

Appointments, Remuneration and Corporate Governance Committee Performance Report 2021

January 2022

This document is a translation of an original text in Spanish. In case of any discrepancy between both texts, the Spanish version will prevail.

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1 Introduction

In accordance with the provisions of Article 16.8 of the Board of Directors Regulations and Technical Guideline 1/2019 on appointments and remunerations committees published by the National Securities Market Commission (“**CNMV**”), this document includes a Report on the annual performance of the Appointments, Remuneration and Corporate Governance Committee (the “**Committee**” or the “**ARCGC**”) during the 2021 financial year (the “**Report**”), offering an account of the activities engaged in by the Committee over that period.

This Report was prepared by Indra’s ARCGC at a meeting held on 25 January 2022.

2 Composition, appointment and profile of the Committee’s members

In accordance with the contents of the Articles of Association and the Board of Directors Regulations, the Committee shall consist exclusively of Non-Executive Directors with a minimum of three and a maximum of six. A majority of its members must be independent Directors, and shall appoint a chairman/chairwoman from among them.

As set out in Recommendation 47 of the Code of Good Governance for Listed Companies (“**CGGLC**”) and Article 19.3 of the Board of Directors’ Regulations, the members of the Committee, particularly its Chair, have been appointed on the basis of their know-how, skill and experience in matters relating to the duties to be performed by the Committee. The Secretary or Deputy Secretary to the Board of Directors acts as the Committee’s Secretary, as provided for in Article 16.4 of the Board of Directors’ Regulations.

The Committee comprised the following members as of 31 December 2021:

Name	Position	Type of board member	Date of first appointment
Alberto Terol	Chairman	Independent	27 July 2017 ⁽ⁱ⁾
Antonio Cuevas	Member	Proprietary ⁽ⁱⁱ⁾	31 January 2019
Ignacio Martín	Member	Independent	28 June 2018
Isabel Torremocha	Member	Independent	25 June 2020

⁽ⁱ⁾ Also appointed Chairman of the Committee and lead Director in July 2017

⁽ⁱⁱ⁾ Appointment proposed by Sociedad Estatal de Participaciones Industriales (SEPI)

On 20 December, the Board of Directors accepted the resignation of proprietary director Santos Martínez-Conde, after Corporación Financiera Alba, S.A., the shareholder that he represented on

the Board of Directors, reduced its holding in Indra's stock to 3.21%. As a result of his resignation as board member, Mr Martínez-Conde also ceased to be a member of the Appointments, Remuneration and Corporate Governance Committee, of the Auditing and Compliance Committee and of the Strategy Committee.

The following section contains the CVs of all the Committee's members along with complete information about their profile, experience and know-how. This information can also be found on the Company's website (www.indracompany.com), where it is continuously updated.

Alberto Terol

Born in Madrid in 1955. Graduated with a degree in Economic and Business Sciences from the Complutense University of Madrid.

He began his professional career at Arthur Andersen where he became a partner and performed a range of managerial duties. He was a member of the World Council of Partners at Andersen Worldwide. He was managing partner at Garrigues-Andersen. Was European Chairman of Andersen for a year and a half and he was a member of the Worldwide Executive Committee. He was also the head of Arthur Andersen's global Fiscal and Legal practice. He was a member of Deloitte's Worldwide Executive Committee, occupying the position of Chairman for Latin America and subsequently for Europe, the Middle East and Africa. He was also managing partner for its global Fiscal and Legal practice. He was international senior advisor to BNP Paribas.

He is currently Chairman and Managing Director of several family businesses; independent director and lead director at Consolidated International Airlines Group, S.A., where he is a member of the Audit Committee, Chairman of the Remuneration Committee and Chairman of the Appointments Committee; independent director of Broseta Abogados; independent director of Schindler Spain, S.A.; independent director of Ontime Corporate Union; Deputy Chairman of Círculo de Empresarios; and Deputy Chairman and patron of the Telefónica Foundation.

Antonio Cuevas

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 (Instituto de Empresa; Executive Management Programme for Parliamentarians; Centro Superior de Estudios para la Defensa; 26th General Course on National Defence and two Specialist Courses on National Defence Strategy).

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 the issues of climate change and energy security within the National Defence Directive.

He has been Senior Adviser to the Chairman's Office at KPMG since 2012 and was a member of CaixaBank's Advisory Board in Andalusia from 2013 to 2020.

He worked for more than fifteen years at several companies operating in areas as diverse as Industry, Architecture and Urban Development.

From 1986 to 2011 he was 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.

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 in Madrid, Paris, Brussels and Rome. He was also Chairman of the permanent council charged with liaising with the Nuclear Safety Council.

Ignacio Martín

Born in San Sebastián in 1955. He has a Degree in Industrial Electrical Engineering from the University of Navarra.

During his professional career he has worked mainly in the industrial sector at a number of companies including GKN Automotive International, where he held the positions of General Manager, member of the Worldwide Executive Committee and Managing Director, this last position in the USA.

Mr Martín was also Assistant General Manager to the Chairman of Alcatel Spain. In 2001 he joined the GSB Group as Executive Deputy Chairman, where he headed up the merger with Corporación Industrial Egaña, which led to the creation of CIE Automotive, the company at which he was Managing Director until 2012, when he joined Gamesa as Executive Chairman until its merger with Siemens Wind Power in May 2017.

He currently holds the position of independent director at Repsol S.A. and Acerinox, S.A.

Isabel Torremocha

Born in Madrid in 1964. Graduated with a Degree in Chemical Sciences from Universidad Autónoma de Madrid. She completed a postgraduate course in Plastics and Rubber at the Spanish National Research Council, a Leadership Program at IMD Business School, a PDD at IESE Business School and a Corporate Finance course at IE Business School.

Ms Torremocha began her professional career at Philips Iberia and in 1991 moved to Andersen Consulting (currently Accenture), where she continued her professional advancement in the Telecommunications, Media and High-Technology Sectors. At Accenture she was Managing Director and a member of the Board of Directors of Accenture Spain. During her final period at Accenture, as Director of Opportunities for Transformation, Ms Torremocha led the creation and development of opportunities relating to strategic transformations in the areas of information technologies, outsourcing business processes and digital transformation in Spain, Portugal and Africa.

She has previously held international positions, the most important being that of Director of Operations and member of the Executive Committee for Europe, Africa and Latin America, with responsibility for the implementation of business strategy in these geographical territories. She has also been responsible for diversity and equality in the Telecommunications and Medium- and High-Technology Division in Europe, Africa and Latin America, defining plans for increasing the number of professional women in managerial positions and succession plans.

During 2018 and 2019 she worked with and acted as mentor for the University of Navarra's "Atelier by ISEM", a Startup Accelerator.

She is currently an independent director of Repsol, S.A., Chairwoman of the Audit Committee and a member of the Sustainability Committee. She is also Patron and Chairwoman of the Appointments Committee at the "Plan International" Foundation, a member of the Strategic Board at the CEIT Technological Centre (Basque Country), a member of the Institute of Directors and Administrators (ICA) and a member of the Spanish Managers Association (AED).

3 Powers and responsibilities

According to the contents of Article 31 bis of the Articles of Association, the Board of Directors Regulations establish the rules relating to the Committee's powers and duties.

In addition to the duties established in law, Article 19.5 of the Board of Directors Regulations establishes that the Committee is responsible for the following:

- a) Providing information on the director selection policy approved by the Board of Directors and checking compliance with that policy on an annual basis.
- b) Annually checking that the personal details forming the basis for the appointment of each director remain unchanged. An account of these details will be included in the Annual Corporate Governance Report.
- c) Determining the skills and know-how required by the Board and regularly check that these are duly exhibited by its members.
- d) Defining 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) Verifying the content of the Annual Corporate Governance Report, and incorporate the Auditing and Compliance Committee report relative to the sections of that report that are within its purview.
- f) Ensuring that non-executive directors have sufficient time available to perform

their duties effectively.

- g) Preparing the preliminary reports that are to be used by the Board to make an annual appraisal of its performance and an annual appraisal of the Chairman of the Board.
- h) Designing, organising and regularly updating continuing education and onboarding programmes for new Directors.
- i) Proposing to the Board of Directors the Remuneration Policy for Directors.
- j) Periodically reviewing 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) Proposing to the Board of Directors contractual terms for senior managers.
- m) Providing information on the succession plans for the Chairman of the Board, executive directors and senior management, for approval by the Board.
- n) Verifying the information on directors' and senior managers' pay contained in the various corporate documents, specifically in the Annual Report on the Remuneration of Directors.
- o) Regularly analysing the Company's policies, internal regulations, procedures and practices in the area of Corporate Governance, where supervision is not the responsibility of another committee, and overseeing the degree to which they are in line with both national and international rules, recommendations and practical improvements in these areas, proposing amendments.
- p) Informing the Board, prior to the Board giving its approval, regarding any other information that the Company publishes in connection with matters falling within its competence.
- q) Ensuring 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 reviewing Company policies and procedures on recruitment, retention, development and remuneration of professional talent as an essential asset of the Company.
- s) Consulting 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 managers are concerned and,

where applicable, invite them to committee meetings.

The foregoing list includes any amendments to the Committee's duties that may be approved by the Board during the financial year.

4 Activities during the 2021 financial year

The Committee held twelve meetings during the 2021 financial year, seven in ordinary session and five in extraordinary session. The average attendance figure for Committee members who were either physically present or appeared by videoconference was 100%.

Committee meetings were convened sufficiently in advance to allow members to analyse the documentation and information relating to the items to be discussed, and this was made available to them at the same time as notice of each meeting was announced.

In addition, the Chairman of the ARCGC informed the Board of the matters discussed and the decisions adopted by the Committee at each of its meetings.

Following an invitation from the Chairman, executive directors, managers and external advisors attended Committee meetings in order to discuss any items on the agenda for which they are responsible, though this did not in any way compromise the independence of the Committee's actions.

As it has in every financial year, the Committee prepared and approved its Performance Report for the previous financial year and furthermore approved an Action Plan for the 2021 financial year, in which it detailed the ordinary issues and matters to be discussed over the course of that year, without prejudice to any extraordinary matters that might arise. In accordance with that Action Plan for the financial year and pursuant to the duties and responsibilities with which it is charged under the Board of Directors Regulations, in 2021 the Committee analysed the issues listed below and submitted the relevant reports and proposals to the Board in this regard:

4.1 Appointment of directors and selection of members of the Board's Committees

- Change of Governance Structure

Within the framework of the preparatory process for the convening of the last Ordinary General Meeting of the Company's Shareholders, Indra's main shareholder, SEPI, made it known to the Company that it wanted to replace the Chairman, Fernando Abril-Martorell Hernández, whose appointed term ended in June 2021, and that it wished to begin a new chapter in the Company's chairmanship.

The Committee analysed the proposal received from SEPI, processing it with the strictest rigour and observing all the rules and standards required under the corporate governance regulations.

To this end, the Committee and the Board sought independent external advice in the areas of corporate governance and employment, and they engaged a specialist selection company to assess the suitability of possible candidates to take up the position of Chair of the Company.

The Committee and the Board of Directors believed that the satisfactory performance of his or her duties by the chief executive would at all times require the person in question to enjoy the total confidence of the Company's main shareholder, especially given the latter's status as representative of the public sector, the Company's largest customer, whose decisions have a significant impact on its business.

It was also noted that the continuing presence of the other two executive directors (who are already responsible, among their respective duties, for the Company's operations), together with the Corporate General Manager, would ensure management continuity at the highest level, with implementation of the 2021-2023 Strategic Plan that was approved unanimously by the Board of Directors in February 2021.

The Committee reported favourably to the Board on the following proposals, which were approved by the Board of Directors in the Company's best interests:

- i) To revoke the powers delegated to Fernando Abril-Martorell Hernández as Executive Chairman, to end his term as Chairman of the Board of Directors, and not to submit his re-election by the General Shareholders Meeting;

At the Board's request, Mr Abril-Martorell submitted his resignation as member of the Board of Directors, following the revocation of the powers delegated to him.

The Committee submitted a favourable report to the Board on the terms of Mr Abril-Martorell's severance package, which was prepared in accordance with the contents of the contract he signed in 2015.

- ii) To appoint Marc Murtra Millar as a board member, with the qualification of "other external", using the co-option procedure, to fill the vacancy caused by the resignation of Mr Abril-Martorell;
- iii) To appoint Marc Murtra Millar as non-executive Chairman of the Board of Directors;
- iv) To delegate in favour of the executive directors, Ignacio Mataix Entero and Cristina Ruiz Ortega, respectively responsible for the Transport and Defence and Minsait divisions, all the delegable powers of the Board, appointing them jointly and severally as Chief Executive Officers.

▪ Ratification and re-election of directors by the Ordinary General Shareholders Meeting

The Committee submitted a proposal to the General Meeting for the re-election of independent directors Enrique de Leyva Pérez and Ignacio Martín San Vicente and the ratification and re-election of Ana María de Pro Gonzalo, the latter having been appointed independent director by means of a co-option procedure in a resolution adopted by the Board of Directors at a meeting held on 18 December 2020.

The Committee also submitted a favourable report on the proposal to re-elect Ignacio Mataix Entero and Cristina Ruiz Ortega as executive directors and to ratify and re-elect the director classified in the “other external” category, Marc Thomas Murtra Millar, who was appointed by co-option procedure in a resolution adopted by the Board of Directors in a meeting held on 27 May 2021.

To this end, the Committee analysed the following: i) compliance with the necessary requirements according to the nature of the director in question; ii) maintenance of their capacity to devote the necessary amount of time to their duties; iii) their prior performance in the post; and iv) the degree to which their know-how, skills and experience matched the professional profile defined by the Board.

- Creation of the Strategy Committee

The Committee submitted a favourable report on the proposal to create a Strategy Committee with consultative and advisory duties.

The Committee submitted a proposal to the Board suggesting the appointment of the following board members as members of the said Committee: Carmen Aquerreta Ferraz (independent); Antonio Cuevas Delgado (proprietary); Enrique de Leyva Pérez (independent); Ignacio Martín San Vicente (independent); Santos Martínez-Conde Gutiérrez-Barquín (proprietary); and Marc Murtra Millar (other external).

These proposals were approved by the Board of Directors.

At its first meeting, the Strategy Committee appointed Marc Murtra as its Chairman.

Following the resignation of Santos Martínez-Conde as board member in December 2021, the number of members of the Strategy Committee was set at five (Chairman (other external), three independent directors and one proprietary director).

- Appointment of members of the Board's Committees

As a consequence of the creation of the Strategy Committee, the Committee submitted a proposal to the Board suggesting the appointment of Ana de Pro Gonzalo and Miguel Sebastián Gascón as new members of the Sustainability Committee, to replace Carmen Aquerreta Ferraz and Antonio Cuevas Delgado respectively, a proposal that was approved by the Board of Directors.

- Appointment of a new Secretary to the Board of Directors

In accordance with Article 12.1 of the Board of Directors Regulations, the Committee submitted a favourable report on the appointment of Guillermo Guerra Martín to replace José Antonio Escalona de Molina as the new Secretary to the Board (non-board member) and Legal Counsel. He duly meets the requirements set out in Article 12.5 of the aforementioned Regulations.

4.2 New directors' remuneration policy and Medium-Term Incentive (MTI) for the period from 2021 to 2023

Pursuant to the contents of Article 529 *quindecies* of the Spanish Capital Companies Act ("SCA"), and Article 19 of the Board of Directors Regulations, during the course of the financial year the Committee reviewed the alignment of the remuneration policy approved in June 2020 with the Company's strategy and creation of long-term value, along with its alignment with the latest regulatory developments and good corporate governance recommendations. The Committee was advised by Willis Towers Watson during its review of the entire remuneration model.

Following this review process, the Committee felt it appropriate to propose that the Board approve a new Directors' Remuneration Policy for the 2021, 2022 and 2023 financial years, in order to replace the current policy and make a series of adjustments based on the Company's new governance structure, introducing improvements and a greater level of detail as compared with the Company's previous policy.

National and international recommendations were adhered to during preparation of the policy, to ensure that it is aligned with the latest good corporate governance recommendations relating to directors' remuneration. In addition, the Policy complies with the new reporting requirements set out in Article 529 *novodecies* of the SCA, following its amendment by Act 5 of 12 April 2021, which amended the consolidated text of the SCA (in turn approved by Royal Legislative Decree 1 of 2 July 2010), and other financial regulations with regard to encouraging long-term involvement by shareholders in listed companies ("Act 5/2021").

The new Policy includes details of the way in which the 2021-2023 Medium-Term Incentive is to be regulated. In the policy approved in June 2020 it was regulated with a certain amount of flexibility so that its characteristics and conditions could be finalised in the light of the analysis of medium-term prospects made by the Committee and the Board in 2021, this being the remuneration item that was most influenced by the situation resulting from the COVID-19 global pandemic.

This new Policy was approved at the General Shareholders Meeting of 2021, along with independent approval of the 2021-2023 MTI, insofar as this is a remuneration system that includes the handover of shares to the Company's executive directors (Article 219 of the SCA).

Following its approval by the General Shareholders Meeting, the Committee submitted to the Board its proposal for the Internal Regulations that would regulate the practical aspects of the 2021-2023 MTI, along with a list of its beneficiaries, and this was approved by the Board.

4.3 Updating of the Board's responsibility and know-how assignment matrix

The Committee analysed and updated the Board's responsibility and know-how assignment matrix, and reported favourably to the Board regarding its approval.

4.4 Appraisal of the Chairman of the Board

The Committee submitted a preliminary report to the Board regarding the annual appraisal of the Chairman of the Board, its proposal for the aspects to be borne in mind when making this appraisal, and its evaluation of those aspects, and it found that the actions he had taken in his capacity as Chairman of the Board and CEO during the 2020 financial year had been highly satisfactory, as demonstrated by the overall score obtained in the responses given to the questions referring to the Chairman's performance in the appraisal questionnaire.

4.5 Appraisal of the Board of Directors and its Committees

In accordance with the contents of Recommendation 36 of the CGGLC, the Committee analysed the procedure to be applied in order to evaluate the Board's performance during the 2020 financial year, the quality of its operations and the performance of its members, and it submitted the relevant proposed evaluation procedure to the Board.

In accordance with Article 13.9 of the Board of Directors Regulations, and based on the Committee's proposal, the Board implemented the aforementioned evaluation procedure with support from an external advisor, which was chosen following an analysis of several proposals. The Committee verified the independence of the firm chosen.

The ARCGC and the Board analysed the conclusions contained in the evaluation report, underlining the board members' favourable opinion of the way that the Board and its committees had operated and the work performed by their respective chairs, along with the transparency and climate of debate. They did not identify any need to introduce changes. Notwithstanding the foregoing, the appraisal process gave rise to some suggestions relating mainly to the way that the sessions of the Board and its committees were held and the training plans for board members.

As regards the appraisal of the Board and its committees with regard to the 2021 financial year, in view of the recent changes to the Company's governance structure, the Committee gave its approval in December 2021 for this evaluation process to be carried out once again this year with support from an external adviser, despite the fact that it was not mandatory.

4.6 Composition, remuneration and duties of Senior Management

- Evaluation of the management and proposal for Annual Variable Remuneration (AVR) for 2020

The Committee presented the Board of Directors with its proposal for the AVR for 2020 to each member of the Senior Management Team (including executive directors). The ARCGC analysed the degree to which targets had been met, along with the results and management performance of each senior executive within their area of responsibility during the period in question.

- Evaluation of the management and proposal for Medium-Term Variable Remuneration (MTI) for 2018-2020

The Committee presented the Board of Directors with its proposal for the MTI for 2018-2020 to each member of the Senior Management Team (including executive directors). The ARCGC analysed the degree to which targets had been met, along with the results and management performance of each senior executive within their area of responsibility during the period in question.

- Achievement of 2021 AVR targets

The Committee presented the Board with its proposal for the 2021 AVR model and the achievement of targets by each of the people who form part of the Company's Senior Management team (including executive directors) for each financial year, analysing the conditions required in order to receive this AVR, the different target levels (company targets and individual targets, which include sustainability targets), the minimum percentages for compliance and the method of payment (70% in cash and 30% in shares).

The Committee was informed about application of the model to the remaining Company employees who are entitled to receive AVR.

- Senior Management contractual framework

The Committee submitted a favourable report to the Board on its review of the financial conditions applied to certain senior executives as the result of changes to their responsibilities.

- Senior management no competition clause

The Committee reported to the Board in favour of the formalisation of a post-contractual no competition clause on the occasion of the retirement of one of the main people responsible for the ATM market.

- Modification of the executive director contracts

During the course of the review of the entire remuneration model for executive directors and senior management, carried out within the framework of the modification of the 2021-2023 Directors' Remuneration Policy, it became clear that it would be advisable to review the terms of the executive directors' contracts.

The Committee entrusted the preparation of a proposed new contract that would be appropriate in employment terms to a specialist in employment law, Willis Towers Watson, asking it to review the Company's remuneration terms and their alignment with both market conditions and the most recent good corporate governance recommendations relating to the remuneration of board members.

Once this review had been completed, the Committee submitted a report to the Board favouring approval of the contracts of Ms Ruiz and Mr Mataix that included the adjustments required as a consequence of their appointment as joint managing directors.

4.7 Analysis of potential situations involving conflicts of interest

The Committee analysed the information passed on by directors with reference to the shareholdings and positions they held at other companies, along with their engagement either directly or on behalf of others in activities that could effectively compete with Indra's own corporate purpose or involve a conflict of interest, for inclusion in the Annual Accounts.

4.8 Annual verification of maintenance of the directors' required status

When preparing the Annual Corporate Governance Report ("**ACGR**"), the Committee submitted a favourable report to the Board on the maintenance by each director over the past financial year of the status with which he or she was appointed.

In addition, when drafting its proposals for the appointment and re-election of directors for submission to the General Shareholders Meeting, the Committee prepared a report from which it may be concluded that all the directors who were members of the Board on that date had maintained the status with which they were appointed during the previous financial year.

4.9 Corporate Governance

The Committee analysed the following issues and submitted its report/proposals to the Board in this regard:

- Appraisal of the efficacy of and compliance with the Corporate Governance rules, potentially leading to proposals for the amendment of these rules:
 - In May 2021, the Committee submitted a report to the Board of Directors favouring the proposed amendment of the Company's Articles of Association and the Regulations of the General Shareholders Meeting, in order to bring them into line with the changes introduced by Act 5/2021. The Board of Directors submitted these proposals to the General Shareholders Meeting, which approved them.
 - In July 2021, the Committee submitted a proposal to the Board of Directors suggesting an amendment to its Regulations, in order to: incorporate the changes necessary in order to adapt them to the changes made to the Articles of Association; adjust their wording to the text of the CGGLC recommendations; include the changes introduced in Act 5/2021; and make certain adjustments arising from the changes to the Company's governance structure. This proposal was approved by the Board of Directors.
 - In September 2021 it submitted a new proposal for changes to the Board of Directors Regulations in order to include the creation of the Strategy Committee and its regulations, as approved by the Board of Directors.

- Proposal for the content and wording of the ACGR 2020, which was approved by the Board and published by the Company.
- Proposal for the 2020 Annual Report on Remuneration, which was published by the Company when it published its annual accounts and approved by the General Shareholders Meeting in a consultative vote.
- Analysis and proposal of the Board's 2020 Performance Report.
- Providing information and analysis on the main new developments in the area of Corporate Governance resulting from regulatory changes and the criteria published by the CNMV.

4.10 Design and periodic organisation of programmes for the updating of know-how and the induction of new directors

A number of initiatives relating to the programme for the induction of new directors were organised during the course of the financial year.

4.11 Other

- Non-Executive Chairman

The Committee reported favourably to the Board regarding: i) the proposal for the fixed remuneration of the non-executive Chairman prepared with advice from Willis Towers Watson and included in the 2021-2023 Directors' Remuneration Policy; ii) the contract under which he was engaged by the Company; iii) the policy that will apply to him in relation to the holding of shares; and iv) the policy for the reimbursement of expenses.

- Information to be included in the 2020 Annual Accounts

The ARCGC analysed the information on payment of the members of the Board and Senior Management and the information passed on by directors in relation to Article 229 of the SCA, so that it could be included in the Annual Accounts for the 2020 financial year.

5 CNMV Technical Guideline 1/2019 on Appointments and Remuneration Committees

The Committee basically adheres to the relevant provisions of the Technical Guideline 1/2019 on Appointments and Remuneration Committees at public interest companies, as approved by the CNMV, and this was taken into account when preparing this report, with a positive evaluation of the degree to which the recommendations contained in the Guideline have been complied with.

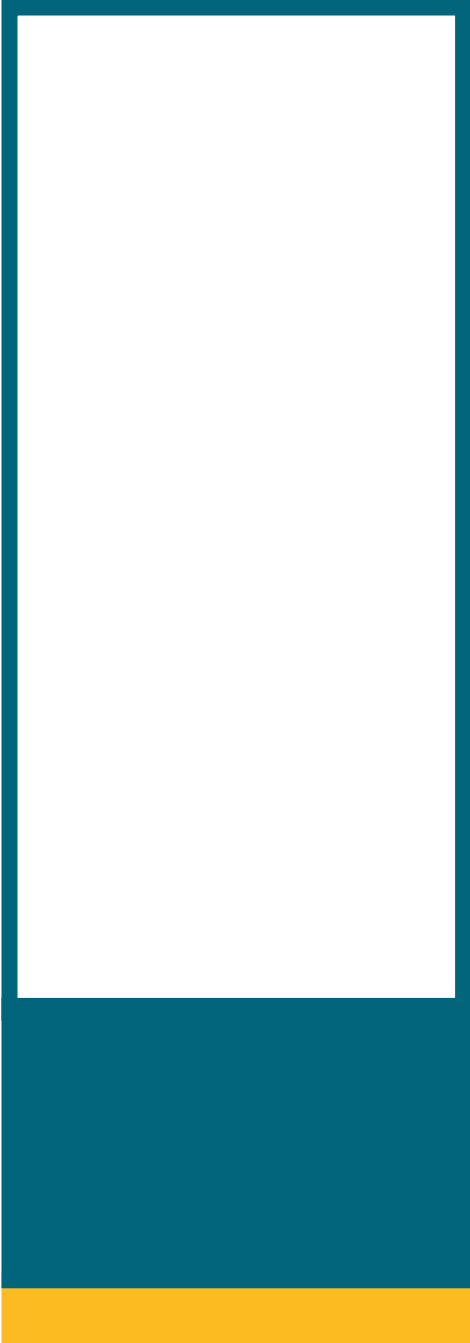
6 Conclusions

The Committee has confirmed that all the matters set out in its Action Plan for the 2021 financial year have been dealt with in the proper depth.

It believes that its performance has complied with all the applicable regulations and the recommendations in force.

In the 2022 financial year, the Committee plans to continue reviewing and monitoring the situation relating to all the matters that fall within its competence, pursuant to its Meetings Schedule and Annual Working Plan.

In view of all the foregoing, the Committee has unanimously agreed to approve this Report and to submit it to the Board of Directors so that it may be borne in mind during the process for the appraisal of the Board and its Committees for 2021.



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