

EXTRAORDINARY SHAREHOLDERS MEETING

By resolution of the Board of Directors, Shareholders are called to the Extraordinary Shareholders Meeting of **Indra Sistemas, S.A.** to be held at the corporate offices located at Alcobendas (Madrid), Avenida de Bruselas 35, this upcoming 20 February 2017 at first call at 12:30 p.m., or, in the event a quorum is not present the next day, 21 February 2017 at the same time and place on second call in order to consider and decide the following matters

AGENDA

First.- As a consequence of the submission of a public tender offer for the shares of Tecnocom, Telecomunicaciones y Energía, S.A. ("**Tecnocom**"), and conditioned upon authorization by the *Comisión Nacional del Mercado de Valores* ("Spanish Securities Exchange Commission" or "CNMV") and other competent administrative bodies, and pursuant to the terms and conditions contained within the tender offer, increase the share capital by no more than 2,591,371.80 euros by means of the issuance and placement in circulation of up to 12,956,859 shares of common stock with a par value of 20 euro cents each, of the same class and series as are currently in circulation, with a share premium to be established by the Board of Directors at the time of execution of the capital increase. Subscription and delivery of the new shares in exchange for non-cash consideration consisting of shares of Tecnocom whose owners do so through the Public Tender Offer for shares submitted by the Company, whether those owners exchange their shares voluntarily through the Public Tender Offer or, if applicable, in exercise of purchase rights through a forced sale. Declaration of the nonexistence of pre-emptive rights and the express possibility of an incomplete subscription of the increase in accordance with the provisions of Article 14.5 of the *Real Decreto 1066/2007* of 27 July. Delegation to the Board of Directors, under the authority permitted by Article 297.1.a) of the *Ley de Sociedades de Capital*, the powers necessary to determine conditions of the increase not provided for at the shareholders' meeting including, among others, determination of the amount of the share premium, adapting Article 5 of the company bylaws to reflect the new amount of authorized capital. Request for listing of the newly issued shares on the Stock Exchanges in Madrid, Barcelona, Bilbao and Valencia and for their inclusion in the *Sistema de Interconexión Bursátil Español* ("Mercado Continuo").

Second.- Information for the meeting regarding the issuance of convertible bonds.

RIGHT TO PRESENT NEW PROPOSALS FOR RESOLUTION

In accordance with Article 519.3 of the Consolidated Text of the Spanish Companies Act, Shareholders representing at least three percent of Company equity may present proposals based on matters already included or which shall be included in the Agenda of the already called General Shareholders' Meeting. The Company will assure distribution of these proposed resolutions and their accompanying documentation.

This right shall be exercised by sending a certified notification indicating the identity of the Shareholder or Shareholders exercising said right and the number of shares that they own, and must be received at the Company's registered office within five days following the date when the call of the General Shareholders' Meeting was published.

RIGHT TO INFORMATION

From publication of the call and until the fifth day before the scheduled Meeting, Shareholders may request information that they deem appropriate or clarification from the Board of Directors (what they may also do verbally during the meeting) or they may submit written questions which they deem relevant regarding items appearing in the Agenda. Additionally and within that period in writing or verbally during the Meeting, shareholders may request information or clarification or submit written questions regarding any public information which the Company has submitted to the CNMV since 30 June 2016, the date of the last Annual Shareholders' Meeting as well as regarding the auditor's report. For these matters, Shareholders may apply to the Shareholder Office by telephone at +34 91 4809800; or by email at accionistas@indracompany.com or use forms placed on the Company's website for that purpose (www.indracompany.com). In order to do this, Shareholders should present reliable identification (DNI, passport, or NIE), as well as provide information regarding the shares they own.

From publication of the call and until the holding of the Meeting, every Shareholder who wishes to do so may review the following

information at the corporate offices or the Company's website (www.indracompany.com) and request that it be delivered immediately and free of charge, the following information:

- (i) Call notice.
- (ii) The total number of Company shares and voting rights on the date the Meeting is called.
- (iii) The full text of the proposed resolution for the First item of the Agenda as well as the information that is made available to the shareholders in relation to the Second item of the Agenda.
- (iv) The Directors' report and supporting information of the content of the resolution included in the First item of the Agenda legally required or otherwise deemed appropriate.
- (v) With regard to the Second item of the Agenda, the Directors' report and the report issued by PricewaterhouseCoopers Auditores, S.L., an auditor other than the Company's auditor, in accordance with Articles 414, 417 and 511 of the Spanish Companies Act, regarding the issuance of convertible bonds approved by the Company's Board of Directors on 26 September 2016.
- (vi) Procedures established by the Company in order to make distance voting possible and the forms made available to Shareholders to do so. Without prejudice to the foregoing, such information will be made available here regarding such procedures.
- (vii) Valid requests for information, clarifications or questions that may be asked by Shareholders in exercise of their right to information and, where appropriate, the answers provided by the Directors.

SPECIAL INFORMATION TOOLS

In accordance with article 539 of the Spanish Companies Act, the Company has a corporate website www.indracompany.com in order to make it easier for Shareholders to exercise their right to information and in order to distribute information required by applicable law.

From the time of publication of this call and up until the moment that the Meeting begins, the above mentioned Company's website will contain an Electronic Shareholders Forum accessible to all Shareholders as well as to voluntary shareholder associations which are registered in the special Registry created for that purpose at the *Comisión Nacional del Mercado de Valores* ("CNMV").

Rules governing access and use of the Electronic Shareholders Forum are available for review on the same Company's website in the section dedicated to the Extraordinary Shareholders Meeting.

ATTENDANCE AND VOTING RIGHTS

Shareholders whose shares are registered in the books of account five days before the date of the Meeting are allowed to attend. This circumstance must be evidenced at the entrance to the premises where the General Meeting is held, by means of the attendance card indicating the number of shares held by them as well as the number of votes they can cast. Each share shall be entitled to one vote at the Meeting.

PROXY PROCEDURE AND PROCEDURE FOR LONG DISTANCE VOTING

The Board of Directors, under the power granted by Article 14 of the Bylaws and Articles 7 and 12 of the General Shareholders Meeting Regulations, has authorized the following procedures and requirements for the exercise of proxy rights and long distance voting at this General Shareholders Meeting:

1. Representation by long distance communication means

Shareholders not attending the Meeting may delegate their votes by any means indicated below to another person, who need not be a Shareholder.

The designated representative who attends the Meeting must prove his or her identity in the same fashion as attending Shareholders. The representative may exercise his or her proxy and vote only by being physically present at the Meeting.

Any proxy or representation which does not expressly indicate the person to whom the proxy is made or which is made generally to the Board of Directors will be conferred upon the Secretary of the Meeting.

Unless otherwise indicated by the represented Shareholder, the proxy applies to resolutions other than those drafted by the Board or to any matters permitted by law not included in the Agenda, which may be submitted to the Meeting.

In accordance with the provisions of Articles 523 and 526 of the Spanish Companies Act, it is to be noted that if the representative is a Company Director, said representative may find himself in a situation of conflict of interest regarding matters which are not included in the Agenda which may nonetheless be submitted to vote at the Meeting, when such is permitted by law.

For all proxies given to the Secretary of the Meeting or to a member of the Board of Directors where the proxy card does not contain express instructions to vote against or to abstain, it is understood that in all instances the represented Shareholder has given specific instructions to vote in favour of all of the proposals drafted by the Board of Directors included in the Agenda.

In the event that a proxy be applied in the manner indicated above, should the proxy empower the Secretary of the Meeting or a member of the Board of Directors, and the proxy card contain no express instructions to vote in favour or to abstain, it will be understood that the shareholder has conferred instructions to vote against said proposals.

1.1. Delivery or Correspondence by mail

Proxy rights are conferred by filling in the section included for that purpose on the attendance card provided by the share registry depository or that which the Company makes available to Shareholders by means of its website (www.indracompany.com) in the section dedicated to the General Shareholders' Meeting. The Shareholder may obtain a Company proxy card by downloading one from the website and printing it; retrieving one from the corporate offices; or requesting that a copy be sent free of charge from the shareholder office.

The properly filled out and signed card should be sent by mail or hand delivered to the corporate office (Oficina del Accionista, Av. de Bruselas 35, Alcobendas 28108, Madrid) accompanied by a photocopy of an official government issued identification document.

No one may have more than one representative at the Meeting.

The Shareholder conferring his or her representation should communicate proxy and voting instructions, if any, to the designated representative. When a proxy is given to a member of the Board of Directors, the communication is complete upon receipt of the documentation constituting same at the corporate office.

1.2. Electronic Means

The delivery of proxies and notice to the Company may be made electronically through the Company website (www.indracompany.com.) The procedure that a Shareholder must follow for exercising his right to vote is explained there in detail. The Shareholder must prove his or her identity by means of an unexpired electronic DNI or a recognized irrevocable electronic certificate issued by the *Fábrica Nacional de la Moneda y Timbre* (FNMT).

2. Long Distance Voting

Shareholders may exercise their right to vote without the need of attending the Meeting using means indicated below. Shareholders who vote in this way will be considered present for the purposes of quorum.

2.1. Hand or Mail Delivery

The exercise of the right to vote by this procedure is accomplished by filling out the appropriate section of the attendance card provided by the share depository or by completing the one made available by the Company to Shareholders on its website (www.indracompany.com), in the section dedicated to the General Shareholders' Meeting. The Shareholder may obtain a Company voting card by downloading and printing from the website, by retrieving one from the corporate office or requesting one be sent free of charge from the Shareholder Office.

A properly filled out card with original signature should be sent to the company office by post or it may be hand delivered to the corporate office (Oficina del Accionista, Av. de Bruselas 35, Alcobendas 28108, Madrid) accompanied by a photocopy of a government issued identification document.

In the event that the card does not indicate the way to be voted, it will be assumed in all cases that the Shareholder votes in favour of each of the proposed resolutions formulated by the Board of Directors which appear in the Agenda published at call.

2.2. Electronic Means

Votes may be cast electronically by means of the system designed for such on the Company website (www.indracompany.com). There, the Shareholder will find detailed explanation of the procedure to follow in order to exercise voting rights. The Shareholder who wishes to use this voting procedure must prove his identity using an unexpired electronic DNI or using a recognized irrevocable electronic certificate issued by the *Fábrica Nacional de la Moneda y Timbre* (FNMT).

3. Rules common to the exercise of proxy rights and long distance voting

3.1. Identity Verification

The Company reserves the right to verify information given by each Shareholder by matching it with that provided by Iberclear, the entity in charge of the book entries for Company shares. In the event of a discrepancy between the number of shares communicated by the Shareholder on the proxy card, by electronic voting, or by forms made available on the corporate website (www.indracompany.com) and the number in the book entries as communicated by Iberclear, the number of shares registered by Iberclear shall be considered valid for quorum and voting purposes.

3.2. Legal Persons

In the case of legal person Shareholders, the Company reserves the right to require evidence of the sufficiency and currency of the power of attorney presented by the natural person acting in the Shareholder's place.

3.3. Time Limit for Receipt by the Company

In order for proxies and distance votes to be valid they must be received by the Company before **9:00 a.m. on 20 February 2017**, the date planned for first call of the Meeting.

3.4. Revocation and Priority

- (i) Proxies and exercise of the right to vote by long distance communication are always revocable and should be revoked expressly and by the same means used for their delivery within the period established for said voting.

- (ii) Physical attendance of the Shareholder at the Meeting, as well as attendance by means of a vote delivered by long distance revokes any proxy regardless of its date or form.
- (iii) Physical attendance of the Shareholder at the Meeting revokes any vote sent by long distance communication.
- (iv) Any vote or proxy submitted by electronic means will always prevail over a vote made by hand delivery or post.

3.5. Responsibility for Custody of the Electronic Certificate and the Devices for Creating the Electronic Signature

- (i) The Shareholder is exclusively responsible for the diligent use of his or her electronic DNI and the data for creating electronic signatures and for custody of the electronic certificate for exercising proxy rights or distance voting through electronic means.
- (ii) The Shareholder using an electronic signature is responsible for proving that the electronic certificate used has not expired or been revoked, suspended, or otherwise made invalid at the moment the electronic signature is generated.

3.6. Availability of Service

- (i) The Company reserves the right to modify, suspend, cancel or restrict voting mechanisms and electronic proxies when technical or security reasons so require.
- (ii) The Company will not be responsible for any damages which might be suffered by the Shareholder as a result of outages, overloads, fallen communication lines, connection failures, postal service malfunction or any other eventuality of an equal or similar nature outside the control of the Company which might hamper or impede the Shareholder from exercising voting rights or proxy rights by long distance communication.

DATA PROTECTION

Pursuant to the provisions of the *Ley Orgánica de Protección de Datos de Carácter Personal 15/1999*, personal data that Shareholders or their representatives send to the Company in order to exercise their rights to information, attendance rights, proxy or

voting rights at the Shareholders' Meeting, or which may be sent by banks and Securities Brokers where Shareholders have their shares deposited through Iberclear, will be used for the purposes of facilitating the development, compliance and management of Shareholder relationships and, where applicable, Shareholder representative relationships. Consequently, notice is given that such data is collected in a file belonging to the Company and that right to access, correction, cancellation and opposition may be made by communicating in writing to (Oficina del Accionista, Av. de Bruselas 35, Alcobendas 28108, Madrid).

Additionally, notice is given that an audiovisual recording of the entire Meeting may be made in order to facilitate its progress and to adequately distribute it. Said recording will be retransmitted and will be made available to the public on the Company website (www.indracompany.com).

Owners of data will always have the right in accordance with applicable law to access, correct, oppose or delete any images recorded by INDRA. Said rights may be exercised through the above indicated address.

NOTARIAL PARTICIPATION AT THE MEETING

The Board of Directors has agreed to require the presence of a Notary to record the minutes of the Shareholders' Meeting in accordance with that contained in Article 203.1 of the Spanish Companies Act.

Shareholders are informed that the Meeting may be held at first call, that is, on 20 February 2017 at 12:30 p.m.

Beginning one hour prior to the beginning of the Meeting and in the place where it is being held, Shareholders and their properly appointed representatives may present their attendance cards and proxies and, where applicable, documents confirming their legal representation, to personnel charged with registration of Shareholders.

José Antonio Escalona de Molina
Secretary of the Board of Directors