REPORT OF THE BOARD OF DIRECTORS OF INDRA SISTEMAS, S.A. RELATING TO THE PROPOSED SHARE CAPITAL INCREASE BY MEANS OF NON CASH CONTRIBUTIONS IN ORDER TO ENABLE A STOCK SWAP FOR SHARES OF TECNOCOM, TELECOMUNICACIONES Y ENERGÍA, S.A., INCLUDED IN THE FIRST ITEM OF THE AGENDA OF THE EXTRAORDINARY MEETING OF SHAREHOLDERS TO BE HELD ON THE DATE INDICATED IN THE CORRESPONDING CALL TO MEETING

1. PURPOSE OF THE REPORT

The present report issued by the Board of Directors of Indra Sistemas, S.A. ("**Indra**" or the "**Company**") has two purposes. First, this report meets the legal requirements for information relating to non cash contributions which provide the consideration for a proposed increase in share capital. In this regard, Article 300 of the *Ley de Sociedades de Capital*, ("**Spanish Corporations Law**" or "**LSC**"), the consolidated text of which was approved by *Real Decreto Legislativo 1/2010,* of 2 July provides that, when the share capital increase proposed at a Shareholders Meeting results from non cash contributions, at the time of call to meeting a report from management must be made available to shareholders describing in detail the proposed contributions, their valuation, the persons who will deliver them, the number and par value of shares to be issued in exchange, the amount of share capital increase, and the guarantees adopted to ensure that the increase is appropriate given the type of assets supporting it. This information is provided to shareholders within this report.

Second, this report has the goal of supporting and describing the proposed amendment to the bylaws arising from the increase in share capital and submitted for approval to the Extraordinary Meeting of Indra Shareholders. That is, Article 286 of the LSC requires that before approval of any amendment to the bylaws at a Shareholder Meeting, management must produce the entire text of the proposed amendment and a written report justifying it.

Also, Article 300.2 of the LSC regarding non cash contributions and Article 287 of the LSC regarding amendments to the bylaws require that the call to a Shareholders Meeting describes with sufficient clarity the parts of the bylaws to be amended, and that all shareholders be reminded of their right to examine the entire text of both reports and the proposed amendment to the bylaws at the company headquarters, as well as request free delivery of said documents.

The present report is produced by the Board of Directors in order to justify the above described proposal brought before the Special Shareholders Meeting. Such meeting will be held on the date and at the time decided pursuant to a delegation of powers approved by the Board of Directors and stated in the call to meeting. The proposals cover execution of the share capital increase backed by non cash contributions, and the consequent amendment of the Article of the bylaws regarding share capital.

2. JUSTIFICATION FOR THE PROPOSED RESOLUTION

2.1 General

The increase in share capital proposed by the Board of Directors is intended to address exclusively the exchange of shares held by shareholders of Tecnocom, Telecomunicaciones y Energía, S.A. ("**Tecnocom**") who participate, under its terms and conditions, in the public tender offer (the "**Offer**") issued by Indra. Said terms and conditions may be seen in the pre-announcement made pursuant to the request for authorization of the Offer to be communicated to the *Comisión Nacional del Mercado de Valores* ("**Spanish Securities Exchange Commission**" or "**CNMV**"), and which is also described in detail in the prospectus for the Offer submitted for approval.

Without prejudice to approval of the Offer by the CNMV and other supervisory bodies, effectiveness of the Offer and the attendant increase in share capital is conditioned on:

(i) Receipt by Indra of the necessary approvals from competent antitrust regulators;

(ii) (a) That shareholders of Tecnocom that together hold no less than 70.01% of its share capital to which it is directed (including treasury shares) irrevocably accept the Offer. This condition will be automatically waived in the event that, before expiration of the Offer acceptance period, the shareholders of Tecnocom adopt a resolution amending (i) article 16 of the company's bylaws by eliminating the current restriction prohibiting a single shareholder from transferring voting rights in excess of 20% of common stock voting rights, as well as (ii) article 15 of the company's bylaws so that quorum required for the passage of resolutions at the annual shareholders' meeting meet those established under current law; and

(b) That shareholders of Tecnocom that together holdno less than 50.01% of its share capital to which it is directed (including treasury shares) irrevocably accept the Offer, excluding from the calculation the 39,540,186 shares held by those shareholders with whom the Company has executed the Irrevocable Tender Offer (as defined below). This condition will be automatically waived in the event that, before expiration of the Offer acceptance period, the CNMV confirms that it considers the Offer Price to be a *precio equitativo* ("equitable price"); all necessary information will be delivered to the CNMV as quickly as practical.

Therefore, the Offer will be null and void in the event that the threshold percentages are not met and if the conditions referred to in (a) and (b) have not been rescinded in accordance with the terms described (except in the case where Indra waives compliance).

(iii) Approval at the Special Indra Shareholders Meeting of the proposed increase in share capital, that is, an increase in an amount sufficient to accomplish the stock swap proposed in the Offer.

Taking into account the fact that part of the Offer Price includes Indra shares, it is made clear that acceptance of the Offer using Tecnocom treasury shares may not result in a violation of the provisions of Article 134 of the LSC.

In accordance with that contained in Article 304 of the LSC and Article 14.6 of the *Real Decreto 1066/2007* of 27 July regarding procedures for public tenders ("**Real Decreto 1066/2007**"), Indra shareholders will have no preemptive rights regarding the newly issued shares.

The share capital increase will be paid up with non cash contributions consisting of Tecnocom common stock owned by those shareholders who accept the Offer.

The swap formula contained in the Offer fixes a price of 2.55 euros in cash and 0.1727 shares of Indra for each share of Tecnocom. The Indra shares to be delivered will be newly issued and represented by ledger entries and will have the same voting and economic rights as shares already issued and in circulation.

The Indra shares offered as consideration have been assigned a value upon issuance stated in the Irrevocable Tender Offer (as defined below), that is, 9.8461 euros[1], which results in an Offer Price with a cash equivalent of 4.25 euros per share.

Without prejudice to the above, the Offer consideration's cash equivalent resulting from application of the stock swap formula laid out in Article 14 of the *Real Decreto 1066/2007,* that is, the volume weighted average list price for Indra shares during the three months immediately before the pre-announcement, would be 4.47 euros per share of Tecnocom. Said cash price was calculated based upon a list price of 11.095 euros per share of Indra, which corresponds to the volume weighted average list price for the quarter beginning 29 August and ending 28 November 2016[2]. This is without prejudice to the fact that there are various options for calculating the average price for the last quarter.

Although the Offer is a voluntary one, Offeror believes that the consideration offered meets the standard for a *precio equitativo* as that term is defined in Article 9 of the *Real Decreto 1066/2007,* given that it is equal to the consideration agreed upon between Indra and the Selling Shareholders (as that term is defined below), and is the highest price paid or agreed to be paid by Indra or by persons working in concert with Indra for these securities during the twelve months prior to the Offer. In spite of this, it must be noted that whether the consideration offered is deemed *precio equitativo* is a judgment to be made by the CNMV. As a consequence, in the event that the Offer has a positive result, it will be unnecessary to craft a mandatory public tender offer in light of the provisions of section f) of Article 8 of the *Real Decreto 1066/2007* should one of the two following events come to pass: (a) that the Offer be accepted by equity title holders which represent at least 50% of the voting rights to which it is directed, excluding from the calculation any shares which at the time are under Indra control (as of this date Indra is not the owner of shares or any other securities of

[1]Average of two prices: The first is the weighted average for the most recent five trading sessions before the date of the Prior Announcement; the second is the average of closing prices for those same five trading sessions (source: Bolsa de Madrid).

[2]Source: Bolsa de Madrid.

Tecnocom) and excluding those shares under the control of the Selling Shareholders, or (b) the Offer Price is considered a *precio equitativo* by CNMV criteria.

It is noted that the Board of Directors has received a letter from J.P. Morgan Ltd. wherein it is indicated that the consideration offered by Indra for the acquisition of 100% of the shares of Tecnocom is considered reasonable for Indra from a financial point of view on the date that the Board approved the structure of the Offer for Tecnocom, and under market conditions on said date. This letter was prepared based upon the pre-announcement of the Offer dated 29 November 2016.

It is also noted that the Board of Directors received a letter from Rothschild, S.A. wherein it is concludes that on that day the consideration offered by Indra for the acquisition of 100% of the shares of Tecnocom was considered reasonable for Indra from a financial point of view on the date that the Board approved the structure of the Offer for Tecnocom, and under current market conditions.

Taking into account the number of shares to which the Offer is directed and the swap formula, the share capital increase will be for a maximum amount of 2,591,371.80 euros (assuming 100% acceptance and no fractional share lots) by means of the issue and placement into circulation of a maximum of 12,956,859 shares of common stock with a par value of 20 euro cents each, of the same class and series as those currently in circulation. The share premium will be the difference between the value of non cash consideration (described in section 2.2 following) and the indicated par value.

In this regard, Indra and certain Tecnocom shareholders (the "**Selling Shareholders**") together representing 52.702% of the share capital of Tecnocom, have planned to execute on this date, 28 November 2016, an irrevocable public tender offer under which Indra will commit to make a voluntary Offer and each of the Selling Shareholders will agree to the Offer and to sell all of the Tecnocom shares of which they are title holders (the "**Irrevocable Tender Offer**"). The content of the Irrevocable Tender Offer will be made public through a Relevant Event.

The Irrevocable Tender Offer contains a duty of compensation from Indra to Tecnocom (the "**Break-up Fee**") in the amounts described in Clause 8 of the Irrevocable Tender Offer in the event that the Offer fails because (i) the share capital increase was not approved at the extraordinary Shareholders Meeting or such meeting was not held; or (ii) of the failure to meet the condition requiring 50.01% acceptance as agreed by the parties to the Irrevocable Tender Offer (unless Indra were to waive such requirement or should it be automatically waived).

In no case the Break-up Fee will be applied in the event that the Offer fails because of a competing offer nor it is related to the commission described in Article 42.4 of the *Real Decreto 1066/2007*.

2.2 Non cash contributions

The non cash contributions which represent the amount of the share capital increase consist of Teconocom shares whose shareholders have decided to accept the Offer.

Given the nature of the transaction, the contributors and the recipients of the increase shall be those Tecnocom shareholders who accept the Offer and deliver their shares as a consequence to be swapped.

In the event that 100% of the Teconocom shareholders accept (that is, in the event the share capital increase is for the maximum amount), non cash contributions will consist of 75,025,241 Teconocom shares, with a par value of 50 euro cents each, all of them being of a single class and completely paid-up and represented by ledger entries. Said shares are listed on the stock exchanges in Madrid, Barcelona, Bilbao and Valencia by means of *the Sistema de Interconexión Bursátil Español* or *Mercado Continuo*.

The Indra shares offered as consideration have as a reference the average list price for Indra during the last five working days before signing the Irrevocable Tender Offer, planned for today, 28 November 2016[3]. As a result, the total maximum value of the non cash contribution under the methods employed, valuing Indra shares based upon their listing for the last five working days before signing the Irrevocable Tender Offer and in a scenario of

[3] Average of two prices: The first is the weighted average for the most recent five trading sessions before the date of the Prior Announcement; the second is the average of closing prices for those same five trading sessions (source: Bolsa de Madrid)

total acceptance of the Offer and the absence of fractional share lots, is 127,574,529.40 euros.

It is noted that the maximum cash amount to be paid by Indra under the Offer for 100% of the equity of Tecnocom would reach, as a result, approximately 191.3 million euros.[4]

Without prejudice to the above, in accordance with Article 14 of the *Real Decreto 1066/2007,* applying the volume weighted average swap formula for Indra shares for the quarter prior to the pre-announcement of the Offer, the cash equivalent price for the consideration is 4.47 euros per Tecnocom share. Said cash amount was calculated using a base listed price of 11.095 for Indra, corresponding to the volume weighted average price for the three months from 29 August to 28 November 2016[5]. This is without prejudice to the fact that there are various options for calculating the average price for the last quarter.

Any time that it may be necessary or merely convenient, in accordance with the provisions of Articles 67 and 69 of the LSC, the Mercantile Registry of Madrid ("*Registro Mercantil de Madrid*") will be requested to designate an independent expert for the issuance of a report containing a description of the contribution and its value, explaining the criteria used and whether it is consistent with its cash equivalent value and, if applicable, the share premium for shares issued in exchange.

Tecnocom and Indra are well regarded companies in the Information and Communication Technology ("**ICT**") sector. While both companies could continue to grow separately, their integration would result in an even stronger and more sustainable business. The deal makes a lot of business sense in that important positive synergies and new growth opportunities are expected to result. Through this transaction Indra will reinforce its leadership position in the ICT sector. There is a clear strategic fit which justifies the transaction and the combination of both companies for the following reasons:

– Reinforcement of both companies' national and international positioning, with a well diversified and complementary offering of solutions;

[4] Not including an amount corresponding to the acquisition of fractional shares resulting from the swap, as this will be described in the Offer prospectus.

[5]Source: Bolsa de Madrid.

- Exposure to new vertical growth opportunities with attractive margins and high barriers to entry;
- A complementary client base;
- A simple integration process and high potential to create value for shareholders of both companies.

For all these reasons, the Board of Directors of Indra believes that the proposed transaction will bring long term synergies and profits which justify the valuation used as a basis for calculating the swap formula.

Finally, it is pointed out that payment in full of the cash portion of the Offer price is guaranteed in accordance with the provisions of Article 15 of the *Real Decreto 1066/2007*.

2.3 Amendment of the bylaws

Once the results of the Offer are published, should the conditions be met or should Indra waive them in accordance with *Real Decreto 1066/2007,* the Indra Board of Directors, in exercising powers delegated to it as proposed at the Shareholders Meeting, will determine the precise number of shares to issue in order to accomplish the swap.

Once said value is established, the Board of Directors will be empowered to amend the Article of the Indra Bylaws regarding share capital in order to raise the amount of share capital consistent with the increase.

For all these reasons, the Indra Board of Directors believes that it would be in the corporate interest to carry out the share capital increase under the terms of the proposed resolution which follows.

3. COMPLETE TEXT OF THE PROPOSAL CONTAINED IN ITEM ONE OF THE AGENDA FOR THE EXTRAORDINARY SHAREHOLDERS MEETING

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

This resolution is in response to the need to increase the share capital of Indra Sistemas, S.A. ("**Indra**" or the "**Company**") as a consequence of the issuance of a public tender offer for all of the shares of Tecnocom, Telecomunicaciones y Energía, S.A. ("**Tecnocom**") by the Company (the "**Offer**"). The Offer is structured as a sale/purchase and securities swap. As such, the consideration for the Offer is mixed, with a cash component (equal to 60% of the Offer) and one consisting of newly issued Indra common stock (equal to 40% of the Offer). The shares to be offered by Indra as consideration, and which are to be issued pursuant to this resolution, have an issuance price which has been agreed to by the parties to the irrevocable contract executed between Indra and certain Teconocom shareholders on 28 November 2016 (9.8461 euros[6]). Taking into account the given reference price, the resulting consideration has a cash equivalent of 4.25 euros per share of Tecnocom, consisting of 2.55 euros in cash (the part of the Offer structured as a sale/purchase) and 0.1727 shares of Indra for each share of Tecnocom (the part of the Offer structured as a swap).

1. Capital increase

As a result of the structure of the Offer, increase the share capital by no more than 2,591,371.80 euros by means of the issuance and circulation of up to 12,956,859 shares of common stock with a par value of 20 euro cents, each of the same class and series as are currently in circulation, and paid for with non-cash consideration consisting of shares Tecnocom.

It will be up to the Board of Directors, pursuant to the procedure described below, to determine (i) the actual total amount of the share capital increase and the total number of shares of common stock to be issued as a function of the number of shares accepting the Offer, which will be no more than 2,591,371.80 euros and 12,956,859 shares, respectively, as well as (ii) the amount of the share premium.

Each share will be issued at a price of 9.8461 euros (20 euro cents of par value and 9.6461 euros as a share premium). As a result, given that the maximum number of shares to be issued is 12,956,859 shares, the maximum share premium will be 124,983,157.60 euros.

Furthermore, given that the maximum number of shares which may accept the Offer, assuming no lots with fractional shares, is 75,025,241, the maximum value of the Offer is

[6]Average of two prices: One is the volume weighted average for the last five trading sessions prior to the date of the pre-announcement of the Offer. The other is the average of the closing prices for those same five days (source: Bolsa de Madrid).

318,888,893.95 euros (including treasury shares) and the non-cash component is 127,574,529.40 euros.

The shares to be issued will be represented by ledger entries and governed by the regulatory requirements of the Securities Market legislation (*Mercado de Valores)*, being the body in charge of the accounting registry the Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. ("Iberclear").

2. Maximum time for execution

The Board of Directors will determine the date by which the resolution must be executed, which will be no more than one year counting from the date of its adoption at the shareholders meeting, after which date if it is not executed the resolution will be null and void.

3. Recipients

The present share capital increase is for the exclusive benefit of those Tecnocom shareholders who take advantage of the Offer structured by Indra to purchase 100% of the shares of Tecnocom.

As of the date of this proposal, the share capital of Tecnocom consists of 75,025,241 shares with a par value of 50 euro cents each, all of which are of the same class, entirely paid-up, and represented by ledger entries.

4. Number of shares to be issued

The maximum number of shares to be issued has been calculated on the basis of the Offer being accepted by 100% of the Tecnocom shareholders to whom it is directed and that there will be no fractional shares, and taking into account the structure of the Offer consideration, that is, 60% in cash and 40% in Indra shares. The swap formula offered is 0.1727 Indra shares for each share of Tecnocom.

It is noted that under the terms of the Offer, those Tecnocom shareholders who decide to accept it will receive, in addition to the above mentioned shares in Indra, 2.55 euros for each share of Tecnocom.

Without prejudice to the forgoing, Tecnocom shareholders who submit said securities under the terms of the Offer and, after applying the swap formula, are entitled to a number of Indra shares that is not a whole number, will have the right to receive cash payment for the resulting fractional amount. Said consideration is described in the prospectus for the Offer and will be calculated in accordance with the terms of the *Real Decreto 1066/2007* of 27 July regarding rules for public tender offers (the "**Real Decreto 1066/2007**").

5. Rights and registry of the new shares

The newly issued shares will be common stock, the same as those currently circulating, and will be represented by ledger entries. Ledger management will be performed by Iberclear.

On the date in which the Company declares that the capital increase is subscribed and delivered, the new shares will confer on their owners the same economic and policy rights enjoyed by those in circulation.

6. Issue price

The issue price of the new shares is 9.8461 euros (20 euro cents par value and 9.6461 euros share premium). Given this, the maximum amount of the issue is 2,591,371.80 euros and the maximum share Premium is 124,983,157.60 euros.

Thus, the value of the non-cash component in the event of complete acceptance of the Offer, ignoring the effect of fractional share payments, will be 127,574,529.40 euros.

7. Delivery

The value received will be composed of non-cash contributions consisting of Tecnocom common shares. Shares issued under this resolution will be fully subscribed and paid-up entirely with these non-cash deliveries made at the time of subscription. Issuance of new Indra shares and verification of their delivery will be accomplished by execution of a public executor deed for the corresponding resolution to increase share capital.

8. Nonexistence of pre-emptive rights

In accordance with the provisions of Article 304 of *Ley de Sociedades de Capital*, ("**Spanish Corporations Act**" or "**LSC**") the consolidated text of which was approved by *Real Decreto*

Legislativo 1/2010, of 2 July, and of Article 14.6 of the *Real Decreto 1066/2007*, Indra shareholders will have no pre-emptive rights to the newly issued shares.

Additionally, owners of convertible bonds for resulting from the issuance of Ordinary Unsecured Convertible Bonds, at 1.750%, due 2018 ("*Bonos Convertibles no Garantizados Ordinarios al 1.750% con vencimiento en 2018*") and of Ordinary Unsecured Convertible Bonds, at 1.250%, due 2023 ("Bonos Convertibles no Garantizados Ordinarios al 1.250% con vencimiento en 2023") will not have pre-emptive rights.

9. Incomplete issuance

Once the Offer is successfully concluded, the Board of Directors may, in accordance with the provisions of Articles 331 of the LSC and 14.5 of the *Real Decreto 1066/2007,* agree to an incomplete issuance and declare the share capital increase to be in the amount actually subscribed. As a result, if the Offer is not accepted in its entirety, the share capital increase will be limited to the value of the Indra shares actually issued and delivered to title holders of Tecnocom shares who accepted the Offer, with no effect on the rest.

Nonetheless, in the event that, pursuant to the provisions of *Real Decreto 1066/2007* and the Offer terms, conditions arise allowing exercise of purchase and forced sale and those rights be exercised, the current authorization for share capital increase will be implemented partially for the amount corresponding to the shareholders who agreed to the Offer and later up to its maximum to meet the consideration obligation arising from the exercise of forced purchase and sale rights.

10. Applicable law

The new shares subject to the present agreement will be issued in accordance with the provisions of the consolidated text of the *Ley del Mercado de Valores* approved by *Real Decreto Legislativo 4/2015* of 23 October and other applicable legislation.

11. Request for listing

It is agreed that a request for listing on the Stock Exchanges in Madrid, Barcelona, Bilbao and Valencia by means of the *Sistema de Interconexión Bursátil* ("Mercado Continuo") will be made for the new shares issued pursuant to the present resolution, as well as the carrying out of required submissions and acts and presenting required documents to the competent bodies that the new shares may be admitted into trading, and stating explicitly that Indra will comply with existing and future rules regarding stock markets, and in particular as they regard buying and selling, membership, and delisting.

It is explicitly stated that, in the event of a subsequent request for delisting, this will be done with the same degree of formality as a request for listing and, in such an event, the interests of shareholders, or bondholders when applicable, who oppose or do not vote in favor of the resolution will be guaranteed in accordance with applicable law. Additionally it is expressly stated that the Company will comply with existing and future rules regarding stock markets, and in particular as they regard buying and selling, membership, and delisting.

12. Amendment of Article 5 of the bylaws

Expressly empower the Board of Directors, upon completion of the share capital increase, to amend the Article of the bylaws regarding share capital to reflect the change.

13. Delegation to the Board of Directors

All powers necessary to carry out to a positive conclusion the issuance of shares and perform the attendant formal requirements associated with it are conferred upon the Board of Directors, with the express authority to delegate such powers, including representation before the authorities and public bodies in order to complete the acts and execute the necessary documents, especially before the CNMV. Particularly, the Board is empowered to:

(a) Expand and clarify the current resolution, fixing the terms and conditions for issuance not contained in the current resolution. By example, and without intending to be exhaustive, fix the date and, generally, any conditions for the capital increase which may be unanticipated in this resolution and particularly as they relate to the swap formula (and to possible adjustments which may arise) and determine the premium for the new shares within the limits established in the present resolution and thus the issue price of the new shares; set the amount of the share capital increase pursuant to the subscription, the term, form, conditions and procedures for issuance and delivery; draft and publish those notices which may be necessary or convenient and, in general, any other circumstances to accomplish the increase and issuance of shares in exchange for cash.

(b) Declare the share capital increase subscribed and delivered, including in the event that, in accordance with Article 311 of the LSC, the issued securities are not fully subscribed, resulting in an incomplete subscription, with the authority to declare that the share increase is fixed as the subscription amount actually achieved; except in the case that, in accordance with the provisions of *Real Decreto 1066/2007* and the terms and conditions of the Offer, conditions give rise to the right of purchase and forced sale, in which case the present agreement for share capital increase will be partially executed in the amount corresponding to the shareholders and bondholders who accepted the Offer and later up to the maximum amount in order to make available the consideration necessary to exercise the rights of purchase and forced sale. For this purpose, adopt the resolutions legally necessary in order to formalize the resolution or resolutions to bring about the share capital increase, as well as the attendant modifications to the bylaws relative to share capital.

(c) Request, on behalf of the Company, the listing of the new shares representing equity on the Stock Exchanges, submitting for that purpose all necessary paperwork and performing all acts necessary or merely convenient before the CNMV, the Governing Bodies of the Stock Exchanges, the Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal (Iberclear) and any other bodies, entities, or registries, whether public or private.

(d) Draft, issue and present all documents and additional or supplementary information necessary before the CNMV or any other body, entity or registry, public or private, Spanish or foreign, related to the new shares and capital increase.

(e) Deliver on behalf of the Company all public or private documents which may be necessary or convenient for the issuance of the new shares and their listing under this agreement and, in general, perform all acts which may be necessary for execution of the same, as well as correct, clarify, interpret, specify or supplement resolutions adopted at the shareholders meeting and, particularly, any defects, errors or omissions, in form or substance, arising from oral or written submissions, which might impair implementation of these agreements in the Mercantile Registry ("*Registro Mercantil")*, the Stock Exchanges, or any others.

(f) In general, perform those acts which may be necessary or merely convenient to accomplish the goal of increasing the share capital to include, without limitation, presenting requests, issuing documents, and carrying out those acts which are convenient for full and effective compliance with the preceding agreements, as well as (without prejudice to any other existing power) empowering all members of the Board of Directors or any one of them to appear before a Notary and execute the corresponding Deed for the capital increase and final amendment of the article of the bylaws and, if necessary, correct and clarify this resolution in the terms necessary so that it may be fully registered in the Mercantile Registry ("*Registro Mercantil").*

14. Condition execution of the agreement on approval of the Offer by the CNMV, any other competent administrative bodies, and under those terms and conditions contained in the Offer

Condition execution of this resolution on approval by the *Comisión Nacional del Mercado de Valores*, the *Comisión Nacional de los Mercados y la Competencia* ("National Anti-Trust Commission") and any other competent authority, within the scope of their respective mandates, of the Offer and the terms and conditions contained in the pre-announcement prior to the request for approval of the public tender offer created by Indra and published 29 November 2016, and which are contained and explained in the Offer prospectus.

28 November 2016