESG targets). The ESG targets were: (i) 3.75% diversity (% of vacancies and new hires, of Group senior management positions and corporate positions filled by women in 2023); (ii) 3.75% health and safety (frequency of injuries prompting sick leave per 200,000 working hours in 2023); (iii) 3.75% code of ethics training (% of registered employees who completed their training in 2023); and (iv) 3.75% decarbonisation

The variable amount for the Executive Director, which is set at 80% of fixed remuneration, would increase by 2% for each 1% increase above the targets up to a maximum amount of 150% of the target base (although an evaluation of 200% could be achieved for each target). In contrast, variable remuneration would decrease by 5% for each 1% decrease below the targets.



62.5% of the variable remuneration to be received by the Executive Director would be paid in cash and 37.5% via the delivery of RSUs.

The performance level for the variable accrued in 2023 (which will be paid in February 2024), measured according to the parameters of the remuneration scheme, was 140.5%: (i) 110.8% fulfilment of the adjusted operating profit, creating an entitlement to a 121.6% payout on this target; (ii) 122.7% of adjusted operating cash flow achievement, creating an entitlement to a 145.3% payout on this target; and (iii) 200% payout related to the achievement of the four ESG objectives.

The Executive Director received 37.5% of his annual variable remuneration for 2023 in the form of RSUs. The average Applus share price in the 60 days preceding the date of award of the RSUs was used to calculate the number of RSUs to be awarded. Each RSU will vest for one Applus share and 30%, 30% and 40% of the RSUs will vest after one, two and three years respectively following their award date, subject to the Executive Director remaining in employment at the vesting date.

The long-term variable remuneration comprises the Ordinary LTI and the 2022-2024 Strategic Plan LTI.

Within the framework of the Ordinary LTI, the Executive Director would receive PSUs annually for a maximum amount of 90% of his fixed remuneration. The number of PSUs to vest will have a value ranging from 0% to 150% of the target number of PSUs, depending on the target achievement level (each target can achieve an evaluation ranging from 0% to 200%). The value of each PSU would be equal to the average listing price of the Company's shares in the 60 days preceding the award date. The PSUs awarded in each financial year would be converted into shares in three years with a value ranging from 0% to 150% of fixed remuneration, depending on the performance target achievement level. The following quantitative targets, which contribute to the Company's short and long-term results, will be taken into account for the vesting of the PSUs: (i) the Company's TSR, which will be compared against an unweighted index made up of a group of comparable companies (40% of the total PSUs awarded each year). 100% of the PSUs will vest if the cumulative TSR result per annum is 1.67% higher than the index. For 2020-2022, 0 PSUs have vested under this parameter; and (ii) cumulative adjusted earnings per share reported by Applus for a three-year period (60% of the total PSUs). The achievement of the EPS target for the period was evaluated at 200%. 120% of the PSUs have vested.

Within the framework of the 2022-2024 Strategic Plan LTI, which was approved for the Executive Director in June 2023 and which applied with retroactive effect from 1 January 2022, the Executive Director received 192,734 target PSUs (the result of dividing twice the annual fixed cash salary of the Executive Director by the Applus share value taken into account for the 2022-2024 Strategic Plan LTI in the case of the Company's management team, i.e., 6.2262 euros), which will be converted into shares of the Company based on the level of achievement of the Total Shareholder Return (50%) and Group Adjusted Earnings per Share (50%) targets at the end of the 2022-2024 Strategic Plan LTI period. The 192,734 target PSUs that the Executive Director received within the framework of the 2022-2024 Strategic Plan LTI will be converted into shares, if applicable, following the end of the 2022-2024 Strategic Plan period, i.e., in financial year 2025.

The regulation of the schemes referred to in this section includes clawback clauses.

**B.4 Report on the result of the consultative vote of the shareholders at the general meeting on the annual report on remuneration for the previous financial year, stating the number of abstentions and negative, blank and affirmative votes cast in respect of such report:**

	<b>Number</b>	<b>% of total</b>
<b>Votes cast</b>	80,350,265	64.247%

	<b>Number</b>	<b>% of votes cast</b>
<b>Negative votes</b>	1,583,217	1.970%
<b>Votes in favour</b>	78,142,190	97.252%
<b>Blank votes</b>	0	0%
<b>Abstentions</b>	624,858	0.778%

Comments

**B.5 Explain how the fixed components accrued and consolidated during the financial year by the directors in their capacity as such have been determined, their relative proportion for each director and how they have varied with respect to the previous year**

The Board of Directors determined the exact amount to be paid, as well as the specific remuneration of the directors in their capacity as such during the previous financial year, upon a proposal from the ARC, within the limits set by the shareholders at the General Shareholders' Meeting and within the framework of the bylaw-mandated remuneration scheme, as described in section B.1.1.

The Board of Directors approved a 10% increase to the remuneration of the directors in their capacity as such (including the remuneration of the Chair of the Board of Directors) and maintained the remuneration for the members and chairs of the Board's Committees with effect from 24/02/2022. The total remuneration received by the directors in their capacity as such during financial year 2023 was EUR 967,000.

The members of the Board of Directors received the following annual fixed remuneration in their capacity as such in financial year 2023:

- |   |               |
|---|---------------|
| • Remuneration as Chair of the Board of Directors                           | 275,000 euros |
| • Remuneration as Director (except for the Chair of the Board of Directors) | 66,000 euros  |
| • Remuneration as Chair of a Committee                                      | 30,000 euros  |
| • Remuneration as member of a Committee                                     | 20,000 euros  |

It is stated for the record that neither the proprietary directors (there are currently none and none are expected to join) nor the Executive Director will receive any remuneration for their positions on the Board of Directors or membership of any of its Committees.

The relative proportion of the fixed components of each director in terms of the total remuneration of the directors in their capacity as such was as follows: Mr Christopher Cole 31.54% (increasing by 1.26% from 2022), Mr Ernesto Mata 8.89% (increasing by 1.07% from 2022), Mr Nicolás Villen 9.93% (increasing by 1.07% from 2022), Ms Cristina Henriquez 8.89% (increasing by 1.07% from 2022), Ms M<sup>a</sup> Jose Esteruelas 10.96% (increasing by 0.87% from 2022), Ms Essimari Kairisto 8.89% (increasing by 1.07% from 2022), Ms Marie-Françoise Damesin 9.93% (increasing by 6.56% from 2022) and Mr Brendan Connolly 10.96% (increasing by 0.87% from 2022).

**B.6 Explain how the salaries earned and consolidated, during the year ended, by each of the executive directors for the performance of management functions have been determined, and how they have varied with respect to the previous year.**

The Executive Director's accrued and consolidated salary in financial year 2023 corresponds to what was agreed at the 2023 General Shareholders' Meeting in the Remuneration Policy (i.e., EUR 600,000) and has increased from 2022 owing to the assumption of his duties as the Company's lead executive in mid-2022 and his performance of those duties throughout financial year 2023. The benefits correspond to what was agreed at the General Shareholders' Meeting in the Remuneration Policy (i.e., an amount of EUR 90,000) and have increased from 2022 owing to the assumption of his duties as the Company's lead executive and performance of those duties throughout financial year 2023.

**B.7 Explain the nature and main features of the variable components of the remuneration schemes accrued and consolidated during the last financial year.**

In particular:

- a) Identify each remuneration scheme that has determined the different items of variable remuneration accrued by each director during the last financial year, including information on their scope, date of approval, implementation date, conditions for vesting if any, accrual and validity periods, criteria that have been used to evaluate performance and how it has impacted on the setting of the accrued variable amount, as well as the measurement criteria used and the period required to be able to properly measure all the stipulated conditions and criteria, explaining in detail the criteria and factors applied in terms of the time required and the methods to verify that the performance or other conditions to which the vesting of each component of variable remuneration was linked have been actually met.
- b) In the case of schemes involving share options or other financial instruments, the general features of each plan are to include information on the conditions for acquiring unconditional ownership thereof (consolidation) and for being able to exercise said options or financial instruments, including the price and exercise period.
- c) Refer to each director and their classification (executive director, proprietary external director, independent external director or other external directors), if they are beneficiaries of remuneration schemes or schemes that incorporate variable remuneration.
- d) If applicable, report on the established payment accrual, vesting or deferral periods of consolidated amounts that have been applied and/or periods for withholding/non-disposal of shares or other financial instruments, if any.

<p><b>Explain the short-term variable components of the remuneration schemes</b></p>
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There were only short-term variable remuneration components in favour of the Executive Director. These components consist of an annual variable remuneration scheme approved in 2022, which was maintained in the modified Remuneration Policy approved in 2023.

This variable remuneration scheme has the following terms and conditions, including its scope, accrual and validity periods, consolidation conditions, criteria used to evaluate performance and reflection thereof in the setting of the accrued variable amount, and criteria and measurement periods, describing criteria and factors applied as regards the time required and the methods applied to verify effective fulfilment of the conditions, as well as the amounts accrued in 2023:

Annual variable remuneration:

The Executive Director's annual variable remuneration consisted of an annual variable amount, payable in cash and RSUs, linked to the achievement of targets (55% for adjusted operating profit (AOP), 30% for the Group's adjusted operating cash-flow (AOCF) and 15% for four ESG targets). The ESG targets are described below.

The Company believes that these metrics can provide additional information regarding the evaluation of the Group's financial performance and liquidity and that they are aligned with the indicators commonly used by analysts who cover the Company's industry and investors.

The approved AOP target for 2023 was EUR 200,484 thousand (at the applicable exchange rate), the AOCF target was EUR 243,549 thousand (at the applicable exchange rate); and the ESG targets were: (i) 3.75% diversity (% of vacancies and new hires, of Group senior management positions (Management Tier 1 and Tier 2) and corporate positions (approved from 1 January 2023) filled by women in 2023); (ii) 3.75% health and safety (frequency of injuries resulting in sick leave – number of injuries resulting in sick leave; fatal accidents, permanent disabilities and work days lost – per 200,000 working hours in 2023; (iii) 3.75% code of ethics training (% of registered employees who completed their code of ethics training (introduction and refresher) in 2023; and (iv) 3.75% decarbonisation (number of tonnes of CO2 equivalent (tCO2 eq) emitted in 2023 – scopes 1 and 2). CO2 equivalent emissions are defined as greenhouse gases (GHG) produced, directly or indirectly, and released into the atmosphere from the company's activities. Scope 1 emissions are direct GHG emissions that occur from sources controlled or owned by an organisation. Scope 2 emissions are indirect GHG emissions associated with the purchase of electricity, steam, heat or cooling). The target payment will be calculated as a linear interpolation between the target (100% target payment) and the maximum threshold (200% target payment) or as a linear interpolation between the target (100% target payment) and the minimum threshold (50% target payment). The ESG targets have been calculated taking into account the perimeter as at 1 January 2023. Acquisitions are not included.

The different thresholds for the (i) diversity; (ii) H&S; (iii) decarbonisation; and (iv) code of ethics training targets are as follows. The respective minimum thresholds are 25%, 0.86%, 57,443 tCO<sub>2</sub> and 95%. The respective targets corresponding to 100% payout are 30%, 0.83%, 55,500 tCO<sub>2</sub> and 97%. The respective maximum thresholds corresponding to 200% payout are 35%, 0.89%, 53,558 tCO<sub>2</sub> and 99%.

The Executive Director's variable amount will increase by 2% for each 1% increase above the targets and decrease by 5% for each 1% decrease below the targets. The target base for the variable remuneration was set at 80% of the fixed cash remuneration with a maximum amount of 150% of the target base, with the possibility of 200% achievement for each target, and a minimum amount of EUR 0. The Executive Director received 37.5% of his annual variable remuneration for 2023 in the form of RSUs and the remaining 62.5% in cash. The bonus payout accrued in 2023 (which will be paid in February 2024) measured according to the parameters of the remuneration scheme was 140.5%: (i) 110.8% achievement of adjusted operating profit, creating an entitlement to a 121.6% payout on this target; (ii) 122.7% achievement of adjusted operating cash flow compliance, creating an entitlement to a 145.3% payout on this target; and (iii) 200% payout related to the achievement of the four ESG targets (diversity, code of ethics, health and safety, and decarbonisation).

The actual amount of the annual variable remuneration was approved by the Board of Directors upon a proposal from the ARC, which was responsible for assessing in detail the degree of achievement of the targets with a sufficient verification thereof. Concerning such verification, the adjusted operating profit and adjusted operating cash flow were taken based on Applus' annual accounts after their preparation, review and reporting by the Company's auditor, as well as the requirements and verifications that the ARC deemed appropriate for the ESG targets. The assessment found the achievement of the adjusted operating profit target, the adjusted operating cash flow target and the ESG targets for 2023.

The average Applus share price in the 60 days preceding the date of award of the RSUs was taken into account to determine the number of RSUs to be delivered. RSUs are awarded each year on the day on which the Board approves the annual results of Applus and the amount of the annual variable remuneration. Specifically, the award date for the RSUs corresponding to financial year 2023 is 21 February 2024.

Each RSU will vest for one Applus share and 30%, 30% and 40% of the RSUs will vest after one, two and three years respectively following their award date, subject to remaining in employment at the vesting date (30% of the RSUs for 2023 will vest for shares in February 2025, another 30% in February 2026 and the remaining 40% in February 2027). However, there are a series of circumstances in which vesting will not follow the aforementioned vesting schedule:

- (i) Termination of the Executive Director's services for specific reasons: If the Participant's termination of services is due to any of the following events: (i) *mortis causa*, (ii) permanent disability, (iii) good leaver (being (a) retirement; (b) the Participant's position or employment being with a company that ceases to be a member of the Group or relating to a business or part of a business that is transferred to a person who is not a member of the Group; and (c) any termination of contract 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 Executive Director, then all the RSUs awarded under the RSU plan that have not vested on the date when the event takes effect will be automatically vested on that date.
- (ii) Change of control: In the event of a change of control (defined as (i) a merger, consolidation, acquisition or other transaction as a result of which securities carrying more than 50% of the total combined voting rights of the outstanding securities of the Company are transferred to a person or persons other than the persons who held such securities immediately prior to such transaction; (ii) the sale, transfer or other disposal of all or substantially all of the assets of the Company as part of the complete liquidation or dissolution of the Company; (iii) the acquisition by a third party (natural or legal person), either individually or acting in concert with others, of a controlling interest in the Company under article 4 of Royal Decree 1066/2007 of 27 July 2007 on takeover bids), then all RSUs awarded under the RSU Plan that have not accrued on the date on which the event takes effect will automatically accrue on the date on which the event occurs. In the event of a change of control, the accrued RSUs would be settled by a cash payment on the date of the change of control.

If proven inaccuracies in the information upon which the cash bonus and the RSUs were awarded are reported by a certified auditor and approved by the Board of Directors, the Company will 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, effectively received by the Executive Director because of those inaccuracies.

Upon a favourable proposal from the ARC, the Board of Directors has discretion to increase the result of the mathematical calculation of the annual variable remuneration of the Executive Director if: (i) the calculated payment is not considered a true reflection of the underlying evolution of the business; (ii) the increase does not exceed 50% of the target base (in cash and RSUs); and (iii) the final total amount of the annual variable remuneration following any applicable increase will not exceed the

target base (in cash and RSUs). This decision will be disclosed *ex-post* annually in the Annual Remuneration Report. This capacity shall not apply to the annual variable remuneration accrued in 2023.

### Explain the long-term variable components of the remuneration schemes

The Executive Director was the only member of the Board entitled to long-term variable remuneration. This remuneration consists of the Ordinary LTI, which was approved at the 2016 General Shareholders' Meeting, and the 2022-2024 Strategic Plan LTI, which was established as applying to the Executive Director by means of the modification of the Remuneration Policy approved at the 2023 General Shareholders' Meeting.

This incentive plan has the following terms and conditions, including its scope, accrual and validity periods, consolidation conditions, criteria used to evaluate performance and the reflection thereof in the setting of the accrued variable amount, and criteria and measurement periods, describing criteria and factors applied as regards the time required and the methods to verify effective fulfilment of the conditions, as well as the amounts accrued in 2023:

#### Ordinary LTI:

The Ordinary LTI long-term incentive plan (which started in 2016 under the then-applicable Remuneration Policy) provides that the Executive Director receives performance stock units (PSUs) annually, each capable of vesting as one share in the Company. The PSUs awarded in each financial year will vest as shares after a three-year period following their award date based on the level of achievement of certain parameters.

The targets of the long-term incentive plan were reviewed and updated in light of the targets and challenges established in the 2022-2024 Strategic Plan, feedback from investors and proxy advisors, and Applus' ESG commitments. The amounts of the long-term incentive for the Executive Director were also updated following the remuneration report prepared by Mercer Consulting in 2021, taking into account salary benchmarking, the need to retain and motivate the Executive Director and the new strategic targets incorporated for purposes of achievement of the incentive. The Executive Director's targets established for purposes of achievement of the long-term incentive were the same targets established for the senior managers who are also entitled to receive this incentive.

Under the Ordinary LTI, the CEO receives PSUs annually for an amount equivalent to 90% of his fixed remuneration (i.e., EUR 540,000) although those amounts might ultimately fluctuate depending on the level of achievement of the parameters referred to below. The number of accrued PSUs will have a value ranging from 0% to 150% of the target number of PSUs, depending on the target achievement level. However, each LTI target can represent an achievement value ranging from 0% to 200%.

The value of each PSU is equivalent to the Company's average share price in the 60 days preceding the PSU award date. PSUs are awarded each year on the day the Board of Directors approves Applus' annual results. The number of PSUs to be awarded to the Executive Director could be adjusted during each financial year if their fixed remuneration was amended. However, the day on which the Board of Directors approves the results of the relevant year is taken as the day on which the additional PSUs are awarded.

The PSUs awarded in each financial year will be converted into shares within three years following the award date if the targets described below are achieved. The number of PSUs to be converted would have a value ranging from 0% to 150% of the target number of PSUs, depending on the level of achievement of such targets during the three years before conversion, so that such conversion corresponds to professional performance during each three-year period.

The ARC is responsible for assessing in detail the degree of compliance with the criteria and objectives established for the vesting of the incentive plan. Therefore, for the evaluation of the February 2023 incentive plan, and to perform a sufficient verification of such compliance, the ARC requested an independent report evaluating the TSR benchmark, and also used the annual accounts of Applus after their formulation, and their review and issuance of the report by the Company's auditor, to assess the EPS.

The following quantitative targets would be taken into account for the conversion of PSUs:

- (a) A target based on the relative total shareholder return ("**TSR**") over a three-year period, where the Company's TSR is compared to an unweighted index made up of a group of eight comparable companies within the inspection and certification industry. These companies are SGS, Bureau Veritas, Intertek, Eurofins Scientific, Core Laboratories, ALS, Team Industrial Services and Mistras. The Board of Directors can amend the group of companies used to determine the LTI, subject to approval and communication of the relevant amendment before the award of the relevant LTI. The index is the result of calculating the annualised TSR based on the average TSR of the eight comparable companies.

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

Out of this 30%, 50% of the PSUs will be converted into shares if the annualised TSR figure for Applus is equal to the index and 200% of the PSUs will be converted into shares if that annualised Applus figure is cumulatively 5% per annum higher than the index. Between the index value and the TSR value providing entitlement to conversion into shares of 200% of the PSUs, the conversion will be made according to a linear interpolation between these two values. As a result, 100% of the PSUs will vest if Applus' cumulative annualised TSR result is 1.67% per annum higher than the index.

If the TSR figure is below the index, no PSUs will accrue in respect of this target.

- (b) A target for the cumulative adjusted earnings per share ("**EPS**") reported by Applus over three years.

This target will represent 50% of the total number of PSUs awarded each year.

The Board of Directors will establish specific thresholds for this parameter, and the target PSUs will be converted into shares upon achievement thereof. The maximum number of PSUs that can be converted into shares is 200% of the target PSUs.

If the EPS figure is below the threshold for entitlement to conversion of 60% of the PSUs into shares, no PSUs will vest in respect of this parameter.

- (c) A target for return on capital employed (ROCE). This parameter represents 10% of the PSUs awarded each year. It is related to the average return on capital employed for a three-year period.

The Board of Directors will establish specific thresholds for this ROCE target, beyond which the PSUs will convert into shares. The maximum number of PSUs that can convert into shares amounts to 200% of the target PSUs. If the ROCE value is below the specific threshold creating an entitlement to conversion of 50% of the PSUs into shares, no PSUs will convert for this parameter.

- (d) ESG targets. This parameter represents 10% of the PSUs awarded each year. It is related to the achievement of four ESG targets within a three-year period. The maximum number of PSUs that can convert into shares amounts to 200% of the target PSUs. If the specific threshold creating an entitlement to conversion of 50% of the PSUs into shares is not reached, no PSUs will convert for this parameter.

The ESG targets and results are calculated taking into account the perimeter as at 1 January of the first year in each three-year period, and acquisitions will not be included. However, the Company is committed to applying its Group policies to new acquisitions, and so they will be included for purposes of setting the targets/metrics for the next strategic plan.

The ESG and ROCE targets are communicated *ex post* in the Annual Remuneration Report.

The evaluation of all the targets under the incentive plan is included in the Annual Remuneration Report.

The Company believes that these metrics can provide additional information regarding the evaluation of the Group's performance and liquidity and that they are aligned with the indicators commonly used by analysts who cover the Company's industry and by investors.

#### 2022-2024 Strategic Plan LTI:

The 2022-2024 Strategic Plan LTI, which the Company's Board of Directors initially approved on 26 October 2022, was designed with the aim of covering the three financial years that started in 2022 and end in 2024.

Within the framework of the 2022-2024 Strategic Plan LTI, the application of which to the Executive Director was approved in June 2023 with retroactive effect from 1 January 2022, the Executive Director received 192,734 target PSUs (the result of dividing twice the Executive Director's annual fixed cash salary by the value of Applus shares taken into account for the 2022-2024 Strategic Plan LTI for the Company's management team, i.e., 6.2262 euros).

The number of PSUs that will ultimately accrue will have a value ranging from 0% to 200% of the number of target PSUs, depending on the target achievement level during the accrual period, ensuring that this accrual properly reflects the Executive Director's professional performance during each period. Each target may in turn imply a payment ranging from 0% to 200%.

The scope of the following performance targets will be assessed to determine the PSUs that will be converted into shares:

- (a) Total Shareholder Return: This parameter represents 50% of the PSUs awarded within the framework of the 2022-2024 Strategic Plan LTI. It measures the relative total shareholder return for the Group, calculated over the three-year period that comprises the accrual period for the Ordinary LTI that was implemented in 2022. The rules for the evaluation of this target are the same as those used for the evolution of TSR under the Ordinary LTI.
- (b) Group Adjusted Earnings per Share (EPS): This parameter represents 50% of the PSUs awarded within the framework of the 2022-2024 Strategic Plan LTI. It will be calculated as the earnings for the financial year divided by the number of

shares as at 31 December of the relevant financial year. If the EPS of potential divestments in 2023 and 2024 exceeds the adjusted EPS of the acquisitions for the same period, the target will be adjusted accordingly.

The Board of Directors set the thresholds to be used as a basis for the accrual of PSUs for this target. The maximum number of PSUs that will accrue will be 200% of the target PSUs. If the EPS performance is below the specific threshold creating an entitlement to the accrual of 50% of the PSUs, no PSUs will be awarded for this parameter. The Board of Directors reserves the right to fairly and reasonably, on a discretionary basis, review the formula for payment of each component if it considers that the result of the formula does not truly reflect the underlying performance of the Company. This discretionary power may be exercised to both increase and reduce the remuneration level. Any increase may only be implemented up to the award target for the corresponding component.

The Executive Director will be required to retain all the shares corresponding to him under the 2022-2024 Strategic Plan LTI for a minimum period of two years as from the accrual date, except in the event of an accelerated accrual as a result of a change of control on the terms outlined below.

The evaluation of the 2022-2024 Strategic Plan LTI targets will be published *ex post* in the Company's Annual Remuneration Report.

The general conditions regulating the Ordinary LTI and the 2022-2024 Strategic Plan LTI, which are identical, are as follows:

- (a) If proven inaccuracies in the information upon which the PSUs or the shares pursuant to a vesting of PSUs were awarded are reported by a certified auditor and approved by the Board of Directors, the Company will be entitled, for a period of three years following the award 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, effectively received by the Executive Director because of those inaccuracies.
- (b) If the contractual relationship between the Executive Director and the Group is terminated as a result of any of the following circumstances: (i) *mortis causa*; (ii) permanent disability; or (iii) as a good leaver (which is defined as (a) retirement; (b) the Participant having a position or employment at a company that ceases to be a member of the Group or relating to a business or part of a business that is transferred to an entity that is not a member of the Group; and (c) any termination of contract by the Company other than a disciplinary dismissal classified as fair in a firm court judgment or not challenged by the Executive Director, the ARC will establish the number of shares accrued on the following terms: (a) performance conditions will be deemed 100% fulfilled; and (b) a pro-rated reduction will be applied in respect of the relevant number of shares, based on the period between the award date and the termination date in relation to the three-year period.
- (c) Similarly, in the event of a change of control of the Company (defined as (i) a merger, consolidation, acquisition or other transaction as a result of which securities carrying more than 50% of the combined voting rights of the outstanding securities of the Company are transferred to a person or persons other than the persons who held such securities immediately prior to the change of control; (ii) the sale, transfer or other disposal of all or substantially all of the Company's assets as part of the complete liquidation or dissolution of the Company; or (iii) the acquisition by a third party (natural or legal person), either individually or acting in concert with others, of a controlling interest in the Company under article 4 of Royal Decree 1066/2007 of 27 July 2007 on takeover bids), the ARC will notify the Executive Director, as soon as practicable after becoming aware of said circumstance or any relevant proposal, that all the PSUs will be automatically subject to early vesting on the date of that event, if they have not yet vested. In the event of a change of control, the accrued PSUs will be settled in cash on the date of the change of control. The accrued PSUs will not be reduced in proportion to the time elapsed since their award date and performance conditions will be deemed 100% fulfilled. If the Executive Director no longer has a relationship with the Group at the time of the change of control, the change of control rule will prevail.
- (d) If proven inaccuracies in the information upon which the PSUs or the shares pursuant to a vesting of PSUs were awarded are reported by a certified auditor and approved by the Board of Directors, the Company will be entitled, for a period of three years following the award 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 of the net amount of shares, as applicable, effectively received by the Executive Director because of those inaccuracies.

**B.8** State whether certain accrued variable components have been reduced or reclaimed (malus/clawback), when payment of non-vested amounts has been deferred in the former case, or consolidated and paid in the latter case, based on information that has later been clearly proven to be inaccurate. Describe the amounts reduced or returned due to the application of malus/clawback clauses, why they have been enforced and the financial years to which they correspond.

There was no reduction or reclaiming of any accrued variable component in financial year 2023, as no inaccuracy was identified in the information used for purposes of calculation thereof.

- B.9** Explain the main features of the long-term savings schemes whose annual equivalent amount or cost is included in the tables in Section C, including retirement and any other survival benefit, either partially or wholly financed by the company and whether funded internally or externally, stating the type of scheme, whether it is defined-contribution or defined-benefit, the contingencies it covers, the conditions for consolidation of economic rights in favour of directors, and the compatibility thereof with any class of indemnity for early termination or cessation of the contractual relationship between the company and the director.

The CEO of the Company is entitled to receive an annual pension plan contribution under the provisions of the Remuneration Policy. The pension plan is structured as a defined-contribution scheme whose amount is decided by the CEO as part of the amount of 15% of the director's annual fixed cash remuneration available for benefits received during the financial year. The CEO can choose each year whether he wants to reduce his fixed remuneration to invest the same amount in a pension plan, subject to legally established limits. The only limitation or restrictive condition affecting the CEO's use of his pension plan is that it must be implemented in accordance with applicable Spanish law. The plan is compatible with payments arising from the termination of the contractual relationship between the CEO and Applus.

The amount contributed to the plan in 2023 is shown in section B.1.1 above.

- B.10** Explain, if applicable, the indemnities or any other class of payment arising from early cessation, whether at the will of the company or the director, or from the termination of the contract on the terms provided therein, accrued and/or received by the directors during the last financial year.

In addition to its remuneration-related obligations, Applus committed to the following payments, indemnities and covenants vis-à-vis the former CEO and the current CEO:

- (i) **Exclusivity:** The Executive Director has an exclusivity obligation vis-à-vis the Company as described in the following subsection, which is not specifically remunerated.
- (ii) **Termination:** In the event of termination of the Executive Director's contract, he will only be entitled to any indemnity provided for under applicable Spanish law. The sums paid will be deducted from the compensation provided for under the post-contractual non-compete agreement, which is explained below.

However, if the Executive Director or the Company failed to comply with the contractually established six-month notice period for unilateral termination of the contract by one of the parties, the other party would be entitled to compensation equivalent to the fixed remuneration of the Executive Director for the duration of the breached notice period.

- (iii) **Post-contractual non-compete:** The Executive Director is not to engage in competition with the Company or any company of the Applus group. The Executive Director's non-compete undertaking will have a duration of two years following the termination of his contract. In exchange, in the event of termination of contract (whether by the Executive Director or by the Company), the Executive Director will be entitled to receive an amount equal to twice the annual fixed cash remuneration received in the last year before the termination of contract, to be paid during the 24 months following such termination in equal monthly instalments. This amount will be reduced by any amount that the Company is required to pay to the Executive Director as statutory indemnity (which may arise from the application of the corresponding legal rule) for the termination of contract, such that the total amount to be received by the Executive Director following the termination of contract in no case exceeds twice the annual fixed remuneration received in the last year before the termination of contract. If the Executive Director breaches this commitment and competes with the Company or any group company, he will be required to return the amounts paid by the Company as consideration for the non-compete agreement. The termination payments for the Executive Director comply with the provisions of the Good Governance Code for Listed Companies and protect the Applus group through the two-year post-contractual non-compete agreement.

- B.11** State whether there have been significant amendments to the contracts of those performing senior management duties as executive directors and explain them, if applicable. Also explain the main terms and conditions of new contracts signed with executive directors during the financial year, unless already explained in section A.1.

Upon the approval of the new Remuneration Policy in financial year 2023, the Executive Director's terms and conditions, in addition to those regarding his remuneration in accordance with the relevant parts of sections A.2 and B.2, were as follows:



- (i) Term: the Executive Director's contract is for an indefinite term, but it may be terminated for any reason and at any time, without the need to pay any compensation for such termination. This is because any statutory sum payable on termination will be discounted from the applicable payment under the non-compete agreement, thus keeping this undertaking fully in force. This clause has been agreed as part of the non-compete provisions between the Company and the Executive Director.
- (ii) Exclusivity: while he is performing executive duties, the Executive Director is not to have any direct or indirect interest in any other business or activity that could entail a conflict of interest concerning his obligations and responsibilities in the Company or concerning the activity of the Company and of the Applus group.
- (iii) Termination: the Executive Director's contract may be terminated at any time at the discretion of the Executive Director or the Company, provided that termination is notified in writing to the other party with six months' notice. If this notice period is breached, the breaching party must pay the other the compensation described in section A.1.8 above.
- (iv) Post-contractual non-compete: See section A.1.8 above. The provision of any kind of service, whether on the Executive Director's behalf or for a third party, or in an executive or merely advisory capacity, or the direct or indirect promotion of the creation of companies or entities that will carry on a competing business, as well as shareholding participation in such companies or entities, will be deemed to be competition. Any activity that is being carried on by any company of the group or is expected to be started in the following 12 months at the time of termination of the Executive Director's agreement will be deemed to be a competing business. Moreover, the Executive Director is not to hire or participate in the hiring of employees who are or have been part of the workforce of the Company or any company of the group at the time of termination of his agreement or in the preceding 12 months. This non-compete agreement is binding, meaning that the Company cannot abandon its payment commitments and the Executive Director cannot compete and waive his right to be paid.
- (v) Shareholding retention: the Executive Director will hold 1/3 of the net number of shares that he receives each year upon the accrual of all RSUs and PSUs, until he reaches a number of shares whose value (calculated at the value of the shares on the award date) amounts to twice his net fixed remuneration. Thereafter, the Executive Director will be required to hold shares with a value corresponding at least to twice his net fixed remuneration. This commitment will cease in the event of termination of the Executive Director's services to the Group or upon a change of control.
- (vi) Supplementary pension or early retirement schemes: the Executive Director will not have supplementary pensions or early retirement schemes, but he will be entitled to a Company pension plan on the terms described in section A.1.1.

The CEO's contract will contain the conditions set out in sections A.1.8 and A.1.9 above and his remuneration will be as set out in sections A.1.1 and A.1.2.

**B.12 Explain any supplementary remuneration accrued by the directors as consideration for services provided other than those inherent to their position.**

The directors did not provide services other than those inherent to their position in financial year 2023, and therefore no additional remuneration was accrued in this respect.

**B.13 Explain any remuneration arising from the grant of advances, loans and guarantees, stating the interest rate, the essential features thereof and any amounts reimbursed, as well as the obligations assumed under the guarantee.**

No remuneration has accrued for these items and no obligation of this nature was assumed in financial year 2023.

**B.14 Describe the remuneration in kind accrued by the directors during the financial year, briefly explaining the nature of the different salary components.**

Only the CEO receives remuneration in kind.

Under the provisions of the Remuneration Policy, the CEO receives other benefits with a maximum cost equal to 15% of his annual fixed cash remuneration, which can include a pension plan contribution of his choice, among other items. The Executive Director can choose the amount to allocate to each benefit each year, subject in any event to the maximum cost equal to 15% of his fixed cash remuneration, as well as being able to decide whether he wants to reduce his fixed remuneration to invest the same amount in a pension plan.

In financial year 2023, the CEO accrued benefits as remuneration in kind on the terms of his new contract as reflected in the amended Policy submitted for approval at the 2023 General Shareholders' Meeting, with a total cost of benefits received of EUR 90,000. These benefits include the use of a company vehicle and fuel, medical insurance for him and his family (including an

annual check-up for him and his wife), life insurance, professional membership and association fees, and a gross contribution of EUR 1,500 to the CEO's pension plan.

- B.15 Explain the remuneration accrued by the director under payments made by the listed company to a third-party entity in which the director provides services, when said payments are intended to remunerate the services thereof within the company.

No such payments were made in financial year 2023.

- B.16 Explain and detail the amounts accrued during the year in relation to any other remuneration item other than those listed above, whatever its nature or the group entity paying it, including all benefits in any form, such as when it is considered a related-party transaction or, especially, when it significantly affects the true and fair view of the total remuneration accrued by the director, explaining the amount granted pending payment, the nature of the consideration received and the reasons why it would have been considered, where appropriate, that it does not constitute remuneration to the director in his capacity as such or in consideration for the performance of his executive duties, and whether or not it has been considered appropriate to include it among the amounts accrued under "other items" in section C.

A cash supplement of EUR 65,446 accrued to the CEO during financial year 2023, which comprises part of the 15% fixed remuneration to be received as benefits. This cash amount of EUR 65,446 is reflected in table C1 of this report under the "Other items" section of the remuneration paid by the Company in cash and is included in the cost of the benefits actually received, excluding pension scheme contributions.

**C****DETAILS OF INDIVIDUAL REMUNERATION CORRESPONDING TO EACH DIRECTOR**

<b>Name</b>	<b>Classification</b>	<b>Accrual period financial year 2023</b>
<b>Mr Joan Amigó Casas</b>	Executive Director	From 01/01/2023 to 31/12/2023
<b>Mr Christopher Cole</b>	Independent Director	From 01/01/2023 to 31/12/2023
<b>Mr Ernesto Gerardo Mata López</b>	Other External Director	From 01/01/2023 to 31/12/2023
<b>Mr Nicolás Villén Jiménez</b>	Independent Director	From 01/01/2023 to 31/12/2023
<b>Ms María Cristina Henríquez de Luna Basagoiti</b>	Independent Director	From 01/01/2023 to 31/12/2023
<b>Ms Maria José Esteruelas Aguirre</b>	Independent Director	From 01/01/2023 to 31/12/2023
<b>Ms Essimari Kairisto</b>	Independent Director	From 01/01/2023 to 31/12/2023
<b>Ms Marie-Françoise Madeleine Damesin</b>	Independent Director	From 01/01/2023 to 31/12/2023
<b>Mr Brendan Wynne Derek Connolly</b>	Independent Director	From 01/01/2023 to 31/12/2023

C.1 Complete the following tables concerning the individual remuneration of each director (including remuneration for the performance of executive duties) accrued during the financial year.

a) **Remuneration from the company covered by this report:**

i) **Remuneration accrued in cash (in thousands of €)**

Name	Fixed remuneration	Attendance fees	Remuneration for membership of board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Indemnity	Other items	Total financial year t	Total financial year t-1
Mr Joan Amigó i Casas	0	0	0	600	422	2	0	65	1,089	807
Mr Christopher Cole	275	0	30	0	0	0	0	0	305	301
Mr Ernesto Gerardo Mata López	66	0	20	0	0	0	0	0	86	85
Mr Nicolás Villén Jiménez	66	0	30	0	0	0	0	0	96	95
Ms María Cristina Henríquez de Luna Basagoiti	66	0	20	0	0	0	0	0	86	85
Ms Maria José Esteruelas Aguirre	66	0	40	0	0	0	0	0	106	105
Ms Essimari Kairisto	66	0	20	0	0	0	0	0	86	85
Ms Marie-Francoise Madeleine Damesin	66	0	30	0	0	0	0	0	96	90
Mr Brendan Wynne Derek Connolly	66	0	40	0	0	0	0	0	106	105

Comments
<p>The accrued remuneration for the financial year 2023 includes the last increase in remuneration approved by the Board of Directors effective from 24 February 2022 of 10% of the remuneration of the directors in their capacity as such (including the remuneration of the Chair of the Board of Directors), maintaining the remuneration for the members and chairs of the Committees of the Board.</p> <p>Under the long-term incentive plan, in February 2023 Mr Joan Amigó received economic benefits equal to the value of the dividends that would have been paid on the gross PSUs awarded in 2020 that vested in 2023, i.e., EUR 1,915.</p> <p>Mr Joan Amigó received a cash supplement included in the 15% of fixed remuneration allocated to benefits (EUR 65,446).</p>

ii) Table of movements in share-based remuneration schemes and net return on consolidated shares or financial instruments

Name	Name of Plan	Financial instruments at start of financial year t		Financial instruments granted during financial year t		Financial instruments consolidated during financial year t				Instruments mature but not exercised	Financial instruments at end of financial year t	
		No. of instruments	Equivalent no. of shares	No. of instruments	Equivalent no. of shares	No. of instruments	Equivalent/consolidated no. of shares	Price of consolidated shares	Net Return on consolidated shares or financial instruments (thousands of €)	No. of instruments	No. of instruments	Equivalent no. of shares
Joan Amigó Casas	Fixed remuneration	19,066	19,066	0	0	0	0	0	0	0	11,619	11,619
	Annual variable remuneration scheme	44,675	44,675	24,236	24,236	24,236	24,236	10.435	253	0	59,708	59,708
	Long-term incentive plan	88,899	88,899	275,413	275,413	5,318	5,318	6.755	43	0	358,994	358,994

**Comments**

The financial instruments at the start of financial year t (2023) are: (i) 100% of fixed RSUs awarded in years 2020, 2021 and 2022; (ii) bonus-related RSUs accrued in 2019, 2020, 2021 and 2022 (and hence awarded in 2020, 2021, 2022 and 2023, respectively) and which had yet to vest (convert into shares) as at 1 January 2023, specifically 40% of those awarded in 2020, 70% of those awarded in 2021, 100% of those awarded in 2022 and 100% of those awarded in 2023; and (iii) 100% of PSUs awarded in 2020, 2021 and 2022.

During financial year 2023, Mr Joan Amigó i Casas was awarded 82,679 PSUs related to the long-term incentive plan (Ordinary LTI), which have a three-year consolidation period, and he was awarded (with retroactive effect from 1 January 2022 and capable of vesting years after that date) 192,734 PSUs corresponding to the strategic incentive. Therefore, the total of the instruments awarded during financial year t associated with the long-term incentive plan is as follows:  $82,679 + 192,734 = 275,413$ .

In February 2024, Mr Joan Amigó i Casas was awarded 24,236 RSUs associated with the 2023 bonus (hence also consolidated in 2023). The price of the consolidated shares is the value at which the number of RSUs was calculated in February 2024, which was 10.435 EUR/RSU.

In February 2023, a gross total of 9,203 variable remuneration-related RSUs that had been awarded in 2020, 2021 and 2022 vested (in the financial instruments table), although the Applus shares were awarded net of taxes (i.e., 4,878 shares in the table). Therefore, the number of variable remuneration-related financial instruments (and shares) at the end of financial year t is  $44,675 - 9,203 + 24,236$  RSUs awarded in 2024.

In February 2023, 7,447 RSUs related to fixed remuneration awarded in 2020 and 2022 vested (albeit as Applus shares net of tax, i.e., 3,947).

Therefore, the number of fixed financial instruments (and shares) at the end of financial year t is  $19,066 - 7,447 = 11,619$ .

In February 2023, given the achievement level of 120%, a gross number of 6,382 PSUs were consolidated, corresponding to 5,318 gross PSUs awarded in 2020 (and hence existing at the start of financial year t) within the framework of the long-term incentive plan, resulting in the award of 3,382 shares net of tax. Therefore, the number of financial instruments (and shares) under the long-term remuneration scheme at the end of financial year t is  $88,899 + 82,679 + 192,734 - 5,318 = 358,994$ . The price of the consolidated shares is the price at which the shares were deposited in February 2023, which was 6.755 EUR/share.

Therefore, the remuneration received in 2023 corresponding to "Financial instruments consolidated in the financial year" is  $5,318 * 6.775 + 253,000$  (variable remuneration in RSUs corresponding to 2023 and awarded in 2024) = EUR 289,029. This information will be used in subsequent tables.

The number of shares held by members of the Board of Directors is published on the corporate website, on the page regarding the Board of Directors.

iii) Long-term savings schemes

	Remuneration for consolidation of savings scheme rights
Joan Amigó Casas	2

Name	Contribution in financial year by company (thousands of €)				Amount of accumulated funds (thousands of €)			
	Savings schemes with consolidated economic rights		Savings schemes with non-consolidated economic rights		Financial year t		Financial year t-1	
	Financial year t	Financial year t-1	Financial year t	Financial year t-1	Schemes with consolidated economic rights	Schemes with non-consolidated economic rights	Schemes with consolidated economic rights	Schemes with non-consolidated economic rights
	Joan Amigó Casas	2	2	0	0	90	0	88

Comments
Mr Joan Amigó i Casas received a pension plan contribution in the amount of EUR 1,500 within the framework of his benefits received during the financial year.

iv) Details of other items

Name	Item	Remuneration amount
Joan Amigó i Casas	Cost of benefits in kind: total cost of benefits (EUR 90,000) – cash supplement associated therewith (EUR 65,446) – contribution to the retirement plan (EUR 1,500) = EUR 23,054	23

Comments



**b) Remuneration paid to directors of the listed company as members of the governing bodies of the Company's subsidiaries:**

**i) Remuneration accrued in cash (in thousands of €)**

Name	Fixed remuneration	Attendance fees	Remuneration for membership of board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Indemnity	Other items	Total financial year t	Total financial year t-1
Joan Amigó Casas										
Christopher Cole										
Ernesto Gerardo Mata López										
Nicolás Villén Jiménez										
María Cristina Henríquez de Luna Basagoiti										
María José Esteruelas Aguirre										
Essimari Kairisto										
Marie-Françoise Madeleine Damesin										
Brendan Wynne Derek Connolly										

Comments

**ii) Table of movements in share-based remuneration schemes and net return on consolidated shares or financial instruments**

**iii) Long-term savings schemes**

**iv) Details of other items**

**c) Summary of remuneration (in thousands of €):**

The summary must include the amounts corresponding to all remuneration items included in this report that the director has accrued, in thousands of euros.

Name	Remuneration accrued in the Company					Remuneration accrued in group companies					Company + group total financial year 2023
	Total cash remuneration	Net return on consolidated shares or financial instruments	Remuneration for savings schemes	Remuneration for other items	Company total financial year 2023	Total cash remuneration	Net return on consolidated shares or financial instruments	Remuneration for savings schemes	Remuneration for other items	Group total financial year 2023	
Joan Amigó Casas	1,089	296	2	36	1,423						1,423
Christopher Cole	305	0	0	0	305						305
Ernesto Gerardo Mata López	86	0	0	0	86						86
Nicolás Villén Jiménez	96	0	0	0	96						96
Cristina Henríquez de Luna Basagoiti	86	0	0	0	86						86
Maria José Esteruelas Aguirre	106	0	0	0	106						106
Essimari Kairisto	86	0	0	0	86						86
Marie-Françoise Madeleine Damesin	96	0	0	0	96						96
Brendan Wynne Derek Connolly	106	0	0	0	106						106
<b>Total:</b>	<b>2,056</b>	<b>296</b>	<b>2</b>	<b>36</b>	<b>2,390</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,390</b>

**Comments**

“Net return on consolidated shares or financial instruments” 2023 has been calculated as =  $6,382 \times 6.775 + 252,900$  (variable remuneration in RSUs accrued in 2023 and awarded in 2024) = 296,138 EUR

C.2 Please describe the evolution over the last five years in the amount and percentage variation in the remuneration earned by each of the directors of the listed company during the year, the consolidated results of the company and the average remuneration on a full-time equivalent basis of the employees of the company and its subsidiaries who are not directors of the listed company.

	Total amounts accrued and % annual variation								
	Financial year 2023	% variation 2023/2022	Financial year 2022	% variation 2022/2021	Financial year 2021	% variation 2021/2020	Financial year 2020	% variation 2020/2019	Financial year 2019
<b>Executive Director</b>									
Joan Amigó i Casas	1,423	43.16	994	79.42	554	0.00	554	78.71	310
<b>External Directors</b>									
Christopher Cole	305	1.33	301	7.50	280	8.11	259	-10.07	288
Ernesto Gerardo Mata López	86	1.18	85	6.25	80	8.11	74	-7.50	80
Nicolás Villén Jiménez	96	1.05	95	5.56	90	8.43	83	-7.78	90
Cristina Henríquez de Luna Basagoiti	86	1.18	85	6.25	80	8.11	74	-7.50	80
Maria José Esteruelas Aguirre	106	0.95	105	28.05	82	10.81	74	15.63	64
Essimari Kairisto	86	1.18	85	6.25	80	8.11	74	27.59	58
Marie-Françoise Madeleine Damesin	96	6.67	90	800	10	-	0	-	0
Brendan Wynne Derek Connolly	106	0.95	105	775	12	-	0	-	0

<b>Consolidated results of the company</b>	68,170	-25.47	91,463	20.96	75,617	N/A	-142,259	N/A	106,905
<b>Average employee remuneration</b>	43	-4.44	45	9.76	41	5.13	39	-11.36	44

#### Comments

Fields marked N/A correspond to financial years before the appointment of the relevant director.

For financial year 2020, the 78.71% increase in the remuneration of Mr Joan Amigó i Casas was due to the fact that 2020 was his first full financial year as an executive director, and higher amounts were therefore consolidated than in financial year 2019 under share-based remuneration schemes and resulting gross profit from consolidated shares or financial instruments within the framework of his variable remuneration. Similarly, the 15.63% and 27.59% increases in the remuneration of Ms María José Esteruelas and Ms Essimari Kairisto were due to the fact that it was their first full year as directors.

For financial year 2022, the 79.42% increase in the remuneration of Mr Joan Amigó i Casas was due to the fact that he was the sole executive director for six months, the 28.05% increase in the remuneration of Ms María José Esteruelas was due to the fact that it was her first full year as a member of the ESG Committee, the 800% increase in the remuneration of Ms Marie-Françoise Madeleine Damesin was due to the fact that it was her first full year as a director and member of the Appointments and Remuneration Committee and that she was appointed chair of that Committee on 1 July 2022, and the 775% increase in the remuneration of Mr Brendan Wynne Derek Connolly was due to the fact that it was his first full year as a director and member of the ESG and Appointments and Remuneration Committees.

For financial year 2023, the 43.16% increase in the remuneration of Mr Joan Amigó was due to the fact that 2023 was his first full financial year as the Company's CEO and sole executive director, and the 6.67% increase in the remuneration of Ms Marie-Françoise Madeleine Damesin was due to the fact that it was her first full financial year as chair of the Appointments and Remuneration Committee.

**D OTHER INFORMATION OF INTEREST**

Provide a brief description of any significant aspects relating to director remuneration that it has not been possible to include in the other sections of this report but which require inclusion to provide more complete and reasoned information on the company's remuneration structure and practices concerning its directors.

None.

This annual remuneration report was approved by the company's board of directors at its meeting held on 21 February 2024.

Indicate whether any directors voted against or abstained about the approval of this Report.

Yes  No

<b>Name or company name of any member of the board of directors who did not vote in favour of the approval of this report</b>	<b>Reasons (against, abstention, non-attendance)</b>	<b>Explanation of reasons</b>