

Annual Corporate Governance Report

of Listed Public Companies

Issuer identification details	Indra
Year end date	31 December 2022
Tax ID (CIF)	A-28599033
Company name	Indra Sistemas, S.A.
Registered office	Avda. Bruselas, 35, Alcobendas, Madrid

This report contains the same information as the Annual Corporate Governance Report filed with the *Comisión Nacional de Mercados de Valores - CNMV* ("National Securities Market Commission").

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A. Ownership structure

A.1 Complete the following table on share capital and the attributed voting rights, including those corresponding to shares with a loyalty vote as of the closing date of the year, where appropriate:

Indicate whether company bylaws contain the provision of double loyalty voting:

No

Yes Board approval date

Minimum period of uninterrupted ownership required by the statutes

Indicate whether the company has awarded votes for loyalty:

No

Yes

Date of the last modification of the share capital	Share capital	Number of shares	Number of voting rights (not including additional loyalty-attributed votes)	Number of additional attributed voting rights corresponding to shares with a loyalty vote	Total number of voting rights, including additional loyalty-attributed votes

Number of shares registered in the special register

pending the expiry of the loyalty period

Observations

Date of the last modification	Share capital (€)	Number of shares	Number of voting rights
18-05-2017	35,330,880.40	176,654,402	176,654,402

Observations

Indicate whether there are different classes of shares with different associated rights:

Yes No

Class	Number of shares	Par value	Number of voting rights	Rights and obligations conferred

Observations

A.2 List the company's significant direct and indirect shareholders at year end, including directors with a significant shareholding:

Name or company name of shareholder	% voting rights attributed to shares (including loyalty votes)		% of voting rights through financial instruments		% of total voting rights	From the total number of voting rights attributed to the shares, indicate, where appropriate, the additional votes attributed corresponding to the shares with a loyalty vote	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
Sociedad Estatal de Participaciones Industriales	25.16	0	0	0	25.16		
FMR LLC	0	7.32	0	2.63	9.96		
T. Rowe Price Associates, Inc	0	3.05	0	0.31	3.36		
Fidelity International Limited	0	1.35	0	0.80	2.15		
Sapa Placencia, S.L.	0	5.00	0	0	5.00		
Joseph Oughourlian	0	5.13	0	0	5.13		

Observations

With regard to Fidelity Management Research LLC's position (9.955% of the share capital), we should mention that its total voting rights percentage has been rounded up in order to avoid a figure with more than two decimal points.

It should also be noted that the shareholder Sapa Placencia, S.L. signed a collar agreement with Deutsche Bank, A.G on 14 December 2021 for the purposes of financing its acquisition of shares in Indra Sistemas, S.A. As part of this transaction, Deutsche Bank, A.G. initially borrowed 5% of Indra Sistemas, S.A.'s share capital, and then immediately proceeded to sell Indra's shares, representing approximately 4.45% of Indra Sistemas, S.A.'s share capital by means of an accelerated book building process aimed exclusively at institutional investors.

Please see the Inside Information dated 14 December 2021, numbers 1,217 and 1,219 respectively, and the Notification of Significant Shareholdings made by Deutsche Bank, A.G. entered in the register on 20 December 2021.

Breakdown of the indirect holding:

Name or company name of the indirect owner	Name or company name of the direct owner	% voting rights attributed to shares (including loyalty votes)	% of voting rights through financial instruments	% of total voting rights	From the total number of voting rights attributed to the shares, indicate, where appropriate, the additional votes attributed corresponding to the shares with a loyalty vote	
FMR LLC	Various funds	7.32	2.63	9.96		
T. Rowe Price Associates, Inc	T. Rowe Price International Ltd	3.05	0.31	3.36		
Joseph Oughourlian	Amber Capital Investment Management ICAV – Amber Global Opportunities Fund and other funds	5.13	0	5.13		
Fidelity International Limited	Fidelity Investments International	1.35	0.80	2.15		
Sapa Placencia, S.L.	Sapa Placencia Holding, S.L.	5.00	0	5.00		

Observations

The funds that directly own the FMR LLC shares are Fidelity Management & Research Company LLC, FIAM LLC, Fidelity Institutional Asset Management Trust Company, Fidelity Puritan Trust and Fidelity Management Trust Company.

As regards Joseph Oughourlian's position, it should be noted that 3.24% of his holding is directly owned by Amber Capital Investment Management ICAV – Amber Global Opportunities Fund, which is a fund managed by Amber Capital UK LLP, an organisation that has a discretionary power to exercise the relevant voting rights. The remainder of this holding (1.89% of the share capital) is owned by other funds managed by Amber's management companies.

Indicate the most significant changes in the shareholder structure during the year:

Name or company name of shareholder	Date of the operation	Description of the operation
Santander Asset Management, S.A., SGIC	01/04/2022	Share capital holding fell below 3%
Fidelity International Limited	04/05/2022	Share capital holding fell below 3% (registered in tax haven)

Sociedad Estatal de Participaciones Industriales	27/05/2022	Share capital holding exceeded 20%
Corporación Financiera Alba, S.A.	03/06/2022	Share capital holding fell below 3%
Sociedad Estatal de Participaciones Industriales	09/06/2022	Share capital holding exceeded 25%
Fidelity International Limited	23/06/2022	Share capital holding fell below 1% (registered in tax haven)
Fidelity International Limited	12/09/2022	Share capital holding exceeded 1% (registered in tax haven)
Joseph Oughourlian	20/09/2022	Share capital holding exceeded 5%
Norges Bank	25/10/2022	Share capital holding fell below 3%

Most significant movements

On 3 June 2022, the shareholder Corporación Financiera Alba, S.A. gave notice of the transfer of all of the voting rights attached to its shares, representing 3.206% of the share capital, to SEPI. See the Corporación Financiera Alba, S.A. notification of Other Relevant Information dated 3 June 2022, registry entry 16620.

A.3 Give details of the participation at the close of the fiscal year of the members of the board of directors who are holders of voting rights attributed to shares of the company or through financial instruments, whatever the percentage, excluding the directors who have been identified in Section A2 above:

Name or company name of director	% voting rights attributed to shares (including loyalty votes)		% of voting rights through financial instruments		% of total voting rights	From the total % of voting rights attributed to the shares, indicate, where appropriate, the % of the additional votes attributed corresponding to the shares with a loyalty vote	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
Marc Thomas Murtra Millar	0.002	0	0	0	0.002	-	-
Luis Abril Mazuelas	0.024	0	0	0	0.024		
Belén Amatriain Corbi	0	0	0	0	0	-	-
Jokin Aperribay Bedialauneta	0	0	0	0	0		
Axel Arendt	0	0	0	0	0		
Virginia Arce Peralta	0	0	0	0	0		
Coloma Armero Montes	0	0	0	0	0		
Antonio Cuevas Delgado	0.009	0	0	0	0.009	-	-
Francisco Javier García Sanz	0	0	0	0	0		

Ignacio Mataix Entero	0.093	0.000	0	0	0.093	-	-
Juan Moscoso del Prado Hernández	0	0	0	0	0		
Olga San Jacinto Martínez	0	0	0	0	0		
Miguel Sebastián Gascón	0.008	0	0		0.008	-	-
Bernardo José Villazán Gil	0	0	0	0	0		

Total percentage of voting rights held by the Board of Directors	0.136
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Observations
For information purposes, the number of shares held indirectly by Ignacio Mataix Entero, the percentage of which is shown as 0.000%, is 1,000, representing 0.00057% of the Company's share capital.

List the total percentage of voting rights represented on the board:

Total percentage of voting rights held by the Board of Directors	30.29
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Observations
The total percentage includes all the voting rights held by the members of the Board of Directors, along with those held by the significant shareholder Sociedad Estatal de Participaciones Industriales (25.16%) and the significant shareholder Sapa Placencia, S.L. (5%), both of which are represented on the Board of Directors.

A.4 If applicable, indicate any family, commercial, contractual or corporate relationships that exist among significant shareholders to the extent that they are known to the company, unless they are insignificant or arise in the ordinary course of business, with the exception of those reported in section A.6:

Name or company name of related party	Nature of relationship	Brief description

A.5 If applicable, indicate any commercial, contractual or corporate relationships that exist between significant shareholders and the company and/or its group, unless they are insignificant or arise in the ordinary course of business:

Name or company name of related party	Nature of relationship	Brief description
Sapa Placencia, S.L	CORPORATE	Indra Sistemas, S.A. and Sapa Transactions, S.L.U. (a company wholly owned by the aforementioned significant shareholder) own respective 24.67% holdings in the share capital of the company TESS-DEFENCE, S.A., the corporate purpose of which is the manufacture, development, marketing and maintenance of the Dragon 8x8 wheeled combat vehicle and support throughout its operational life.

A.6 Unless insignificant for both parties, describe the relationships that exist between significant shareholders, shareholders represented on the Board and directors or their representatives in the case of directors that are legal persons.

Explain, if applicable, how the significant shareholders are represented. Specifically, indicate those directors appointed to represent significant shareholders, those whose appointment was proposed by significant shareholders, or who are linked to significant shareholders and/or companies in their group, specifying the nature of such relationships or ties. In particular, mention the existence, identity and post of any directors of the listed company, or their representatives, who are in turn members or representatives of members of the Board of Directors of companies that hold significant shareholdings in the listed company or in group companies of these significant shareholders.

Name or company name of related director or representative	Name or company name of related significant shareholder	Company name of the group company of the significant shareholder	Description of relationship/post

Observations

A.7 Indicate whether the company has been notified of any shareholders' agreements that may affect it, in accordance with the provisions of Articles 530 and 531 of the Spanish Corporate Enterprises Act. If so, describe them briefly and list the shareholders bound by the agreement:

Yes No

Parties to the shareholders' agreement	% of share capital concerned	Brief description of the agreement	Expiry date of the agreement, if any

Observations

Indicate whether the company is aware of any concerted actions among its shareholders. If so, provide a brief description:

Yes No

Parties to the concerted action	% of share capital concerned	Brief description of the concerted action	Expiry date of the concert, if any

Observations

If any of the aforementioned agreements or concerted actions have been amended or terminated during the year, indicate this expressly:

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A.8 Indicate whether any individual or company exercises or may exercise control over the company in accordance with Article 5 of the Securities Market Act. If so, identify them:

Yes No

Name or company name

Observations

A.9 Complete the following table with details of the company's treasury shares:

At the close of the year:

Number of direct shares	Number of indirect shares (*)	Total percentage of share capital
510,808	0	0.29

Observations

(*) Through:

Name or company name of direct shareholder	Number of direct shares
Total:	

Observations

Explain any significant changes during the year:

Explain significant changes
10/01/2022 - 1,778,900 shares acquired, 1.007% of share capital.
07/03/2022 - 1,778,209 shares acquired, 1.007% of share capital.
06/04/2022 - 1,768,113 shares acquired, 1.001% of share capital.
26/05/2022 - 1,793,995 shares acquired, 1.016% of share capital.
08/07/2022 - 1,797,774 shares acquired, 1.018% of share capital.
11/08/2022 - 1,826,206 shares acquired, 1.034% of share capital.
18/10/2022 - 1,775,518 shares acquired, 1.005% of share capital.
20/12/2022 - 1,774,733 shares acquired, 1.005% of share capital.

A.10 Provide a detailed description of the conditions and terms of the authority given to the Board of Directors to issue, repurchase, or dispose of treasury shares.

The General Shareholders' Meeting held on 25 June 2020 agreed the following under point ten on the agenda, with the vote in favour of 98.32% of the share capital present at the Meeting:

"Authorise the Board of Directors, in accordance with the provisions of Articles 146 and 509 of the SCA, to buy back shares owned by Indra Sistemas S.A. (hereinafter the "Company") (as well as subscription rights), in one or several tranches, directly or through subsidiary companies, by any means allowed by law, with express power to subsequently dispose of or cancel them.

The authorisation shall be subject to the following conditions:

(i) The face value of the shares acquired under this authorisation, when added to those already held by the acquiring company and its subsidiaries, may not exceed the maximum amount permitted by law at any given time.

(ii) The minimum acquisition price or minimum value of the consideration paid shall be the equivalent of the par value of the acquired shares and the maximum acquisition price or the maximum value of the consideration shall be the equivalent of the listed value of the shares acquired on an official secondary market at the time of acquisition.

(iii) The resulting net owners' equity arising from the stock acquisition may not be reduced below the total value of share capital plus reserves unavailable under applicable law or the Bylaws.

(iv) This authorisation shall remain in force for a period of 5 years from the date of adoption of this Resolution.

For the purposes of article 146.1(a) of the SCA, it is specifically stated that the shares acquired may be used for subsequent delivery to Directors, senior managers and employees of the Company.

This authorisation renders ineffective the unused part of the previous authorisation approved at the Annual Shareholders' Meeting held 25 June 2015 under the Sixth Item of the Agenda."

A.11 Estimated float:

	%
Estimated float	48.81%

Observations

A.12 Indicate whether there are any restrictions (articles of incorporation, legislative or of any other nature) placed on the transfer of shares and/or any restrictions on voting rights. In particular, indicate the existence of any type of restriction that may inhibit a takeover of the company through acquisition of its shares on the market, as well as such regimes for prior authorisation or notification that may be applicable, under sector regulations, to acquisitions or transfers of the company's financial instruments.

Yes No

Description of restrictions

The Company's Bylaws do not contain any restriction on the transfer of securities or voting rights. Notwithstanding the foregoing, Royal Decree 664 of 23 April 1999, on foreign investments, establishes that administrative authorisation is required for the acquisition by non-residents of significant shareholdings, currently fixed at 3% under the terms of Royal Decree 1362 of 19 October 2007, on companies listed on the stock markets that engage directly in activities relating to national defence, or for the acquisition of shareholdings that, while not reaching this percentage, allow the investor to participate either directly or indirectly on the company's administrative body.

The most recent amendments to Act 19/2003 should also be borne in mind, as introduced by Royal Legislative Decree 34 of 17 November 2020. Without amending the previous rules, these extended authorisation in a way that not only affected investments made by residents of third countries but also affected direct foreign investment in Spain made either by investors resident in countries belonging to the EU and the European Free Trade Association other than Spain, or by Spanish residents when beneficial ownership actually corresponds to residents in other countries in the European Union or the European Free Trade Association. This restriction was extended through to 31 December 2022 by Royal Legislative Decree 27 of 23 November 2021.

A.13 Indicate whether the general shareholders' meeting has resolved to adopt measures to neutralise a takeover bid by virtue of the provisions of Law 6/2007.

Yes No

If so, explain the measures approved and the terms under which such limitations would cease to apply:

Explain the measures approved and the terms under which such limitations would cease to apply

A.14 Indicate whether the company has issued shares that are not traded on a regulated EU market.

Yes No

If so, indicate each share class and the rights and obligations conferred.

Indicate the various share classes
<p>In September 2016, the Company issued bonds that were convertible and/or exchangeable for ordinary shares in Indra Sistemas, S.A., excluding pre-emptive subscription rights for shareholders, in the amount of €250 million and maturing on 7 October 2023. These bonds are quoted on the unregulated market (multilateral trading platform) known as the Freiverkehr, at the Frankfurt Stock Exchange.</p> <p>On 7 October 2021, in accordance with the issuing terms and conditions, the Company made an early and partial amortisation of this issue (as a result of the exercise by some bondholders of their sell option) at a par value of €4,100,000. As a consequence, the balance of the issue that currently remains outstanding on the date of this report is €245,900,000.</p> <p>For further information on this bond issue, see the Significant Event of September 2016, registry number 243169.</p> <p>In addition, on 12 April 2018, senior unsecured bonds were issued in the Euromarket in the amount of €300 million and maturing in 2024. The bonds are listed on the Luxembourg Stock Exchange's Euro MTF market. For further information on this bond issue, see the Significant Event of April 2018, registry number 264042.</p> <p>An offer for a partial bond repurchase was announced in relation to these bonds on 9 May 2022, and on 16 May 2022 it was confirmed that this had been accepted in a total par amount of 150 million euros. As a consequence, the balance of the issue that currently remains outstanding on the date of this report is €150 million.</p> <p>For more information on this Sale Offer, please see the Inside Information dated 9 May 2002 (registry number 1428) and 16 May 2022 (registry numbers 1439 and 1440).</p>

B. General Shareholders' Meeting

B.1 Indicate whether there are any differences between the minimum quorum regime established by the Spanish Corporate Enterprises Act for General Shareholders' Meetings and the quorum set by the company, and if so give details.

Yes No

	% quorum different from that established in Article 193 of the Spanish Corporate Enterprises Act for general matters	% quorum different from that established in Article 194 of the Spanish Corporate Enterprises Act for special resolutions
Quorum required at 1st call		
Quorum required at 2nd call		

Description of differences

B.2 Indicate whether there are any differences between the company’s manner of adopting corporate resolutions and the regime provided in the Spanish Corporate Enterprises Act and, if so, give details:

Yes No

Describe how it is different from the regime provided in the Spanish Corporate Enterprises Act.

	Qualified majority other than that set forth in Article 201.2 of the Corporate Enterprises Act for matters referred to in Article 194.1 of this Act	Other matters requiring a qualified majority
% established by the company for the adoption of resolutions		

Describe the differences

B.3 Indicate the rules for amending the company’s articles of incorporation. In particular, indicate the majorities required for amendment of the articles of incorporation and any provisions in place to protect shareholders’ rights in the event of amendments to the articles of incorporation.

The General Shareholders’ Meeting has the power to decide on all matters assigned to it either statutorily or in law, particularly as regards modification of the Company’s Bylaws, except in cases in which the legislation in force delegates this power to the Board of Directors.

The Bylaws do not establish any rules that differ from those established by the Spanish Companies Act (“SCA”) for the valid adoption of resolutions to modify the Bylaws. In this regard, under Article 194 of the SCA, in order for an Ordinary or Extraordinary General Shareholders’ Meeting to validly agree to any change to the Bylaws, shareholders holding at least fifty percent of the subscribed share capital with voting rights must be either present or represented at the Meeting at first call; at second call, shareholders representing twenty-five percent of the said share capital must be either present or represented. In addition, under Article 201 of the SCA, the adoption of a resolution to modify the Bylaws requires a vote in favour from two thirds of the share capital present or represented at the Meeting when shareholders representing at least twenty-five

per cent but less than fifty per cent of the subscribed share capital with voting rights are present at second call.

B.4 Give details of attendance at General Shareholders' Meetings held during the reporting year and the two previous years:

Date of general meeting	Attendance data				Total
	% physical presence	% present by proxy	% distance voting		
			Electronic voting	Other	
25/06/2020	1.45	48.96	0.02	19.68	70.11
Of which float:	1.05	38.44	0.02	0.96	40.47
30/06/2021	0.29	50.49	0.04	20.64	71.46
Of which float:	0.01	40.51	0.04	1.92	42.48
23/06/2022	0.33	72.92	0.05	1.26	74.56
Of which float:	0.15	43.77	0.05	1.26	45.23
28/10/2022	0.16	74.26	0.05	0.54	75.01
Of which float:	0.02	38.12	0.05	0.54	38.73

Observations

B.5 Indicate whether any point on the agenda of the General Shareholders' Meetings during the year was not approved by the shareholders for any reason.

Yes No

Items on the agenda not approved	% vote against (*)
At the Ordinary General Shareholders' Meeting held at second call on 23 June 2022 the proposal for the re-election of Isabel Torremocha Ferrezuelo as an independent director was not approved (point 6.3 on the agenda).	52.36%

(*) If the non-approval of the point was for a reason other than the votes against, this will be explained in the text part and "N/A" will be placed in the "% votes against" column.

B.6 Indicate whether the articles of incorporation contain any restrictions requiring a minimum number of shares to attend General Shareholders' Meetings, or to vote remotely:

Yes No

Number of shares required to attend General Meetings	
Number of shares required for voting remotely	

Observations

B.7 Indicate whether it has been established that certain decisions, other than those established by law, entailing an acquisition, disposal or contribution to another company of essential assets or other similar corporate transactions must be submitted for approval to the General Shareholders' Meeting.

Yes No

Explain the decisions that must be submitted to the General Shareholders' Meeting, other than those established by law

B.8 Indicate the address and manner of access on the company's website to information on corporate governance and other information regarding General Shareholders' Meetings that must be made available to shareholders through the company website.

The URL of the company website is www.indracompany.com.
The section headed "Shareholders and Investors" includes, among other items, a chapter on "Corporate Governance", which in turn includes the sub-section "General Shareholders' Meeting".
This shows the relevant information on the Ordinary General Shareholders' Meeting and the Extraordinary General Shareholders' Meeting that were held during the 2022 financial year.

C. Structure of the company's administration

C.1 Board of Directors

C.1.1 Maximum and minimum number of directors established in the articles of incorporation and the number set by the general meeting:

Maximum number of directors	15
Minimum number of directors	8
Number of directors set by the general meeting	14

Observations

At the Extraordinary General Shareholders' Meeting held at first call on 28 October 2022, it was agreed by a majority of votes in favour that the number of members of the Board of Directors would be set at 14.

C.1.2 Complete the following table on Board members:

Name or company name of director	Representative	Category of director	Position on the board	Date first appointed	Date of last appointment	Election procedure	Date of birth
Marc Thomas Murtra Millar		Other external	Chairman	27/05/2021	30/06/2021	General Shareholders' Meeting	09/09/1972
Luis Abril Mazuelas		Executive	Member	21/04/2022	23/06/2022	General Shareholders' Meeting	05/07/1974
Belén Amatriain Corbi		Independent	Member	28/10/2022	28/10/2022	General Shareholders' Meeting	29/12/1958
Jokin Aperribay Bedialauneta		Proprietary	Member	23/06/2022	23/06/2022	General Shareholders' Meeting	27/05/1966
Virginia Arce Peralta		Independent	Vice-Chairwoman and Coordinating Director	28/10/2022	28/10/2022	General Shareholders' Meeting	24/04/1966
Axel Arendt		Independent	Member	28/10/2022	28/10/2022	General Shareholders' Meeting	27/08/1949
Coloma Armero Montes		Independent	Member	28/10/2022	28/10/2022	General Shareholders' Meeting	15/08/1954
Antonio Cuevas Delgado		Proprietary	Member	31/01/2019	23/06/2022	General Shareholders' Meeting	07/05/1949

Francisco Javier García Sanz		Independent	Member	28/04/2022	23/06/2022	General Shareholders' Meeting	06/05/1957
Ignacio Mataix Entero		Executive	Managing director	26/01/2018	30/06/2021	General Shareholders' Meeting	26/05/1962
Juan Moscoso del Prado Hernández		Proprietary	Member	28/10/2022	28/10/2022	General Shareholders' Meeting	05/07/1966
Olga San Vicente Martínez		Independent	Member	28/10/2022	28/10/2022	General Shareholders' Meeting	28/11/1969
Miguel Sebastián Gascón		Proprietary	Member	31/01/2019	23/06/2022	General Shareholders' Meeting	13/05/1957
Bernardo Villazán Gil		Independent	Member	28/10/2022	28/10/2022	General Shareholders' Meeting	01/05/1959

Total number of directors	14
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Indicate any cessations, whether through resignation or by resolution of the general meeting, that have taken place in the Board of Directors during the reporting period:

Name or company name of director	Category of the director at the time of cessation	Date of last appointment	Date of cessation	Specialised committees of which he/she was a member	Indicate whether the director left before the end of his or her term of office
Cristina Ruiz Ortega	Executive	30/06/2021	21/04/2022	-	Yes
Carmen Aquerreta Ferraz	Independent	25/06/2020	23/06/2022	Auditing and Compliance Committee Strategy Committee	Yes
Enrique de Leyva Pérez	Independent	30/06/2021	23/06/2022	Auditing and Compliance Committee Appointments, Remuneration and Corporate Governance Committee Strategy Committee	Yes
Ana de Pro Gonzalo	Independent	30/06/2021	23/06/2022	Auditing and Compliance Committee Sustainability Committee	Yes
Alberto Terol Esteban	Independent	24/06/2019	23/06/2022	Appointments, Remuneration and Corporate Governance Committee	Yes

Isabel Torremocha Ferrezuelo	Independent	24/06/2019	23/06/2022	Auditing and Compliance Committee Appointments, Remuneration and Corporate Governance Committee	Yes
Silvia Iranzo Gutiérrez	Independent	25/06/2020	25/06/2022	Sustainability Committee	Yes
Ignacio Martín San Vicente	Independent	30/06/2021	27/10/2022	Auditing and Compliance Committee Appointments, Remuneration and Corporate Governance Committee Sustainability Committee Strategy Committee	Yes

Reason for cessation when this occurs before the end of the term of office and other observations; information on whether the director has sent a letter to the remaining members of the board and, in the case of cessation of non-executive directors, explanation or opinion of the director dismissed by the general meeting

Ms Ruiz Ortega tendered her resignation from the Board of Directors following the termination by mutual agreement of her executive services contract with Indra Sistemas, S.A. For more information, see the Inside Information dated 21 April 2022, registry number 1403.

As regards Ms Aquerreta Ferraz, Ms de Pro Gonzalo, Mr de Leyva Pérez and Mr Terol Esteban, at the Ordinary General Shareholders' Meeting held at second call on 23 June 2022, the shareholder Amber Selective Opportunities Fund II proposed, as items that had not been included on the Agenda, that votes be held on ending their mandates, and these resolutions were approved by a sufficient majority of votes. For more information on the resolutions adopted in the aforementioned Ordinary General Shareholders' Meeting, see the Other Relevant Information dated 23 June 2022, registry number 16970.

The persons whose mandates had been ended sent the Company letters in which they set out their opinions on the reasons for their removal, and these were published by the Company as Other Relevant Information on 28 June 2022, registry number 17083.

The reason for mentioning Ms Torremocha is explained in point B.5. of this report.

Ms Iranzo tendered her resignation from the Board of Directors following the events that had occurred at the Ordinary General Shareholders' Meeting, and she submitted a letter, the contents of which were summarised in a notice of Other Relevant Information dated 27 June 2022, registry number 16995.

On 28 June 2022, Mr Martín San Vicente informed the Company of his decision to submit his resignation, once the independent director selection process had been completed. See the notification of Other relevant information dated 28 June 2022, registry entry 17042.

As a result of this, on 27 October 2022 the Board of Directors accepted the letter submitted by Mr Martín San Vicente, and it was attached to the notice of Other Relevant Information of that same date, registry number 18913.

C.1.3 Complete the following tables on the members of the Board and their categories:

Executive directors

Name or company name of director	Post in organisation chart of the company	Profile
Ignacio Mataix Entero	Managing director	<p>Born in Madrid in 1962. Ignacio Mataix graduated in Law and Economic Sciences from ICADE and obtained a Master's Degree on the CEO International Programme at IESE Business School.</p> <p>He has extensive and wide-ranging professional experience, having held positions of senior responsibility at large multinational investment banking firms, leading international engineering groups and high-tech manufacturing companies. He began his professional career at ABN Amro Bank, where he held the position of Managing Director in London. In 2000, he was appointed Managing Director of Corporate Development at SENER. In 2004 he joined ITP (Industria de Turbo Propulsores) as CEO of the Group. He was also a director of EUROJET GmbH, independent director of Talgo, S.A., Chairman of Europrop S.A. and Chairman of Precicast Bilbao S.A. He is currently a director at Tess Defence, S.A.</p> <p>In January 2018 he was appointed Executive Director of Indra and Managing Director of the Indra T&D business. In May 2021 he was appointed CEO of Indra.</p>
Luis Abril Mazuelas	Executive Director	<p>Born in Burgos in 1974. He holds a degree in Economic and Business Sciences from ICADE, a degree in Law from ICADE and a Master's in Business Administration MBA from MIT-Sloan School of Management. Prior to joining Indra, he worked in companies such as McKinsey & Company (where he was a Partner) and SBC Warburg. He joined Indra in 2014 as Director of the Energy Market. In 2017, he was also made head of Industry, Consumer Affairs and Corporate Management Solutions, and in 2021 he was made responsible for the Phygital (IoT, IT/OT, etc.) and Product Divisions.</p> <p>In April 2022 he was appointed Executive Director of Indra and Managing Director of the Indra T&D business.</p>

Total number of executive directors	2
Percentage of Board	14.29

Observations

External proprietary directors

Name or company name of director	Name or company name of the significant shareholder represented by the director or that nominated the director	Profile
Antonio Cuevas Delgado	Sociedad Estatal de Participaciones Industriales (SEPI)	Born in Puente Genil (Córdoba) in 1949. Graduated with a Degree in Technical Architecture from the University of Seville. He has completed a range of specialist courses and programmes (<i>Instituto de Empresa</i> ; Executive

		<p>Management Programme for Parliamentarians; <i>Centro Superior de Estudios para la Defensa</i> (CESEDEN); 26th General Course on National Defence and two Specialist Courses on National Defence Strategy).</p> <p>Co-author of publications, articles and conferences relating to globalisation and relocation processes, Industrial competitiveness, the Aerospace Sector, transformation of the Energy Sector, technological convergence with Europe and the incorporation of new sectors such as the energy sector within National Defence Directives.</p> <p>He was a member of CaixaBank's Advisory Board in Andalusia from 2013 to 2019. He is currently Senior Adviser to the Chairman's Office at KPMG and has been since 2012.</p> <p>He worked for more than fifteen years at several companies operating in areas as diverse as Industry, Architecture and Urban Development.</p> <p>From 1986 to 2011 he was a Member of Parliament for the Seville constituency. He has been a member of Committees for Public Works, Industry, Tourism and Trade, Energy, Defence and the Economy, the Combined Committee for the European Union and the Combined Scientific Research and Technological Development Committee, among others.</p> <p>During his last two parliamentary terms (2004-2011) he was Chairman of the Industry, Tourism and Trade Committee and Chairman of the Spanish Space Group at the Biennial Inter-Parliamentary Conferences held with participation from the European Space Agency (ESA) in Madrid, Paris, Brussels and Rome. He was also Chairman of the permanent council charged with liaising with the Nuclear Safety Council.</p>
Miguel Sebastián Gascón	Sociedad Estatal de Participaciones Industriales (SEPI)	<p>Born in Madrid in 1957. Miguel Sebastián graduated with a degree in Economic and Business Sciences from the Complutense University of Madrid. He also has a PhD in Economics from the University of Minnesota (USA) and a doctorate from the Complutense University of Madrid.</p> <p>In the academic field, he has been deputy director of the magazine "Moneda y Crédito" and a member of scientific committees at <i>Revista Española de Economía</i>, FEDEA and NOMISMA. He is Professor of the Fundamentals of Economic Analysis at Madrid Complutense University's Faculty of Economic Sciences.</p> <p>He has worked in the Ministry of Economy and Finance's General Planning Office and the Research Department at the Bank of Spain. He has been the General Manager of Intermoney. In 1996 he was appointed Chief Economist (Director of the Research Department and Deputy Director General) at Banco Bilbao Vizcaya, and following its merger held the same post at Banco Bilbao Vizcaya Argentaria until 2003. He has acted as consultant for several multilateral organisations. He has been a member of the Executive Committee at the International Conference of Commercial Bank Economists and the Governing Board of the Spanish Association of International Economics and Finance. He was a member of the Editorial Board at <i>Expansión</i> and <i>Actualidad Económica</i>. He has contributed articles to <i>El Mundo</i>, <i>20minutos</i>, <i>Alnavío.com</i>, <i>El Independiente</i> and <i>la Informacion.com</i>. He currently publishes a fortnightly column in <i>El Español/Invertia</i> and is a guest on <i>La Sexta</i>, <i>Cadena SER</i> and other broadcasters. He is an occasional consultant at GLC Research, <i>Aquila Clean Energy</i> and <i>Gate Center</i>.</p> <p>In the political sphere, he was coordinator of the Economic Program for the Spanish Socialist Party (PSOE) in the 2004 General Election and Director of "<i>Economistas 2004</i>". In 2004 he was appointed Director of the Spanish President's Economic Office (with the rank of Secretary of State). In 2005 he was appointed</p>

		<p>Coordinator of Spain's National Reform Program ("Mr Lisbon"). In December 2006 he was nominated as the PSOE Candidate for the Office of Mayor of Madrid. In April 2008 he was appointed as the Spanish Government's Minister of Industry, Tourism and Trade, a role which he held during the whole of the 9th legislature until December 2011.</p>
Jokin Aperribay Bedialauneta	Sapa Placencia, S.L.	<p>Born in San Sebastián in 1966.</p> <p>Jokin joined SAPA at the beginning of the 1990s. He performs his duties in the Company's corporate division, while at the same time helping to boost international business, particularly in China and North America, where he focuses on legal issues and forming alliances with international groups. He is currently CEO of SAPA Placencia Holding, S.L., as well as the other subsidiaries forming part of the SAPA Group.</p> <p>In recent years he has focused his efforts on the development of SAPA Transmission, a subsidiary based in the USA that is planting the Company's roots in that country. His duties centre on the alliances formed with the country's main manufacturers, General Dynamics and BAE Systems, in addition to working with bodies from the Department of Defence, the US Army and other multinationals such as Cummins and Honeywell.</p> <p>He has been one of the main driving forces behind the transformation of the Company, together with his brother. The Company has gone from working under licence to manufacture mobility systems for heavy vehicles to developing its own products by investing heavily in innovation and development. SAPA is currently a global leader in this type of technology.</p> <p>Chairman of Real Sociedad football club</p> <p>Jokin was appointed to this position at a Shareholders' Meeting held on 20 December 2008. Real Sociedad was in the Spanish league's second division and had filed for bankruptcy. The arrival of Jokin Aperribay and his board marked a turning point for the club.</p> <p>During his time at the club, the team has been promoted to the first division and has competed in Europe, and he is currently working on new projects in order to ensure the club's stability over the coming years.</p> <p>Jokin has been a member of the Managing Board of the Royal Spanish Football Federation. Positions that Jokin has held at companies in the financial and corporate sectors include as director of the Consulnor investment fund, managing director of the company Zeleta, and as a lawyer at the Mario Fernández firm, which is now a member of the Uría Group."</p>
Juan Moscoso del Prado Hernández	Sociedad Estatal de Participaciones Industriales (SEPI)	<p>Born in Pamplona in 1966. Juan holds a Doctorate (PhD) in Economic and Business Sciences from the Autonomous University of Madrid (also graduated from UAM, specialising in Economic Theory). He has a Master's in Economics from the College of Europe in Bruges (Belgium). Economics Diploma from the University of Kent (United Kingdom).</p> <p>Senior Fellow at Esade Geo and Professor (Esade Global Economics Geopolitics Centre) and Head of the Department of Technical Assistance to the General Secretariat and International Relations at the Economic and Social Council of Spain (CES).</p> <p>30 years' experience in International and Geopolitical Economic Relations, Economic Analysis and Studies, Finance, Institutional Relations, Diplomacy and European Affairs, both in the public and private sectors, at International Financial Analysts (AFI) (1993-1994), Economic and Social Council of Spain (CES) from 1994, Spanish Congress of Deputies, Banco Español de Crédito (BANESTO); associate professor at Madrid's Universidad Carlos III (1996-2004), and professor and programme director at Deusto Business School</p>

		<p>(Universidad de Deusto) (2017-2022). He has also acted as an expert for the European Commission, the International Labour Organisation (ILO), the Organisation for Economic Cooperation and Development (OECD) and the Inter-American Development Bank (IDB), and as a private analyst and consultant for companies, as well as at various educational and civil society institutions and foundations.</p> <p>Member for Navarra in the Congress of Deputies in the 8th, 9th and 10th legislatures (2004-2016), during which he was spokesman for the European Union's Cross-Party Economics Committee, member of the Foreign Affairs Committee, Chair of the Spanish Delegation at the Parliamentary Assembly of the Council of Europe, delegate for the Inter-Parliamentary Union (IPU) and member of its coordinating committee with the United Nations (UN). He was also a member of the PSOE's Federal Executive Committee, and in 2011 he stood as a candidate for Mayor of Pamplona, subsequently becoming a member of its city council.</p> <p>Author of "<i>Emprendedores y función empresarial en España</i>" (Entrepreneurs and the role of business in Spain). (Instituto de Estudios Económicos, 2008), "<i>Ser hoy de izquierdas</i>" (Being on the left today). (Deusto, 2014), and 400 articles on economics, international relations, European affairs and politics in specialist journals and the media. He currently writes for <i>El Mundo-Actualidad Económica</i>.</p> <p>Lecturer, speaker, teacher, in a wide range of arenas (universities, postgraduate courses, think tanks, foundations), he has spoken at more than 200 conferences and seminars in 80 countries.</p> <p>Fellow of Aspen Institute España (and Director of the Policy and Global Citizenship Programme), Fellow of the U.S. German-Marshall Fund and member of the Board of Directors and Board of Trustees of various Foundations. He has been a member of the Board of Directors of the Spanish Atlantic Association and Vice President of the <i>Consejo Federal Español del Movimiento Europeo</i>.</p> <p>Honoured by the Republic of Italy as "<i>Ufficiale dell'Ordine della Stella d'Italia</i>".</p> <p>He went to secondary school in Pamplona and the United States. He speaks English and French.</p>
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Total number of proprietary directors	4
Percentage of Board	28.57

Observations

External independent directors

Name or company name of director	Profile
Belén Amatriain Corbi	<p>Born in Madrid in 1958. She has a Degree in Law and Economic Sciences from ICADE E-1.</p> <p>She began her career in the mass consumer marketing division at Kraft General Foods. She then moved to BSB, owned by Saatchi & Saatchi, as Accounts Director and then went on to work at Grey Advertising as Director of Customer Services and Media Director. She also worked as Marketing and Strategy Director at King's Educational Group.</p> <p>In 1997, she joined the Telefónica Group, within the Telefónica Advertising and Information (TPI-Páginas Amarillas) division, where she launched all of the online and e-commerce activity.</p> <p>She took part in the company's listing on the Stock Exchange, until in 2000 she was appointed Executive Chairwoman of TPI-Páginas Amarillas. She was subsequently appointed CEO of Telefónica Móviles Spain; CEO of Telefónica Spain (Landline and Mobile) and CMO of the Telefónica Group.</p> <p>In her role as a Non-Executive Director, she has been an independent director of Capital Radio, independent director of Evo Banco and Chairwoman of its Appointments and Remuneration and Auditing Committees, independent director of SolidQ, director of CTT Correios de Portugal and a member of its Auditing Committee, as well as a director of Euskatel and Chairwoman of its Remuneration Committee.</p> <p>She has been awarded the Grand Cross of the Order of Civil Merit.</p> <p>She is currently an independent director of Prim, S.A. and Chairwoman of its Appointments and Remuneration Committee and Sustainability Committee; she is an independent director of Faes-Farma, S.A., a member of its Auditing and Compliance Committee and Chairwoman of its Appointments and Remuneration Committee; and she is also an independent director of Lucta, S.A.</p> <p>She is also an independent director at the <i>Instituto de Buen Gobierno</i> (Good Governance Institute) and a member of its Executive and Appointments and Remuneration Committees.</p>
Virginia Arce Peralta	<p>Born in Madrid in 1966. She has a degree in Economic and Business Sciences from the Complutense University of Madrid and is a member of the Spanish Institute of Chartered Auditors (<i>Instituto de Censores Jurado de Cuentas</i>).</p> <p>She has completed a number of specialist courses and programmes (Management Programme at IE, Senior Executive Programme at ESADE, and Innovation Executive Programme at Babson University in Boston).</p> <p>She was also a speaker and mentor on a number of specialist programmes (speaker on the Board Member Programme at ESADE, speaker on the Women to Watch Programme at PwC, Women Managers mentor on the Promociona Project, and management mentor on PwC's Talent Programme); She was also a member of the PwC Foundation's Board of Trustees.</p> <p>She began her professional career in the Auditing department of PwC. In 2008 she was made a member of the department's Executive Committee and a member of the board.</p> <p>Subsequently, in 2013 she was appointed worldwide head of auditing for the TMT sector, forming part of the Global Executive Committee for TMT.</p> <p>She was also appointed as a member of PwC's Executive Committee and made head of Human Capital. In 2016 she was made head of the TMT sector in Spain and a member of the Executive Committee for Business and Sectors.</p> <p>From 2017 to 2022 she was global auditing partner of Telefónica.</p>

<p>Axel Arendt</p>	<p>Born in Hannover (Germany) in 1949. He has a Degree in Mechanical Engineering from the University of Hannover and a Master's in Business Administration (MBA) from the University of Munich.</p> <p>He began his professional career at Daimler Benz AG, holding several different positions in the saloon car division in Bremen and Stuttgart (Germany), along with the position of controller. He was CFO of Mercedes Benz Mexico (Mexico City); Chairman of the Management Committee at Mercedes Benz Argentina (Buenos Aires); and Chairman of the Steering Committee at Mercedes Benz Turkey (Istanbul).</p> <p>In 2000 he was appointed board member and CFO at EADS, S.A., as well as being made a member of its Executive Committee.</p> <p>In 2002 he was appointed Chairman of Rolls-Royce Deutschland GmbH&Co, and subsequently Chairman of Defence Aerospace in London.</p> <p>He has been an independent director of Terex Material Handling & Port Solutions and a member of its Appointments Committee; he has also been Chairman of the Supervisory Board at Krauss-Maffei-Wegmann GmbH & Co. KG KNDS N.V.</p> <p>He has also been a member of the Supervisory Board at Tognum, AG; Chairman of the Remunerations Committee and the Auditing Committee at Rolls-Royce Power Systems AG; and a member and subsequently Chairman of the Supervisory Board at MTU Friedrichshafen GmbH and Rolls-Royce Power Systems AG.</p> <p>He is currently a partner at Axel Arendt Management Consulting.</p>
<p>Coloma Armero Montes</p>	<p>Born in Madrid in 1954. She has a Degree in Law from the Complutense University of Madrid and a Master's in Community Law from the College of Europe in Bruges (Belgium).</p> <p>She began her professional career in 1979 in the Armero law firm, which subsequently became part of Uría Menéndez in 1999, where she remained as a partner in the commercial department and was a member of the Board of Directors until 2009.</p> <p>From 2009 to 2021 she was an independent director at Mutua Madrileña and some of the group's subsidiaries, as well as a member of its Investment Committee and its Auditing and Compliance Committee.</p> <p>From 2012 to 2022 she was an independent director at Cemex Latam Holding, S.A., a listed company on the Colombia Stock Exchange, member and Chair of the Auditing Committee, the Appointments and Remuneration Committee and the Corporate Governance Committee.</p> <p>She currently works as an arbitrator at Madrid's Court of Arbitration, the Spanish Court of Arbitration and the Madrid Bar Association's Court of Arbitration, specialising in the area of Corporate Arbitration. She is Joint Chair of the Madrid Bar Association's Company Law and Corporate Governance Section, a member of the Community of Madrid's Council of Bar Associations and Chair of its Resources Committee. She is Secretary of the National Board and National Executive Committee of the Spanish Breast Cancer Association (AECC) and Chair of its Legal Regulation Committee, as well as a member of the Advisory Board of Fundación Exit.</p> <p>She is also academic director on the Master's course for Access to the Legal Profession offered by the Madrid Bar Association, as well as professor of Mergers and Acquisitions and Corporate Governance on postgraduate courses at IE Law School.</p>

<p>Francisco Javier García Sanz</p>	<p>Born in Madrid in 1957. He holds a degree in Business Administration and an Honorary doctorate from the University of Stuttgart.</p> <p>He is currently an independent director at Acerinox, S.A. and member of the Executive Committee and the Appointments, Remuneration and Corporate Governance Committee, Chairman (independent) of Tubacex, S.A. and is a member of the Strategy and Monitoring Committee, Chairman of Fersa Bearings, S.A. and member of the Board of Directors of Hochtief, A.G.</p> <p>He has been awarded the Grand Cross of the Order of Civil Merit.</p> <p>In 1993 he managed the Volkswagen Group's "Electrics/Electronics" procurement department. From 1997 to 2007 he was a member of the Executive Committee and subsequently went on to become Vice President of the Group from 2000 to 2018.</p> <p>In 1995 he was appointed Executive Vice President of SEAT, S.A., and subsequently went on to become a Director in 1997 and Chairman of the Board from 2007.</p> <p>He was also Chairman of Volkswagen Navarra and VGED (Volkswagen Group Spain Distribution) and was a member of the Board of Directors of Audi AG, FAW Volkswagen (China), Shanghai Volkswagen and Scania AB, as well as the Supervisory Board of Porsche AG. He was also Chairman of the Board of Directors of Volkswagen Brazil and Volkswagen Argentina, and has been a Director of Criteria Caixa and VidaCaixa, S.A. Seguros y Reaseguros.</p> <p>Between June 2009 and July 2012 he was Chairman of ANFAC and subsequently became a member of the board. He also holds an important position with the German Association of the Automotive Industry (VDA). He has been Chairman of the Advisory Board of UNED.</p>
<p>Olga San Jacinto Martínez</p>	<p>Born in Madrid in 1969. She has a Degree in Business Management from the Complutense University of Madrid, a Master's in International Corporate Finance from the Autonomous University of Madrid, an Executive Master's from IE and a PDG from IESE.</p> <p>She has completed a number of specialist courses and programmes (Microcomputers and Information Technology, Harvard; Leadership Programme, Scholarship from the Rafael del Pino Foundation; Executive Programme, Singularity University, San Francisco; Innovation Programme, Berkeley; Boards of Directors Programme, Spencer Stuart; and a Private Innovation Programme, Singularity University, San Francisco).</p> <p>She has also acted as mentor on many specialist programmes (including teaching positions at IESE in New York and Madrid, international speaker; mentor for women executives and entrepreneurs in Technology; mentor at IE University; mentor at IESE & Deusto Business School and entrepreneur mentor and investment panelist at Endeavor America and MassChallenge Boston).</p> <p>She has been a patron of the Jerusalem Foundation and a Co-founder of "Our Stem Journey" to encourage participation by young women in STEM study programmes, and she has received several awards, such as "Women to Watch" America.</p> <p>She began her professional career in the derivatives department at Banco Urquijo. Later, she was appointed Assistant Treasury Manager at Abbey National Bank; Director of Corporate Investments at Bank of New York in New York; and Business Strategy Director at Telefónica-Terra.</p> <p>In 2004 she took up the position of Director of Google Business's European Division. Later, she was Director of Product Monetisation for Google Maps & eCommerce in New York. Finally, during her time at Google, she was appointed Director of Business and Strategy for the Americas-Latin America in Mexico. In this position she was in charge of business development for all of Google's products and services in that territory.</p> <p>She has been an independent director at both Banco Finterra (Latin America) and Evo Banco (Spain and Ireland) for Apollo Global Management.</p> <p>She is currently a member of the Advisory Board at Nazca Private Equity (Spain), and a member of the Advisory Board at Astaro (operating in 17 European countries, Latin America and Asia).</p>

Bernardo José Villazán Gil

Born in Ciudad Real in 1959. He has a degree in Advanced Industrial Engineering from Comillas Pontifical University (ICIA); a Diploma from IESE's Senior Management Programme (PADE); a Certificate on Good Corporate Governance (IC-A ECODA); and a Certificate from the Independent Directors Programme (ICADE Business School). He has been made a Member of Merit of the Engineers' Association at the Higher Technical School of Engineering (ICAI) and an Honourable Member of Observatorio Industria 4.0. As regards his career as an executive, he worked first as Lead Engineer at SAINCO (US) (1984-1995) and subsequently at SUN Microsystems (1995-2002). From 2003 to 2008, he was CEO of Lucent Technologies Iberia and CMO of Alcatel Lucent. He was also Director of Operations and CEO at SiTech Finanzauto Caterpillar (2006-2009). Between 2009 and 2013 he was Executive Chairman of Grupo Daorje and, from 2013 to 2018, CEO of Ingeniatics Technologies. As regards his non-executive experience, he has been an independent director of the SEC-US listed company Telvent GiT and Chairman of its Appointments and Remuneration Committee (2004 – 2010), an independent director of Abengoa Solar (2010 – 2014), an independent director of Lantero Group and Chairman of its Auditing Committee (2010 – 2018), and an independent director and adviser to Raona Enginyers (2019 – 2022). From 2020 to 2022 he was a independent director-adviser to the IPS Group; and from 2019 to 2022 has been a independent director-adviser to PackBenefit.

Currently, and since 2018, he is a director of Antolín-Irausa, S.A. Group, Chairman of its Sustainability and Corporate Governance Committee, and member of its Auditing Committee. In the academic sphere, he is Director of the Connected Industries Programme, Director of the Master's Course in the Digital Transformation of Industry (MTDi) and a Professor on the Independent Directors Programme at ICADE Business School.

Total number of independent directors	7
Percentage of Board	50.00

Observations

Indicate whether any director classified as independent receives from the company or any company in its group any amount or benefit other than remuneration as a director, or has or has had a business relationship with the company or any company in its group during the past year, whether in his or her own name or as a significant shareholder, director or senior executive of a company that has or has had such a relationship.

If so, include a reasoned statement by the Board explaining why it believes that the director in question can perform his or her duties as an independent director.

Name or company name of director	Description of the relationship	Reasoned statement
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Other external directors

Identify the other external directors, indicate the reasons why they cannot be considered either proprietary or independent, and detail their ties with the company or its management or shareholders:

Name or company name of director	Reasons	Company, manager or shareholder to which or to whom the director is related	Profile
Marc Thomas Murtra Millar	<p>Mr Murtra Millar was appointed Non-Executive Chairman of the Company with other external status, given that his appointment occurred within the framework of the process to replace the Chairman requested by significant shareholder SEPI. However, in a letter dated 27 May 2021, SEPI stated that Mr Murtra did not represent it as a shareholder on Indra's Board of Directors and that its only representatives were Mr Cuevas, Mr Moscoso del Prado and Mr Sebastián.</p>	N.A.	<p>Born in Blackburn, Lancashire, in the United Kingdom, in 1972. Marc Murtra qualified as an industrial engineer, specialising in the Mechanics of Machines, from the Polytechnic University of Catalonia's School of Industrial Engineering of Barcelona (ETSEIB). He also has a Master's in Business Administration (MBA), majoring in Finance, from the Leonard School of Business at New York University. He is Chairman of Indra's Board of Directors and Strategy Committee. He is also an independent director of Ebro Foods, S.A., as well as a member of the Executive Committee and the Auditing and Control Committee. He is also a trustee of the Caixa d'Estalvis i Pensions de Barcelona "la Caixa" Banking Foundation. He began his professional career in the nuclear industry at British Nuclear Fuels Ltd in the United Kingdom, and continued his career at the strategy consultancy firm DiamondCluster, where he worked for large technology companies. He has spent several years working in the public sector as a specialist in Digital Strategy, Digital Transformation and Public-Private Partnerships. In this role he performed the duties of General Manager of Red.es, and was also Chief of Staff for Spain's Ministry for Industry, Tourism and Trade. At Barcelona City Council he was appointed head of Education, Culture and Welfare. In 2011 he returned to the private sector, working in the Investment Banking sphere. He is currently Chairman of Closa Investment Bankers, a leader in their field since 1987. His experience as a financial advisor has included heading up a large number of corporate transactions in a wide range of sectors, such as TMT (e-commerce, enterprise software, training, artificial intelligence, video marketing, analytics, fleet management, entertainment, cybersecurity, recruiting, SaaS, the production of audio-visual content, TV channels, advertising, etc.), Industry (manufacture of machinery, security equipment, textiles, agri-foods, etc.) and Public Private Partnership (BTR, Infrastructure, etc.) with international businesses and investors from around the globe. He has received many acknowledgements and awards for his work. He is Associate Professor of</p>

			Financial Management and Economic Financing at Pompeu Fabra University, where he teaches classes in the Business Management and Administration and Economics undergraduate programmes. He has been a member of the Board of Directors of a number of companies, including Paradores de Turismo de España, Red.es and Instituto Nacional de Tecnologías de la Comunicación, among others. He regularly works with leading media organisations, including La Vanguardia.
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Total number of other external directors	1
Percentage of Board	7.14

Observations

Indicate any changes that have occurred during the period in each director's category:

Name or company name of director	Date of change	Previous category	Current
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Observations

C.1.4 Complete the following table with information relating to the number of female directors at the close of the past four years, as well as the category of each:

	Number of female directors				% of total directors for each category			
	2022	2021	2020	2019	2022	2021	2020	2019
Executive	0	1	1	1	0	50.00	33.33	33.33
Proprietary	0	0	0	0	0	0	0	0
Independent Directors	4	4	4	3	57.14	57.14	57.14	42.82
Other external	0	0	0	0	0	0	0	0
Total	4	5	5	4	28.57	41.67	38.46	30.77

Observations

C.1.5 Indicate whether the company has diversity policies in relation to its Board of Directors on such questions as age, gender, disability, education and professional experience. Small and medium-sized enterprises, in accordance with the definition set out in the Spanish Auditing Act, will have to report at least the policy that they have implemented in relation to gender diversity.

Yes

No

Partial policies

If so, describe these diversity policies, their objectives, the measures and the way in which they have been applied and their results over the year. Also indicate the specific measures adopted by the Board of Directors and the nomination and remuneration committee to achieve a balanced and diverse presence of directors.

If the company does not apply a diversity policy, explain the reasons why.

Description of policies, objectives, measures and how they have been applied, and results achieved

The Board of Directors and the Appointments, Remuneration and Corporate Governance Committee (ARCGC) of Indra, pursuant to the contents of Recommendation 14 of the Code of Good Governance of Listed Companies (CGGLC) and pursuant to the contents of Article 8.4 of the Board of Directors Regulations, shall ensure that the selection of people to serve as Director is carried out in accordance with a policy aimed at promoting an appropriate composition of the Board, which: (i) is concrete and verifiable (ii) is aimed at promoting diversity of knowledge, experience, age, gender and culture while avoiding biases that may lead to discrimination; and (iii) ensures that proposals for nominations are based on the outcome of the prior analysis of the skills required by the Board and conform to the Company's profile.

In application of the principle of transparency, the Board and the ARCGC provide annual Corporate Governance and Sustainability Reports, together with other reports, in which they give their reasons and motivation for the proposed appointment and re-election of board members, all of which are made available to shareholders when the General Shareholders' Meeting is convened and which contain details of the processes completed, an analysis of the way in which the skills of the proposed candidates have been matched against the responsibility assignment matrix and an explanation of the measures taken to encourage diversity.

In line with the principles for action set out in Indra's Sustainability Policy, its Director Selection Policy promotes the application of diversity criteria that include issues relating not only to gender but also to know-how, experience (particularly internationally), age and culture, requiring the application of policies that will prevent any implicit bias in the director selection process that might lead to discrimination on any grounds (gender, race, religion, opinion, nationality, disability, etc.).

Both the Board of Regulations and the current Director Selection Policy are publicly available on the Company website (www.indracompany.com). Following a favourable report from the ARCGC, these regulatory texts were amended in a resolution adopted by the Board of Directors on 19 May 2022, in order to respond to certain Corporate Governance issues assessed by the ESG analysts. This involved extending the concept of diversity to include cultural diversity, which in turn led to the amendment of Article 8 of the Board of Directors Regulations and Articles 3 and 5 of the Company's Director Selection Policy.

In their director selection processes and the proposals submitted to the General Shareholders' Meetings held during the 2022 financial year, the Board of Directors and the ARCGC applied criteria that were in line with the commitment to diversity set out in their Director Selection Policy. To this end, the Board skills matrix is a key tool that facilitates an overview of the diversity of the Board's composition as a whole and that is used when making decisions on the planning and renewal of the Board's membership. This matrix is regularly updated in order to adjust it to the needs of the Board of Directors in terms of both experience and know-how.

Notwithstanding the foregoing, as explained in the following section, the resignation of former CEO Ms Ruiz as a result of the termination of her contractual relationship with the Company, the events that occurred at the Ordinary General Shareholders' Meeting held on 23 June 2022, and the subsequent resignation of Ms Iranzo Gutiérrez, have made it impossible to maintain the percentage of women in line with the commitment to diversity made by both the Board and the ARCGC.

C.1.6 Describe the measures, if any, agreed upon by the nomination committee to ensure that selection procedures do not contain hidden biases which impede the selection of female directors and that the company deliberately seeks and includes women who meet the target professional profile among potential candidates, making it possible to achieve a balance between men and women. Also indicate whether these measures include encouraging the company to have a significant number of female senior executives:

Explanation of measures
<p>As explained in the previous section, when defining the profile and skills required for the appointment or re-election of board members prior to beginning the selection process, the Appointments, Remuneration and Corporate Governance Committee (ARCGC) and the Board strive to ensure that the process does not involve any form of discrimination but favours the recruitment of the highest quality professionals, with the application of criteria aimed at achieving gender diversity.</p> <p>In its selection process, Indra strives to appoint a Board whose overall composition is diverse and balanced, thus enriching the decision-making process and bringing a plural perspective to discussion of the matters falling within its competence.</p> <p>This has been the approach applied in the successive renewals of mandates in recent years and the appointment of new directors, and it is with regard to independent directors that both the Board and the ARCGC have the greatest powers to act, as they are able to consider a much broader range of potential candidates to perform the duties of director. As regards proprietary directors, the Board and the ARCGC can only recommend to shareholders that they consider the appointment of women to the position of Indra board member in order to represent their interests, and in the case of executive directors attempts are also made to appoint women to this position, though attention must also be paid to the succession plans that are in force and that give consideration to the candidates who are most ideally suited to fill this position. Thus, following Ms Ruiz's resignation as CEO as a result of the termination of her contractual relationship with the Company in April 2022, the Board of Directors agreed to appoint Mr Abril Mazuelas by means of a co-option procedure, since he was believed to be the most suitable candidate to take up this position under the Succession Plan.</p> <p>It should also be stressed that, following the events that occurred at the Ordinary General Shareholders' Meeting held on 23 June 2022, the Board made an undertaking to comply with the recommendations and principles set out in the Code of Good Governance for Listed Companies, promising that it would act as quickly as possible and take the actions necessary in order to restore the corporate governance structure, with the aim of ensuring that at least fifty per cent of the directors were independent, and preferably women (Notice of Other Relevant Information dated 28 June 2022, registry number 17,042).</p> <p>The selection process that was carried out ended with the selection of six new independent directors. Of these, 66.66% were women, thus complying with the undertaking made by the Board and the ARCGC. However, this results in a Board in which proprietary directors account for 28.57%, executive directors account for 14.28%, and women account for 28.57% of all board members, though they represent 57.14% of the independent directors.</p> <p>In addition, at the close of the 2022 financial year there were two women in senior executive positions at the Company, accounting for 21.05% of all senior executives (including executive directors). The presence of women on the Management Committee has been reduced by the departure of the CEO Ms Ruiz in April 2022.</p>

If in spite of any measures adopted there are few or no female directors or senior managers, explain the reasons for this:

Explanation of reasons

C.1.7 Explain the conclusions of the nomination committee regarding verification of compliance with the policy aimed at promoting an appropriate composition of the Board of Directors.

<p>The ARCGC checked that the Director Selection Policy had been complied with and properly applied, including the points relating to promoting the suitable composition of the Board of Directors, when preparing its proposals for the appointment, ratification and re-election of board members to be submitted to the Ordinary and Extraordinary Shareholders' Meetings held during 2022. The reduction in the number of women Board Members is due to: i) the resignation of former CEO, Ms Ruiz, as a result of the termination of her contractual relationship with the Company; ii) the dismissal of Ms Aquerreta and Ms de Pro, and the failure of Ms Torremocha to gain re-election at the Ordinary General Shareholders' Meeting in 2022; and iii) the resignation tendered by former independent director, Ms Iranzo.</p>
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C.1.8 If applicable, explain the reasons for the appointment of any proprietary directors at the request of shareholders with less than a 3% equity interest:

Name or company name of shareholder	Reason
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Indicate whether the Board has declined any formal requests for presence on the Board from shareholders whose equity interest is equal to or greater than that of others at whose request proprietary directors have been appointed. If so, explain why the requests were not granted:

Yes No

Name or company name of shareholder	Explanation
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C.1.9 Indicate the powers, if any, delegated by the Board of Directors, including those relating to the option of issuing or re-purchasing shares, to directors or board committees:

Name or company name of director or committee	Brief description
Ignacio Mataix Entero	In a meeting held on 27 May 2021, the Board agreed to delegate all the powers attributed to the Board of Directors to executive director Ignacio Mataix Entero, with the exception of the powers that may not be delegated in Law (Articles 249 <i>bis</i> and 529 <i>ter</i> of the Spanish Companies Act ("SCA")) and the powers established in Article 5.3 of the Board of Directors Regulations, the exercise of which is reserved exclusively for use by the Board of Directors. These are as follows: "The Board may not delegate those responsibilities which are reserved for its direct authority in accordance with applicable law, nor may it delegate any other power necessary for the responsible exercise of its general supervisory and control duties".

C.1.10 Identify any members of the Board who are also directors, representatives of directors or managers in other companies forming part of the listed company's group:

Name or company name of director	Company name of the group entity	Position	Does the director have executive powers?
Luis Abril Mazuelas	The Overview Effect, S.L.	Joint and Several Director	No
	Indra Soluciones Tecnologías de la Información, S.L.U.	Joint and Several Director	No
	Paradigma Digital, S.L.U.	Joint and Several Director	No

Observations

C.1.11 List the positions of director, administrator or representative thereof, held by directors or representatives of directors who are members of the company's board of directors in other entities, whether or not they are listed companies:

Identity of the director or representative	Company name of the listed or non-listed entity	Position
Belén Amatriain Corbi	Prim, S.A.	Board Member
	Faes-Farma, S.A.	Board Member
	Lucta, S.A.	Board Member
	Amacor Gestión Inmobiliaria, S.L.	Board Member
Jokin Aperribay Bedialauneta	Sapa Placencia, S.L.	Managing director
	Sapa Placencia Holding, S.L.	Managing director
	Sapa Operaciones, S.L.U.	Managing director
	Centro de Excelencia PID RD, S.A.	Managing director
	Gesinmso, S.L.	Managing director
	Sapa Transmission, Inc.	Board Member
	Arrola, S.L.	Sole Director
	Real Sociedad de Fútbol, S.A.D.	Chair of the Board of Directors
Coloma Armero Montes	Anamar, S.L.	Joint and Several Director
Francisco Javier García Sanz	Acerinox, S.A.	Board Member
	Tubacex, S.A.	Chairman
	Hochtief, A.G.	Board Member
	Fersa Bearings, S.A.	Chairman
Ignacio Mataix Entero	Tess-Defence, S.A.	Board Member
Marc Thomas Murtra Millar	Fundación Bancaria La Caixa	Member of the Board of Trustees
	Ebro Foods, S.A.	Board Member
Olga San Jacinto Martínez	Nazca Private Equity	Advisory Board Member
	Astara	Advisory Board Member
Bernardo José Villazán Gil	Grupo Antolin-Irausa, S.A.	Board Member

Observations

Indicate, where appropriate, the other remunerated activities of the directors or directors' representatives, whatever their nature, other than those indicated in the previous table:

Identity of the director or representative	Other paid activities
Miguel Sebastián Gascón	Occasional collaborator at GLG Research, advisor at Aquila Clean Energy, academic coordinator at Gate Center; collaborator at La Sexta, El Español/Invertia and other media outlets; and full professor at Madrid Complutense University.
Antonio Cuevas Delgado	External advisor - Senior Advisor to the Chairman of KPMG.
Marc Thomas Murtra Millar	Associate Professor in Financial and Economic Management at Pompeu Fabra University and UPF Barcelona School of Management
Axel Arendt	Partner at Axel Arendt Management Consulting
Coloma Armero Montes	She is academic director on the Master's course for Access to the Legal Profession offered by the Madrid Bar Association, as well as professor of Mergers and Acquisitions and Corporate Governance on postgraduate courses at IE Law School and Secretary of the National Board and National Executive Committee of the Spanish Breast Cancer Association (AECC).
Juan Moscoso del Prado Hernández	Head of the Department of Technical Assistance to the General Secretariat and International Relations at the Economic and Social Council of Spain (CES), professor and Senior Fellow at Esade Geo, economic consultant specialising in strategic matters and a permanent collaborator with El Mundo-Actualidad Económica.
Olga San Jacinto Martínez	Lecturer, content generation, advisory
Bernardo José Villazán Gil	He is Director of the Connected Industries Programme, Director of the Master's Course on Connected Industries (MIC) and Director of the Master's Course in the Digital Transformation of Industry (MTDi) at Pontificia de Comillas University ICAI-ICADE. He is also a Professor on the Independent Directors Programme at ICADE Business School.

Observations

C.1.12 Indicate whether the company has established rules on the maximum number of company boards on which its directors may sit, explaining if necessary and identifying where this is regulated, if applicable:

Yes No

Explanation of the rules and identification of the document where this is regulated
<p>As indicated in section C.1.5 above, the Board of Directors Regulations are available on the company's website (www.indracompany.com). Article 33 of these Regulations, which was amended by agreement of the Board of Directors on 19 May 2022 in order to establish the minimum attendance required of Directors at meetings, sets out the amount of time that Directors must devote to their duties, establishing that Directors will devote the amount of time and effort to their duties that is necessary in order to ensure their proper performance, and they must attend at least 75% of the meetings held each year by the Board or the Committees of which they are a member. To this end, Directors must inform the Board of any activities that may materially affect their dedication as a Company Director.</p> <p>Generally speaking, Directors may not belong to so many boards that they are prevented or hindered from devoting sufficient time to their position as a Director of Indra. To this end, Directors shall comply with the following general</p>

limits: (i) Executive Directors may hold administrative positions in only two other listed companies; and (ii) Non-Executive Directors may hold administrative positions in only four other listed companies. The appointment of an Indra board member to another board of directors is first analysed by the ARCGC, which then submits a report to the Board on whether the appointment in question should be authorised.

C.1.13 Indicate the remuneration received by the Board of Directors as a whole for the following items:

Remuneration accruing in favour of the Board of Directors in the financial year (thousands of euros)	9,371
Funds accumulated by current directors for long-term savings systems with consolidated economic rights (thousands of euros)	1,928
Funds accumulated by current directors for long-term savings systems with unconsolidated economic rights (thousands of euros)	0
Pension rights accumulated by former directors (thousands of euros)	0

Observations
<p>Accrued remuneration includes both the fixed remuneration received as the result of membership of the various administrative bodies and the remuneration received for the performance of executive duties, 70% of the variable annual remuneration (VAR) accrued by executive directors in the 2022 financial year, which will be paid in cash following preparation of the annual accounts for the year, and the payment in kind received by the executive directors, the former CEO during the time she remained in her post, and the non-executive chair. It also includes the overall compensation payment received by the former CEO, Ms Ruiz, following the termination of her contractual relationship by mutual agreement. This included settlement of the proportional part of her annual fixed and variable remuneration in cash, the pro rata percentage of extraordinary payments, the amount paid by the company under the terms of the non-compete clause, and the holiday allowance that had accrued but not been taken.</p> <p>The amount reported does not include the portion of her VAR for 2022 (€580,000) that was paid in shares (30% of the total), since this is deferred and remains subject to subsequent conditions (malus clause), or the annual contributions made by the Company into the long-term savings plan under which executive directors are beneficiaries, since these are not considered to have become consolidated, pursuant to the criteria set out in CNMV Circular 3 of 28 September 2021. The total amount shown for director remuneration is not exactly the same as the amount recorded in the notes to the Annual Accounts, since all of the amounts in this report are expressed in thousands of euros.</p> <p>However, the amounts relating to VAR for 2022 and the annual contributions made by the Company into the long-term savings plan are taken into account in the report on the remuneration of directors and senior executives, since the Company applies the criteria established in the accounting standards that it follows.</p>

C.1.14 Identify members of senior management who are not also executive directors and indicate their total remuneration accrued during the year:

Name or company name	Position(s)
Luis Abril Mazuelas ⁽ⁱ⁾	Energy, Industry, Consumption and Corporate Management Solutions
Berta Barrero Vázquez	Transport
Manuel Escalante García	Defence and Security
Jorge Estévez San Román	Corporate Services and Media
Luis de León Chardel ⁽ⁱⁱ⁾	Defence and Security Operations

Fabiola Gallego Caballero	General Secretary and Legal Counsel
Javier Lázaro Rodríguez ⁽ⁱⁱⁱ⁾	Corporate General Manager and CFO
Borja García-Alarcón Altamirano ^(iv)	CFO
Antonio Mora Morando	Management Control
Borja Ochoa Gil	Financial Services
Luis Permuy Muñoz-Rivero	ASMEAF
Raúl Ripio Torija	COO

Number of women in senior management	2
Percentage of total senior management	20

Total remuneration of senior management (thousands of euros)	8,227
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Observations
<ul style="list-style-type: none"> - (i) Luis Abril Mazuelas held the role of Managing Director of this area until April 2022, at which point he was appointed Executive Director of the Company. - (ii) Luis de León Chardel has been a member of the Company's senior management since October 2022. - (iii) Javier Lázaro Rodríguez was a member of the Company's senior management until July 2022. - (iv) Borja García-Alarcón Altamirano has been a member of the Company's senior management since July 2022. <p>Total remuneration for senior management includes the settlement received by Mr Lázaro Rodríguez following the termination by mutual agreement of his contract, namely the proportional amount of his fixed and variable remuneration in cash, the pro rata percentage of his extraordinary payments and the holiday allowance that he had accrued but had not taken.</p> <p>The amount reported does not include the portion of her VAR for 2022 (€1,060,000) that was paid in shares (30% of the total), since this is deferred and remains subject to subsequent conditions (malus clause), pursuant to the criteria set out in CNMV Circular 3 of 28 September 2021.</p> <p>However, the amounts relating to VAR for 2022, which are paid in shares, are taken into account in the report on the remuneration of directors and senior executives, since the Company applies the criteria established in the accounting standards that it follows.</p>

C.1.15 Indicate whether the Board regulations were amended during the year:

Yes No

Description of amendment(s)
<p>As indicated in sections C.1.5 and C.1.12, at its meeting of May 2022 the Board of Directors agreed to amend the Board of Directors Regulations in response to certain Corporate Governance issues assessed by the ESG analysts, with the amendment of Article 8, in order to extend the concept of diversity to include cultural diversity, and the amendment of Article 33, in order to establish the minimum attendance required of Directors at meetings of both the Board and its Committees.</p> <p>Subsequently, at its meeting of 27 October 2022, following a favourable report from the ARCGC, the Board of Directors approved an amendment to Article 14 of the Board of Directors Regulations which removed the casting vote held by the Board's Chair, following the approval by the Extraordinary General Shareholders' Meeting held on 28 October 2022 of its removal from the Company Bylaws.</p>

C.1.16 Specify the procedures for selection, appointment, re-election and removal of directors. List the competent bodies, steps to follow and criteria applied in each procedure.

Selection:

Article 20 of the Board of Directors Regulations establishes that proposals for appointment shall be for persons of recognised personal and professional character, with sufficient capacity to maintain proper dedication to the post and without other interests incompatible with their performance. It also establishes that the Board and the ARCGC will apply particular rigour with regard to the people appointed to the position of Independent Director.

Article 8 of the Regulations establishes the following requirements with regard to the qualitative composition of the Board:

- External directors must represent a large majority of the Board and the number of executive directors must be the minimum required.
- The group of non-executive directors must include those appointed by the owners of significant shareholdings as proprietary directors.
- In order to strike a reasonable balance between proprietary directors and independent directors, consideration must be given to the Company's shareholder structure, taking into account the magnitude of equity interests, as well as the degree of permanence and strategic links of the shareholders with the Company.

Article 8 of the Regulation also incorporates the mandate to the Board and the ARCGC to especially ensure that the selection of Directors is carried out in accordance with a policy aimed at promoting an appropriate composition of the Board, which: (i) is concrete and verifiable (ii) is aimed at promoting diversity of knowledge, experience, age, gender and culture, while avoiding biases that may lead to discrimination; and (iii) ensures that nominations are based on the outcome of the prior analysis of the competencies required by the Board and conform to the Company's profile.

Indra also has a Director Selection Policy for the purposes of establishing the principles, criteria and basic lines that will inform the process followed to select directors and formalising the Company's commitment to comply with the CNMV's recommendations with regard to independence and diversity.

The procedure for selecting candidates for the post of director, will start with the completion by the ARCGC of a prior appraisal of the Company's own needs and the skills, know-how and experience required by its Board, which will be based on the current skills matrix, which is updated regularly. The ARCGC will define the skills, experience and values required of the candidates to fill each vacancy, along with the dedication required to perform their duties. The Director Selection Policy also sets out the criteria to be applied and actions to be taken by the Company in this regard.

Appointment and re-election:

As set out in Article 20 of the Board of Directors Regulations, directors are appointed, re-elected or ratified by the General Shareholders' Meetings or by the Board, pursuant to the provisions set out in Law and the Company's Bylaws. Proposals for the appointment, re-election and dismissal of Directors submitted by the Board to General Shareholders' Meetings, as well as the co-option appointment decisions, shall be made upon proposal from the ARCGC in the case of Independent Directors and the Board itself, after a report by that committee, in other cases.

The proposal or report of the ARCGC shall classify the new Director into one of the defined categories, and be accompanied by a supporting report from the Board containing the results of the analysis carried out, which shall be attached to the minutes of the General Shareholders' Meeting. The Board shall propose to the General Shareholders' Meeting that proposals for the appointment or re-election of Directors be subject to individual vote. Proposals for the re-election of Directors must be subject to a formal process equivalent to the process used when appointing new Directors.

When the Board departs from the recommendation of the ARCGC, it shall make its reasons known and record them in the minutes.

As regards the term that Directors are to serve, Article 22 of the Company's Bylaws sets this at three years, providing for their possible re-election for successive three-year periods. However, solely for independent directors, the Director Selection Policy establishes criteria which are stricter than the criteria set out in law (maximum mandate of twelve years), meaning that directors who have spent three statutory terms in the position cannot be proposed for re-election. Their time on the board is therefore limited to nine years. An exception to this rule may be made by the Board at the proposal of the ARCGC, when the Company's circumstances, the composition of the Board or its committees, or the profile of the board member in question make it advisable.

Removal:

In accordance with Article 23 of the Regulations, Directors shall leave office when they are dismissed by the General Shareholders' Meeting or when they communicate their resignation to the Company.

Where the Board proposes the dismissal of an Independent Director in advance of the end of the period for which he/she was appointed, its proposal must be accompanied by clear justification and a prior report from the ARCGC.

C.1.17 Explain to what extent the annual evaluation of the Board has given rise to significant changes in its internal organisation and in the procedures applicable to its activities:

Description of amendment(s)

At a meeting held in March 2023, in view of the conclusions reached in the assessment report prepared by KPMG, the Board of Directors agreed to adopt a plan of action for 2024, in which the main areas of improvement were as follows: 1. To make a more detailed strategic reflection; 2. To include the monitoring of two important issues (FCAS and talent) as part of the Board's monthly agenda; 3. To distribute all the information relating to sessions, including an executive summary, sufficiently in advance (a minimum of five days); 4. To reduce the number of items of the agenda and prioritise key issues; 5. To organise debate during sessions; 6. To ensure greater formality in the reports made by the chairs of the committees; and 7. To maintain continuous training for directors with regard to the Company's business.

Describe the evaluation process and the areas evaluated by the Board of Directors with or without the help of an external advisor, regarding the functioning and composition of the Board and its committees and any other area or aspect that has been evaluated.

Description of the evaluation process and areas evaluated

In accordance with Article 13 of the Board of Directors Regulations, the Board will annually evaluate its own performance, the quality of its work, the effectiveness of its proceedings and the performance of its members and each of its committees, based on a report prepared by the Appointments, Remuneration and Corporate Governance Committee (ARCGC).

Each of these bodies will carry out its own assessment and prepare an operational report on its activities and actions over the course of the financial year. The Board will be informed of this report.

Unless there are exceptional circumstances, an assessment will be made by an external firm every three years. The ARCGC found that these circumstances had arisen during the 2022 financial year, since the composition of the Board of Directors and its Committees had been renewed, and it therefore decided once again to engage an external assessment from KPMG in order to make an evaluation of 2022, thus affording the process the maximum objectivity and independence.

The assessment involved the individual and anonymous completion of a questionnaire by each Director and a personal interview with each of them. KPMG confirmed that it was not affected by any conflict of interest in providing the services relating to this process and, in view of the recommendations made in the report that it prepared, the ARCGC submitted the results of the assessment to the Board, together with a plan of action.

The areas assessed in this financial year were the Board's priorities, its composition and responsibilities, its information, debates and agenda; the operations, structure and composition of the Board's Committees; and key persons.

C.1.18 Provide details, for years in which the evaluation was carried out with the help of an external advisor, of the business relationships that the external advisor or company in its group maintains with the company or any company in its group.

As already mentioned, the assessment made in March 2023 of the Board's performance during the 2022 financial year was carried out with external advice from KPMG, which confirmed that it was not affected by any conflicts of interest when providing the services relating to this process. The most important areas in which it has provided its services to the Group are as follows: a) Due Diligence and valuation services and b) consultancy services.

C.1.19 Indicate the cases in which directors are obliged to resign.

Article 23 of the Board of Directors' Regulations regulates the dismissal of Directors. Specifically, section 2 states that Directors will inform the Board and offer to resign whenever:

- Any of the legally defined circumstances of incompatibility, prohibition or forced resignation arise.
- They seriously violate their duties as Directors or commit acts or omissions contrary to the responsibility and care with which they must perform their duties.
- They cannot maintain the dedication necessary for their effective performance.
- The shareholder which the Proprietary Director represents sells his or her equity interest in full or decreases it to a level requiring a reduction in the number of Proprietary Directors appointed on his or her behalf.
- In the case of Independent Directors, when conditions or circumstances change calling into question the independent status of the Director.

f) In the case of Executive Directors, upon termination for any reason of the management position associated with their appointment as Director.

Subsequently, section 3 states that, in all cases the director must inform the Company and resign if appropriate, when he or she is affected by a situation, whether or not related to his or her duties at the Company, that may harm the credit and reputation of the Company. In particular, he or she must inform the Board of any criminal case in which he or she is a suspect and of any proceedings in the case.

Having been informed or learned otherwise of the occurrence of any of the situations referred to in the preceding paragraph, the Board shall examine the case as soon as possible and decide, in light of its specific circumstances, after a report of the ARCGC, whether or not to take any action (opening an internal investigation, requesting the director's resignation, proposing his or her dismissal or taking any other action it deems appropriate).

The Board of Directors shall give a detailed report in the Annual Report on Corporate Governance, unless there are special circumstances which justify not doing so, which will be recorded in the minutes.

Subsequently, section 4 states that, in the event that, where it is required, the Director does not submit his or her resignation in the cases described in the previous paragraphs, the Board shall submit a proposal for dismissal to the Meeting.

Finally, section 5 states that, when a Director's mandate is ended, either due to his or her resignation or by agreement of the General Shareholders' Meeting, he or she shall deliver a letter to the other members of the Board giving a sufficient explanation of the reason for his or her resignation or, in the case of Non-Executive Directors, their opinion on the reasons for their dismissal by the Shareholders Meeting. These explanations shall be contained in the Annual Corporate Governance Report and, to the extent relevant to investors, the Company shall publish such as soon as possible, including sufficient reference to the reasons or circumstances provided by the Board.

C.1.20 Are qualified majorities other than those established by law required for any particular kind of decision?:

Yes No

If so, describe the differences.

Description of differences

C.1.21 Explain whether there are any specific requirements, other than those relating to directors, for being appointed as chairman of the Board of Directors.

Yes No

Description of requirements

C.1.22 Indicate whether the articles of incorporation or Board regulations establish any limit as to the age of directors:

Yes No

	Age Limit
Chairman	
Managing director	
Board Member	

Observations

C.1.23 Indicate whether the articles of incorporation or Board regulations establish any term limits for independent directors other than those required by law or any other additional requirements that are stricter than those provided by law:

Yes No

Additional requirements and/or maximum number of years of office	<p>Indra's Director Selection Policy establishes criteria for the renewal of independent directors which are stricter than the criteria set out in law (which allows them to remain in post for twelve years), meaning that independent directors who have spent three statutory terms in the position cannot be proposed for re-election by the General Shareholders' Meeting. Their time on the board is therefore limited to nine years.</p> <p>As indicated in the Indra Director Selection Policy, an exception to this rule may be made by the Board at the proposal of the Appointments, Remuneration and Corporate Governance Committee when the company's circumstances, the composition of the Board or its committees or the profile of the member make it advisable.</p>
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C.1.24 Indicate whether the articles of incorporation or Board regulations establish specific rules for appointing other directors as proxy to vote in Board meetings, if so the procedure for doing so and, in particular, the maximum number of proxies that a director may hold, as well as whether any limit has been established regarding the categories of director to whom votes may be delegated beyond the limits imposed by law. If so, briefly describe these rules.

In addition to the provisions set out in law, Article 14.2 of the Board of Directors Regulations establishes that in the event that a Director is unable to attend a meeting, he or she will endeavour to grant a proxy with voting instructions. Non-Executive Directors may only deliver a proxy to another Non-Executive Director. Proxies may be granted for each meeting by e-mail or by letter or any other valid means of recorded delivery.

C.1.25 Indicate the number of meetings held by the Board of Directors during the year. Also indicate, if applicable, the number of times the Board met without the chairman being present. Meetings where the chairman gave specific proxy instructions are to be counted as attended.

Number of board meetings	21
Number of board meetings held without the chairman's presence	0

Observations
Mr Murtra Millar was not present during discussion of the item on the agenda dealing with his annual appraisal.

Indicate the number of meetings held by the coordinating director with the other directors, where there was neither attendance nor representation of any executive director:

Number of meetings	0
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Observations
The resignation of former director Alberto Terol Esteban at the Ordinary General Shareholders' Meeting held on 23 June 2022 meant his resignation as lead independent director.
The director Virginia Arce Peralta was appointed to the position of deputy chair and lead independent director by agreement of the Board of Directors on 28 October 2022.
For more information on her appointment, see the Other Relevant Information notification dated 28 October 2022, registry number 18946.

Indicate the number of meetings held by each Board committee during the year:

Number of Auditing and Compliance Committee meetings	11
Number of Strategy Committee meetings	5
Number of Appointments, Remuneration and Corporate Governance Committee meetings	17
Number of Sustainability Committee meetings	5

Observations

C.1.26 Indicate the number of meetings held by the Board of Directors during the year with member attendance data:

Number of meetings at which at least 80% of the directors were present in person	21
Attendance in person as a % of total votes during the year	100%
Number of meetings with attendance in person or proxies given with specific instructions, by all directors	21
Votes cast in person and by proxies with specific instructions, as a % of total votes during the year	100%

Individual attendance of the Board of Directors meetings and its committees

	Board of Directors	Auditing and Compliance Committee	Appointments, Remuneration and Corporate Governance Committee	Sustainability Committee	Strategy Committee
Marc Thomas Murtra	21/21	0/0	0/0	0/0	5/5
Luis Abril Mazuelas ⁽ⁱ⁾	17/17	0/0	0/0	0/0	0/0
Belén Amatriain Corbi ⁽ⁱⁱ⁾	3/3	3/3	0/0	2/2	0/0
Jokin Aperribay Bedialauneta ⁽ⁱⁱⁱ⁾	12/12	0/0	2/2	0/0	2/2
Virginia Arce Peralta ^(iv)	3/3	3/3	0/0	2/2	0/0
Axel Arendt ^(v)	3/3	0/0	2/2	0/0	2/2
Coloma Armero Montes ^(vi)	3/3	3/3	2/2	0/0	0/0
Antonio Cuevas	21/21	0/0	17/17	2/2	3/3
Francisco Javier García Sanz ^(vii)	16/16	3/3	7/7	1/1	3/3
Ignacio Mataix	21/21	0/0	0/0	0/0	0/0
Juan Moscoso del Prado Hernández ^(viii)	3/3	0/0	0/0	2/2	0/0
Olga San Jacinto Martínez ^(ix)	3/3	0/0	0/0	2/2	2/2
Miguel Sebastián	21/21	11/11	0/0	3/3	2/2
Bernardo José Villazán Gil ^(x)	3/3	0/0	2/2	2/2	0/0
Cristina Ruiz Ortega ^(xi)	5/5	0/0	0/0	0/0	0/0
Alberto Terol Esteban ^(xii)	9/9	0/0	8/8	0/0	0/0
Carmen Aquerreta Ferraz ^(xiii)	9/9	5/5	0/0	0/0	2/2
Ana de Pro Gonzalo ^(xiv)	9/9	5/5	0/0	2/2	0/0
Enrique de Leyva Pérez ^(xv)	9/9	5/5	8/8	0/0	2/2

Silvia Iranzo Gutiérrez ^(xvi)	9/9	0/0	0/0	2/2	0/0
Isabel Torremocha Ferrezuelo ^(xvii)	9/9	5/5	8/8	0/0	0/0
Ignacio Martín San Vicente ^(xviii)	18/18	3/3	7/7	3/3	3/3
Average attendance	100%	100%	100%	100%	100%

Observations
(i) since April 2022
(ii) since November 2022
(iii) since June 2022
(iv) since November 2022
(iv) since November 2022
(iv) since November 2022
(vii) since May 2022
(viii) since November 2022
(ix) since November 2022
(x) since November 2022
(xi) until April 2022
(xii) until June 2022
(xiii) until June 2022
(xiv) until June 2022
(xv) until June 2022
(xvi) until June 2022
(xvii) until June 2022
(xviii) until October 2022

C.1.27 Indicate whether the individual and consolidated financial statements submitted to the Board for issue are certified in advance:

Yes No

Identify, if applicable, the person(s) who certified the individual and consolidated financial statements of the company for issue by the Board:

Name	Position
Borja García-Alarcón Altamirano	CFO
Antonio Mora Morando	Managing Director of Management Control

Observations

C.1.28 Explain the mechanisms, if any, established by the Board of Directors to ensure that the financial statements it presents to the General Shareholders' Meeting are prepared in accordance with accounting regulations.

Section 3 of Article 39 of the Board of Directors Regulations establishes that the Board will make every effort to submit the Company's Accounts to the General Shareholders' Meeting without reservations or qualifications in the audit report. Should any exist, the Board shall request external auditors, if required, to report clearly on them to shareholders at the General Shareholders' Meeting. The Chairman/Chairwoman of the Auditing and Compliance Committee shall inform shareholders at the General Shareholders' Meeting of the views of the committee as to the contents and scope of the qualified opinions or reservations and make a summary of such views available at the time of convening the General Shareholders' Meeting.

The Auditing and Compliance Committee also monitors the process for the preparation and auditing of the annual accounts from the initial planning stages, comprehensively and in detail, and to this end it holds meetings and talks with the external auditing firm and obtains, where applicable, specific reports from the firm in question on the main issues and developments and the way in which the auditing process is progressing. It also assesses the responses from the management team to any recommendations made by the external auditors, and mediates in the event of disagreements between the management team and the auditor with regard to the principles and criteria that apply when preparing the financial statements.

Prior to the Board's preparation of the accounts, the Auditing and Compliance Committee issues a report or recommendation to the Board in which one of the main factors considered is the emergence of issues that might, where applicable, result in reservations in the auditor's report, setting out the relevant recommendations for the avoidance of such reservations.

C.1.29 Is the secretary of the Board also a director?

Yes No

If the secretary is not a director, complete the following table:

Name or company name of the secretary	Representative
Ana María Sala Andrés	

Observations
<p>At a meeting held on 24 November 2022, the Board of Directors accepted the resignation tendered at the meeting itself by Guillermo Guerra Martín from his positions as Secretary and non-board member and legal advisor to the Board, and following a favourable report from the Appointments, Remuneration and Corporate Governance Committee it agreed to appoint Ana María Sala Andrés in his place.</p> <p>For more information, see the Other Relevant Information notification dated 24 November 2022, registry number 19315.</p>

C.1.30 Indicate the specific mechanisms established by the company to safeguard the independence of the external auditors, and any mechanisms to safeguard the independence of financial analysts, investment banks and rating agencies, including how legal provisions have been implemented in practice.

Exercising the powers afforded to it under the Bylaws and the Board of Directors Regulations, the Auditing and

Compliance Committee makes a qualitative and quantitative analysis of the important issues and options to be considered in relation to the work of the external auditor.

The Auditing and Compliance Committee and the Board of Directors pay particular attention to ensuring that the external auditor acts entirely independently, and to this end they specifically check both the regular rotation of the partner responsible and the teams engaged to carry out the audit, and the relative importance of the fees that the auditor receives for work other than the auditing of the accounts. To this end, the Auditing and Compliance Committee ensure that the payment of the external auditor for its work and any payments arising from business relations in which the auditor and the Company collaborate do not compromise its quality or independence. This analysis is included, as required under the legislation in force, in the annual report on the auditors' independence, which is made available to the shareholders when the General Shareholders' Meeting is convened.

The external auditors send the Committee written confirmation of their independence each year in the form of a letter signed by the partner responsible for the account of Indra Sistemas, S.A. and its consolidated group. This declaration of independence implies that, during the course of the financial year, the Company's accounts auditor has not become subject to any of the grounds for disqualification set out in the Spanish Accounts Auditing Act that would prevent it from performing its duties with the required independence.

As regards relations with financial analysts and investment banks, the Company frequently engages in presentations and conference calls on its results and other kinds of events with these institutions in which it provides information on the Group's most important economic and financial figures and the evolution of the business, ensuring equal treatment in all its dealings.

All presentations to analysts are first submitted to the CNMV, so that they can be made known to the markets via its website. These presentations are also immediately published on the Company's own website.

The main purpose of the Investor Relations Department, which is a division of the Company's Economic and Financing Department, is to serve as a channel for communicating with financial professionals and institutional investors and attending to their enquiries, ensuring application of the principle of equal treatment.

For more information on these issues, the Policy for communicating with shareholders, institutional investors, proxy advisors and other stakeholders can be consulted on the Company's website, along with the criteria for reporting financial data, non-financial data and corporate information. An update to this Policy was approved by the Board in December 2020, to bring it into line with Recommendation 4 of the CGGLC.

C.1.31 Indicate whether the company changed its external auditor during the year. If so, identify the incoming and outgoing auditors:

Yes No

Outgoing auditor	Incoming auditor

Observations

If there were any disagreements with the outgoing auditor, explain their content:

Yes No

Explanation of disagreements

C.1.32 Indicate whether the audit firm performs any non-audit work for the company and/or its group and, if so, state the amount of fees it received for such work and express this amount as a percentage of the total fees invoiced to the company and/or its group for audit work:

Yes No

	Company	Group companies	Total
Amount invoiced for non-audit services (thousands of euros)	167	17	184
Amount invoiced for non-audit work/Amount for audit work (in %)	24	1	9

Observations

The cost of auditing work includes the fees paid for the various accounts audits carried out by the Group and the limited reviews conducted on the half-yearly consolidated financial statements

C.1.33 Indicate whether the auditors' report on the financial statements for the preceding year contains a qualified opinion or reservations. If so, indicate the reasons given to shareholders at the general meeting by the chairman of the audit committee to explain the content and extent of the qualified opinion or reservations.

Yes No

Explanation of the reasons and direct link to the document made available to the shareholders at the time that the general meeting was called in relation to this matter

C.1.34 Indicate the number of consecutive years for which the current audit firm has been auditing the company's individual and/or consolidated financial statements. Also, indicate the number of years audited by the current audit firm as a percentage of the total number of years in which the financial statements have been audited:

	Individual	Consolidated
Number of consecutive years	7	7

	Individual	Consolidated
Number of years audited by the current audit firm/number of years in which the company has been audited (in %)	21.87%	21.87%

Observations

C.1.35 Indicate whether there is a procedure for directors to be sure of having the information necessary to prepare the meetings of the governing bodies with sufficient time; provide details if applicable

Yes No

Details of the procedure
<p>Article 13 of the Board of Directors Regulations expressly requires the Board at the beginning of each financial year to establish a calendar of dates and matters for discussion at the regular meetings which it plans to hold and the items that it intends to discuss. The Article also establishes that the notice convening each meeting will always include the agenda, along with all the information relevant to the matters to be discussed, and it will be sent out no later than three days before the date on which the meeting is to be held, except in cases of urgency or necessity. In accordance with Article 10 of the Board of Directors Regulations, the Chairman/Chairwoman shall ensure that Directors receive adequate information on matters to be discussed well in advance of Board meetings.</p> <p>Furthermore, in accordance with Article 25 of the Board of Directors Regulations, the Director shall enjoy the broadest powers to be informed about any aspect of the Company, to examine books, records, documents and preliminaries of Company operations, to inspect all its facilities and communicate with the Company's senior executives.</p> <p>In addition, Article 28 of the aforementioned Regulations establishes that, in performing his or her duties, the Director has a duty to demand and receive from the Company the information appropriate and necessary to fulfil his or her obligations.</p>

C.1.36 Indicate whether the company has established rules obliging directors to inform the Board of any circumstances, whether or not related to their actions in the company itself, that might harm the company's standing and reputation, tendering their resignation where appropriate. If so, provide details:

Yes No

Explain the rules
<p>Article 23 of the Board of Directors Regulations provides that the Director must inform the Company and resign if appropriate, when he or she is affected by a situation, whether related to his or her duties at the Company or otherwise, that may harm the credit and reputation of the Company. In particular, he or she must inform the Board of any criminal case in which he or she is a suspect and of any proceedings in the case. Furthermore, having been informed or learned otherwise of the occurrence of any of the situations referred to, the Board shall examine the case as soon as possible and decide, in light of its specific circumstances, after a report of the Appointments, Remuneration and Corporate Governance Committee, whether or not to take any action (opening an internal investigation, requesting the Director's resignation, proposing his or her dismissal or taking any other action it deems</p>

appropriate).

C.1.37 Indicate whether, apart from such special circumstances as may have arisen and been duly minuted, the Board of Directors has been notified or has otherwise become aware of any situation affecting a director, whether or not related to his or her actions in the company itself, that might harm the company's standing and reputation:

Yes No

Director's name	Nature of the situation	Observations

Indicate whether the Board of Directors has examined the case. If so, explain with reasons whether, given the specific circumstances, it has adopted any measure, such as opening an internal enquiry, requesting the director's resignation or proposing his or her dismissal.

Indicate also whether the Board decision was backed up by a report from the nomination committee.

Yes No

Decision / action taken	Reasoned explanation

C.1.38 Detail any material agreements entered into by the company that come into force, are modified or are terminated in the event of a change in control of the company following a public takeover bid, and their effects.

As detailed in section A.14, the Company currently has outstanding convertible bonds that are quoted on the unregulated market (multilateral trading platform) known as the Freiverkehr, at the Frankfurt Stock Exchange.

The "Terms and Conditions" document relating to the issue of these bonds allows for the early maturity of the bonds at the bondholders' request in the event of a change of control. In the event of a change of control other than an IPO, bonds will be amortised at their principal value plus the interest accrued up to their amortisation date. In the event of an IPO, bondholders may opt for amortisation in the higher of the following amounts: the principal value plus interest accrued up to the amortisation date, or the repurchase value (equivalent value of the IPO transferred to the bond) plus interest accrued up to the amortisation date.

C.1.39 Identify individually as regards directors, and in aggregate form in other cases, and provide details of any agreements between the company and its directors, executives or employees containing indemnity or golden parachute clauses in the event of resignation or dismissal without due cause or termination of employment as a result of a takeover bid or any other type of transaction.

Number of beneficiaries	11
Type of beneficiary	Description of the agreement
Executive directors	<p>The contract of CEO Mr Mataix stipulates that in the event of the termination of the contractual relationship for reasons that cannot be attributed to him (unilateral voluntary termination by the Company or a significant modification of their duties or service provisions conditions), he is entitled to receive compensation equivalent to one year of his total target remuneration.</p> <p>The contract of executive director Mr Abril stipulates that in the event of the termination of the contractual relationship for reasons that cannot be attributed to him (unilateral voluntary termination by the Company or a significant modification of their duties or service provisions conditions), he is entitled to receive compensation equivalent to 60% of his total target remuneration.</p>
Senior Executives	The contracts of three other senior executives include a temporary indemnity right for an amount equivalent to between one and two years of their total annualised remuneration, which is extinguished either after a transitional period following their joining the parent company, or when the compensation legally due to them exceeds the guaranteed minimum amount.
Management	The contracts of six of the Company's managers include specific compensation clauses which provide for compensation in the event that their employment contracts are terminated for reasons not due to their own breach or voluntary resignation, and this compensation is higher than the amount that they would be entitled to in law. They are similar in nature and result from conditions negotiated when they joined the Company or conditions that had previously been agreed with other companies that have become part of Indra.

Indicate whether, beyond the cases established by legislation, these agreements have to be communicated and/or authorised by the governing bodies of the company or its group. If so, specify the procedures, the cases concerned and the nature of the bodies responsible for their approval or communication:

	Board of Directors	General Shareholders' Meeting
Body authorising the clauses	X	X

	YES	NO
Are these clauses notified to the General Shareholders' Meeting?	X	

Observations

C.2 Committees of the Board of Directors

C.2.1 Provide details of all committees of the Board of Directors, their members, and the proportion of executive, proprietary, independent and other external directors forming them:

Auditing and Compliance Committee

Name	Position	Category
Virginia Arce Peralta	Chairwoman	Independent
Belén Amatriain Corbi	Member	Independent
Coloma Armero Montes	Member	Independent
Juan Moscoso del Prado Hernández	Member	Proprietary
Miguel Sebastián Gascón	Member	Proprietary

% of proprietary directors	40.00%
% of independent directors	60.00%
% of other external directors	0%

Observations

Explain the functions assigned to this committee, including where applicable those that are additional to those prescribed by law, and describe the rules and procedures for its organisation and functioning. For each of these functions, briefly describe its most important actions during the year and how it has exercised in practice each of the functions assigned to it by law, in the articles of incorporation or in other corporate resolutions.

The Audit and Compliance Committee consists of five members, all of whom are non-executive directors (Article 18 of the Board of Directors Regulations states that it shall consist exclusively of non-executive directors, with a minimum of three and a maximum of six). Of these five members, three are Independent Directors.

The Chairman/Chairwoman must be an Independent Director, who shall be replaced at least every four years, without prejudice to his or her continuing as a member of the Committee, and may be re-elected after a period of one year has elapsed since stepping down from the post. In the absence of its chairman/chairwoman, meetings shall be chaired by the independent director appointed by the Committee.

Taken as a whole, Committee membership, and in particular selection of its Chairman/Chairwoman, shall be predicated on the members' knowledge and experience in accounting, auditing, internal control and risk management, both financial and non-financial.

The Board shall be validly constituted when at least half plus one of its members are present or represented. Resolutions are adopted by an absolute majority of votes of the directors attending the meeting.

In addition to the duties assigned to it by law, the Committee shall have the duties set out in section 6 of Article 18 of the Board of Directors Regulations, namely:

1. Respect for internal control and monitoring systems:

a) monitoring and evaluating the preparation and reporting of the Company's financial and non-financial information and its systems for the monitoring and management of financial and non-financial risk of the Company and its Group (including operational, technological, legal, social, environmental, political and reputational risk and risk relating to corruption), checking compliance with the requirements set out in law, the accurate demarcation of the consolidation scope, and the correct application of accounting principles, and submitting the relevant report to the Board where applicable.

b) overseeing the composition, powers and performance of the internal auditing, risk monitoring and management and compliance departments, and to that end: i) ensuring their independence; ii) proposing the election, appointment, payment and dismissal of the people respectively in charge of those areas; iii) approving their budgets and the direction of the annual working plan and overseeing their implementation; iv) receiving regular information on their activities and, in particular, any potential incidents or restrictions on the scope set out in the development of the annual working plan; and v) checking that senior management takes account of the conclusions and recommendations contained in their reports.

As regards the internal auditing area, the Committee will ensure that its activity is mainly focused on relevant risks, including reputational risk.

c) establishing and overseeing the operation of a means by which employees and other Company stakeholders, such as directors, shareholders, suppliers, contractors and subcontractors, to report, confidentially and (where applicable) anonymously, any potentially significant irregularities relating to the Company or its Group, including financial and accounting irregularities, and that respects the rights of the complainant and the accused.

d) ensuring that established internal control policies and systems are implemented effectively.

2. With regard to the external auditor:

a) ensuring that the accounts presented to the General Shareholders' Meeting by the Board of Directors have been prepared in accordance with the accounting regulations and that the auditors' report does not contain any limitations or provisos.

b) in the event of the external auditor's resignation, examining the circumstances that motivated it.

c) ensuring that the remuneration of the external auditor for its work and any payments arising from business relationships with the Company do not compromise its quality or the auditor's independence.

d) ensuring that the Company notifies any change of auditor to the CNMV using legally established channels, accompanied by a statement detailing any potential disagreements arising with the outgoing auditor and, where applicable, the reasons for these disagreements.

e) ensuring that the external auditor holds an annual yearly meeting with the full Board of Directors to inform it of the work undertaken and developments in the Company's risk and accounting positions.

f) ensuring that the Company and the external auditor comply with applicable rules on the provision of non-auditing services, limits on the concentration of the auditor's business and, in general, any other requirements concerning auditor independence, as well as authorising the procurement of those services.

3. Other functions:

a) reporting to the Board on economic conditions and their accounting impact and, in particular, the exchange ratio proposed for any corporate restructuring activities that the Company intends to perform.

b) taking decisions regarding internal compliance and competence programmes and procedures approved by the Board, monitoring compliance with the Company's internal policies and codes of conduct, ensuring that the Company's corporate culture is aligned with its purpose and values and proposing amendments.

c) overseeing compliance with the internal codes of conduct, including (as applicable) the Internal Code of Conduct on Matters Relating to the Stock Markets and application of the policy for communicating with shareholders, institutional investors and proxy advisors, along with the procedures for maintaining relations with other stakeholders. Overseeing any financial, non-financial and corporate reporting policy that may form part of these relations and proposing amendments.

d) reporting on any related-party transactions that must be approved by the General Shareholders' Meeting or the Board of Directors and supervising the internal procedure established by the Company for transactions for which approval has been delegated.

The Performance Report for the 2022 financial year, which will be published when the General Shareholders' Meeting is convened, contains an account of the Committee's activities during the said year.

Identify the directors who are members of the audit committee and have been appointed taking into account their knowledge and experience in accounting or audit matters, or both, and state the date on which the Chairperson of this committee was appointed.

Name of board members with experience	Virginia Arce
	Belén Amatriain

	Coloma Armero
	Juan Moscoso del Prado
	Miguel Sebastián
Appointment date of Chairman	28 October 2022

Observations
Their appointment takes account of their experience in the management of financial and non-financial risk.

Appointments, Remuneration and Corporate Governance Committee

Name	Position	Category
Coloma Armero Montes	Chairwoman	Independent
Jokin Aperribay Bedialauneta	Member	Proprietary
Axel Arendt	Member	Independent
Antonio Cuevas Delgado	Member	Proprietary
Bernardo José Villazán Gil	Member	Independent

% of proprietary directors	40.00%
% of independent directors	60.00%
% of other external directors	0%

Observations

Explain the functions assigned to this committee, including where applicable those that are additional to those prescribed by law, and describe the rules and procedures for its organisation and functioning. For each of these functions, briefly describe its most important actions during the year and how it has exercised in practice each of the functions assigned to it by law, in the articles of incorporation or in other corporate resolutions.

The Appointments, Remuneration and Corporate Governance Committee (ARCGC) consists of five members, all of whom are non-executive directors (Article 19 of the Board of Directors Regulations states that this Committee shall consist exclusively of non-executive directors, with a minimum of three and a maximum of six). Of the five members of this Committee three are independent directors.

The Committee's Chair must be an Independent Director. In the absence of its Chairman/Chairwoman, meetings shall be chaired by the Independent Director appointed by the Committee. The Committee shall consult with the Chairman/Chairwoman of the Board and, in the event that this is not an executive position, the Company's chief executive, especially where matters relating to executive directors and senior executives are concerned and, where

applicable, invite them to Committee meetings.

The Board shall be validly constituted when at least half plus one of its members are present or represented. Resolutions are adopted by an absolute majority of votes of the directors attending the meeting.

In addition to the duties assigned to it by law, section 5 of Article 19 of the Board of Directors Regulations establishes that the ARCGC will have the following powers:

- a) Report on the selection policy for Directors approved by the Board and verify compliance annually.
- b) Annually review compliance with the requirements of the category under which each Director was appointed, which will be noted in the Annual Corporate Governance Report.
- c) Determine the skills and know-how required by the Board and regularly check that these are duly exhibited by its members.
- d) Define the profile and skills required for the appointment or re-election of board members prior to beginning the selection process and ensure that the process does not involve any form of discrimination but favours the recruitment of the highest quality professionals. Follow the guidelines in order to ensure compliance with the targets for representation of the gender that is less represented on the Board.
- e) Verify the content of the Annual Corporate Governance Report and incorporate the Audit and Compliance Committee report relative to the sections of that report that are within its purview.
- f) Ensure that Non-Executive Directors have sufficient time available to perform their duties effectively.
- g) Create the reports to be issued by the Board in carrying out the annual evaluation of its performance and the annual evaluation of the Chairman/Chairwoman of the Board.
- h) Design, organise and regularly update continuing education and onboarding programmes for new Directors.
- i) Propose to the Board of Directors the Remuneration Policy for Directors.
- j) Periodically review the remuneration policy for directors and senior managers, including share-based remuneration systems and their application, and ensuring that their individual remuneration is proportionate to the amounts paid to other directors and senior managers in the company, is in line with the Company's strategy and long-term value creation.
- k) Monitoring compliance with the remuneration policy set by the company.
- l) Propose to the Board of Directors contractual terms for senior managers.
- m) Present a succession plan for the Chairman/Chairwoman of the Board, Executive Directors and the senior managers to be approved by the Board.
- n) Verify the data regarding remuneration of Directors and senior managers contained in corporate documents and, specifically, in the Annual Report on Directors' Remuneration.
- o) Periodically analyse Company policies, internal rules, procedures and practices in the area of corporate governance when supervision does not interfere with another committee, as well as their consonance with national and international standards, recommendations and best practices in these areas, and propose modifications.
- p) Report to the Board, prior to its approval, on the rest of the information made public by the Company related to matters within its purview.
- q) Ensure that conflicts of interest do not adversely affect the independence of advice provided to the committee by outside advisors and/or the Board of Directors.
- r) Periodically review Company policies and procedures on recruitment, retention, development and remuneration of professional talent as an essential asset of the Company.
- s) Consult with the Chairman/Chairwoman of the Board and, in the event that this is not an executive position, the Company's chief executive, especially where matters relating to executive directors and senior officers are concerned and, where applicable, invite them to committee meetings.

The Performance Report for the 2022 financial year, which will be published when the General Shareholders' Meeting is convened, contains an account of the Committee's activities during the said year.

Sustainability Committee

Name	Position	Category
Belén Amatriain Corbi	Chairwoman	Independent
Virginia Arce Peralta	Member	Independent
Antonio Cuevas Delgado	Member	Proprietary

Olga San Jacinto Martínez	Member	Independent
Juan Moscoso del Prado Hernández	Member	Proprietary
Bernardo José Villazán Gil	Member	Independent

% of proprietary directors	33.33%
% of independent directors	66.67%
% of other external directors	0%

Observations

Explain the functions assigned to this committee, including where applicable those that are additional to those prescribed by law, and describe the rules and procedures for its organisation and functioning. For each of these functions, briefly describe its most important actions during the year and how it has exercised in practice each of the functions assigned to it by law, in the articles of incorporation or in other corporate resolutions.

The Sustainability Committee consists of six members, all of whom are non-executive directors (Article 19 bis of the Board of Directors Regulations states that it shall consist exclusively of non-executive directors, with a minimum of three and a maximum of six). Of the six members of this Committee, four are independent directors.

The Committee's Chair must be an Independent Director. In the absence of its Chairman/Chairwoman, meetings shall be chaired by the Independent Director appointed by the Committee.

The Board shall be validly constituted when at least half plus one of its members are present or represented. Resolutions are adopted by an absolute majority of votes of the directors attending the meeting.

Pursuant to the contents of section 5 of Article 19 *bis* of the Board of Directors Regulations, the Sustainability Committee will have the following powers:

a) guide, monitor and evaluate the degree of compliance with policies, good practices and specific action plans in the area of sustainability, particularly regarding corporate social responsibility, the environment, diversity, and integration, and ensure that they conform to the strategy and Master Plan approved by the Board of Directors.

b) determine the general principles and criteria that should inform the contents of the Sustainability Report (non-financial information statement) in accordance with applicable law and international best practices in this area, and propose its contents to the Auditing and Compliance Committee.

c) periodically review the Company's sustainability performance, as well as its position in existing indexes and metrics, taking particular account at all times of those aspects that are increasingly valued by the various stakeholders, and proposing measures for the Company to respond to them.

d) report to the Auditing and Compliance Committee on non-financial risks related to matters within its purview.

e) supervise the management of intangible assets such as reputation, brand image, intellectual property and transparency, and propose improvement measures.

f) any other sustainability issues delegated to it by the Board.

The Performance Report for the 2022 financial year, which will be published when the General Shareholders' Meeting is convened, contains an account of the Committee's activities relating to sustainability during the said year.

Strategy Committee

Name	Position	Category
Marc Thomas Murtra	Chairman	Other external
Jokin Aperribay Bedialauneta	Member	Proprietary
Axel Arendt	Member	Independent
Francisco Javier García Sanz	Member	Independent
Olga San Jacinto Martínez	Member	Independent
Miguel Sebastián Gascón	Member	Proprietary

% of proprietary directors	33.33%
% of independent directors	50.00%
% of other external directors	16.66%

Observations

Explain the functions assigned to this committee, including where applicable those that are additional to those prescribed by law, and describe the rules and procedures for its organisation and functioning. For each of these functions, briefly describe its most important actions during the year and how it has exercised in practice each of the functions assigned to it by law, in the articles of incorporation or in other corporate resolutions.

The Strategy Committee consists of six members, all of whom are non-executive directors (Article 19 of the Board of Directors Regulations states that this Committee shall consist exclusively of non-executive directors, with a minimum of three and a maximum of six). Of the six members of this Committee, three are independent directors.

This Committee is chaired by the Chairman of the Board of Directors. In the absence of the chairman/chairwoman, the meeting shall be chaired by the Independent Director appointed for that purpose by the Committee.

The Committee will act in a consultative and advisory capacity and will be responsible for the following:

- a) Analysing the proposals made by the executive directors to the Board regarding the strategy (business, financial or other kinds of strategy) of the Company and its group.
- b) Monitoring the strategic plan, submitting proposals or recommendations to the Board in this regard.
- c) Keeping updated on international, local and industry markets in which the Company and its group operate.

C.2.2 Complete the following table with information regarding the number of female directors who were members of Board committees at the close of the past four years:

	Number of female directors							
	2022		2021		2020		2019	
	Number	%	Number	%	Number	%	Number	%
Auditing and Compliance Committee	3	75	3	60	3	50	2	33.33
Appointments, Remuneration and Corporate Governance Committee	1	25	1	25	1	20	1	20
Sustainability Committee	3	50	2	50	2	50	1	20
Strategy Committee	1	16.66	1	20	-	-	-	-

Observations

C.2.3 Indicate, where applicable, the existence of any regulations governing Board committees, where these regulations are to be found, and any amendments made to them during the year. Also indicate whether any annual reports on the activities of each committee have been voluntarily prepared.

The composition, organisation and powers of the Board's committees are governed by the Board of Directors Regulations, which are available for consultation at any time on the websites of both the Company (www.indracompany.com) and the CNMV.

The committees prepare an annual performance report in which they record their activities and the actions they have taken during the year, as required under the Board of Directors Regulations. These reports are submitted to the Board, so that it may in turn make an annual assessment of its own performance, the quality of its work and the work carried out by its Committees.

Following the recommendations of the CNMV in this regard, as it has done since 2003, when convening the Ordinary General Shareholders' Meeting to be held on 23 June 2022, the Company published the Performance Reports of the Auditing and Compliance Committee for 2021, the Appointments, Remuneration and Corporate Governance Committee for 2021 and the Sustainability Committee for 2021.

D. Related party and intragroup transactions

D.1 Explain, where appropriate, the procedure and competent bodies relating to the approval of transactions with related and intragroup parties, indicating the criteria and general internal rules of the entity that regulate the abstention obligations of the affected director or shareholders. Detail the internal information and periodic control procedures established by the company in relation to those related-party transactions whose approval has been delegated by the board of directors.

Article 35 of the Indra Board of Directors Regulations states as follows:

1. The Board is responsible for understanding and approving any direct or indirect transaction made between the Company and any related party as defined by applicable law prior to its execution. Transactions shall be evaluated from the point of view of equal treatment and market conditions and in accordance with provisions set out in law. The Board's power to approve related party transactions may not be delegated except in the cases provided for in the legislation in force from time to time.
2. Notwithstanding the contents of the foregoing paragraph, authorisation must be given by the General Shareholders' Meeting when the transaction reaches a value of 10% or more of the total assets shown in the most recently approved annual consolidated balance sheet, or the value set out in the legislation in force from time to time.
3. Approval of a related party transaction by the General Shareholders' Meeting or the Board must be subject to a prior report by the Auditing and Compliance Committee, the contents of which shall adhere to the provisions of the legislation in force from time to time. Affected board members may not take part in the drafting of the said report.
4. Board members must provide information on any parties that are related to them, pursuant to the way this term is defined in law, so that the Company may identify any potential related party transactions.
5. As a general rule, board members who are affected by related party transactions or who represent or are linked to any affected shareholders must abstain from participating in the debate and vote on the relevant resolution, unless their abstention is not required in law.

When these relate to transactions with shareholders that are subject to a decision by the General Shareholders' Meeting, the affected Shareholder shall be deprived of its voting rights, except in cases in which the proposed resolution has been approved by the Board of Directors and a majority of the independent directors have not voted against it, pursuant to the regulations set out in the legislation in force from time to time.

6. Related party transactions shall be valued in accordance with the regulations for calculating their value set out in the legislation in force from time to time.

The Board of Directors adapted its Regulations in July 2021 to bring them into line with the amendments made in this connection to the SCA (new Chapter VII *bis* in Title XIV) under Act 5 of 12 April 2021, amendments which came into force in the same month.

Indra has not identified any transactions that meet the requirements necessary to allow their approval to be delegated (Article 529 *duovicies* 4 of the SCA), and it has not therefore established an internal procedure for reporting on and monitoring transactions approved by delegation.

D.2 Give individual details of operations that are significant due to their amount or of importance due to their subject matter carried out between the company or its subsidiaries and shareholders holding 10% or more of the voting rights or who are represented on the board of directors of the company, indicating which has been the competent body for its approval and if any affected shareholder or director has abstained. In the event that the board of directors has responsibility, indicate if the proposed resolution has been approved by the board without a vote against the majority of the independents:

Name or company name of the shareholder or any of its subsidiaries	Name or company name of the company or entity within its group	Nature of the relationship	Type of operation and other information required for its evaluation	Amount (thousands of euros)	Approving body	Identity of the significant shareholder or director who has abstained	The proposal to the board, if applicable, has been approved by the board without a vote against the majority of independents
No data							

Observations

D.3 Give individual details of the operations that are significant due to their amount or relevant due to their subject matter carried out by the company or its subsidiaries with the administrators or managers of the company, including those operations carried out with entities that the administrator or manager controls or controls jointly, indicating the competent body for its approval and if any affected shareholder or director has abstained. In the event that the board of directors has responsibility, indicate if the proposed resolution has been approved by the board without a vote against the majority of the independents:

Name or company name of the administrators or managers or their controlled or jointly controlled entities	Name or company name of the company or entity within its group	Relationship	Nature of the operation and other information necessary for its evaluation	Amount (thousands of euros)	Approving body	Identity of the shareholder or director who has abstained	The proposal to the board, if applicable, has been approved by the board without a vote against the majority of independents
No data							

Observations

D.4 Report individually on intra-group transactions that are significant due to their amount or relevant due to their subject matter that have been undertaken by the company with its parent company or with other entities belonging to the parent's group, including subsidiaries of the listed company, except where no other related party of the listed company has interests in these subsidiaries or that they are fully owned, directly or indirectly, by the listed company.

In any case, report any intragroup transaction conducted with entities established in countries or territories considered as tax havens:

Company name of the entity within the group	Brief description of the operation and other information necessary for its evaluation	Amount (thousands of euros)
No data		

Observations

D.5 Give individual details of the operations that are significant due to their amount or relevant due to their subject matter carried out by the company or its subsidiaries with other related parties pursuant to the international accounting standards adopted by the EU, which have not been reported in previous sections.

Company name of the related party	Brief description of the operation and other information necessary for its evaluation	Amount (thousands of euros)
No data		

Observations

D.6 Give details of the mechanisms in place to detect, determine and resolve potential conflicts of interest between the company and/or its group and its directors, senior management, significant shareholders or other associated parties.

Under the terms of Article 31 of the Board of Directors Regulations, the directors shall adopt the necessary measures to prevent situations in which their personal interests could come into conflict, either directly or indirectly, with the corporate interest and their duties to the Company.

In particular, the duty to avoid conflicts of interest obliges Directors to refrain from:

- a) Carrying out transactions with the Company except in the case of non-material, routine transactions made under standard conditions for customers, understood to mean those transactions which need not be accounted for in order to express a fair picture of the assets, financial situation, and results of the entity in accordance with the provisions of these Regulations.
- b) Using the name of the Company or referring to their status as director to unduly influence the conduct of personal transactions.
- c) Making use of Company assets, including the Company's confidential information, for private purposes.
- d) Taking advantage of the Company's business opportunities.
- e) Obtaining advantage or remuneration from third parties other than the Company and its group for performance of their duties, unless these are offered out of mere courtesy.

The provisions set out above shall also apply where the beneficiary of the prohibited acts or activities is a person linked to the director.

Persons linked to the Director shall be those considered as such under applicable law.

Directors shall communicate to the Board any direct or indirect conflict of interest that they or any person linked to them may have with the Company.

They shall also communicate: (i) positions held on other boards of directors to which they belong, whether or not they are listed companies, as well as any other remunerated activities performed regardless of their nature; and (ii) Company shares and share options which they own, either directly or indirectly.

Waiver of the obligations detailed above, when appropriate, shall require approval of the Board of Directors or at a General Shareholders' Meeting in accordance with applicable law and the internal operating rules of the Company.

In cases of conflict of interest, the Board of Directors shall require the adoption of measures which, in its view, are necessary to preserve the Company interest after a report from the Appointments, Remuneration and Corporate Governance Committee.

The Company shall make public instances of conflict of interest involving directors in the terms required by applicable law.

D.7 Indicate whether the company is controlled by another entity in the meaning of Article 42 of the Commercial Code, whether listed or not, and whether it has, directly or through any of its subsidiaries, business relationships with said entity or any of its subsidiaries (other than the listed company) or carries out activities related to those of any of them.

Yes No

Indicate whether the respective areas of activity and any business relationships between the listed company or its subsidiaries and the parent company or its subsidiaries have been defined publicly and precisely:

Yes No

Report covering the respective areas of activity and any business relationships between the listed company or its subsidiaries and the parent company or its subsidiaries, and identify where these aspects have been publicly reported

Identify the mechanisms in place to resolve potential conflicts of interest between the parent of the listed company and the other group companies:

Mechanisms for resolving possible conflicts of interest

E. Risk management and control systems

E.1 Explain the scope of the company's financial and non-financial risk management and control system, including tax risk.

Indra's Risk Control and Management System is a process promoted by the Board of Directors and Senior Management, the responsibility for which falls upon each and every member of the Company. The purpose of this System is to provide a reasonable level of security in achieving the objectives established while offering value and sufficient guarantees to shareholders, other stakeholders and the market in general.

In order to ensure that this commitment is pursued, the Board of Directors, working through its Auditing and Compliance Committee, oversees the suitability of the system for the assessment and internal control of the relevant risk, including tax risk, establishing the following key performance principles within the framework of its Risk Control and Management System, adapted to the Group's own specific needs and requirements:

a) **Value protection:** Treating Risk Control and Management as a system for the creation and protection of the value generated for all relevant stakeholders, through the alignment of an acceptable level of risk with the capacity to manage both risk and opportunity.

b) **Integrity:** The Risk Control and Management System covers the entire Group, both at corporate level and at the level of the different business units, regardless of their geographical location, and it is incorporated into the strategic planning process, the definition of business targets and the day-to-day operations undertaken in order to achieve those targets.

c) **Standardisation:** The establishment of a common definition of risk, taking this to mean any potential event that could adversely affect the achievement of business targets.

d) **Independence:** The Group's Risk Control and Management System ensures the proper distribution of duties among the different areas affected, i.e. the departments that take on and manage risk and the areas responsible for coordination, control and supervision.

e) **Proactivity:** Encouraging proactive risk management, the design of which includes controls to assist its mitigation, along with the implementation of contingency plans and the establishment of coverage for risk wherever possible.

f) **Consistency:** Generally speaking, risk management must involve the application of criteria that are consistent in terms of the importance of the risk in question and the cost and means required to reduce it. Furthermore, the Control and Management of Risk must be consistent with the Group's other policies and its business model.

g) **Information:** Guaranteeing the existence of mechanisms that ensure that the proper reports reach the bodies entrusted with controlling risk (Senior Management, the Risk Coordination Unit, the Auditing and Compliance Committee and the Board of Directors).

h) **Continuous Improvement:** Improvements in risk management are sought throughout the organisation (offices,

operational units and divisions), in order to improve the efficiency and utility of business risk management at all levels, based on best practice, the business context, appetite for risk, learning and operational experience.

These principles are described, along with the Risk Control and Management System, in the Risk Control and Management Policy approved by the Board of Directors following a report by the Auditing and Compliance Committee. This Policy is regularly reviewed and was last updated in March 2022.

Policy is directed towards achieving a balanced risk profile in terms of risk vs opportunity, and this has led to the definition of the tolerance framework described in section E.4.

With regard to the management of tax risk, the Group applies a Tax Policy that is intended to ensure compliance with the legislation governing tax matters in all the different countries and territories in which it engages in its business operations.

The Risk Management and Control Policy is complemented by policies and procedures centred on the Group's main processes. The procedures are also reviewed and regularly updated to ensure compliance with the legislation in force and the best risk management practices.

Indra's Global Risks Unit applies procedures that include a detailed description of the processes used by the Company to identify and manage risk, and a Risk Management Manual has been prepared.

The Group's Risk Control and Management System is based on the management of risk by business unit, process, geographical location and corporate area, and it forms an integral part of all decision-making processes.

The methodology on which the Risk Control and Management System is based involves identifying, assessing, responding to, monitoring and reporting risk, including tax risk, thus allowing any risk to which the Group may be exposed to be managed in a reasonable way.

The Committee has unanimously agreed to submit a report to the Board of Directors favouring approval of the updating of the Risk Map, notwithstanding the fact that Indra's Global Risk Map is dynamic in nature and therefore open to adjustment to the operation of the Company's activities at all times. The Auditing and Compliance Committee reviews the updating of the Risk Map and reports to the Board of Directors on its approval.

The Group's principal risk owners report regularly to the Auditing and Compliance Committee on risk levels and the mitigation measures implemented. Twice a year, the Global Risk Unit informs the Auditing and Compliance Committee on the status of the monitoring of the main risks.

The Auditing and Compliance Committee approves the Global Risk Unit's annual plan each year. This plan establishes the activities to be carried out during the course of the financial year on the basis of three cornerstones:

1. The Risk Management and Control Framework
2. The Risk Management and Control System
3. Information and communication

Indra's Risk Management and Control System renewed the external certification under the ISO 31000 standard in May 2022.

E.2 Identify the bodies within the company responsible for preparing and executing the financial and non-financial risk management and control system, including tax risk.

In accordance with Article 5 of the Group's Board of Directors Regulations, the Board may not delegate those responsibilities which are reserved for its direct authority in accordance with applicable law. Nor may the Board delegate any other powers necessary for the responsible exercise of its general supervisory and control duties. The Board's non-delegable duties include approving the Risk Control and Management Policy and supervising all internal information and control systems.

In order to perform these duties, the Board has created an Auditing and Compliance Committee which is responsible for overseeing the efficacy of the Financial and Non-Financial Risk Control and Management System, and in the case of non-financial risk it is assisted by the Sustainability Committee, which informs the Auditing and Compliance Committee about any non-financial risk relating to matters falling within its competence via the annual report from the Sustainability Director. The Committee reports occasionally to the Board of Directors regarding the conclusions reached in the reviews it has carried out, submitting any proposals or recommendations it deems necessary.

For its part, the Group's Senior Management and management team encourage a culture of risk management at all levels and define duties and responsibilities within the framework of the Risk Control and Management System, including tax risk. They also oversee the action and working plans that result from the Risk Management process. More specifically, their duties with regard to the Risk Control and Management System are as follows:

- Providing sufficient resources for engagement in Risk Management activities and defining the duties and responsibilities that apply within the framework of the said System.
- Validating the Risk Control and Management Policy
- Validating proposals relating to risk appetite and following up any breaches of the tolerance thresholds established
- Support with the preparation of the Global Risk Map and the response plans designed for its risk mitigation and monitoring

- Approving the specific risk management criteria

The Risk Coordination Unit (RCU) has the following duties with regard to the Risk Control and Management System:

- Supporting the correct operation of the Risk Control and Management System, ensuring that risk is properly identified, assessed, quantified and followed up
- Helping to define risk appetite and following up any risk that exceeds the established tolerance levels.
- Helping to define the risk monitoring criteria
- Validating the Global Risk Map and the status of the mitigation measures.

The Global Risk Unit has the following duties with regard to the Risk Control and Management System:

- Ensuring that the Risk Control and Management System operates properly, providing valid tools for the assessment, prioritisation and management of risk. Creating awareness of the importance of the Risk Control and Management System, encouraging the creation of a risk management culture at all levels
- Monitoring and proposing updates for the risk management criteria and the Risk Control and Management Policy
- Advising on the establishment of risk appetite and tolerance levels.
- Ensuring that breaches of the tolerance thresholds are reported and managed.
- Preparing the Global Risk Map. Monitoring the establishment and effectiveness of the response measures defined in relation to the principal risks.

Risk owners have the following duties:

- Monitoring the risk for which they are responsible, in accordance with the methodology and tools defined in the Risk Control and Management System
- Participating in the design of procedures and Risk Control and Management Policies
- Proposing risk appetite, thresholds and corrective actions in the event of breaches of tolerance levels, and reporting these to the Senior Management.
- Assessing the risk for which they are responsible during the process for the preparation of the Global Risk Map and implementing risk response measures

Finally, for its part, Internal Auditing provides comfort on the design and effectiveness of the internal control system and offers the Group recommendations that help to reduce the potential impact of risk to reasonable levels when it may hinder the achievement of objectives.

During the 2022 financial year, the Auditing and Compliance Committee oversaw the process for the preparation and monitoring of the Global Risk Map, the update of which was submitted to the Committee and approved by the Board of Directors.

The Group uses supporting and automation tools that assist in the process of continuously identifying and assessing risk. The Auditing and Compliance Committee is informed about any improvements made to these tools, and it reviews the process for the selection, design and implementation of risk indicators.

E.3 Indicate the main financial and non-financial risks, including tax risks, as well as those deriving from corruption (with the scope of these risks as set out in Royal Decree Law 18/2017), to the extent that these are significant and may affect the achievement of business objectives.

The non-financial risks associated with the Company's activities in relation to environmental, social and governance issues are included under the category of strategic, compliance and operational risk.

Compliance Risk

This is risk that is associated with a breach of the law, the regulations in general or the Code of Ethics and Legal Compliance that applies to the Group in all the markets in which it operates, mainly with regard to the prevention of criminal activity and the legal obligations that result from the Group's activities.

Attention is also paid to aspects associated with the protection of the environment when engaging in the Company's activities.

Tax risk

Resulting from the failure to comply with the tax obligations that apply in all the territories and jurisdictions in which the Group engages in its business activities.

The Group also manages the risks associated with regulatory changes, ordinary operations, operations engaged in outside the normal course of its business (corporate restructuring, investment in or the opening of new businesses, among other areas), and those that result from national risk.

The Group always pursues a prudent tax policy, in accordance with the principles of transparency, mutual trust, good faith and loyalty, as defined and set out in the Group's Fiscal Policy.

Strategic Risk

This risk arises from the Group's strategic position in the environment in which it engages in its business, and it relates to the difficulty of meeting the objectives set out in the Strategic Plan.

The Group concentrates its efforts on monitoring the profitability of the businesses that it operates and on investing in new technologies that will allow it to improve its portfolio of products, adapt, move forwards, and pursue its strategic business objectives. The Group develops its business strategies on the basis of general criteria of prudence, within a framework that allows it to assess the risk involved in international socio-economic situations.

Financial Risk

This results from alterations in the financial and assets and services markets that may affect the cost of the Company's business activities, including risk relating to exchange rates, liquidity and interest rates, in addition to the credit risk associated with a counterparty that may result in an economic or financial loss for the Group.

The Group's international presence means that the risk from changes to exchange rates in non-euro markets becomes one of the market risks that may possibly have an adverse impact on the Group's results.

Interest rate risk arises from exposure to movements in the yield curves of short-, medium- and long-term bank financing and capital markets. An increase in the associated reference rates would have a negative impact on profitability. The Group envisages the possibility of arranging financial instruments to manage these risks, if the situation permits.

The credit lines and loans that the Group maintains with several financial institutions allow it to cover the liquidity risk that arises when it is not possible to raise cash in an opportune way.

Exposure to credit risk could also occur when a customer is unable to meet its obligations. The Group's commercial relations are mainly conducted with large corporate groups, governments and public and public-private entities that are less exposed to default risk.

The risk associated with the presentation of the Company's financial information is also managed. For more information, see section F.

Operational Risk

This arises from potential threats associated with products and services, both from the point of view of preparing bids and negotiating contracts, and from their execution and delivery, all of which may result in a significant loss of profitability and cash flow. Such situations could affect the Group's reputation and commercial solvency in the sectors and regions in which the Group operates.

The Group also manages other operational risk associated with human resources, projects and services, productivity and support processes.

For further information, see the Group's Annual Accounts (section 8 of the Management Report "Main business risks", and section 9, "Global and geopolitical impacts and uncertainties")

E.4 Indicate whether the entity has risk tolerance levels, including for tax risk.

The Group's Risk Control and Management Policy is aimed at achieving a moderate risk profile through its suitable management. The framework for tolerance is established on the basis of directives, standards and procedures which ensure that the management environment keeps risk within acceptable levels. In this regard, the Group does not attempt to eliminate all risk but rather to take on a prudent level of risk that will allow it to generate value in a recurring and sustainable way, optimising its opportunities while maintaining risk at an acceptable level.

At a global level, the risk tolerance framework is outlined in the methodology for the overall assessment of risk. This methodology contemplates the use of semi-quantitative scales for determining the different levels of risk, in terms of likelihood and impact on revenue/contracting, cash/EBITDA, strategy and reputation. The Risk Control and Management Policy also provides details of the risk criteria that define tolerance by risk category.

At a specific level, the criteria for managing risk define tolerance through the use of specific indicators and thresholds.

Company tax policy establishes limits on tax risk through the use of principles for taking action and good tax practices. In this regard, its principles for taking action are directed towards preventing risk and fiscal inefficiencies, paying all the taxes that are payable under the legal regulations that apply. A tax risk map is regularly drawn up in order to assess any risk of this nature.

Any risk that goes beyond the established levels of tolerance must be subject to action in order to bring it back within the desired levels, to the extent that the risk can be managed and the cost of the measures taken to mitigate it is justified by the effect that the materialisation of the risk in question might have for the Group.

E.5 Indicate which risks, including tax risks, have materialised during the year.

During the course of the financial year the Company has seen the emergence of risk inherent in the Group's business activities, the market environment and the economic situation, along with risk of a tax-related nature.

For further information, see the details set out in the Group's Annual Accounts (mainly in notes 2, 24, 36, 37 and 41 of the Consolidated Annual Accounts), the Sustainability Report (particularly section 10, "Management of financial and non-financial risk"), and the Management Report of the Consolidated Annual Accounts (specifically section 8, "Main business risks", and section 9, "Global and geopolitical impacts and uncertainties").

E.6 Explain the response and oversight plans for the company's main risks, including tax risks, as well as the procedures followed by the company in order to ensure that the Board of Directors responds to any new challenges that arise

The Group actively manages the main risks identified, including tax risk, and it establishes response measures for the purposes of maintaining risk within the levels of tolerance established by the Management. These response measures are defined by the people responsible for risk, and the Global Risk Unit is responsible for monitoring them, as well as for reporting on their implementation and effectiveness. When faced with a specific risk, the Group may apply one of the following response strategies:

Accept: The probability and impact of the risk in question is accepted on the basis of a cost/benefit analysis of the impact of the risk and the action taken to manage it. For example: low impact risks that are diversified.

Transfer: Transfer the effect of a potential loss to third parties. For example: through an insurance policy, outsourcing, contractual clauses.

Avoid: Eliminate the potential risk event, or do not engage in activities that could trigger the risk. For example: do not operate in certain countries.

Mitigate: Implementation of controls to reduce the impact or probability of risk, or both. For example: general and specific policies and procedures, regulations, manuals, internal and external audits.

With regard to the procedures followed by the Company in order to ensure a response to any new challenges that may arise, a Global Risk Map is submitted annually to the Board of Directors. This provides a graphic representation of the most important global risks faced by the Group. An analysis of Reputational risk and sustainability risks is also submitted. The process for the preparation of the Risk Map includes a preliminary stage involving a review of the Catalogue of Risks, along with an analysis of the potential risks that may emerge internally or externally and affect the Group. These risks are subsequently assessed by the management, and each of the principal risks in the Risk Map is matched to the mitigation plans that have been defined by the risk owners and established as a response measure.

The most important non-financial risks have also been identified and analysed, along with the way in which they relate to the expectations of the Company's stakeholders, and indicators have been established for each risk in order to allow their management to be monitored. The Global Risk Map report is submitted to the Risk Coordination Unit and the Senior Management for validation, and it is then submitted to the Auditing and Compliance Committee and the Board of Directors as a tool to support the exercise of their responsibilities with regard to the management and control of risk.

The Global Risk Unit monitors the implementation of the established mitigation plans with each risk owner, as a measure for responding to each of the principal risks identified. The implementation of these plans is monitored using a series of mechanisms, one of which involves a set of implementation control indicators.

The Group also carries out the regular monitoring of risk through its Risk Coordination Unit (RCU).

Risk owners regularly report on the status of their mitigation plans to the Auditing and Compliance Committee.

In addition, with the aim of creating awareness with regard to specific risk for each group of people within the Company, training activities are provided for the different units that have responsibility for risk management.

This entire process is backed up by tools that facilitate the automation of and support for the risk management process. The Group uses the Governance Risk and Compliance Risk Management tool (SAP GRC RM) and the RMS tool (Risk Monitoring System) to monitor certain risks.

F. Internal risk management and control systems relating to the process of publishing financial information (ICFR)

Describe the mechanisms forming your company's Internal Control over Financial Reporting (ICFR) system.

F.1 The entity's control environment

Report on at least the following, describing their principal features:

F.1.1 The bodies and/or departments that are responsible for: (i) the existence and maintenance of an adequate and effective ICFR system; (ii) its implementation; and (iii) its supervision.

Among other responsibilities, Indra's Board of Directors has the non-delegable power to establish risk control and management policy, including tax policy, as well as to oversee internal reporting and control systems, determine the Group's tax strategy, define corporate structure, and approve the financial information which, as a listed corporation, the Company must publish on a regular basis.

Article 18 of the Board of Directors Regulations allocates, among others, the following powers to the Auditing and Compliance Committee (ACC) with regard to information systems and internal controls:

- a) Monitoring and evaluating the preparation and reporting of the Company's financial and non-financial information and its systems for the monitoring and management of financial and non-financial risk (including operational, technological, legal, social, environmental, political and reputational risk and risk relating to corruption), checking compliance with the requirements set out in law, the accurate demarcation of the scope of consolidation, and the correct application of accounting principles, and submitting the relevant report to the Board where applicable.
- b) Overseeing the composition, powers and performance of the internal auditing, risk monitoring and management and compliance departments, and to that end: i) ensuring their independence; ii) proposing the election, appointment, payment and dismissal of the people respectively in charge of those areas; iii) approving their budgets and the direction of the annual working plan and overseeing their implementation; iv) receiving regular information on their activities and, in particular, any potential incidents or restrictions on the scope set out in the development of the annual working plan; and v) checking that Senior Management takes account of the conclusions and recommendations contained in their reports.

As regards the internal auditing area, the Committee will ensure that its activity is mainly focused on relevant risks, including reputational risk.

- c) Establishing and overseeing the operation of a means by which employees and other Company stakeholders, such as directors, shareholders, suppliers, contractors and subcontractors, to report, confidentially and (where applicable) anonymously, any potentially significant irregularities relating to the Company or its Group, including financial and accounting irregularities, and that respects the rights of the complainant and the accused.
- d) Ensuring that the internal monitoring policies and systems established are effectively applied.

In the area of risk management, the Committee will verify that appropriate mechanisms are in place to monitor financial and non-financial risks, with ultimate responsibility for the existence and maintenance of adequate ICFR lying with the Board of Directors, which supervises this through the ACC. For its part, the ACC is assisted in its supervisory duties by the Internal Auditing Department, which is responsible for reviewing the correct implementation of the ICFR, assessing their design and effectiveness and reporting any weaknesses detected.

The Economic and Financing Department and the Management Control Department is responsible for implementing and maintaining the controls relating to the Financial Information Internal Control System.

All matters relating to internal control over financial reporting are governed by the System Manual for Internal Control Over Financial Reporting (ICFR). The purpose of this Manual is to establish the responsibilities and mechanisms required to implement an adequate and effective system of internal controls that will ensure the reliability of financial reporting.

F.1.2 Indicate whether the following exist, especially in relation to the drawing up of financial information:

- Departments and/or mechanisms in charge of: (i) the design and review of the organisational structure; (ii) clear definition of lines of responsibility and authority with an appropriate distribution of tasks and functions; and (iii) ensuring that adequate procedures exist for their proper dissemination throughout the entity.

As part of its general supervision and control duties, the Board of Directors ensures that the executive bodies and the management team, to whom it delegates the Company's day-to-day management, act in accordance with the approved strategies and established objectives. Day-to-day management requires the design and review of an organisational structure and the definition of lines of responsibility and authority by the CEO and the Steering Committee. The organisational structure and its modification at Senior Management level is approved by the Board of Directors.

The various organisational units that participate in the preparation of the financial information are responsible for the design, implementation, review and updating of an adequate organisational structure, working from the templates established by the Corporate Organisation and Control Department, which forms part of the Corporate Services and Media Department.

The Organisational Chart is published on the Intranet and can be accessed by all the Group's employees.

- Code of conduct, the body approving this, degree of dissemination and instruction, principles and values covered (stating whether there is specific mention of record keeping and preparation of financial information), body charged with analysing breaches and proposing corrective actions and sanctions.

The Group has had a Code of Ethics and Legal Compliance (the Code of Ethics) since 2009, and its most recent update was approved by the Board of Directors in December 2020 and forwarded to all the employees around the globe. The Code of Ethics is published on the Group's internal and external websites in the Group's three official languages.

The Code of Ethics contains the Standards of Behaviour for the "Management of economic and financial information", which establish the following: "Indra's economic and financial information, particularly its Annual Accounts, will give a true picture of its economic, financial and asset situation, in accordance with generally accepted accounting principles and international financial reporting standards, as applicable. To this end, no Employee or Collaborator will conceal or distort the information contained in Indra's accounting records and reports, which will be complete, precise and truthful". The principles that inform all accounting and management activity are accuracy, integrity and transparency, in full compliance with the regulations in force. A lack of integrity in communicating this information will also contravene Indra's Code of Ethics and economic and financial regulations.

The Code of Ethics forms the key policy in the Criminal Risk Prevention Model (the Model), which is described in: i) the Manual for the Prevention of Criminal Risk in Spain, the most recent version of which was approved by the Board of Directors in July 2019; and ii) the Manual for the Prevention of Criminal Risk at international subsidiaries, the most recent version of which was approved in November 2021 by the boards of directors of the subsidiaries and representatives of the international branches. These new versions are available on the internal website in the Company's three official languages.

The Compliance Unit (CU) is the body which, by delegation from the ACC, coordinates and executes the decisions and tasks related to the Model. In this way, and in coordination with the relevant divisions, the CU develops the internal policies and controls required for the prevention, detection and mitigation of criminal risk, along with any other ethical risk that could affect the Group.

As regards any breaches, the CU, acting in accordance with the principles of impartiality, confidentiality and independence, is the body responsible for: i) analysing and processing of any complaints or perceived risk situations; and ii) issuing a proposed resolution, where applicable, that includes the corrective actions and disciplinary measures that it believes should be adopted, pursuant to the CU's own Action Protocol, which was approved by the ACC at a meeting held in July 2019 and updated most recently in December 2020.

In addition, the Sustainability Report contains a section headed "Ethics and Compliance" which provides greater detail about the scope of the actions carried out in relation to the Model in 2022.

- Whistleblower channel allowing notifications to the audit committee of irregularities of a financial and accounting nature, in addition to potential breaches of the code of conduct and unlawful activities undertaken in the organisation, indicating whether this channel is confidential and whether anonymous notifications can be made, protecting the rights of the whistleblower and the person reported.

There is a whistle-blowing channel (Direct Channel), which enables irregularities of a financial and accounting nature to be reported to the ACC and the CU, along with other breaches of the Code of Ethics and any irregular activities within the organisation. This channel is confidential. These communications may also be made anonymously. In any case the rights of both the person making the complaint and the person to whom the complaint refers are respected.

In 2022, the Direct Channel received 470 messages, none of which were related to financial reporting.

All of the messages were correctly dealt with by the Compliance Unit. In relation to the complaints made, measures have been taken where necessary, disciplinary or otherwise, in accordance with the CU's Action Protocol which, as indicated in the preceding section, was approved by the ACC at its meeting of July 2019 and updated most recently in December 2020.

In addition, the Sustainability Report contains a section headed "Ethics and Compliance" which provides greater detail about the communications received via the Direct Channel.

- Training and periodic refresher programmes for personnel involved in the preparation and revision of financial information, as well as in the assessment of the ICFR system,

covering at least accounting standards, auditing, internal control and risk management.

The CU provides compulsory training sessions on the prevention of criminal risk to all of the Group's professional personnel, including everyone who is involved in the preparation and revision of the financial information. It also provides training on assessment of the ICFR, in order to promote a robust culture of compliance.

Indra is constantly working to raise awareness of the Criminal Risk Prevention Model and its key policy *par excellence*, the Code of Ethics, among all of its professional staff, via both face-to-face and online training sessions.

The Human Resources Department works together with the Economic and Financing Department to develop regular training activities, both internal and external, directed at staff who are engaged in the preparation of the Group's Financial Statements. Training programmes are mainly focused on ensuring the proper awareness and updating of the International Financial reporting Standards (IFRS) and the legislation and other regulations relating to the Internal Control of Financial Reporting.

Of note during 2022 are:

- Updating accounting and tax affairs for the close of the financial year
- Developing a tool to monitor payments at companies without systems, for deployment during the 2023 financial year (a project which began in 2020)
- Developing a tool and methodology to monitor transfer pricing (in development)
- Preparation of training for project managers on tasks affecting financial reporting.
- Questions and answers on the travel expenses policy.

During 2022, Internal Auditing offered individual training on the ICFR System to companies at which the model has been newly implemented. Specific training was also offered to individuals newly responsible for exercising control over ICFR and the self-assessment process.

During 2022, the Administration Department continued to reinforce training in the Latin America and ASMEAF territories with regard to the monitoring and integration of Temporary Consortia (UTEs) and the creation of a tool in the Company's corporate analytical systems in order to monitor them, accounting of hedging instruments and calculation of transfer prices through the data in the systems.

Global Risks has provided risk training to the Economic and Financial and Internal Auditing areas.

The Internal Auditing Department keeps itself updated with regard to new developments in the areas of Risk Management and Internal Control, especially as regards financial information. Specific training activities were carried out in relation to the following subjects over the course of the financial year:

- Non-financial information (ESG)
- Risk
- An introduction to internal auditing
- COSO Internal Control
- COSO ERM
- Accounting
- Tax
- Project management
- Ethics and Competition
- Information security
- Privacy
- Data analysis

For more information on the number of hours devoted to training at the Group, see the relevant section in the Non-Financial Information Statement.

Lastly, during 2022, a new refresher session on cybersecurity was given to the members of the ACC, which was passed on to the other members of the Board of Directors.

F.2 Assessment of risks in financial reporting

Report on at least the following:

F.2.1 The main characteristics of the risk identification process, including risks of error and fraud, as regards:

- Whether the process exists and is documented.

The general aim of the risk assessment procedure is to establish and maintain a process that is effective in identifying, analysing and managing the relevant risks, including those affecting the preparation of the Financial Statements.

The identification of risk and its assessment is a continuous process for the Group. The risk management process is carried out at the following levels:

- The Board of Directors establishes risk control and management policy, including tax policy, and it oversees the internal reporting and control systems with assistance from the ACC.

- The Global Risk Department regularly reviews the corporate risk model.
- The functional heads of each area and other professional personnel manage and oversee the risk management process within their area of responsibility.

For each process and sub-process identified as significant in relation to the preparation of financial information, a matrix is prepared with the aim of identifying and describing any critical risks:

- The risk involved in each process must be specifically described, and it will then be classified with reference to the Group's Risk Inventory, which is regularly updated and evaluated.
- The identification of risk must take account of all the risks that have an impact on the process for the preparation of financial information.
- Finally, it concludes with the identification of the financial reporting objectives associated with each category/process/sub-process and each critical risk (existence and occurrence; integrity; evaluation; presentation, breakdown and comparability, and rights and obligations).

- Whether the process covers all the objectives of financial reporting, (existence and occurrence; completeness; valuation; presentation; disclosure and comparability; and rights and obligations), whether it is updated and if so how often.

With the aim of ensuring the reliability of the financial information, the process for identifying risks and controls always takes account of the accounting errors that may arise in relation to the following financial reporting objectives:

- Existence and occurrence: the transactions, facts and other events represented by the financial information effectively exist and have been recorded at the appropriate time.
- Integrity: the information reflects all of the transactions, facts and other events in which the organisation is an affected party.
- Valuation: the transactions, facts and other events are recorded and valued in accordance with applicable legislation.
- Presentation, breakdown and comparability: the transactions, facts and other events are classified, presented and revealed in the financial reporting in accordance with applicable legislation.
- Rights and obligations: the financial reporting reflects the rights and obligations as at the corresponding date, via the corresponding assets and liabilities, in accordance with applicable legislation.

In addition, for each control activity, the model gives details of the following information:

- The process and sub-process within which the control activity is defined
- The risks mitigated by the control, including risk of fraud
- The person responsible for the control activity
- The frequency of the control activity
- The importance of the control activity (key or standard)
- The procedure and/or application in which it can be found
- Whether it is an automatic and/or manual control activity
- Whether it is a preventive control or one aimed at detection
- The territory to which it applies
- The event that triggered the control activity

The Internal Control over Financial Reporting (ICFR) System therefore takes the form of a risk and control model. Detailed information on the model is continually updated.

- The existence of a process for identifying the scope of consolidation, taking into account, among other factors, the possible existence of complex corporate structures or special purpose vehicles.

The Group keeps a company register which is continually updated and which lists all of the Group's shareholdings, regardless of their nature, both direct and indirect, along with the names of any organisation in which the Group has the ability to exercise control, regardless of the legal form in which said control is obtained, and which therefore includes both vehicle companies and special purpose entities.

This register is managed and updated in accordance with the procedure regulated under the Corporate Standard for the "Consolidation and Preparation of Financial Information".

The Group's consolidation perimeter is defined each month by the Group's Administration Department, based on the information shown in the company register and in accordance with the criteria set out in the International Financial Reporting Standards.

In addition, knowledge of this structure has been enhanced over the course of this year among the Indra divisions involved in this process, with importance placed not only on Companies within the consolidation scope, but also on all other types of structure (principally Branches and Permanent Establishments).

- Whether the process takes into account the effects of other types of risk (operational, technological, financial, legal, tax, reputational, environmental, etc.) to the extent that they affect the financial statements.

The process used to identify the risk of errors in the financial information takes account of the impact of various types of risk on that information. These are identified, evaluated and managed by the different corporate units.

Types of risk are classified in the following way:

Compliance Risk

This is risk that is associated with a breach of the law or the regulations in general in all the markets in which the Group operates, mainly with regard to the prevention of criminal activity and fraud, and the legal obligations that result from the Group's activities. Among these, the types of risk that affect the Financial Statements are:

- Tax
- Criminal liability
- Integrity
- Corporate governance

Financial Risk

This results from alterations in the financial and/or assets and services markets that may affect the cost of the Company's business activities, including areas relating to the management of exchange rates, liquidity and interest rates, in addition to the credit risk associated with the possibility that a counterparty may fail to comply with its contractual obligations, thus causing an economic or financial loss for the Group. Among these, the types of risk that affect the Financial Statements are:

- Accounting and the presentation of the financial information
- Credit
- Foreign exchange fluctuations
- Interest rate fluctuations
- Changes in the price of materials, services and labour

Operational Risk

This arises from potential threats associated with products and services, which require a proactive response from the people responsible for the project when managing any potential effects, both from the point of view of preparing bids and negotiating contracts, and as regards their execution and delivery.

This also includes the technological risk associated with information systems. These risks relate to:

- Errors in support processes
- Project execution
- Supplier management
- Management of warehouses of own and third party materials
- Information security

This risk framework is associated with the controls in the ICFR model.

- The governing body within the company that supervises the process.

Supervision of the process for identifying risk relating to the financial information is carried out by the ACC within the remit of its powers to oversee the ICFR, with duties delegated to Internal Auditing.

F.3 Control activities

Report on whether the company has at least the following, describing their main characteristics:

- F.3.1 Review and authorisation procedures for financial information and a description of the ICFR, to be disclosed to the securities markets, indicating those responsible, as well as documentation describing the flow of activity and controls (including those relating to the risk of fraud) of the various types of transactions which may materially affect the financial statements, including accounting closing procedures and the specific review of significant judgements, estimates, valuations and projections.

In order to implement the ICFR at Indra, a model has been created that defines roles and responsibilities in the process for the preparation and supervision of the financial information. The most important of these are as follows:

The Administration Department, which forms part of the Economic and Financing Department, works with the Management Control Department to analyse and oversee the information being prepared, before it is made public to third parties, through the preparation of management reports and the monitoring of indicators.

The Investor Relations Department and the Consolidation Department, which report to the Economic and Financing Department, carry out certain control activities that ensure the reliability of this information.

The Economic and Financing Managing Director, working with the CEO and the Managing Director of Control, submits the regular economic and financial information to the ACC and the Board of Directors, and this is published by the Group, pursuant to the regulations in force.

With a view to complying properly with its duty to oversee the financial information, the ACC requests regular analyses of specific issues, along with the details of individual financial transactions which, given their importance, require a greater level of analysis. It also informs the Board of Directors regarding its conclusions on the financial information submitted so that, once approved by the Board of Directors, it may be made public for the stock markets.

Following the closure of the half-yearly accounts and the end-of-year accounts, the External Auditors submit a report on the results of their work to the ACC.

Processes, activities and controls

The Group has an Internal Control Over Financial Reporting ("ICFR") Model based on COSO (Committee of Sponsoring Organisations of the Treadway Commission) methodology, in line with its 2013 version. The aims of this model are as follows:

- Ensuring operational efficacy and efficiency
- Ensuring the sufficiency and reliability of financial information
- Ensuring compliance with the applicable legislation and regulations

Implementation of this model is intended to offer reasonable certainty of achieving these aims in the Organisation.

The COSO Framework comprises a total of five components, along with seventeen principles that set out the fundamental concepts relating to each component.

In adapting to the COSO Framework, the Company has completed a process to ensure that each of the five components of the internal control system are present and that they operate correctly and are properly integrated within the Organisation.

No significant weaknesses were identified during this process, and it is therefore considered that the Company's ICFR model properly complies with COSO.

There is a direct relationship between the components, the principles, and the Group's structure. Therefore, when there is any significant change to the Group, a review of its impact on the model will be carried out.

The ICFR System is implemented in 62 group companies where the relevant financial reporting controls are documented in a matrix of financial risks and controls that includes the business processes that are relevant to the preparation of the Group's Financial Statements, its General Computer Controls (GCC) and its Entity Level Controls (ELC). This matrix can be broken down into the following cycles:

- Closure of the Accounts
- Procurement
- Consolidation and Reporting
- Finance
- Tax
- R&D&I
- Fixed assets
- Equity
- Personnel
- Provisions
- Cash
- Sales and projects
- GITC (General IT Controls)

The information contained in the financial risk and control matrix is documented in the SAP GRC Process Control tool, which is updated whenever there are changes in the internal financial information control model. This tool assists the persons responsible to make their assessment of the controls.

The Organisation uses the COSO Framework as a basis for assessing the probability of fraud, when evaluating the risk associated with the achievement of its objectives.

The Group has developed a control model (comprising the ICFR Model and the Criminal Risk Prevention Model) that mitigates the risk of fraud and is subject to a continuous review and improvement process. The Fraud Prevention Protocol forms part of this model. It was most recently updated in June 2021 and has been made available to all the Company's professional personnel via the internal website.

In addition, the Organisation has established preventive controls and measures aimed at detection in order to mitigate this risk. These controls are incorporated in the internal control tool and are self-assessed on a regular basis by the persons responsible for executing them.

The Group's ICFR System includes the following main elements:

- The so-called Entity Level Controls or Management Controls (ELC) are the cross-cutting components that guarantee the existence of an adequate level of internal control within the Group and that act as a mitigating control element in the event that they are required, with particular emphasis on the following components:
 - Control environment
 - Risk assessment
 - Control activities
 - Information and communication
 - Supervisory Activities

- The processes, in relation to which the Group has a Process/Sub-Process Map that is divided up into the following categories:
 - Strategic: Processes that are responsible for analysing the needs and conditions expressed by Indra's stakeholders and that the Company uses to develop its strategies and define its objectives.
 - Key: Processes that are particular to the Company's business activities and that have a direct impact on the provision of its services and the satisfaction of external customers.
 - Support: Processes that provide the services, resources and support required for the Key Processes to be carried out.
 - Appraisal, Assurance and Improvement: Processes that are necessary for controlling and improving the management system.

These four categories cover the processes and sub-processes that affect practically all the organisational units within the Group.

The Corporate Services and Media Department manages and reviews the Process Map.

Significant processes are identified on the basis of the existence of specific risks that are deemed significant with regard to their potential impact on the financial information and, in any case, risks relating to error or fraud. The risk and financial controls matrix includes the processes that have the greatest impact on the preparation of financial information.

The basic components of each of these processes are as follows:

- Control objectives: These are control requirements that must be satisfied at each stage in the business or process cycle, in accordance with the internal control definition. In this way, the Group seeks to verify and evaluate the veracity of both the accounting and off-balance sheet information and to determine whether all of the Group's financial information is being supplied to the users of this information with the required declarations of integrity, itemisation and comparability, presentation, existence and occurrence, rights and obligations and valuation.
- Risk: This refers to the possibility that an event or an action may affect the Organisation's ability to achieve its objectives with regard to its financial information and/or successfully implement its strategies.
- Control activities: These are the policies, procedures and practices applied by the Group's personnel, the systems by which they are applied and other established resources to ensure that the control objectives are achieved and the strategies for mitigating risk are implemented. Process control activities must be incorporated into process operations and serve as a means for the appropriate management of risk, focusing on the prevention, detection and mitigation of risk. In the specific case of Information Systems, control activities are known as General Computer Controls (GCC). Given their design, control activities can be preventive or used for detection; they can also be manual (carried out by people) or automatic (carried out by IT systems).

The controls relating to the various cycles considered in the model were updated during 2022 with the aim of bringing their design into line with the realities of their implementation.

The following activities were carried out in relation to the ICFR System over the course of 2022:

- Incorporation into the model of new controls related to the revenue recognition method, provisions, R&D&I projects (work on fixed assets), leases and equity.
- Updating of controls relating to sales cycles and provisions.
- Implementation of the model at the company Minsait ACS.

The ICFR control matrix defines a series of controls at process, entity and IT (general computer controls) level. These controls have been classified as either key or standard. The persons responsible for controls have also been appointed, both at a Corporate level and by company.

As part of the process for the evaluation of the internal control model using the SAP GRC corporate tool, a process has been implemented for the self-assessment of controls by the people executing those controls. The implementation of this process makes it possible to strengthen the system, monitoring the execution of controls and adapting a new Internal Control management model that is more dynamic and proactive.

As part of this process, and depending on the importance of each control and the intervals at which they are carried out (monthly, quarterly, half-yearly or annually), the people executing the controls take part in a self-assessment process. This self-assessment process consists of two phases:

- Self-assessment survey. This consists of the completion of a survey by the person responsible, relating to the way the control operates. As part of this survey they must confirm that the control has been correctly designed and has been effective over the period under review in relation to the geographical territories and companies for which the person in question is responsible. The person responsible can propose plans for corrective measures in the event that the control is not effective, or propose changes to its design. The results of these self-assessments are reviewed by the internal auditing unit over the course of the year and discussed at meetings for the monitoring of internal controls held with the heads of Administration and Control Management.
- Evidence of controls. Users attach evidence that controls have been carried out in SAP GRC.

The Process Control and General Computer Control activities ensure that, during the normal course of the Company's operations, the control objectives are met for all entries in the consolidated Financial Statements. The ICFR System does not include any controls in relation to the companies included in the consolidated annual accounts over which the Company does not exercise any direct or indirect control, since any strategic decisions on activities, both operational and financial, require the consent of the parties that share control. However, the ICFR System includes controls aimed at ensuring the consistency, validity and reliability of the financial information provided by the companies with joint control, so that it may be included in the consolidated financial statements.

IA Management carries out an annual audit of the ICFR, as described in section F.5.1. below.

Any control weaknesses detected in the ICFR are included in a specific plan of action for each weakness identified. IA Management monitors and controls these weaknesses and reports to the ACC in this regard until they have been definitively resolved.

The specific review of the relevant judgements, estimates, valuations and projections required to quantify any of the assets, liabilities, revenues, expenses and commitments recorded and/or itemised in the financial information is carried

out by the Economic and Financing Department, with assistance from the General Department involved. Any hypotheses or estimates based on business performance are reviewed and analysed together with Indra's General Markets Departments.

F.3.2 Internal IT control policies and procedures (access security, control of changes, system operation, operational continuity and segregation of duties, among others) which support significant processes within the company relating to the preparation and publication of financial information.

The Information Security Department, led by the Group's Chief Information Security Officer (CISO), is responsible for overseeing the security of information in general and the security of the IT processes in particular, ensuring their integrity, availability, authenticity, confidentiality and traceability.

Its duties include the definition, implementation and monitoring of the Information Security model put in place at the Group, based on internationally recognised standards such as ISO/IEC 27001, the aim of which is to protect the security of all the Group's assets, adopting the controls and procedures that are most effective and most consistent with its business strategy.

The Information Security Policy, which can be found at Indra's corporate website (<https://www.indracompany.com/es/indra/seguridad-informacion>) reflects the Company's strategy in this area, along with its supporting mechanisms and governance structure.

The Information Security Policy forms the principal basis for the Regulatory Framework for Information Security, which is published on the Company's Intranet and whose purpose is the management of information security and its strategic alignment with the Company's business objectives, ensuring the confidentiality, integrity and availability of the information processed and all of the assets involved in its processing. This regulatory framework applies mandatorily to all the Group's Markets and Divisions, as well as to all of the Group's companies, workplaces and subsidiaries, and any person who makes use of the Information Systems (employees, interns, externals, etc.) must be aware of and comply with it. It covers all stages in the lifecycle of the information (generation, distribution, storage, processing, transportation and destruction) and the systems in which it is processed. It therefore applies to all the Group's information and services and all the support servers, as well as to the environment and applications related to the Group's business processes, covering the relevant processes for the preparation and publication of financial information.

Information security is a basic requirement in all of the Organisation's processes, as reflected in Indra's strategic planning. Its inclusion is both a response to the way that risks and threats are currently evolving and an acknowledgement of the fact that security represents an added and differential value for the services that Indra offers its customers.

The Group's Information Security Strategy is based on five fundamental principles:

- **Organisation of information security:** Indra has defined a Global Security Governance Model, which ensures coordination between representatives of the Group's different country offices and business units and the proper coordination and organisation of information security. Facilitating the proper management of a responsibilities model that is aligned with the areas in which the group operates is key to the promotion of improvements that are essential against the background of a continuously evolving cybersecurity environment.
- **Regulatory framework for information security:** mandatory for all companies in the Group. It is structured according to the areas in which protection is required (information, applications, systems, networks and infrastructure) and according to responsibility profile (project/programme leaders, developers, systems administrators and users).
- **Awareness and training in information security:** this is one of the main cornerstones of information security. Awareness is achieved through activities carried out during all the phases of the working cycle, from the creation of awareness among people joining the Company through to the annual training plans, which include specific courses on information security at all levels and for all specialist profiles.
- **Technology and security controls:** information security is an integral solution that encompasses both the security controls intended to ensure physical security and the security of the environment and the controls directed towards electronic security. The continuous evolution of the technology that must be deployed in order to improve the protection of systems and devices drives the implementation of new services and applications that improve levels of protection and minimise the risks to which they are subject.
- **Auditing and monitoring of compliance:** as a mechanism for verification and control, this is carried out internally using continuous supervision and monitoring processes which remain permanently active, for the purposes of identifying potential security alerts or breaches. Taking a more preventive and enhanced management approach, Indra incorporates mechanisms for the management of risk in its entire business lifecycle from the commercial phase of its operations.

During 2022, the Company continued to work on its Information Security Transformation Plan that it had begun in 2020, the aim of which is to strengthen the Company's capacity in the area of security along 5 strategic lines:

- Improvements to the security of operations: The company's operations were divided up, and security management procedures adapted and developed accordingly based on the operations' level of criticality and the requirements of clients and external auditors.
- Improvements to information security governance: the Group has worked to improve information security management across its operations by refining both the internal measures used by all companies belonging to the group, as well as those used by the suppliers and third parties that process information on the Group's behalf.
- Improvements to the security measures applied to key company processes: Improvements to tools providing information on the exposure of the public perimeter and security controls in multicloud environments, and the removal of insecure protocols for connecting to corporate systems, etc.
- Improvements to technology and the management and service model: implementation of a zero trust security model, a device hardening system and a system for classified information based on the specifications made by Spain's National Cybersecurity Centre (CCN), and adapting of early detection tools for incidents and attacks to the MITRE¹ methodology.
- Mindset and responsible use: the Group has been working on increasing employee awareness and encouraging more responsible use by carrying out cyber exercises and simulations of phishing attacks. This has led to increased resilience, according to measurements performed by Spain's National Institute for Cybersecurity (INCIBE).

In line with its Information Security Policy, the Group has implemented an internal control model in the area of information technologies.

The control model for the systems that provide support for the preparation and publication of the financial information are based on COSO methodology and consist of a matrix of General IT Controls plus a series of policies and procedures that ensure the integrity, availability and authenticity of the information in question. This is achieved through the establishment of structured controls in the following areas:

- Security of access, which covers activities relating to the following:
 - The restriction and supervision of access to systems, thus preventing unauthorised access to or the modification of programmes that could affect the integrity, completeness and reliability of the financial information. The correct management of users, the allocation of profiles and the review of permits, with the aim of ensuring secure access to the accounting information.
 - Security at the facilities in which the systems are housed, ensuring that access to these facilities is restricted to authorised personnel.
- The acquisition and maintenance of and changes to systems, which covers activities relating to the following:
 - Changes to the information systems, which are authorised, tested and approved before entry into service.
 - The proper management of any changes to systems, in order to prevent unauthorised interruptions or modifications.
- Systems operations, which cover activities relating to the following:
 - The availability of information, ensuring that financial data are complete, valid and exact.
 - The proper management of incidents to allow for their rapid resolution and the minimisation of any impact.
 - The monitoring of operations, ensuring that they are carried out completely and within the agreed time. In the event of any incidents, these are resolved in a manner that allows work to be restarted and carried out correctly.

¹ MITRE ATT&CK is a knowledge base that models cyber adversaries' behaviour, reflecting the various phases in an attack lifecycle and the platforms known to be targeted.

F.3.3 Internal control policies and procedures for overseeing the management of activities subcontracted to third parties, as well as of those aspects of assessment, calculation or valuation entrusted to independent experts, which may materially affect financial statements.

The group has mechanisms to control and monitor its subcontracting activities, with a view to monitoring and minimising any risk to the group's business. These include an internal procedure for the engagement of external advisers which establishes a requirement for certain levels of approval, depending on the financial amount involved. The results of contracting processes in the areas of accounting, tax or law, or the reports on these processes, are overseen by the heads of the Economic and Financing Department and Procurement, and by the Legal Services Department or other departments, where deemed necessary.

As part of the process relating to the preparation of the financial information, the salary preparation process has been outsourced at some companies. In addition, the accounts of some group companies are kept by an external accounting firm. In these cases, the company in question identifies global suppliers with experience that are able to provide the service with the expected quality levels.

Outsourced services are subject to controls in relation to the following processes:

- Process 1: Engagement of the service
- Process 2: Provision and control of the service
- Process: 3. Continuity of the service
- Process: 4. Regulatory Compliance
- Process: 5. Governance

F.4 Information and communication

Report on whether the company has at least the following, describing their main characteristics:

F.4.1 A specifically assigned function for defining and updating accounting policies (accounting policy area or department) and resolving doubts or conflicts arising from their interpretation, maintaining a free flow of information to those responsible for operations in the organisation, as well as an up-to-date accounting policy manual distributed to the business units through which the company operates.

Sole responsibility for application of the Group's Accounting Policies across the entire geographical territory in which the Group operates is centralised in the Economic and Financing Department.

The Administration Department keeps all the people responsible for preparing the financial information at the Group's different units informed of any regulatory changes, clarifying any questions that may arise, while at the same time collecting the information from Group companies that is necessary to ensure the consistent application of the Group's Accounting Policies and to determine any impacts resulting from application of the new accounting standards.

The Group's accounting policies are drawn up on this basis of the International Financial Reporting Standards adopted by the European Union (IFRS-EU), and they are set out in a document entitled "Accounting Manual". This document is regularly analysed and updated by the Economic and Financing Department, and it is published on the Intranet.

F.4.2 Mechanisms for capturing and preparing financial information in standardised formats for application and use by all units of the entity or group, and support its main financial statements and notes, as well as disclosures concerning ICFR.

The Group has defined a formal process for the preparation of the financial information which includes both the closing of the accounts for each of the Companies in the Group and the process for the Company's consolidation. The fact that the most important companies in the Group use a common accounting platform (SAP) makes it possible to ensure greater control over the standardised closing processes, as well as allowing the Group to oversee and control access to the system by the different users, ensuring that there is no conflict between access authorisations, both at an internal level and during subsequent review by the external auditor. In addition, incorporated within the system are automatic, semi-automatic and manual controls that permit the Company to validate and ensure the consistency of the information being processed.

The existence of a single accounting plan for reporting purposes for all organisations within the Group, a specific closing calendar and subsequent reporting to the parent company, combined with the use of mandatory exchange rates for the purposes of converting closing balance sheets and income statements to the euro as the reporting currency, effectively contribute to improving the quality and consistency of the information provided.

The monthly reporting data is uploaded by each of the companies into the Datamart-NPDWI tool. This tool makes it possible to centralise all of the information generated by the accounts of the companies belonging to the Group in a single system. In the majority of cases, the data are automatically uploaded to the said system from the Group's own financial IT system (SAP).

The concentration of activities from the different geographical territories through the use of Shared Services Centres (SSCs) and their allocation to the heads of Administration who manage various territorial zones contributes to both the standardisation and improvement of processes. The Group has implemented procedures in order to comply with the European Union's requirement to report in the European Single Electronic Format (ESEF) (Directive 2001/109/EC and Regulation 2018/815).

F.5 Supervision of the functioning of the system

Report on at least the following, describing their principal features:

F.5.1 The activities of the audit committee in overseeing ICFR as well as whether there is an internal audit function one of the responsibilities of which is to provide support to the committee in its task of supervising the internal control system, including ICFR. Additionally, describe the scope of ICFR assessment made during the year and the procedure through which the person responsible for performing the assessment communicates its results, whether the company has an action plan detailing possible corrective measures, and whether their impact on financial reporting has been considered.

The ACC oversees the correct functioning of the ICFR System through the Internal Auditing Department, evaluating its design and operational effectiveness.

The model for the scope of the audit of the ICFR System takes account of factors that are both quantitative (materiality of accounts entries) and qualitative (country risk, internal control level risk, internal auditing experience risk and account entry risk). Based on these factors, the critical financial reporting cycles have been defined for review by country and by company.

The scope of the ICFR assessment made during the 2022 financial year covered a total of 24 companies in the territories of Arabia, Australia, Brazil, Chile, Colombia, the USA, Spain, Mexico, the Philippines, Italy, Germany, Norway and Peru.

The scope also includes the applications that are relevant to the preparation of the financial information, including their operating systems, databases, network services and supporting tools, and a review is carried out of the key general computer controls that cover any risk relevant to the financial information in the technological sphere.

This scope has been approved by the ACC.

Internal auditing work is carried out by the Group's own Internal Auditing Department, which reports both operationally and hierarchically to the ACC. This hierarchical structure is designed to allow Internal Auditing to remain structurally independent, and it encourages direct communication both to and from the ACC.

IA management performs duties to ensure the proper functioning of the internal control system.

In particular, with regard to ICFR, IA Management carries out an annual review of the suitability of the design and effectiveness of the actions taken to control the financial information. As a result of the reviews it has completed, IA issues reports notifying those responsible for business activities, Senior Management and the ACC of any potential weaknesses detected in the internal control processes and the action plans adopted by the Group for their mitigation.

Supervision of the controls adhered to the following guidelines:

- Two types of review have been carried out on the controls that are regularly self-assessed, one based on supervision of the assessment made by the owners of the controls, and another in which the aim was to once again carry out the tests and validations made regarding the effectiveness of the controls.
- For the remaining controls, evidence was obtained and the necessary tests were carried out in order to reach a conclusion regarding the effectiveness of these controls.

The Internal Auditing Department has made an assessment of the effectiveness of ICFR for the 2022 financial year. It did not detect any significant or material weaknesses and concluded that ICFR is effective according to the criteria established by COSO. Nevertheless, certain control weaknesses and opportunities for improvement were detected during the assessment process, and while they do not significantly affect the quality of the financial information, they have given rise to action plans, in line with the policy of continuous improvement that characterises the Group's approach. The Internal Auditing Department will verify the implementation of these action plans during its regular checks of the ICFR System.

F.5.2 Whether there is a discussion procedure whereby the auditor (as defined in the Spanish Technical Audit Standards), the internal auditor and other experts can report to senior management and the audit committee or directors of the company any significant weaknesses in internal control identified during the review of the annual financial statements or any others they have been assigned. Additionally, state whether an action plan is available for correcting or mitigating any weaknesses detected.

All the weaknesses detected by the Internal Auditing Department during the course of its work are subject to recommendations and plans of action that are agreed with the organisation being audited. The Internal Auditing Department oversees the implementation of the actions agreed and reports on their status to the Group's governing bodies (mainly the ACC).

The procedure for discussing any significant internal control weaknesses that are identified is based around meetings between the ACC and the external auditors, the internal auditors and the department responsible for preparing the financial information.

In line with this approach, the accounts auditor appears each year before the ACC in order to submit its recommendations in relation to the internal control weaknesses identified during its review of the annual accounts.

F.6 Other relevant information

Not applicable.

F.7 External auditor's report

Report: Deloitte, S.L.

F.7.1 Whether the ICFR information sent to the markets has been subjected to review by the external auditor, in which case the entity should include the corresponding report as an attachment. If not, reasons why should be given.

With the aim of strengthening transparency and the quality of the public information it issues, the Group has gone beyond its legal obligations and the recommendations of the Working Group on Internal Control over Financial Reporting (WGIC), and:

- prepared this description of its ICFR System in accordance with the 16 basic indicators recommended in Section III of the WGIC Document;
- implemented a certification system from the bottom upwards in which those responsible for the relevant processes in relation to financial information certify the current validity and effectiveness of the processes and controls, at their own liability. The Economics and Financing Managing Director and the Managing Director of Control Management certify the integrity of the Annual Accounts, prior to their formulation by the Board of Directors;
- deemed it appropriate to ask the external auditor to issue an independent review report on reasonable assurance of the effectiveness of Internal Control Over Financial Reporting (ICFR). The external auditor has carried out its work in accordance with the requirements set out in ISAE 3000, Assurance Engagement Other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) for the issue of reasonable assurance reports. The external auditor's report is attached to this Annual Corporate Governance Report.

As we have already mentioned, there is currently no legal regulation that establishes the minimum requirements by which companies are bound when describing their ICFR.

Any future regulation that may be issued in relation to the information that must be published by listed companies in relation to ICFR could change the information included in this report with regard to the requirements for itemisation and/or reporting.

G. Degree of compliance with corporate governance recommendations

Specify the company's degree of compliance with recommendations of the Good Governance Code for listed companies.

In the event that a recommendation is not followed or only partially followed, a detailed explanation of the reasons must be included so that shareholders, investors and the market in general have enough information to assess the company's conduct. General explanations are not acceptable.

1. That the articles of incorporation of listed companies should not limit the maximum number of votes that may be cast by one shareholder or contain other restrictions that hinder the takeover of control of the company through the acquisition of its shares on the market.

Complies Explain

2. That when the listed company is controlled by another entity in the meaning of Article 42 of the Commercial Code, whether listed or not, and has, directly or through its subsidiaries, business relations with said entity or any of its subsidiaries (other than the listed company) or carries out activities related to those of any of them it should make accurate public disclosures on:

- a) The respective areas of activity and possible business relationships between the listed company or its subsidiaries and the parent company or its subsidiaries.
- b) The mechanisms in place to resolve any conflicts of interest that may arise.

Complies Complies partially Explain Not applicable

3. That, during the ordinary General Shareholders' Meeting, as a complement to the distribution of the written annual corporate governance report, the chairman of the Board of Directors should inform shareholders orally, in sufficient detail, of the most significant aspects of the company's corporate governance, and in particular:

- a) Changes that have occurred since the last General Shareholders' Meeting.

- b) Specific reasons why the company has not followed one or more of the recommendations of the Code of Corporate Governance and the alternative rules applied, if any.

Complies

Complies partially

Explain

4. That the company should define and promote a policy on communication and contact with shareholders and institutional investors, within the framework of their involvement in the company, and with proxy advisors that complies in all aspects with rules against market abuse and gives equal treatment to similarly situated shareholders. And that the company should publish this policy on its website, including information on how it has been put into practice and identifying the contact persons or those responsible for implementing it.

And that, without prejudice to the legal obligations regarding dissemination of inside information and other types of regulated information, the company should also have a general policy regarding the communication of economic-financial, non-financial and corporate information through such channels as it may consider appropriate (communication media, social networks or other channels) that helps to maximise the dissemination and quality of information available to the market, investors and other stakeholders.

Complies

Complies partially

Explain

5. That the Board of Directors should not submit to the General Shareholders' Meeting any proposal for delegation of powers allowing the issue of shares or convertible securities with the exclusion of preemptive rights in an amount exceeding 20% of the capital at the time of delegation.

And that whenever the Board of Directors approves any issue of shares or convertible securities with the exclusion of preemptive rights, the company should immediately publish the reports referred to by company law on its website.

Complies

Complies partially

Explain

6. That listed companies that prepare the reports listed below, whether under a legal obligation or voluntarily, should publish them on their

website with sufficient time before the General Shareholders' Meeting, even if their publication is not mandatory:

- a) Report on the auditor's independence.
- b) Reports on the workings of the audit and nomination and remuneration committees.
- c) Report by the audit committee on related party transactions.

Complies Complies partially Explain

7. That the company should transmit in real time, through its website, the proceedings of the General Shareholders' Meetings.

And that the company should have mechanisms in place allowing the delegation and casting of votes by means of data transmission and even, in the case of large-caps and to the extent that it is proportionate, attendance and active participation in the General Meeting to be conducted by such remote means.

Complies Complies partially Explain

8. That the audit committee should ensure that the financial statements submitted to the General Shareholders' Meeting are prepared in accordance with accounting regulations. And that in cases in which the auditor has included a qualification or reservation in its audit report, the chairman of the audit committee should clearly explain to the general meeting the opinion of the audit committee on its content and scope, making a summary of this opinion available to shareholders at the time when the meeting is called, alongside the other Board proposals and reports.

Complies Complies partially Explain

9. That the company should permanently publish on its website the requirements and procedures for certification of share ownership, the right of attendance at the General Shareholders' Meetings, and the exercise of the right to vote or to issue a proxy.

And that such requirements and procedures promote attendance and the exercise of shareholder rights in a non-discriminatory fashion.

Complies Complies partially Explain

10. That when a duly authenticated shareholder has exercised his or her right to complete the agenda or to make new proposals for resolutions in advance of the General Shareholders' Meeting, the company:

- a) Should immediately distribute such complementary points and new proposals for resolutions.
- b) Should publish the attendance, proxy and remote voting card specimen with the necessary changes such that the new agenda items and alternative proposals can be voted on in the same terms as those proposed by the Board of Directors.
- c) Should submit all these points or alternative proposals to a vote and apply the same voting rules to them as to those formulated by the Board of Directors including, in particular, assumptions or default positions regarding votes for or against.
- d) That after the General Shareholders' Meeting, a breakdown of the voting on said additions or alternative proposals be communicated.

Complies Complies partially Explain Not applicable

11. That if the company intends to pay premiums for attending the General Shareholders' Meeting, it should establish in advance a general policy on such premiums and this policy should be stable.

Complies Complies partially Explain Not applicable

12. That the Board of Directors should perform its functions with a unity of purpose and independence of criterion, treating all similarly situated shareholders equally and being guided by the best interests of the company, which is understood to mean the pursuit of a profitable and sustainable business in the long term, promoting its continuity and maximising the economic value of the business.

And that in pursuit of the company's interest, in addition to complying with applicable law and rules and conducting itself on the basis of good faith, ethics and a respect for commonly accepted best practices, it should seek to reconcile its own company interests, when appropriate, with the interests of its employees, suppliers, clients and other stakeholders that may be affected, as well as the

impact of its corporate activities on the communities in which it operates and on the environment.

Complies Complies partially Explain

- 13. That the Board of Directors should be of an appropriate size to perform its duties effectively and in a collegial manner, which makes it advisable for it to have between five and fifteen members.**

Complies Explain

- 14. That the Board of Directors should approve a policy aimed at favouring an appropriate composition of the Board and that:**

- a) Is concrete and verifiable;
- b) Ensures that proposals for appointment or re-election are based upon a prior analysis of the skills required by the Board of Directors; and
- c) Favours diversity of knowledge, experience, age and gender. For these purposes, it is considered that the measures that encourage the company to have a significant number of female senior executives favour gender diversity.

That the result of the prior analysis of the skills required by the Board of Directors be contained in the supporting report from the nomination committee published upon calling the General Shareholders' Meeting to which the ratification, appointment or re-election of each director is submitted.

The nomination committee will annually verify compliance with this policy and explain its findings in the annual corporate governance report.

Complies Complies partially Explain

- 15. That proprietary and independent directors should constitute a substantial majority of the Board of Directors and that the number of executive directors be kept to a minimum, taking into account the complexity of the corporate group and the percentage of equity participation of executive directors.**

And that the number of female directors should represent at least 40% of the members of the Board of Directors before the end of 2022 and thereafter, and no less 30% prior to that date.

Complies Complies partially Explain

The resignation of former CEO Ms Ruiz as a result of the termination of her contractual relationship with the Company, the events that occurred at the Ordinary General Shareholders' Meeting held on 23 June 2022, and the subsequent resignation of Ms Irazo Gutiérrez, have made it impossible to maintain the percentage of women in line with the commitment to diversity made by both the Board and the ARCGC.

It is with regard to independent directors that both the Board and the ARCGC have the greatest powers to act, as they are able to consider a much broader range of potential candidates to perform the duties of director.

The selection process that was carried out in order to restore the corporate governance structure following the aforementioned events was aimed at creating a Board whose members were at least fifty percent independent directors, preferably women, and it ended with the selection of six new independent directors, of whom 66.66% were women. However, this results in a Board in which proprietary directors account for 28.57%, executive directors account for 14.28%, and women account for 28.57% of all board members, though they represent 57.14% of the independent directors.

16. That the number of proprietary directors as a percentage of the total number of non-executive directors not be greater than the proportion of the company's share capital represented by those directors and the rest of the capital.

This criterion may be relaxed:

- a) In large-cap companies where very few shareholdings are legally considered significant.
- b) In the case of companies where a plurality of shareholders is represented on the Board of Directors without ties among them.

Complies Explain

17. That the number of independent directors should represent at least half of the total number of directors.

That, however, when the company does not have a high level of market capitalisation or in the event that it is a large-cap company with one shareholder or a group of shareholders acting in concert who together control more than 30% of the company's share capital, the number of independent directors should represent at least one third of the total number of directors.

Complies Explain

18. That companies should publish the following information on its directors on their website, and keep it up to date:

- a) Professional profile and biography.
- b) Any other Boards to which the directors belong, regardless of whether or not the companies are listed, as well as any other remunerated activities engaged in, regardless of type.
- c) Category of directorship, indicating, in the case of individuals who represent significant shareholders, the shareholder that they represent or to which they are connected.
- d) Date of their first appointment as a director of the company's Board of Directors, and any subsequent re-elections.
- e) Company shares and share options that they own.

Complies Complies partially Explain

19. That the annual corporate governance report, after verification by the nomination committee, should explain the reasons for the appointment of any proprietary directors at the proposal of shareholders whose holding is less than 3%. It should also explain, if applicable, why formal requests from shareholders for presence on the Board were not honoured, when their shareholding was equal to or exceeded that of other shareholders whose proposal for proprietary directors was honoured.

Complies Complies partially Explain Not applicable

20. That proprietary directors representing significant shareholders should resign from the Board when the shareholder they represent disposes of its entire shareholding. They should also resign, in a proportional fashion, in the event that said shareholder reduces its percentage interest to a level that requires a decrease in the number of proprietary directors.

Complies Complies partially Explain Not applicable

21. That the Board of Directors should not propose the dismissal of any independent director before the completion of the director's term provided for in the articles of incorporation unless the Board of

Directors finds just cause and a prior report has been prepared by the nomination committee. Specifically, just cause is considered to exist if the director takes on new duties or commits to new obligations that would interfere with his or her ability to dedicate the time necessary for attention to the duties inherent to his or her post as a director, fails to complete the tasks inherent to his or her post, or is affected by any of the circumstances which would cause the loss of independent status in accordance with applicable law.

The dismissal of independent directors may also be proposed as a result of a public takeover bid, merger or other similar corporate transaction entailing a change in the shareholder structure of the company, provided that such changes in the structure of the Board are the result of application of the proportionate representation criterion provided in Recommendation 16.

Complies Explain

22. That companies should establish rules requiring that directors inform the Board of Directors and, where appropriate, resign from their posts, when circumstances arise which affect them, whether or not related to their actions in the company itself, and which may harm the company's standing and reputation, and in particular requiring them to inform the Board of any criminal proceedings in which they appear as suspects or defendants, as well as of how the legal proceedings subsequently unfold.

And that, if the Board is informed or becomes aware in any other manner of any of the circumstances mentioned above, it must investigate the case as quickly as possible and, depending on the specific circumstances, decide, based on a report from the nomination and remuneration committee, whether or not any measure must be adopted, such as the opening of an internal investigation, asking the director to resign or proposing that he or she be dismissed. And that these events must be reported in the annual corporate governance report, unless there are any special reasons not to do so, which must also be noted in the minutes. This without prejudice to the information that the company must disseminate, if appropriate, at the time when the corresponding measures are implemented.

Complies Complies partially Explain

23. That all directors clearly express their opposition when they consider any proposal submitted to the Board of Directors to be against the

company's interests. This particularly applies to independent directors and directors who are unaffected by a potential conflict of interest if the decision could be detrimental to any shareholders not represented on the Board of Directors.

Furthermore, when the Board of Directors makes significant or repeated decisions about which the director has serious reservations, the director should draw the appropriate conclusions and, in the event the director decides to resign, explain the reasons for this decision in the letter referred to in the next recommendation.

This recommendation also applies to the secretary of the Board of Directors, even if he or she is not a director.

Complies Complies partially Explain Not applicable

24. That whenever, due to resignation or resolution of the General Shareholders' Meeting, a director leaves before the completion of his or her term of office, the director should explain the reasons for this decision, or in the case of non-executive directors, their opinion of the reasons for cessation, in a letter addressed to all members of the Board of Directors.

And that, without prejudice to all this being reported in the annual corporate governance report, insofar as it is relevant to investors, the company must publish the cessation as quickly as possible, adequately referring to the reasons or circumstances adduced by the director.

Complies Complies partially Explain Not applicable

25. That the nomination committee should make sure that non-executive directors have sufficient time available in order to properly perform their duties.

And that the Board regulations establish the maximum number of company Boards on which directors may sit.

Complies Complies partially Explain

26. That the Board of Directors meet frequently enough to be able to effectively perform its duties, and at least eight times per year,

following a schedule of dates and agendas established at the beginning of the year and allowing each director individually to propose other items that do not originally appear on the agenda.

Complies Complies partially Explain

27. That director absences occur only when absolutely necessary and be quantified in the annual corporate governance report. And when absences do occur, that the director appoint a proxy with instructions.

Complies Complies partially Explain

28. That when directors or the secretary express concern regarding a proposal or, in the case of directors, regarding the direction in which the company is headed and said concerns are not resolved by the Board of Directors, such concerns should be included in the minutes at the request of the director expressing them.

Complies Complies partially Explain Not applicable

29. That the company should establishes adequate means for directors to obtain appropriate advice in order to properly fulfil their duties including, should circumstances warrant, external advice at the company's expense.

Complies Complies partially Explain

30. That, without regard to the knowledge necessary for directors to complete their duties, companies make refresher courses available to them when circumstances make this advisable.

Complies Explain Not applicable

31. That the agenda for meetings should clearly indicate those matters on which the Board of Directors is to make a decision or adopt a resolution so that the directors may study or gather all relevant information ahead of time.

When, in exceptional circumstances, the chairman wishes to bring urgent matters for decision or resolution before the Board of Directors which do not appear on the agenda, prior express agreement of a majority of the directors shall be necessary, and said consent shall be duly recorded in the minutes.

Complies Complies partially Explain

32. That directors be periodically informed of changes in shareholding and of the opinions of significant shareholders, investors and rating agencies of the company and its group.

Complies Complies partially Explain

33. That the chairman, as the person responsible for the efficient workings of the Board of Directors, in addition to carrying out the duties assigned by law and the articles of incorporation, should prepare and submit to the Board of Directors a schedule of dates and matters to be considered; organise and coordinate the periodic evaluation of the Board as well as, if applicable, the chief executive of the company, should be responsible for leading the Board and the effectiveness of its work; ensuring that sufficient time is devoted to considering strategic issues, and approve and supervise refresher courses for each director when circumstances make this advisable.

Complies Complies partially Explain

34. That when there is a coordinating director, the articles of incorporation or Board regulations should confer upon him or her the following powers in addition to those conferred by law: to chair the Board of Directors in the absence of the chairman and deputy chairmen, should there be any; to reflect the concerns of non-executive directors; to liaise with investors and shareholders in order to understand their points of view and respond to their concerns, in particular as those concerns relate to corporate governance of the company; and to coordinate a succession plan for the chairman.

Complies Complies partially Explain Not applicable

35. That the secretary of the Board of Directors should pay special attention to ensure that the activities and decisions of the Board of Directors take into account such recommendations regarding good governance contained in this Good Governance Code as may be applicable to the company.

Complies Explain

36. That the Board of Directors meet in plenary session once a year and adopt, where appropriate, an action plan to correct any deficiencies detected in the following:

- a) The quality and efficiency of the Board of Directors' work.
- b) The workings and composition of its committees.
- c) Diversity in the composition and skills of the Board of Directors.
- d) Performance of the chairman of the Board of Directors and of the chief executive officer of the company.
- e) Performance and input of each director, paying special attention to those in charge of the various Board committees.

In order to perform its evaluation of the various committees, the Board of Directors will take a report from the committees themselves as a starting point and for the evaluation of the Board, a report from the nomination committee.

Every three years, the Board of Directors will rely for its evaluation upon the assistance of an external advisor, whose independence shall be verified by the nomination committee.

Business relationships between the external adviser or any member of the adviser's group and the company or any company within its group must be specified in the annual corporate governance report.

The process and the areas evaluated must be described in the annual corporate governance report.

Complies Complies partially Explain

37. That if there is an executive committee, it must contain at least two non-executive directors, at least one of whom must be independent, and its secretary must be the secretary of the Board.

Complies Complies partially Explain Not applicable

38. That the Board of Directors must always be aware of the matters discussed and decisions taken by the executive committee and that all members of the Board of Directors receive a copy of the minutes of meetings of the executive committee.

Complies Complies partially Explain Not applicable

39. That the members of the audit committee, in particular its chairman, be appointed in consideration of their knowledge and experience in accountancy, audit and risk management issues, both financial and non-financial.

Complies Complies partially Explain

40. That under the supervision of the audit committee, there should be a unit in charge of the internal audit function, which ensures that information and internal control systems operate correctly, and which reports to the non-executive chairman of the Board or of the audit committee.

Complies Complies partially Explain

41. That the person in charge of the unit performing the internal audit function should present an annual work plan to the audit committee, for approval by that committee or by the Board, reporting directly on its execution, including any incidents or limitations of scope, the results and monitoring of its recommendations, and present an activity report at the end of each year.

Complies Complies partially Explain Not applicable

42. That in addition to the provisions of applicable law, the audit committee should be responsible for the following:

1. With regard to information systems and internal control:

- a) Supervising and evaluating the process of preparation and the completeness of the financial and non-financial information, as well as the control and management systems for financial and non-financial risk relating to the company and, if applicable, the group - including operational, technological, legal, social, environmental, political and reputational risk, or risk related to corruption - reviewing compliance with regulatory requirements, the appropriate delimitation of the scope of consolidation and the correct application of accounting criteria.
- b) Ensuring the independence of the unit charged with the internal audit function; proposing the selection, appointment and dismissal of the head of internal audit; proposing the budget for this service; approving or proposing its orientation and annual work plans for approval by the Board, making sure that its activity is focused primarily on material risks (including reputational risk); receiving periodic information on its activities; and verifying that senior management takes into account the conclusions and recommendations of its reports.
- c) Establishing and supervising a mechanism that allows employees and other persons related to the company, such as directors, shareholders, suppliers, contractors or subcontractors, to report any potentially serious irregularities, especially those of a financial or accounting nature, that they observe in the company or its group. This mechanism must guarantee confidentiality and in any case provide for cases in which the communications can be made anonymously, respecting the rights of the whistleblower and the person reported.
- d) Generally ensuring that internal control policies and systems are effectively applied in practice.

2. With regard to the external auditor:

- a) In the event that the external auditor resigns, examining the circumstances leading to such resignation.
- b) Ensuring that the remuneration paid to the external auditor for its work does not compromise the quality of the work or the auditor's independence.
- c) Making sure that the company informs the CNMV of the change of auditor, along with a statement on any differences that arose with the outgoing auditor and, if applicable, the contents thereof.
- d) Ensuring that the external auditor holds an annual meeting with the Board of Directors in plenary session in order to make a report regarding the tasks performed and the development of the company's accounting situation and risks.
- e) Ensuring that the company and the external auditor comply with applicable rules regarding the provision of services other than auditing, limits on the concentration of the auditor's business, and, in general, all other rules regarding auditors' independence.

Complies Complies partially Explain

43. That the audit committee be able to require the presence of any employee or manager of the company, even stipulating that he or she appear without the presence of any other member of management.

Complies Complies partially Explain

44. That the audit committee be kept abreast of any corporate and structural changes planned by the company in order to perform an analysis and draw up a prior report to the Board of Directors on the economic conditions and accounting implications and, in particular, any exchange ratio involved.

Complies Complies partially Explain Not applicable

45. That the risk management and control policy identify or determine, as a minimum:

- a) The various types of financial and non-financial risks (including operational, technological, legal, social, environmental, political and reputational risks and risks relating to corruption) which the company faces, including among the financial or economic risks contingent liabilities and other off-balance sheet risks.
- b) A risk control and management model based on different levels, which will include a specialised risk committee when sector regulations so require or the company considers it to be appropriate.
- c) The level of risk that the company considers to be acceptable.
- d) Measures in place to mitigate the impact of the risks identified in the event that they should materialised.
- e) Internal control and information systems to be used in order to control and manage the aforementioned risks, including contingent liabilities or off-balance sheet risks.

Complies Complies partially Explain

46. That under the direct supervision of the audit committee or, if applicable, of a specialised committee of the Board of Directors, an internal risk control and management function should exist, performed by an internal unit or department of the company which is expressly charged with the following responsibilities:

- a) Ensuring the proper functioning of the risk management and control systems and, in particular, that they adequately identify, manage and quantify all material risks affecting the company.
- b) Actively participating in drawing up the risk strategy and in important decisions regarding risk management.
- c) Ensuring that the risk management and control systems adequately mitigate risks as defined by the policy laid down by the Board of Directors.

Complies Complies partially Explain

47. That in designating the members of the nomination and remuneration committee – or of the nomination committee and the remuneration committee if they are separate – care be taken to ensure that they have the knowledge, aptitudes and experience appropriate to the functions that they are called upon to perform and that the majority of said members are independent directors.

Complies Complies partially Explain

48. That large-cap companies have separate nomination and remuneration committees.

Complies Explain Not applicable

The Company has not deemed it necessary to separate its current Appointments, Remuneration and Corporate Governance Committee (ARCGC) into two Committees, for the following reasons:

- The members of the ARCGC have the know-how and experience necessary to deal with the issues that pertain to both Committees.
- The number of issues to be dealt with can be handled by a single Committee.
- It would unnecessarily increase the number of Committees (it should be borne in mind that the Board already has four specialist committees) and therefore the total remuneration of the Board, given that they receive a fixed allocation for their membership of the different administrative bodies.

49. That the nomination committee consult with the chairman of the Board of Directors and the chief executive of the company, especially in relation to matters concerning executive directors.

And that any director be able to ask the nomination committee to consider potential candidates that he or she considers suitable to fill a vacancy on the Board of Directors.

Complies Complies partially Explain

50. That the remuneration committee exercise its functions independently and that, in addition to the functions assigned to it by law, it should be responsible for the following:

- a) Proposing the basic conditions of employment for senior management to the Board of Directors.
- b) Verifying compliance with the company's remuneration policy.
- c) Periodically reviewing the remuneration policy applied to directors and senior managers, including share-based remuneration systems and their application, as well as ensuring that their individual remuneration is proportional to that received by the company's other directors and senior managers.
- d) Making sure that potential conflicts of interest do not undermine the independence of external advice given to the committee.
- e) Verifying the information on remuneration of directors and senior managers contained in the various corporate documents, including the annual report on director remuneration.

Complies Complies partially Explain

51. That the remuneration committee should consult with the chairman and the chief executive of the company, especially on matters relating to executive directors and senior management.

Complies Complies partially Explain

52. That the rules regarding the composition and workings of the supervision and control committees should appear in the regulations of the Board of Directors and that they should be consistent with those applying to legally mandatory committees in accordance with the foregoing recommendations, including:

- a) That they be composed exclusively of non-executive directors, with a majority of independent directors.
- b) That their chairpersons be independent directors.
- c) That the Board of Directors select members of these committees taking into account their knowledge, skills and experience and the duties of each committee; discuss their proposals and reports; and require them to render account of their activities and of the work performed in the first plenary session of the Board of Directors held after each committee meeting.
- d) That the committees be allowed to avail themselves of outside advice when they consider it necessary to perform their duties.
- e) That their meetings be recorded and their minutes be made available to all directors.

Complies Complies partially Explain Not applicable

Notwithstanding the fact that the Board of Directors has established the rules governing the composition and operation of the Strategy Committee following similar lines to those that apply to the committees that must be established by law, it has been deemed advisable that, given the nature and duties of the Strategy Committee, it should be chaired by the Chairman of the Board of Directors, as indicated in Article 19 *ter* of the Board of Directors Regulations.

53. That verification of compliance with the company's policies and rules on environmental, social and corporate governance matters, and with the internal codes of conduct be assigned to one or divided among more than one committee of the Board of Directors, which may be the audit committee, the nomination committee, a specialised committee on sustainability or corporate social responsibility or such other specialised committee as the Board of Directors, in the exercise of its powers of self-organisation, may have decided to create. And that such committee be composed exclusively of non-executive directors, with a majority of these being independent directors, and that the minimum functions indicated in the next recommendation be specifically assigned to it.

Complies Complies partially Explain

54. The minimum functions referred to in the foregoing recommendation are the following:

- a) **Monitoring of compliance with the company’s internal codes of conduct and corporate governance rules, also ensuring that the corporate culture is aligned with its purpose and values.**
- b) **Monitoring the application of the general policy on communication of economic and financial information, non-financial and corporate information and communication with shareholders and investors, proxy advisors and other stakeholders. The manner in which the entity communicates and handles relations with small and medium-sized shareholders must also be monitored.**
- c) **The periodic evaluation and review of the company’s corporate governance system, and environmental and social policy, with a view to ensuring that they fulfil their purposes of promoting the interests of society and take account, as appropriate, of the legitimate interests of other stakeholders.**
- d) **Supervision of the company’s environmental and social practices to ensure that they are in alignment with the established strategy and policy.**
- e) **Supervision and evaluation of the way in which relations with the various stakeholders are handled.**

Complies Complies partially Explain

55. That environmental and social sustainability policies identify and include at least the following:

- a) **The principles, commitments, objectives and strategy relating to shareholders, employees, clients, suppliers, social issues, the environment, diversity, tax responsibility, respect for human rights, and the prevention of corruption and other unlawful conduct**
- b) **Means or systems for monitoring compliance with these policies, their associated risks, and management.**
- c) **Mechanisms for supervising non-financial risk, including that relating to ethical aspects and aspects of business conduct.**
- d) **Channels of communication, participation and dialogue with stakeholders.**
- e) **Responsible communication practices that impede the manipulation of data and protect integrity and honour.**

Complies Complies partially Explain

56. That director remuneration be sufficient in order to attract and retain directors who meet the desired professional profile and to adequately compensate them for the dedication, qualifications and

responsibility demanded of their posts, while not being so excessive as to compromise the independent judgement of non-executive directors.

Complies Explain

57. That only executive directors should receive variable remuneration linked to corporate results and personal performance, as well as remuneration in the form of shares, options or rights to shares or instruments referenced to the share price and long-term savings plans such as pension plans, retirement schemes or other provident schemes.

Consideration may be given to delivering shares to non-executive directors as remuneration providing this is conditional upon their holding them until they cease to be directors. The foregoing shall not apply to shares that the director may need to sell in order to meet the costs related to their acquisition.

Complies Complies partially Explain

58. That as regards variable remuneration, remuneration policies should incorporate the necessary limits and technical safeguards to ensure that such remuneration is in line with the professional performance of its beneficiaries and not based solely on general developments in the markets or in the sector in which the company operates, or other similar circumstances.

And, in particular, that variable remuneration components:

- a) Are linked to pre-determined and measurable performance criteria and that such criteria take into account the risk incurred to achieve a given result.
- b) Promote the sustainability of the company and include non-financial criteria that are geared towards creating long term value, such as compliance with the company's rules and internal operating procedures and with its risk management and control policies.
- c) Are based on balancing the attainment of short-, medium- and long-term objectives, so as to allow remuneration of continuous performance over a period long enough to be able to assess its contribution to the sustainable creation of value, such that the elements used to measure performance are not associated only with one-off, occasional or extraordinary events.

Complies Complies partially Explain Not applicable

59. That the payment of variable remuneration components be subject to sufficient verification that previously established performance or other conditions have effectively been met. Entities must include in their annual report on director remuneration the criteria for the time required and methods used for this verification depending on the nature and characteristics of each variable component.

That, additionally, companies consider the inclusion of a reduction ('malus') clause for the deferral of the payment of a portion of variable remuneration components that would imply their total or partial loss if an event were to occur prior to the payment date that would make this advisable.

Complies Complies partially Explain Not applicable

60. That remuneration related to company results should take into account any reservations that might appear in the external auditor's report and that would diminish said results.

Complies Complies partially Explain Not applicable

61. That a material portion of executive directors' variable remuneration be linked to the delivery of shares or financial instruments referenced to the share price.

Complies Complies partially Explain Not applicable

62. That once shares or options or financial instruments have been allocated under remuneration schemes, executive directors be prohibited from transferring ownership or exercising options or rights until a term of at least three years has elapsed.

An exception is made in cases where the director has, at the time of the transfer or exercise of options or rights, a net economic exposure to changes in the share price for a market value equivalent to at least twice the amount of his or her fixed annual remuneration through the ownership of shares, options or other financial instruments.

The forgoing shall not apply to shares that the director may need to sell in order to meet the costs related to their acquisition or, following a favourable assessment by the nomination and remuneration

committee, to deal with such extraordinary situations as may arise and so require.

Complies Complies partially Explain Not applicable

63. That contractual arrangements should include a clause allowing the company to demand reimbursement of the variable remuneration components in the event that payment was not in accordance with the performance conditions or when payment was made based on data subsequently shown to have been inaccurate.

Complies Complies partially Explain Not applicable

64. That payments for contract termination should not exceed an amount equivalent to two years of total annual remuneration and should not be paid until the company has been able to verify that the director has fulfilled all previously established criteria or conditions for payment.

For the purposes of this recommendation, payments for contractual termination will be considered to include any payments the accrual of which or the obligation to pay which arises as a consequence of or on the occasion of the termination of the contractual relationship between the director and the company, including amounts not previously vested of long-term savings schemes and amounts paid by virtue of post-contractual non-competition agreements.

Complies Complies partially Explain Not applicable

H. Other information of interest

1. If there is any significant aspect regarding corporate governance in the company or other companies in the group that has not been included in other sections of this report, but which it is necessary to include in order to provide a more comprehensive and reasoned picture of the structure and governance practices in the company or its group, describe them briefly below.
2. This section may also be used to provide any other information, explanation or clarification relating to previous sections of the report, so long as it is relevant and not repetitive.

Specifically, indicate whether the company is subject to any corporate governance legislation other than that of Spain and, if so, include any information required under this legislation that differs from the data required in this report.

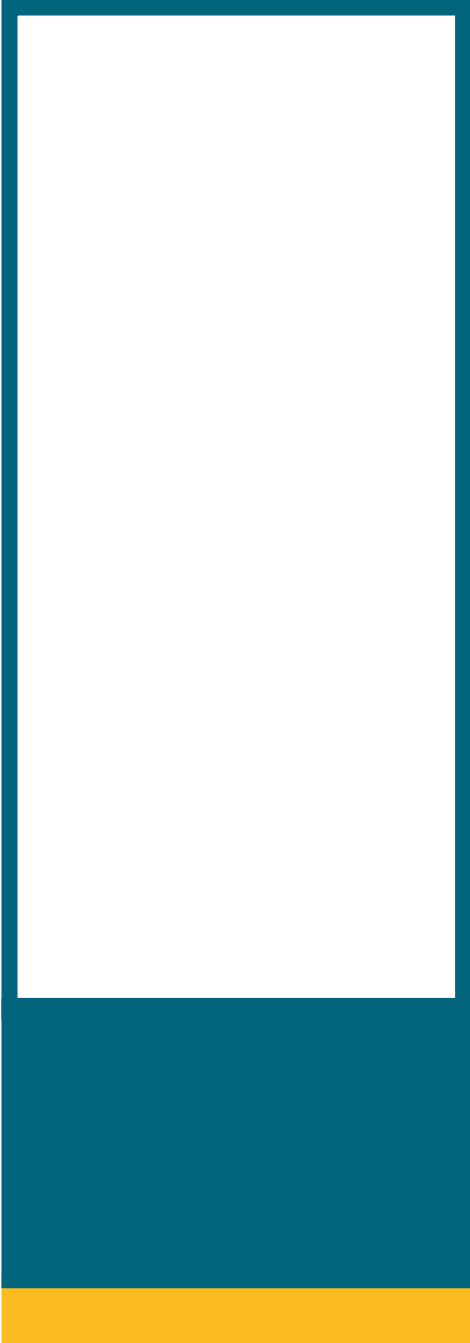
3. The company may also indicate whether it has voluntarily subscribed to other ethical or best practice codes, whether international, sector-based, or other. In such case, name the code in question and the date on which the company subscribed to it. Specific mention must be made as to whether the company adheres to the Code of Good Tax Practices of 20 July 2010.

This Annual Corporate Governance Report was approved by the Board of Directors of the company in its meeting held on 27 March 2023.

Indicate whether any director voted against or abstained from approving this report.

Yes No

Name or company name of the member of the Board of Directors who has not voted for the approval of this report	Reasons (against, abstention, non-attendance)	Explain the reasons
Observations		



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