
**ANNUAL REPORT ON COMPENSATION
OF
INDRA'S DIRECTORS AND SENIOR
MANAGERS**

may, 2011

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This report was prepared by the Board of Directors of INDRA at its meeting on 12th May, 2010 following a proposal from the Nomination, Compensation and Corporate Governance Committee as stipulated in Article 29.4 of the Board Rules.

1. - Compensation Policy, Structure and Compensation Level of Directors

1.1.- Fiscal 2010

In accordance with the provisions of the Bylaws, each Director's compensation package consists of a fixed component, the maximum amount of which is determined at the Annual Shareholders Meeting (the "Meeting"), and profit sharing of the Company. It may also consist of the allocation of shares or stock options, subject to prior agreement at the Meeting.

During fiscal 2008, at the Meeting the Board's compensation for a new period of three years (2008, 2009 and 2010) was approved. For a Board of Directors composed of 15 members, the maximum amount of the annual fixed component was set at 875,000€ and the limit for profit sharing at 1.4 times this amount, i.e. 1,225,000€.

The Board resolved that the above amounts be distributed amongst the Directors as follows:

- (i) Fixed component of 32,000€ for membership on the Board of Directors, 18,000€ for belonging to the Executive Committee, 24,000€ for membership on the Audit Committee, and 18,000€ for membership on the Nomination, Compensation and Corporate Governance Committee. The Chair of each committee – except in the case of the Executive Committee – receives an amount equal to 1.5 times the amounts indicated above.

The Board considered it appropriate to continue distributions in fixed amounts given the high rate of attendance by Directors at Board and committee meetings, and considering also that membership requires great dedication and places significant demands on Directors' time.

- (ii) Profit sharing continues to be distributed equally among board members, in proportion to time in office. The Board reserved the right to change distribution criteria if warranted under the circumstances.

The Board has decided each year that, in the event of non-achievement of the growth and profitability objectives announced publicly in each fiscal year, it would reconsider the amount of profit sharing distributed to Directors, and bring any resulting proposals before the Annual Shareholders Meeting. This rule has not been applied in any of the fiscal years since profit sharing was set in 1999, since the Company has fulfilled or exceeded its publicly announced objectives every year.

At the 2008 Meeting it was also decided that 50% of the gross amount of profit sharing is to be paid in Company shares at market price at the time of payment. This means that for a Director who is a natural person only 23% of profit sharing is received in cash and only 55% of total average compensation. The Board has asked the Directors to commit to retaining ownership of the shares during the time that they remain in office, and all of them have agreed.

These figures mean total annual average compensation per director of approximately 140,000€ compared to 120,000€ for the previous three year period, meaning that in 2010 the average compensation per director will have increased at an average annual rate of 3.1% since 2005.

The Board considers the compensation received, in its gross amount as well as the average per Director, has been reasonable considering the analysis carried out in 2008 by the Nomination, Compensation and Corporate Governance Committee of market practices, in particular those of Ibex 35 companies comparable to INDRA, and conforms to the character of the Company, the professional qualifications it demands from its Directors, and the commitment and dedication that the various Board Committees demand.

The Nomination, Compensation and Corporate Governance Committee and the Board believe that the compensation received has accomplished the goals envisioned by the Rules of the Board of Directors ("Board Rules") in that the compensation of External Directors is adequate and properly reflects their dedication, qualifications and responsibility, but does not constitute, in the case of the Independent Directors, an impediment to their independence, and meets as well the criteria that fixed compensation components be distributed taking into account the varying degrees of dedication required by each Board Committee.

The Board, through the Nomination, Compensation and Corporate Governance Committee, has asked the independent firm Egon Zehnder, with well known experience and reputation in this field, to render an opinion on the compensation policy for Directors of the Company. In response, Egon Zehnder stated that it considers Board compensation to be "adequate, prudent and at a level appropriate to the characteristics and the development of the Company," considering likewise "that setting compensation for three year periods is appropriate."

A breakdown of total compensation received by each member of the Board of Directors during fiscal 2010, in their capacity as Directors of the Company, is indicated in the following chart:

DIRECTOR COMPENSATION (€) 2010							
DIRECTOR	FIXED AMOUNT				TOTAL FIXED COMPENSATION	PROFIT SHARING (50% in shares)	TOTAL
	BOARD	EXECUTIVE COMMITTEE	AUDIT AND COMPLIANCE COMMITTEE	NOMINATION, COMPENSATION AND CORPORATE GOVERNANCE COMMITTEE			
ADM. VALTENAS ⁽¹⁾	32.000	9.000	--	--	41.000	85.465	126.465
I. AGUILERA	32.000	18.000	24.000	--	74.000	85.465	159.465
CASA GRANDE DE CARTAGENA	32.000	--	24.000	--	56.000	85.465	141.465
D. GARCÍA-PITA	32.000	9.000	--	22.500	63.500	85.465	148.965
S. GABARRÓ ⁽²⁾	10.667	--	--	6.000	16.667	28.488	45.155
MEDIACION Y DIAGNOSTICOS ⁽³⁾	32.000	18.000	--	18.000	68.000	85.465	153.465
L. LADA	32.000	18.000	--	--	50.000	85.465	135.465
J. MARCH	32.000	18.000	--	9.000	59.000	85.465	144.465
J. MONZON	48.000	9.000	--	--	57.000	85.465	142.465
R. MORANCHEL	32.000	18.000	--	--	50.000	85.465	135.465
J. MOYA-ANGELER ⁽⁴⁾	16.000	9.000	--	13.500	38.500	42.732	81.232
M. ORIOL	32.000	--	12.000	18.000	62.000	85.465	147.465
PART. Y CARTERA DE INVERSION ⁽³⁾	32.000	--	24.000	--	56.000	85.465	141.465
M. SOTO	32.000	--	36.000	--	68.000	85.465	153.465
R. SUGRAÑES	32.000	18.000	--	9.000	59.000	85.465	144.465
A. TEROL ⁽⁵⁾	16.000	--	12.000	--	28.000	42.732	70.732
TOTAL	474.667	144.000	132.000	96.000	846.667	1.224.997	2.071.664
Average Compensation per Director (14.3 Directors)					59.207	85.664	144.872

(1) Representing Caja Asturias (2) Director until April, 2010 (3) Representing Caja Madrid (4) Director until June, 2010 (5) Director since July, 2010

Compensation paid during fiscal 2009, broken down in the same fashion:

DIRECTOR'S COMPENSATION (€) 2009							
DIRECTOR	FIXED ALLOWANCE				TOTAL FIXED ALLOWANCE	PROFIT SHARING (50% in shares)	TOTAL
	BOARD	EXECUTIVE COMMITTEE	AUDIT AND COMPLIANCE COMMITTEE	NOMINATION, COMPENSATION AND CORPORATE GOVERNANCE COMMITTEE			
ADM. VALTENAS ⁽¹⁾	32,000	--	--	--	32,000	81,666	113,666
I. AGUILERA	32,000	18,000	24,000	--	74,000	81,666	155,666
CASA GRANDE DE CARTAGENA	32,000	--	10,000	--	42,000	81,666	123,666
D. GARCIA-PITA ⁽²⁾	16,000	--	--	9,000	25,000	40,833	65,833
S. GABARRÓ ⁽³⁾	24,000	--	--	13,500	37,500	61,250	98,750
MEDIACION Y DIAGNOSTICOS ⁽⁴⁾	32,000	18,000	--	18,000	68,000	81,666	149,666
L. LADA	32,000	9,000	--	9,000	50,000	81,666	131,666
H. LOPEZ ISLA ⁽⁵⁾	12,000	6,750	9,000	--	27,750	30,625	58,375
P. LOPEZ JIMENEZ	8,000	--	--	4,500	12,500	20,417	32,917
J. MARCH ⁽⁷⁾	13,333	7,500	--	--	20,833	34,028	54,861
J. MONZON	48,000	18,000	--	--	66,000	81,666	147,666
R. MORANCHE L	32,000	18,000	--	--	50,000	81,666	131,666
J. MOYA-ANGELER	32,000	18,000	--	27,000	77,000	81,666	158,666
M. ORIOL	32,000	--	24,000	18,000	74,000	81,666	155,666
PART. Y CARTERA DE INVERSION ⁽⁸⁾	32,000	--	24,000	--	56,000	81,666	137,666
P. RAMON Y CAJAL ⁽⁹⁾	16,000	9,000	--	--	25,000	40,833	65,833
M. SOTO	32,000	--	36,000	--	68,000	81,666	149,666
R. SUGRAÑES ⁽⁴⁾	32,000	18,000	--	--	50,000	81,666	131,666
R. VILLASECA ⁽¹⁰⁾	6,667	1,500	2,000	--	10,167	17,014	27,181
TOTAL	496,000	141,750	129,000	99,000	865,750	1,225,000	2,090,750
Average Compensation per Director (15 Directors)					57,717	81,666	139,383

(1) Representing Caja Asturias (2) Since July, 2009 (3) Since April, 2009 (4) Representing Caja Madrid (5) Until May, 2009 (6) Until March, 2009 (7) Since August, 2009 (8) Representing Caja Madrid (9) Until June, 2009 (10) From May until July, 2009.

Total director compensation received in 2010 represented 0.82% of Net Consolidated Operating Profit and 0.89% of Consolidated Earnings before Taxes for the fiscal year, according to the annual financial statements prepared by the Board; it represented 0.73% and 0.80% respectively in 2009.

During fiscal 2010 and 2009 no Company stock options were granted to or exercised by any Directors by virtue of their status as members of the Board. At the close of the 2010 and 2009 fiscal years no member of the Board of Directors, qua director, held any options for Company stock.

No Director received during 2010 or 2009 any profit or income by virtue of his or her position as Director other than that described above; neither has the parent Company nor any company within its consolidated group undertaken any pension obligations or given any loans or advance payments to any Director.

Directors who are at the same time members of Senior Management of the Company ("Executive Directors") received additionally their corresponding salaries by virtue of their labour relationship with the Company which, according to the Bylaws, is independent of the compensation they received as Directors. Their salaries are referenced in the following section.

1.2.- Fiscal 2011 and Beyond

During the three year period of 2008 to 2010 for which the compensation plan had been established the Board, after receiving a report from the Committee, undertook a new analysis of the good corporate governance criteria which currently predominate in the area of compensation, as well as those which are most common in companies comparable to Indra, for application once the period ended. For proper assembly of those criteria, it relied upon advice from the independent firms of experts Egon Zehnder and PwC.

After this analysis it was concluded that nowadays the preferences of investors and shareholders, as well as recommendations in this field, generally advise against compensation plans for Directors other than executive managers which incorporate components tied to profits and stock value.

For that reason, and after receiving a report from the Committee, the Board has considered it appropriate that the new compensation plan eliminate profit sharing and base compensation upon a fixed amount determined by the duties discharged by each Director, and that all compensation be paid in cash.

As a result, the Board has agreed to submit to the 2011 Meeting a new compensation plan eliminating profit sharing on one hand, and setting a maximum total compensation amount for the Board on the other. Once this proposal is approved, the annual Compensation of the Board will be determined in the following manner:

- i. Compensation will consist of a fixed amount, to be paid entirely in cash;
- ii. The fixed amount is to be determined in the following fashion: 100,000 € for membership on the Board; 30,000 € for membership on the Executive Committee; 50,000 € for membership on the Audit and Compliance Committee; and 30,000 € for membership on the Nomination, Compensation and Corporate Governance Committee; the Chairs of each committee receiving 1.5 times the indicated amounts.

The Board considered it appropriate to continue distributions in fixed amounts given the high rate of attendance by Directors at Board and committee meetings, and considering also that membership requires great dedication and places significant demands on Directors' time.

- iii. The average compensation per Director will be approximately 150,000 € annually, which represents a very modest increase in average compensation for fiscal 2010;
- iv. The maximum annual amount for all compensation to the Board (excluding compensation and salary for Executive Directors) will not exceed 2,400,000 €, the equivalent of multiplying the maximum number of Directors provided for in the Bylaws (16) by the referenced amount of 150,000 €, the average annual compensation per Director;
- v. Said maximum amount is to remain effective indefinitely until a new resolution at a Meeting; the Board of Directors, barring significant change in circumstances, anticipates the above referenced limit remaining unchanged for a period of three years;
- vi. In the event that in a fiscal year the public goals of the Company are not met, the Board will reconsider the amount of its compensation and inform the Meeting.

The above mentioned firms of independent experts Egon Zehnder and PwC have each issued opinions that "the compensation criteria and amounts are adequate, at market level, and follow the best practice and most recent recommendations in these matters.

Without affecting that all Board compensation be paid entirely in cash, all of the Directors are expressly willing and have given their promise to dedicate a significant portion of their compensation (one-third of gross compensation,

which amounts to about 50% of net pay for a natural person Director) to the purchase of Indra shares and to have promised as well to maintain ownership of them until the end of their terms in office.

2. - Compensation Policy, Structure and Amounts for Senior Managers

2.1.- Fiscal 2010

Compensation of Senior Managers of the Company is determined individually by the Board of Directors based on recommendations made by the Nomination, Compensation and Corporate Governance Committee.

In fiscal 2008, based upon a recommendation by the Nomination, Compensation and Corporate Governance Committee, the Board agreed to review the compensation packages of Senior Managers for a new three-year period, fiscal 2008, 2009 and 2010. In crafting its proposal, the Nomination, Compensation and Corporate Governance Committee relied in part upon outside advice from the independent firm of experts Mercer, as well as comparing their results with market levels determined by Egon Zehnder in 2007. The aim of this review was to assure that the criteria and compensation amounts, as well as other elements that make up Senior Managers' employment conditions, are in line with market practices and designed to motivate long term employment and guidance of the Company in a proper and competitive fashion considering the situation, corporate culture, and goals of the Company.

The compensation packages approved by the Board are structured similarly to those of the previous three-year period, with some components of an annual and others of a multiannual nature.

Annual compensation is composed of: a fixed cash component; a variable cash component which varies depending upon the Senior Manager's success in meeting annual objectives and a performance assessment carried out on each Senior Manager; and non-cash compensation. The Board required that fixed compensation remain unchanged for the three year period indicated, unless specific circumstances warranted review. Annual variable compensation is determined at the close of each fiscal year based on the percentage of fixed annual compensation to be received by the Senior Manager for a satisfactory evaluation on the part of the Board in making budget and meeting objectives, as well as their individual management, putting the target value of said percentage between 40% and 2/3rds of the fixed annual compensation referred to.

All medium term compensation is variable, is conditioned upon the recipient's remaining on the Senior Manager team of the Company during a defined period, and consists of a cash incentive tied to Company performance, the meeting of objectives, and a performance evaluation of each Senior Manager, as well as the delivery of shares and stock options.

The following criteria are used in order to determine the terms and amounts of variable compensation: that the variable compensation represent a substantial part of the total compensation; that medium term compensation be an important component; and that its connection to Company stock value be significant, but not excessively so.

During fiscal 2010 general managers Mr. Morales and Mr. Uguet left the employ of the company, having terminated their labour relationships. After that, at the end of fiscal 2010 the Senior Management was composed of eight members. The list of names is as follows:

NAME	POSITION
Mr. Javier Monzón	Chairman
Mr. Regino Moranchel	CEO
Mr. Javier de Andrés	General Manager – Corporate Control, Purchasing and Logistics Services
Mr. Juan Carlos Baena	General Manager – Finance and Corporate Development
Mr. Emilio Díaz	General Manager – Operations (International)
Ms. Emma Fernández	General Manager - Talent, Innovation and Strategy
Mr. Rafael Gallego	General Manager - Operations
Mr. Santiago Roura	General Manager - Operations

The President and the Chief Executive Officer are also members of the Board of Directors (“Executive Directors”). Compensation they receive in their capacities as Senior Managers is independent, in accordance with the Bylaws, of the compensation received as Directors. It is on these figures, corresponding to the aforementioned compensation wages, that this second point covers.

Once the relevant assessments were carried out by the Board, the amounts of annual compensation in the years 2010 and 2009 were as follows:

	2010	2009
<i>Fixed compensation</i>	<i>4,250 m€</i>	<i>4,990 m€</i>
<i>Variable compensation</i>	<i>3,120 m€</i>	<i>3,510 m€</i>
<i>Non-cash compensation</i>	<i>228 m€</i>	<i>273 m€</i>
<i>Total compensation Senior Managers</i>	<i>7,598 m€</i>	<i>8,773 m€</i>

<i>Number of Senior Managers</i>	10	11
<i>Total average compensation per Senior Manager</i>	760 m€	798 m€

Of the above amounts, total compensation received both in 2010 and in 2009 by Executive Directors was 1,710 m€ each in variable and fixed compensation and total compensation was 3,487 m€ in 2010 and 3,496 m€ in 2009. This annual compensation represents 1.39% of consolidated Net Operating Profit (EBITDA) and 1.5% of consolidated Earnings before Tax (EBIT) in fiscal 2010 and it represented 1.22% and 1.34% respectively for fiscal 2009.

As stated earlier, medium term compensation in force during 2008-2010 was established in 2008 and will apply for three years. It consisted, as has been indicated of a cash incentive, delivery of shares, and granting of stock options.

Medium term cash compensation vests and will be paid in each case once the 2010 fiscal year is closed and a median value fixed for the whole of Senior Management, of twice the annual fixed compensation for a satisfactory evaluation on the part of the Board of the progress of the Company and the performance of each Senior Manager for the period 2008 to 2010, considering the accomplishment of annual objectives and in particular progress toward and achievement of strategic objectives, and taking equally into consideration the relative progress of the Company with respect to the markets in which it operates and of the most important players in the sector. The Company reserved 3.640 m€ for this purpose both in 2008 and 2009, and 3.380 m€ in 2010, of which 1.710 m€ each year is destined for Executive Directors. Once the period for determining medium term compensation (2008 – 2010) is over, the Board of Directors has approved total compensation for this period to be 10.495 m€, of which 5.130 m€ will go to Executive Directors. This amount, which was fully reserved for 2008 to 2010, will be paid at the end of the first quarter of 2011.

Of the amounts indicated for Executive Directors, the Chairman will receive 61% and the CEO 39%.

Medium term compensation is effected through the delivery of stock and concession of options and is limited to a total net value equal to between 10% and 20% of the total gross compensation of each Senior Manager during the period. At the 2008 Meeting the terms and conditions of stock and option delivery were approved with the following conditions: (i) that delivery of shares be carried out in each one of the years 2008, 2009 y 2010, at market value at the time of delivery, the recipient required to maintain ownership of the shares for a 3 year period; and (ii) that options be granted in the first of the three years of the compensation period -- that is, in 2008 -- with the exercise price equal to market value at the time of the concession and the option contract having a term of 3 years and 6 months, the exercise period being 15 months after an exclusion period of 2 years and 3 months from the date of the granting of the options.

Pursuant to the above described authorization from the Meeting, in 2010 the Board of Directors, acting upon a proposal made by the Nomination, Compensation and Corporate Governance Committee, agreed to make delivery to Senior Managers a total of 42,272 shares (22,445 shares going to Executive Directors) with a value of 15.03 € per share, the market price at the moment of delivery, 29th April 2010 (this delivery of stock is part of that made to a group of 148 managers and professionals for a total of 151,439 shares under the guidelines of the Plan de Acciones 2008-2010 (Stock Plan 2008-2010). During fiscal 2009 Senior Management were given a total of 47,052 shares (of which 22,405 were given to Executive Directors) with a value per share of 15.06 €, market price at the time of the shares being delivered, 30th April, 2009 (this delivery of shares was carried out as part of a share delivery made for a group of 150 managers for a total of 158,6599 shares under the guidelines of the Plan de Acciones 2008-2010 (Stock Plan 2008-2010).

No options were given to senior management either during fiscal 2010 or 2009; at the close of fiscal 2010 senior managers were beneficiaries only of options granted on 1st October 2008 of 934,959 options (463,415 of which corresponding to Executive Directors) on an equal number of Company shares, equivalent to 0.57% of the company's capital stock. The strike price of these options is 16.82 €, the market price at the moment of delivery, and was determined at the Meeting as the average price of the shares between 27th June and 26th September 2008.

Of the number of shares and options indicated for Executive Directors, the Chairman received 61% and the CEO 39%.

During fiscal 2010 and 2009, no senior manager has exercised any options for shares of the parent company.

The Nomination, Compensation and Corporate Governance Committee has been recommending to the Senior Managers that they acquire Company stock by their own means until they reach and maintain a stable equity position equivalent to at least the Senior Manager's annual fixed compensation. At the end of fiscal 2010, Senior Managers owned 379,738 shares, with a market value on that date equivalent to 1.41 times their combined annual fixed compensation.

The Board, through the Nomination, Compensation and Corporate Governance Committee, has requested an opinion from the independent and highly experienced management appraisal firm Egon Zehnder regarding the compensation of Senior Management. They declared it "appropriate, with moderate fixed compensation and significant variable compensation as well as a relevant medium term compensation, linked principally to the progress of the business" likewise considering "quite appropriate" their "setting criteria and compensation guidelines for three year periods."

Senior Managers did not receive during 2010 or 2009 any benefits or compensation other than those described above, nor did they receive any benefits or compensation other than those described above during 2008, nor does the parent Company or any of the companies in the Group have any contractual obligation to them regarding pensions, loans or advances granted to them.

2.2.- Fiscal 2011 and Beyond

Upon completion of the three year period of 2008 to 2010 for which the senior management compensation plan had been established, and after receiving a report from the Committee, the Board resolved to establish the compensation scheme for a new three year period which will cover fiscal 2011, 2012 and 2013. For this the Committee and the Board relied upon outside advice from the independent firm of experts Egon Zehnder.

Compensation of Senior Managers of the Company will continue to be determined individually by the Board of Directors based on recommendations made by the Nomination, Compensation and Corporate Governance Committee.

The Board has decided to maintain a compensation plan similar to those of earlier periods, with some components of an annual and others of a multiannual nature.

Annual compensation will continue to be composed of: a fixed cash component; a variable cash component which varies depending upon the Senior Manager's success in meeting annual objectives and a performance assessment carried out on each Senior Manager; and non-cash compensation. The Board has required that fixed compensation remain unchanged for the new three year period, except for those senior managers who have seen a change in their level of responsibility or unless specific circumstances in the future warrant review. Annual variable compensation is determined at the close of each fiscal year based on the percentage of fixed annual compensation to be received by the Senior Manager for a satisfactory evaluation on the part of the Board in making budget and meeting objectives, as well as individual management, putting the target value of said percentage between 50% and 100% of the fixed annual compensation referred to.

All medium term compensation will continue to be variable, conditioned upon the recipient's remaining on the Senior Management team of the Company during a defined period, and will consist of: (i) a cash incentive tied to Company performance, the meeting of objectives and a performance evaluation of each Senior Manager and (ii) the delivery of shares. Delivery of options, which was done during earlier periods, has been eliminated as the Board feels it is less desirable to maintain a portion of medium term compensation tied to stock

market value, given the volatility of the markets and the applicable legal environment.

Medium term cash compensation for the whole of Senior Management has been established at 2.5 times the annual fixed compensation for a satisfactory evaluation on the part of the Board of the progress of the Company and the performance of each Senior Manager for the period 2011 to 2013, considering the accomplishment of annual objectives and in particular progress toward and achievement of strategic objectives, and taking equally into consideration the relative progress of the Company with respect to the markets in which it operates and of the most important players in the sector. It will vest at the end of the three year period and may be received upon the close of fiscal 2013.

Delivery of stock is to be made annually and dependent upon the meeting of objectives and job performance of each manager during the prior fiscal year. The recipient will be required to maintain ownership of the shares for a 3 year period and they will be valued at market price at the time of delivery.

The following criteria have continued to be used in order to determine the terms and amounts of variable compensation: that the variable compensation represent a substantial and even growing part of the total compensation, just as it is already at a relatively high level compared to the average for the market; that medium term compensation be an important component; and that its connection to stock value be significant, but not excessively so.

In the opinion of Egon Zehnder, "the compensation policy, structure and amounts for senior management of Indra for the new three year period (fiscal 2011, 2012, and 2013) is in line with those of Ibex 35 companies similar in complexity, geographic diversity and size" and it is "notable that total fixed compensation has remained stable other than for those senior managers who have seen an increase in their responsibility, as only variable compensation has increased, principally by means of delivery of shares."

The Board believes that this compensation plan will be effective in maintaining Company senior management compensation consonant with market practices and trends; will motivate retention and guide management to focus not only on the short term but the medium term as well; have a reasonable connection with changes exclusively in medium term stock value; and be geared overall toward the current condition, goals and growth objectives of the Company.

2.3.- Contracts Governing Terms of Employment for Senior Management

Each Senior Manager has signed a contract with the Company, which governs terms of employment. Each contract has been authorized by the Board of Directors based on a favourable report and proposal by the Nomination,

Compensation and Corporate Governance Committee, and have been submitted to the Annual Shareholders Meetings since 2007. Pursuant to these contracts, in the event of termination of employment with the Company Senior Managers have the right, except in the case of voluntary resignation or termination for cause, to compensation equivalent to that established in Article 56 of the Estatuto de los Trabajadores (the Spanish law covering labour matters); that is, 45 days' worth of their annual compensation for each year of employment with the Company, with a limit of 3.5 times annual compensation; in the case of the Chairman and the Chief Executive Officer, minimum compensation is set at three times annual compensation. Additionally, Executive Directors and General Managers of Operations have signed non-competition agreements, with terms of two years from the end of their working relationship with the Company and with a compensatory amount of between 0.5 and 0.75 times their annual compensation for each year of non-competition.

As described earlier, general managers Mr. Crisóbal Morales and Mr. Joaquín Uguet left the employ of the company during fiscal 2010, having terminated their labour relationships. The applicable provisions of their contracts with the Company, which had been approved by the Board of Directors pursuant to a report from the Nomination, Compensation and Corporate Governance Committee and submitted to the Meeting, were applied. Additionally, during fiscal 2010 Mr. Emilio Díaz was appointed General Manager, and the Company has signed the corresponding employment contract with the terms indicated above, having been approved by the Board upon recommendation of the Committee. Also, and as the Company has made public, at the end of fiscal 2010 the current CEO, Mr. Regino Moranchel will be made Executive Vice President of the Company while General Manager Mr. Javier de Andrés will be designated as candidate to take his place as CEO by means of proposal made to the next Meeting. As a consequence, the contract with Mr. Regino Moranchel has been rewritten in order to conform with the new circumstances and contains a commitment that he will remain with the Company until fiscal 2013 and the corresponding right on his part to receive the indemnity amount contained in his contract once its term is complete and conditioned upon completion of the above mentioned commitment to remain; all of these terms have been previously approved by the Board upon recommendation by the Committee. During fiscal 2009, the labour relationships of General Managers Mr. Javier Piera and Mr. Ángel Lucio were ended.