Indra Sistemas, S.A.
Directors’ Remuneration Policy

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

Introduction

At a meeting held on 27 May 2021, the Board of Directors of Indra Sistemas, S.A. (hereinafter interchangeably referred to as "Indra" or the "Company"), following a proposal by the Appointments, Remuneration and Corporate Governance Committee (hereinafter, the "ARCGC"), agreed to submit this policy relating to the remuneration of the members of the Board of Directors for the 2021, 2022 and 2023 financial years (hereinafter, the "Remuneration Policy" or the "Policy") to a binding vote by the 2021 General Shareholders Meeting, as a separate item on the Agenda, in accordance with the consolidated text of the Spanish Capital Companies Act, as approved by Royal Legislative Decree 1 of 2 July 2010 (hereinafter interchangeably referred to as either the "Spanish Capital Companies Act" or the "LSC").

Remuneration of the members of the Board of Directors is determined in accordance with the contents of the Articles of Association, the Board of Directors Regulations and the resolutions adopted by the General Shareholders Meeting. In accordance with the provisions of Article 217 of the LSC, their remuneration is regularly reviewed to ensure that it stays reasonably proportionate to the size of the Company, its financial situation and usual market practices for comparable companies. During this review process, the ARCGC and the Board of Directors check that remuneration is appropriate and aligned with the amounts offered in the marketplace, and to this end it commissions the preparation of remuneration studies from consultancy firms of known international reputation. In addition, when designing, structuring and implementing the various payment items covered by the remuneration system in place at any given time, the Board is careful to ensure that remuneration is directed towards fostering long-term profitability and sustainability for the Company, and it incorporates the precautionary measures required in order to prevent the excessive assumption of risk and the rewarding of unfavourable management results.

This Policy establishes the remuneration system corresponding to the proposed new governance structure of the Company where the roles of the Chairman and the CEOs are held separately, and no executive functions are assigned to the Chairman. Specifically:

- In relation to the Executive Directors, the Policy is a continuation of the one in force to date (approved by the General Shareholders' Meeting held on 25 June 2020), even though some adjustments have been made to reinforce the alignment of the remuneration system with the Company's strategic priorities, with corporate governance recommendations and with the practices in comparable companies and sectors. For these purposes, the information received from institutional investors and proxy advisors has been considered, as well as the recommendations on director's remuneration included in the Code of Good Corporate Governance of the National Securities Market Commission.

- Regarding the Chairman of the Board of Directors (non-executive), the Policy establishes the fixed remuneration components, specific to the position.

In addition, for the purposes of preparing this Remuneration Policy, account has been taken of the new requirements on remuneration policies introduced into the LSC by Act 5 of 12 April 2021, which amended the consolidated text of the Spanish Capital Companies Act (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. The aforementioned Act (hereinafter, "Act 5/2021") will come into force on 13 October 2021.

This Remuneration Policy contains the following sections:

1. Our principles

Principles that apply to the remuneration of directors for their executive duties

ALIGNMENT WITH THE INTERESTS OF STAKEHOLDERS

Remuneration policy should contribute to the application of corporate strategy and the Company's long-term sustainable growth, aligning the Company's interests with those of its shareholders.

It should encourage them to remain with the Company and guide their management with rigour and a particular focus on the long term, while remaining reasonably linked to the performance of the share price over the same timeline.

LINK BETWEEN REMUNERATION AND RESULTS

Variable payments should represent a substantial portion of total remuneration.

Medium-term payment should carry a significant weight.

COMPETITIVENESS

Remuneration policy should be effective in attracting and retaining the highest quality professionals, ensuring that their payment is in line with best practices and conditions in the marketplace.

PROPORTIONALITY

Remuneration should be regularly reviewed to ensure that it stays reasonably proportionate to the size of the Company, its financial situation and usual market practices for comparable companies.

Principles that apply to the remuneration of directors for their membership of the administrative body

SUITABILITY

The remuneration received by external directors should be sufficient and adequate to reward their dedication, qualification and responsibility, though it should not represent an obstacle to their independence.

Given the high degree to which directors are expected to attend meetings of the Board and its Committees in person, and since their dedication and availability are a primary requirement, their remuneration consists of a fixed amount, which is determined on the basis of the duties performed by each director.

PRUDENCE

Remuneration should not incorporate elements linked to profits or the Company's share price, to ensure detachment from short-term targets and variables. It should also be paid entirely in cash.

TRANSPARENCY

Levels of transparency with regard to remuneration are in line with best corporate governance practices, with the aim of engendering trust among all the Company's stakeholders, particularly its shareholders and investors.

2. What we do

WHAT WE DO

- **Pay at risk**: The majority of the remuneration paid to executive directors is variable and linked to the Company's financial results and/or the performance of its share price (*pay for performance*).
- **Alignment of remuneration with the interests of shareholders and the Company as a whole**: the proportion represented by payment in shares forms a significant part of total remuneration, in order to align the interests of executive directors with those of shareholders. Consideration is also given to the interests of the Company as a whole, in such a way that a portion of any variable remuneration is linked to its ESG (Environmental, Social and Governance) targets.
- **Deferral of Annual Variable Remuneration and payment in shares**: deferral over 3 years of 30% of Annual Variable Remuneration (deferred bonus), this deferred part being calculated and paid in shares.
- **Long-term incentive payable in financial instruments and linked to a multi-annual target measurement period:** long-term incentive usually awarded in shares. The right to receive this incentive accrues once a minimum measurement period of 3 years has elapsed.
- **Malus and clawback clauses:** the remuneration of executive directors is subject to these clauses, which allows the Company to reduce, cancel and/or reclaim variable payments under certain circumstances.
- **Permanent holding of shares:** executive directors have an obligation to retain a minimum number of Indra shares equivalent to two years' gross Fixed Remuneration while they maintain a contractual relationship with the Company.
- **Proportionality and risk management:** Remuneration Policy ensures that executive directors have a particular interest in generating a return, both in the short term and more particularly in the long term. It also includes provisions to mitigate the taking of inappropriate risks, in addition to deferred payments and the malus and clawback clauses, with the inclusion of limits on maximum payment, multiple metrics and procedures that authorise the Board and the Committee to identify risk.
- **Recurring external advice:** for the purposes of considering market practices, as one further element to be borne in mind when making decisions about designing Policy.

WHAT WE DO NOT DO

- There are **no** contracts with **guaranteed salary increments.**
- There are **no guaranteed variable payments.**
- The **hedging, pledging or concealed sale** of shares received during the retention period is not allowed, nor can **derivatives** contracts be arranged in relation to the **share price**.
- Non-executive directors are not involved in the calculation of remuneration formulas or systems linked to the Company's results or individual performance. They do not participate in long-term savings schemes or other social welfare systems.

3. Process used to define Remuneration Policy

I. Company bodies involved

In accordance with the provisions of the Board of Directors Regulations, proposals relating to director remuneration policy (along with the specific systems to be applied, their components and amounts) are prepared by the ARCGC, which submits them to the Board of Directors. The Board of Directors then adopts the relevant decisions, including (when appropriate) proposing that the General Shareholders Meeting adopt resolutions in this regard, such as the amendment or approval of a new Remuneration Policy.

The following section contains a list of the duties performed by all the Company bodies that are in some way involved in reviewing, determining, applying and approving Policy:

General Shareholders Meeting:

- This body approves Remuneration Policy at least every three years under a separate item on the Agenda.
- It approves the maximum annual remuneration amount payable to directors in their capacity as such.
- It approves the application of variable director remuneration systems that include the award of shares or share options or payments that are linked to the share price.

Board of Directors:

- With regard to the remuneration of directors in their capacity as such, and following a report from the ARCGC, the Board of Directors approves the individual remuneration figure for each director within the framework of the Articles of Association and Remuneration Policy, taking account of the duties and responsibilities assigned to each of them.
- As regards the remuneration of executive directors: it determines the individual remuneration payable to each director for performing the duties assigned to them, within the framework of remuneration policy and pursuant to the terms of his or her contract, following a report from the ARCGC.
- It reviews any proposals for the adjustment, updating or approval of Remuneration Policy that are submitted to this end by the ARCGC, and it decides on whether or not they should be submitted to the General Meeting.
- It approves the contracts that govern the performance of the duties and responsibilities of executive directors, which set out all the items for which they may receive remuneration for the performance of their executive duties.

It is recorded herein that when adopting the foregoing decisions, the Board strictly adheres to all the legal provisions relating to the conduct of directors when they find themselves in situations that involve conflicts of interest, and any director who finds him or herself in such a position does not take part in any debate or vote on the issues that relate to his or her remuneration.

Appointments, Remuneration and Corporate Governance Committee:

- This body proposes approval of Remuneration Policy to the Board of Directors, along with any necessary adjustments or updates. To this end, it regularly reviews Remuneration Policy and takes account of the factors listed in the following paragraph.
- It provides information on the individual remuneration to be received by directors, which must be approved by the Board of Directors.
- As regards variable remuneration, the ARCGC reviews the structure, the maximum levels of remuneration, the targets established and the specific weight of each of them, taking account of Company strategy, the Company's needs and the business environment.

Sustainability Committee:

- In relation to variable remuneration, the Committee prepares the proposal for sustainability targets, and this must be approved by the Board of Directors, in accordance with the Sustainability Master Plan.

II. Criteria adopted when determining Remuneration Policy

Consideration of the opinions of shareholders and good governance recommendations

The ARCGC takes account of the information that it receives from institutional investors and proxy advisers during the regular consultations carried out by Indra, along with the guidelines they publish in relation to remuneration.

At the same time, when preparing the remuneration system, the ARCGC takes account of the results of votes taken in relation to remuneration policies that have been previously approved by the General Shareholders Meeting, and the consultative votes included in the annual reports on remuneration in which these policies are applied. The backing generally expressed by shareholders to the remuneration policies proposed by the Board of Directors (given that the remunerations policy for 2018-2020 was approved with 72.65% of the vote and the remunerations policy was approved at the last meeting with 70.59% of the vote, bearing in mind the fact that SEPI has a policy of abstaining in relation to these resolutions), confirms that this Policy essentially favours continuity, notwithstanding the inclusion of the improvements deemed pertinent, as detailed in section 4 below.

In turn, the ARCGC and the Board ensure that the Remuneration Policy is aligned with the recommendations set out in the CNMV's Good Governance Code.

Consideration of employee payment conditions

For the purposes of establishing the remuneration system set out in the Remuneration Policy, consideration has been given to the payment and employment conditions enjoyed by the Company's workers. In particular, the remunerations strategy that applies to employees has been taken into account.

In addition, when preparing Remuneration Policy, close attention was paid to the importance of ensuring that the remuneration policy for executive directors was in line with that of senior management, bearing in mind the duties and responsibilities taken on by each of these groups.

As a result of that process, this Remuneration Policy shares the following guidelines with the general payment conditions that apply to employees:

- **Total payment structure:** the remuneration package offered by Indra basically comprises fixed remuneration and an annual variable payment. In the case of directors, there is also medium-term remuneration. In any case, in the remuneration policy that applies to employees in general, the fixed portion has a reasonable specific weight insofar as, in certain circumstances, the variable payment amount may end up being zero.
- **Equitable remuneration:** the remuneration policy applied by Indra does not involve any gender-related bias. Fixed monetary payments and variable payments are established objectively, without any subjective bias. The fixed remuneration amount mainly reflects the experience of the professional in question and their responsibility within the organisation, while variable remuneration rewards the achievement of (mostly quantitative) targets, and it is shared among the professionals who perform their duties in the same operational areas.
- **Alignment of interests:** a significant portion of the total remuneration of the management team is variable, and its payment is linked to the achievement of the Company's strategic objectives, in a way that incentivises robust management with a particular focus on the long term.
- **Proportionality and the management of risk:** levels of remuneration are consistent with the Company's importance, its financial position at any given time and market norms in comparable sectors and businesses. Provisions are also included to mitigate the taking of inappropriate risk.
- **Values:** Remuneration Policy is designed with the aim of attracting and retaining the best talent and encouraging a culture of high performance, in the same way as the remuneration strategy that applies to Company employees.

3. Process used to define Remuneration Policy (contd.)

Consideration of market conditions

The remuneration paid to directors is compared with the payments received by people with comparable profiles in companies that are similar in terms of size. The remuneration paid to Non-Executive Directors is compared with the Ibex-35. The remuneration paid to Executive Directors is compared with the policy applied by a group of European companies that operate in the various sectors in which Indra is active and that are comparable in terms of size, as well as with the Ibex-35. Details of the groups used in this comparison and the analyses carried out are included in the relevant Annual Report on Directors' Remuneration.

Consideration by an independent external adviser

When determining, reviewing and implementing Remuneration Policy, the ARCGC seeks independent advice and ensures that no director is allowed to take decisions relating to his or her own remuneration.

Specifically, the ARCGC received external advice from Willis Towers Watson when designing and preparing the director remuneration structure set out in this present Policy, having made a positive assessment of the independence of the said external adviser prior to its appointment.

4. New developments in Remuneration Policy

This new Policy establishes the remuneration system corresponding to the new governance structure of the Company where the roles of Chairman and the Chief Executive Officers are held separately, and no executive functions are assigned to the Chairman.

In relation to the Executive Directors, this Remuneration Policy maintains the grounds applied in the policy in force approved by the General Shareholders' Meeting on 25 June 2020. Notwithstanding the foregoing, having considered the implications of the new governance structure the comments made by shareholders, institutional investors and proxy advisers and taken account of the regulatory amendments that will shortly come into force, together with the best practice in this area, some new provisions have been introduced, the most significant of which are as follows:

- Adjustment of the fixed remuneration of each of the CEOs from € 550,000 to € 600,000 to reflect the greater scope of their responsibility derived from the new distribution of functions.
- Inclusion of the new features resulting from the appointment of a non-executive chairman, consisting of the definition of the items for which he will be remunerated and the applicable amounts.
- Review of the maximum amount of Medium-Term Remuneration, which rises from 133% to 150% of the target amount, and subsequent calibration of the required degree to which the targets linked to this payment item must be met.
- Clarification of obligations to retain shares.
- Formalisation of the malus clause on variable remuneration.
- Disclosure of the causes of application of malus and clawback clauses.
- Decoupling from the Pre-Retirement and Long-Term Savings Plan of indemnification and compensation payments for termination of contract, in line with normal market practices.
- Amendment of the name of the Pre-Retirement and Long-Term Savings Plan.

5. Executive directors' Remuneration Policy

I. Remunerative elements

The following figure shows the principal elements into which directors' remuneration for performing their executive duties is divided⋆: (i) Fixed Remuneration, (ii) Variable Annual Remuneration, and (iii) Medium-Term Remuneration:

Fixed Remuneration (FR)

- CEOs: €600,000

Variable Annual Remuneration (VAR)

Quantitative targets (minimum weighting of 50%), linked to financial and operational aspects of the Company's management. Qualitative targets (maximum weighting of 50%), mainly linked to the appraisal of each individual executive director's performance.

- Target: 140% of FR
- Maximum: 120% of the Target (168% of FR)

Medium-Term Remuneration (MTR)

Minimum accrual period of 3 years. Generally share price-based. Economic, financial, operational and strategic targets, together with sustainability targets directed towards the creation of long-term value for shareholders.

- Annualised Target: 160% of FR
- Annualised maximum: 150% of the Target (240% of FR)

⋆ In addition, executive directors may be the beneficiaries of other payments in kind. The details are described in Section 5.III. Executive directors may also receive the remuneration that corresponds to their membership of the Board of Directors and attendance at its meetings.

⋆ Furthermore, executive directors may also participate in the Savings Plan. The details are described in Section 5.VI.

⋆ The limits on VAR and MTR are established for the purposes of calculating the incentive amount on the date it is awarded.

II. Mixed remuneration scenarios

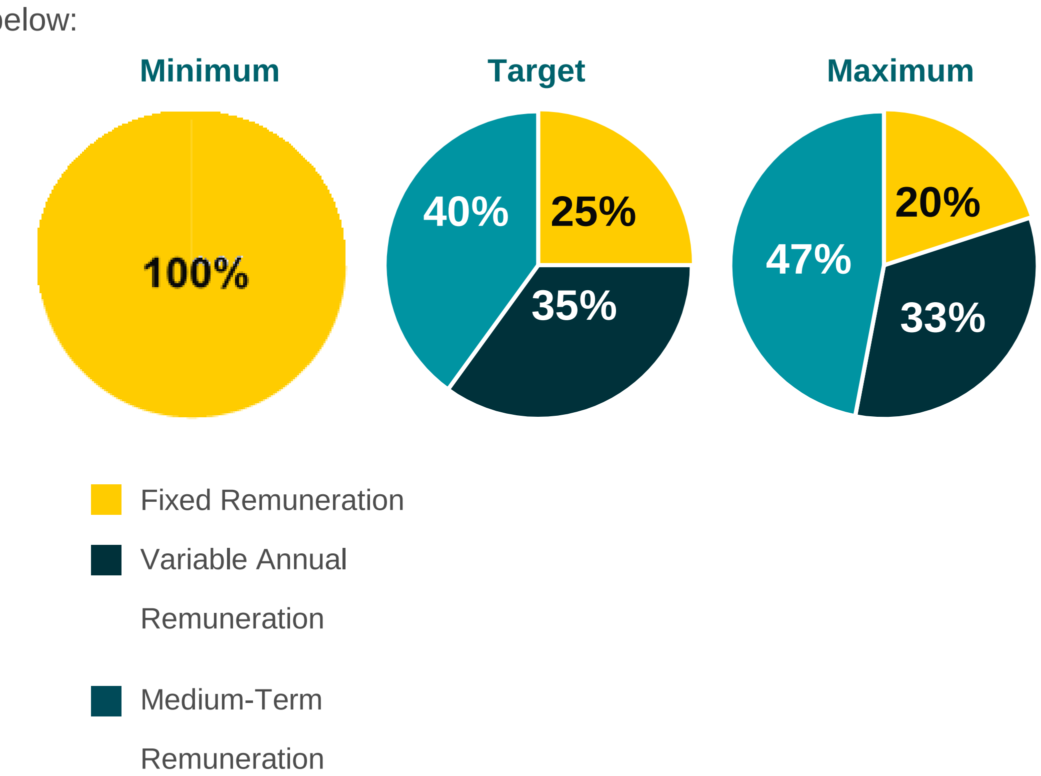
The Remuneration Policy offers a reasonable balance between the different fixed and variable elements (both annual and long-term), reflecting an appropriate assumption of risk combined with the achievement of defined short- and long-term targets, linked to the creation of sustainable value.

Fixed Remuneration[1]	All scenarios	CEOs: €600,000
Variable Annual Remuneration[2]	Minimum	No incentive payment will be made
	Target	140% of FR
	Maximum	168% of FR
Medium-Term Remuneration[2]	Minimum	No incentive payment will be made
	Target	160% of FR
	Maximum	240% of FR

[1] The details of the payments in kind which executive directors may receive, where applicable, are shown in Section 5.III.

[2] The resulting amounts show their value on the date of award.

The following figures show examples of total potential future remuneration for executive directors under this Remuneration Policy, with details of the proportion relating to the different elements from which it is comprised. Potential results and the premises on which they are based are shown below:



5. Executive directors' Remuneration Policy (contd.)

III. Fixed amounts for the performance of executive duties

Fixed Remuneration in cash	
Purpose	To reward performance, bearing in mind level of responsibility and professional experience
Amount	• CEOs: €600,000.
Procedure	Fixed Remuneration will remain unchanged during the entire time that this Remuneration Policy remains in force, unless specific circumstances make a review advisable. It is calculated taking account of the content of the executive duties associated with the position and comparative information on the remuneration paid by listed companies that are comparable to Indra. In certain situations, the ARCGC may, for example, recognise a change in responsibility, developments affecting a position, the amount of time that has elapsed without any increment, or issues relating to the retention of the director. Under these circumstances, following a proposal from the ARCGC, the Board may approve an increment in the Fixed Remuneration figure. The underlying reasons will be properly justified in the relevant Annual Remuneration Report. In any case, any increments that may be agreed under the aforementioned criteria for each of the executive directors while this Policy remains in force may not exceed 10% of the Fixed Remuneration amount shown. This Fixed Remuneration will be divided into 14 equal instalments, one being paid in each calendar month and the remaining two in June and December.

Payment in kind	
Purpose	To offer competitive benefits.
Amount	• Life and accident insurance: the combined annual cost of premiums for executive directors is less than €100,000. • Health insurance: the combined annual cost of premiums for executive directors is less than €30,000. • Use of a company vehicle: the combined annual cost represented by this benefit afforded to the Executive Directors €40,000.
Procedure	• Life and accident insurance: The Company has taken out life insurance policies to cover the executive directors in case of death or disablement. • Health insurance: the executive directors are beneficiaries of a collective health insurance policy that the Company has taken out for its senior executives. • Use of vehicle: in line with the policy established to this end by the Company.

5. Executive directors' Remuneration Policy (contd.)

IV. Variable amounts for the performance of executive duties

Variable Annual Remuneration	
Purpose	To provide an incentive to meet the annual targets, in line with the Strategic Plan in place at any given time. Compliance with these targets, even when they are set in the short term, is referred to in the Company's Strategic Plan, to the extent that this assists in advancing the strategy established by the Board of Directors to achieve sustainable and long-term growth for the Company while at the same time creating value for shareholders. Likewise, the definition of these targets also takes account of non-financial parameters which, when achieved, have a similarly beneficial effect on the Company as a whole.
Amount	• Target: 140% of Fixed Remuneration. • Maximum: 120% of the Target (168% of Fixed Remuneration).
Targets and Metrics	The Board of Directors will define both quantitative and qualitative targets: • Quantitative targets will carry a weighting of at least 50% in the incentive as a whole. They will comprise metrics that guarantee a suitable balance between the financial and operational aspects of the Company's management. In particular, quantitative metrics will be principally linked to the achievement of certain financial performance thresholds: contracting, cash flow or EBIT. In turn, metrics will also be established relating to non-financial performance. Specifically, as regards sustainability, this will consist of reducing CO_2 emissions and promoting diversity and innovation. • Qualitative targets will carry a maximum weighting of 50% in the incentive as a whole. These targets will mainly be linked to the appraisal of each individual executive director's performance and his or her contribution to the achievement of the creation of value. The ARCGC may also propose the possibility to the Board of considering other targets and milestones that have been achieved, both quantitative and qualitative, or the application of other criteria to determine the annual variable remuneration amount. The details of any such adjustments will be broken down in the relevant Annual Remuneration Report.
Procedure	The accrual of Variable Annual Remuneration is linked to the individual performance of the Executive Director in question and the achievement of the targets set in each case. Targets will be defined annually by the Board of Directors, at the proposal of the ARCGC and the Sustainability Committee (according to their area of responsibility), for each Executive Director, in such a way that the targets are specific, quantifiable and predetermined for each financial year. An account of the targets set by the Board of Directors for each financial year will be given in the relevant Annual Remuneration Report. When preparing its proposal for definition of the suitable metrics to be used to determine levels of compliance with each target, the ARCGC will take account of both past information on the Company's performance and projections and forecasts relating to the Company's growth, while at the same time assessing the suitable weighting for each target in consideration of the Company's strategy. In this regard, to determine levels of compliance, a specific compliance scale will be established for each target at the beginning of each financial year. This will include (i) a minimum threshold, below which no incentive payment will be made, (ii) a target level, which will correspond to 100% compliance with targets, and (iii) a maximum level. Once the financial year to which the targets apply has ended, and following a report from the ARCGC, the Board will calculate the variable remuneration that has accrued during that financial year on the basis of the degree of compliance with both the quantitative and the qualitative targets. With the aim of ensuring that variable annual remuneration is effectively related to the professional performance displayed by its beneficiaries, when it comes to determining levels of compliance with quantitative targets, the Board and the ARCGC may discount any extraordinary results or events that may distort the assessment criteria applied, giving details of such adjustments in the Annual Remuneration Report. 70% of the variable annual remuneration will be received in cash following the preparation of the annual accounts and an appraisal of the external auditor's report. This will permit sufficient verification that the conditions relating to performance and any other factors that may be established have been effectively met. The remaining 30% will be deferred for three years by third parties and will be received in its entirety in the form of Company shares, the number of which shall be set on the date on which the Board approves the variable annual remuneration to which the Executive Director in question is effectively entitled. The number of shares to be awarded will be calculated on the basis of the average share price during the thirty stock market trading sessions preceding the date of the Board's resolution. Where applicable, a cash amount equivalent to the dividends paid by the Company will be paid from the date on which the shares are allocated. The shares awarded may not be disposed of until at least 3 years have elapsed from the date on which they are awarded, unless the executive directors directly or indirectly own a number of shares equivalent to twice their Fixed Annual Remuneration. As indicated in greater detail in the following Section 5.VII, the amounts paid in the form of variable annual remuneration are subject to possible recovery (clawback) for a period of two years. Furthermore, receipt of the deferred portion of the variable annual remuneration will also be subject to the circumstances provided for in the malus clause not being met, since this could result in the total or partial loss of entitlement to the remuneration whose payment has been deferred.

5. Executive directors' Remuneration Policy (contd.)

IV. Variable amounts for the performance of executive duties (contd.)

Medium-Term Remuneration	
Purpose	To incentivise the creation of sustainable value for shareholders over the long term.
Amount (in annualised terms)	• Target: 160% of Fixed Remuneration. • Overall maximum: 150% of the Target (240% of Fixed Remuneration).
Metrics	A combination of economic, financial, operational and strategic targets, together with sustainability targets directed towards the creation of both quantitative and qualitative long-term value for shareholders, all of which will also refer to strategic and management aspects in the medium term. The targets, their metrics and weightings will be set by the Board of Directors at the proposal of the ARCGC and the Sustainability Committee (according to their area of responsibility), and the details will be published in the relevant Annual Remuneration Report.
Procedure	Medium-term remuneration may be structured in the form of one single cycle or as a series of overlapping cycles, and it may be awarded in the form of shares and/or cash, the award of which will depend on the level of compliance with the targets to which remuneration is linked. The accrual period will be at least 3 years. Targets will be linked to a compliance scale, which will be specific for each target and established at the beginning of the medium-term remuneration period. They will include: a minimum threshold, below which no incentive payment will be made; a target level, which will correspond to 100% compliance with targets; and a maximum compliance level. When evaluating compliance with targets, the Board and the ARCGC may discount any circumstances that do not relate to the ordinary course of business (such as acquisitions, restructuring, corporate transactions, etc.) and that have had an effect on the achievement of those targets and fall outside the director's direct management responsibilities. In addition, when assessing targets the Board and the ARCGC may give weight to other circumstances, such as the macro-economic situation or Indra's relative performance as compared with comparable market or business sectors, among other factors. In particular circumstances that result from internal or external factors, the ARCGC may propose that the Board apply other criteria or require the achievement of other goals in order to calculate Medium-Term Remuneration. The details of any such adjustments will be broken down in the relevant Annual Remuneration Report. The shares awarded may not be disposed of until at least 3 years have elapsed from the date on which they are awarded, unless the executive directors directly or indirectly own a number of shares equivalent to twice their Fixed Annual Remuneration. Details of the Medium-Term Incentive for the period from 2021 to 2023 are set out below.

The following pages include the details of the specific Medium-Term Incentive for the period 2021-2023, which is submitted for approval at the 2021 Annual General Shareholders' Meeting.

5. Executive directors' Remuneration Policy (contd.)

IV. Variable amounts for the performance of executive duties (contd.)

Medium-Term Incentive (MTI) for the period from 2021 to 2023	
The 2021-2023 MTI is a medium-term incentive (three years) that is directed at the Company's executive directors and managers who are considered to have contributed decisively to the creation of value over the reference period, up to a maximum of 120 beneficiaries (the "2021-2023 MTI"). The following section contains a description of the main features of the 2021-2023 MTI insofar as they affect the remuneration of executive directors.	
Description	The 2021-2023 MTI is linked to the Company's performance in relation to implementation of the 2021-2023 Strategic Plan approved by the Board of Directors. It takes the form of a performance share plan, with an initial allocation of shares, which may be awarded upon completion in a percentage of between 0% and 150%, calculated according to the degree to which the established targets have been met.
Term	The 2021-2023 MTI will have a term of three years, and the relevant number of shares will be awarded, as applicable, following the end of the 2023 financial year. The specific date of their award will be decided by the Board of Directors or the body or individual to which/whom this duty is delegated.
Amount	As a maximum, the executive directors will be entitled to receive 1,254,320 shares, equivalent to 0.71% of the Company' share capital at the time at which both this Remuneration Policy and the agreement that is subject to approval by the 2021 Ordinary General Shareholders Meeting under item 9.2 of its agenda are approved. The maximum number of shares to be awarded has been calculated, following completion of the terms for the 2018-2020 Medium-Term Incentive, on the basis of the average price of Indra's shares over the last 30 sessions in 2020 (€6.8882 per share), and it corresponds to a scenario in which all the 2021-2023 MTI targets have been superseded by the maximum amount (150%).
Requirements and conditions for payment	The 2021-2023 MTI amount that will be paid to each beneficiary following the end of the 2023 financial year will depend on the level of compliance with the targets established. To this end, three blocks of objectives have been set, with a specific compliance scale associated with them: a minimum threshold (meeting 70% of the target) below which no incentive will be paid and which corresponds to a payment level of 50% of the incentive; a target level (meeting 100% of the target) which corresponds to a payment level of 100% of the incentive; and a maximum level of compliance (meeting 120% of the target) which corresponds to the payment of the maximum incentive (150% of the target), all in the terms indicated in section "Targets and Metrics". The 2021-2023 MTI targets for executive directors are described in the section headed "Targets and Metrics" on the following page.
Evaluation and settlement	Notwithstanding the fact that the 2021-2023 MTI will accrue at the close of the 2021 financial year, executive directors will not receive the shares to which they may be entitled (where applicable) until the Board, following a report from the ARCGC, makes an appraisal of the degree to which the targets set out in the section headed "Targets and metrics" have been met. When evaluating compliance with targets, the Board and the ARCGC may discount any circumstances that do not relate to the ordinary course of business (such as acquisitions, restructuring, corporate transactions, etc.) and that have had an effect on the achievement of those targets and fall outside the director's direct management responsibilities. In addition, when assessing targets the Board and the ARCGC may give weight to other circumstances, such as the macro-economic situation or Indra's relative performance as compared with comparable market or business sectors, among other factors. In certain circumstances that result from internal or external factors, the ARCGC may propose that the Board apply other criteria or require the achievement of other goals in order to calculate Medium-Term Remuneration. The details of any such adjustments will be broken down in the relevant Annual Remuneration Report. The award of shares will be subject to the permanence conditions set out in the executive directors' respective contracts, notwithstanding compliance with any other conditions and requirements that may be established or any normal exceptions or conditions that may be implemented for reasons of opportunity.
Withholding, cancellation and reimbursement period	Executive directors may not transfer the shares they have been awarded for a period of three years following their award, unless they directly or indirectly own a number of shares that is equivalent to twice their fixed annual remuneration, or unless the Board of Directors specifically authorises them to do so due to the existence of exceptional and justifiable circumstances. With regard to the shares awarded (or to be awarded) within the framework of the 2021-2023 MTI, the Board of Directors will assess, after receiving a report from the ARCGC, whether it should i. wholly or partially cancel the right to receive any shares that are pending award (malus), and/or ii. be wholly or partially reimbursed for the shares awarded within twenty-four months of their award (clawback), when the circumstances provided for in the executive directors' respective contracts have arisen.

5. Executive directors' Remuneration Policy (contd.)

IV. Variable amounts for the performance of executive duties (contd.)

2021-2023 MTI (contd.)

Targets and Metrics

Strategic and ESG targets

These targets carry a weighting of 20% of the total incentive amount, each of them representing 10%.

The purpose of these targets is to evaluate the performance of executive directors in two areas: the development and implementation of the actions and initiatives contained in the Company's Strategic Plan, and compliance with the ESG targets in the Sustainability Master Plan.

Compliance with these targets will be evaluated and measured following the close of the 2023 financial year.

1. Strategic targets are linked to the Company's Strategic Plan, the main features of which are:

- Speeding up changes to the business mix towards high value.
- Efficiency in production and excellence in execution.
- Digitisation of supply.
- Maximising synergies and leveraging skills to improve the Group's competitiveness.

Achieving 70% of the strategic targets on an aggregate basis will result in payment of 50% of the incentive; achieving 100% will result in payment of 100%; and achieving 120% or more will result in a maximum payment of 150%. Where targets are achieved at percentages that fall between these figures, the incentive will be calculated by linear interpolation. In the event that the strategic targets are met by less than 70%, no incentive will be paid.

2. The ESG targets that have been established are as follows:

i. The establishment and approval by SBTi[1] (SBT: Science Based Targets) and the public communication of the science-based reduction targets for Scope[2] 1, 2 and 3 emissions, relating to the Business Ambition for 1.5ºC by 2030 and 2040, over the course of the period between 2021 and 2023.

ii. Compliance with the target of achieving a 20% reduction in Scope 1 and 2 greenhouse gas emissions linked to energy consumption at working premises by 2023, using the emissions recorded in 2019 as the base figure.

iii. Compliance with the target of achieving a 5% reduction by 2023 in Scope 3 greenhouse gas emissions linked to the Company's value chain in 2023, using the emissions recorded in 2019 as the base figure.

iv. Increase in the percentage of renewable energy acquired until a figure of 100% is achieved in Spain by 2023.

v. Systematic application of EU Taxonomy to Indra's business activities before 2023.

Achievement of three of the five ESG targets will result in the payment of 50% of the incentive; the achievement of four will result in the payment of 100%; and the achievement of five, 150%. If only two of the ESG targets are met, no incentive will be paid.

Share price performance

These targets carry a weighting of 20% of the total incentive amount, with 10% allocated to each of the following two: Relative Total Shareholder Return (TSR), as compared with the Ibex 35 (Control Group) and Absolute TSR.

- Relative TSR is the metric used to measure the performance of an investment in Indra shares over the period between 1 January 2021 and 31 December 2023, as compared with the performance of an investment in the shares of the companies included in the Control Group (Ibex 35), as this was formed on 1 January 2021. It is determined as the quotient (expressed in the form of a percentage relationship) between the eventual value of a hypothetical investment in shares (with the reinvestment of any dividends or other similar payments received by the shareholder from time to time) and the initial value of that same hypothetical investment. Percentage compliance with the Relative TSR will be calculated on the basis of the following scale, according to the position of Indra's share price among the companies comprising the Ibex 35 during the measurement period. Exits of companies from the Ibex 35 during the measurement period will only affect the Comparison Group when these companies are no longer listed, in which case they will be excluded from the Comparison Group.

Indra's position on the Ibex-35	Percentage payment of Relative TSR
To be among the top 8 Ibex 35 stocks	150%
Ranked between 18th and 8th among the best Ibex 35 stocks	50% – 150% (*)
Ranked 19th or worse among Ibex 35 stocks	0

(*)The ratio of payment of the Relative TSR for intermediate results are calculated by linear interpolation

- Absolute TSR is the metric used to measure the performance of an investment in Indra shares over the period between 1 January 2021 and 31 December 2023, determined as the quotient (expressed in the form of a percentage relationship) between the eventual value of a hypothetical investment in Indra shares (with the reinvestment of any dividends or other similar payments received by the shareholder from time to time) and the initial value of that same hypothetical investment. Percentage compliance with the Absolute TSR will be determined for the measurement period on the basis of the following parameters:

Indra's Absolute TSR	Percentage payment of Absolute TSR
Absolute TSR > 40%	150%
Absolute TSR ≥ 20 and ≤ 40	50% – 150% (*)
Absolute TSR < 20%	0

(*)Intermediate results are calculated by linear interpolation

(1) SBTi is a consortium comprising CDP, the UN Global Compact, the World Resources Institute and the WWF whose aim is to drive forward compliance with the climate targets agreed in the Paris Accord in order to reduce global warming by reducing greenhouse gas emissions.

(2) Scope 1 and 2 emissions consist of direct and indirect CO_2 emissions that result from Indra's day-to-day business activities as the result of its use of fuel, the leaking and refilling of refrigerant gases and its use of electricity. Scope 3 emissions are the indirect emissions generated by Indra's business activities and its value chain, such as, for example, procurement activities, business trips or the daily movement of its workforce.

5. Executive directors' Remuneration Policy (contd.)

IV. Variable amounts for the performance of executive duties (contd.)

2021-2023 MTI (contd.)		
Targets and Metrics	**Operational performance**	These targets carry a weighting of 60% of the total incentive amount, with 20% allocated to each of the following three: EBIT, Free Cash Flow and Contracting. • EBIT is defined as Profit/(Loss) from Operations. It is a financial indicator that is used by the Company to determine the profitability of its production activities and by investors to assess a company's value. This figure may exclude certain occasional and extraordinary impacts, which might include (though are not limited to) the restructuring of the workforce, write-offs, unexpected sanctions, project write-downs, and other similar events. • Free cash flow is defined as the funds generated by the Company excluding dividend payment, net financial investments/divestments and others, and the investment in treasury stock. It is calculated starting from "Profit Before Tax" as indicated in the consolidated statement of cash flows, adjusted for depreciation and amortization, deducting provisions, capital grants and others, result of companies accounted for using the equity method and financial loss, and adding dividend received, adding cash flow from operating activities, deducting capex, deducting interest paid and received, deducting other financial liabilities variation and deducting income tax paid. This figure could exclude the cash outflow due to some extraordinary impacts, including but not limited to (non-exhaustive): workforce adjustments, write offs, fines, project write-offs and others. • Contracting is defined as the value of the contracts that are won over a period of time, the variable portions of which are recognised in accordance with the Group's own contracting rules. The contracting amount should not be confused with revenues or the net turnover figure, since the value of a contract won during a particular financial year (and entered as contracting for that year) may be obtained over the course of several financial years. The contracting figure is an indication of the future development of the Group's business. Achieving 70% of the targets linked to operational performance will result in payment of 50% of the incentive; achieving 100% of these targets will result in payment of 100%; and achieving 120% or more will result in a maximum payment of 150%. Where targets are achieved at percentages that fall between these figures, the incentive will be calculated by linear interpolation. In the event that the targets linked to operational performance are met by less than 70%, no incentive will be paid. In addition, and only in the event that the figures set for each target (EBIT, Free Cash Flow and Contracting) in the budget approved by the Board of Directors for each financial year are achieved in the amount of 100% or more, the annual superseding of the target in question may be partially consolidated. This partial consolidation scale will mean that, for each target and year, the following percentages of the maximum figure (100%) corresponding to each target may be consolidated: **(%) Annual target reached** — **Percentage payment due to partial consolidation of target** ATR ≥ 120% — 30% 110% ≤ ATR < 120% — 20% 100% ≤ ATR < 110% — 10% This potential partial consolidation in the event that targets are met or superseded in a particular year will represent, at most, a percentage of between 3% and 6% of the annual 2021-2023 MTI. Under no circumstances will this partial consolidation result in an increase in the overall achievement percentage that results from the evaluation made at the end of the relevant period. To determine overall compliance with the above targets at the end of the period for which they are established (31 December 2023) and calculate the specific number of shares to be awarded in this regard, the accumulated figure for EBIT, Free Cash Flow and Contracting for the entire period will be measured, and this will be set against the target approved by the Board of Directors. Establishment of the possibility of partially consolidating the remuneration that corresponds to these targets will not under any circumstances result in an annual award of shares. Such an award will only take place once the plan has ended, when the 2021-2023 MTI accrues on the basis of overall compliance with the targets set. This formula has been designed in order to align the highly demanding nature of the targets with the necessary levels of motivation and the Company's desire to retain its professionals when they encounter specific events that are beyond their control and that might make it difficult to meet their three-year targets after having accumulated positive returns during a significant part of that period.
Amount (in annualised terms)	• Target: 160% of Fixed Remuneration. • Overall maximum: 150% of the Target (240% of Fixed Remuneration).	

(*) Detailed information on the 2021-2023 MTI is included in the resolution submitted for approval at the 2021 Ordinary General Shareholders Meeting, item […] on the Agenda.

5. Executive directors' Remuneration Policy (contd.)

V. Advances, loans and guarantees

Indra currently has a policy for granting advances and loans to members of its Steering Committee, of which the executive directors are members. This establishes a maximum capital amount (equivalent to two months' gross Fixed Remuneration) and repayment conditions that are fixed according to the amount of time over which the director repays the loan in question. The grant of these loans is subject to approval by the Board of Directors, following a favourable report by the ARCGC and the formal signing of the relevant agreement provided for in the aforementioned policy.

VI. Savings Plan

The Savings Plan takes the form of a fixed contribution fund that is outsourced through an insurance policy. Contributions are made on an individual basis and the Company's only obligation is to make the annual contributions as indicated.

Contributions are defined as a percentage of the Annualised Total Target Remuneration (ATTR, defined as the sum of Fixed Remuneration, Variable Annual Remuneration and annualised Medium-Term Remuneration):

- CEO of IT: 6.72% of her ATTR.
- CEO of T&D: 16.56% of his ATTR.

These contributions continue to be made while the executive directors' contractual relationship with the Company remains in force, until they reach the age of 62, which is when the Executive Director will receive the accumulated fund regardless of his or her possible continuation with the Company. It will be received either as capital, as a life annuity, or as a combination of both.

The maximum amount that can be received from the Savings Plan is limited in all cases to once their ATTR in the case of the CEOs.

VII. *Ex-post* control of variable remuneration (malus and clawback)

The executive directors' contracts include a reduction, cancellation or repayment (malus and clawback) clause that entitles the Company to cancel and/or recover any variable annual remuneration, either wholly or in part, if any event or circumstance arises that results in a significant alteration or modification to its accounts, results or financial data, or to the conditions of any other kind on which the grant of variable annual remuneration is based, to the extent that the data in question does not give a true picture of the Company's situation or profitability, or the actual performance of the Executive Director in question, regardless of whether or not the director is subject to some kind of liability.

The situations which may trigger the application of these clauses include, but are not limited to, the following events:

- Material restatement of the Company's and/or of the Executive Director's business units' financial statements, when determined by the Company's external auditor, except it is not due to a regulatory change of the accounting legislation.
- Existence of alterations or inaccuracies in the business data that were relevant for the purposes of variable remuneration and that were confirmed by the Company's external auditors.
- Serious breach of the Company's internal regulations and policies by the Executive Director. For these purposes, the breach of the Company's Code of Ethics and its implementing regulations contained in the Indra Compliance Program by the Executive Director will be considered a serious breach.

The clawback clause may be applied by the Board during the two years following the payment or recognition of the variable remuneration.

VIII. Policy relating to the holding of shares

Executive directors must retain ownership of a number of Company shares (including those awarded in the form of remuneration) that is equivalent to two years' gross Fixed Remuneration while they remain in their post.

A period of six years from his or her appointment is established in order to reach this target.

In the event that this target is not reached, the net shares received, where applicable, as the result of any variable remuneration item shall be subject to a withholding period of at least 3 years.

IX. Main contractual terms and conditions

The contracts that govern the relationship between executive directors and the Company are mercantile in nature, with an indefinite term, and they include the clauses which are usually contained in these types of contracts under normal business practices.

Compensation in the event of termination of the contractual relationship:

	Advance notice	Compensation
Voluntary unilateral withdrawal by the Executive Director	3 months' advance notice In the event that this term s breached, the Director must compensate the Company. Compensation will be equivalent to his or her ATTR for the notice period that is not served.	Not applicable.
Voluntary unilateral termination by the Company*	3 months' advance notice. In the event that this term s breached, the Company must compensate the Executive Director. Compensation will be equivalent to his or her ATTR for the notice period that is not served.	Compensation equivalent to one year's ATTR.
Termination at the request of the Executive Director due to a significant change to his or her duties or the conditions in which his or her services are rendered		

* The Executive Director will not be entitled to collect this compensation when his or her contract is terminated as the consequence of a serious and culpable breach by the Director of his or her legal, statutory or contractual obligations, provided that the breach in question is duly proven and confirmed by the courts in the event of any disagreement.

Exclusivity and no competition:

By way of compensation for the obligation not to compete, the Executive Director shall receive a total gross amount equivalent to 75% of the ATTR payable at the time that his or her contract is terminated.

5. Executive directors' Remuneration Policy (contd.)

. X. Remuneration Policy applicable to the Executive Chairman from 1 January 2021 until the termination date

On 27 May 2021, the Board of Directors of Indra agreed to terminate the relationship with Mr. Fernando Abril-Martorell as Executive Chairman. The remunerations applicable to Mr. Abril-Martorell from 1 January to 27 May 2021 have been ruled by the provisions of the remuneration policy in force during that period, which was approved by the General Shareholders' Meeting held on the 25 June 2020.

XI. Remuneration Policy for New Appointees

In fixing the compensation plan for a new Executive Director, the Board and the Committee consider the experience and knowledge of the candidate, his or her provenance (internal or external to the Company) and compensation level at the time of appointment. Compensation is to be determined in all instances following the criteria, components and limits provided for in the present Compensation Policy. In order to attract candidates from outside the Company, special incentives may be established to compensate for income lost due to early termination at the prior company. These special incentives will be fixed based on similar compensation for goals that are similarly demanding or difficult (and assuming they would have been met at the prior employer) and their measurement period.

In the event of promotions from within, the Committee may cancel and/or pay out preexisting incentives and other obligations which may be in effect at the time of appointment.

In the event that the new appointment means an international assignment, the general policy of the Company for international assignments will apply.

6. Remuneration Policy for directors as a result of their membership of the Administrative Body

Pursuant to the contents of Article 27 of the Articles of Association, the remuneration paid to directors as a result of their membership of the Administrative Body may take the form of a fixed amount and subsistence payment for attendance, and it will be paid entirely in cash.

I. Maximum limit for the total remuneration of the Board of Directors

As set out in the Articles of Association and Article 529 *septdecies* of the LSC, the maximum annual amount of this remuneration is fixed by the General Shareholders Meeting by means of its approval of the Remuneration Policy in which it is established.

To this end, it is proposed to fix the maximum annual limit on the remuneration paid to all the directors for their membership of the Administrative Body at the amount of €2,600,000, to bring it in line with the new governance structure, with a non-executive Chairman of the Board of Directors. This maximum limit is established on the basis of the average remuneration paid per director and the maximum number of directors and committee members provided for in the Articles of Association, with provision for the fact that some other committee may be created in addition to those that currently exist. This limit shall remain in place until the General Shareholders Meeting agrees to its modification.

Subject to the aforementioned limit, and following a report from the ARCGC, the Board of Directors shall be responsible for individually setting the remuneration to be paid to each Director for their membership of the Administrative Body, within the statutory framework and in accordance with the criteria set out in this Remuneration Policy.

II. Remuneration for Directors as a result of their membership of the Administrative body

The following paragraphs contain a breakdown of the main elements included in the remuneration policy for directors as a result of their membership of the Administrative Body.

Remuneration comprises a fixed amount, which is established as appropriate remuneration for the amount of time required to perform the duties required of the position, though without reaching levels that compromise the director's independence. The criteria for distributing the maximum annual remuneration amount established in this policy are based solely on directors' membership of the Board and its Committees and on the positions they hold on each of those bodies.

The gross annual amounts are as follows:

- For membership of the Board: €80,000.
- For membership of the Auditing and Compliance Committee: €40,000
- For membership of the ARCGC: €24,000
- For membership of the Sustainability Committee: €24,000
- The chairs of each Committee will receive 1.5 times the amounts indicated.

The Board may modify the foregoing amounts, subject in all cases to the maximum limit approved by the General Meeting for the Board as a whole in this Remuneration Policy.

The fixed amount will be paid entirely in cash.

As already indicated, the Articles of Association establish that the remuneration of directors as a result of their membership of the Administrative Body may also comprise a subsistence allowance for attending meetings, and the Board may therefore also establish this, subject in all cases to the maximum limit approved by the General Meeting in this Remuneration Policy.

As mentioned above, this remuneration does not include elements linked to profits or the Company's share price, to ensure detachment from short-term targets and variables, and it is paid entirely in cash.

Remuneration Policy for directors as a result of their membership of the Administrative Body does not cover the grant of loans, advances or guarantees by the Company to directors. Nor does it cover participation by non-executive directors in social welfare schemes.

The Company's directors do not have the right to receive any kind of compensation in the event of the termination of their duties as director. They also do not have the right to any other remuneration in addition to the amounts described in this section.

The Company has taken out a civil liability insurance policy to cover its directors.

III. Remuneration of the Chairman of the Board of Directors

This new policy establishes the remuneration system for the new position of chairman of the board of directors without executive functions.

The remuneration of the Chairman of the Board of Directors is exclusively made up of fixed components. The amount of the specific fixed remuneration for the position of Chairman of the Board of Directors amounts to € 550,000 per annum, amount to which may be added the remuneration for possible membership of a Board Committees.

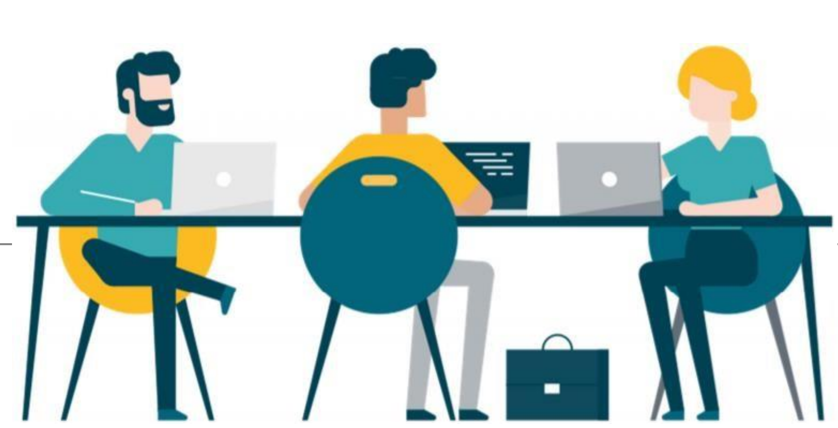
The Chairman of the Board of Directors may be beneficiary of an allowance in cash or in kind for social benefits (including life and accident insurance and health care).

In setting this amount, the Board has considered, among others, and after a report from the CNRGC, the profile of the person, the scope of the functions assigned to the position and the market remuneration data on non-executive chairmen in the Ibex 35 and in other countries.

The above-mentioned components are included within the annual maximum limit referred to in section I above.

IV. IV. Remuneration applicable to new directors

In the event that new non-executive members join the Board of Directors during the term of this Policy, the remuneration system described in this section will be applicable. In the event that a non-executive director with a different role and responsibilities is appointed, the remuneration will be compared and established based on comparable profiles in companies of similar size and complexity. All of this, subject to the maximum limit approved by the General Meeting for the whole Board in this Remuneration Policy.



7. Consistency with the Company’s strategy, interests and long-term sustainability

The weighting of the individual payment items described in section 5.II and the procedures employed to determine targets and assess compliance with those targets represent objective measures for the reduction of exposure to excessive risk, and they permit the remuneration of executive directors to be aligned with the Company’s objectives, values and long-term interests.

The Corporate Governance system, internal regulations, control systems and compliance programmes implemented by the Company establish specific supervisory mechanisms and counterbalances that are designed to prevent the ability to take decisions from becoming concentrated in areas that may involve the assumption of high levels of risk for the Company, and to prevent and, where necessary, properly manage any situations of conflict of interest that may arise.

In addition, as indicated in the previous section, the contracts of the Company's executive directors include malus and clawback clauses.

As regards payment accrual and deferral periods, it should be pointed out that variable annual remuneration only accrues once the relevant financial year has ended, and its amount depends on an assessment of compliance with the targets set by both the ARCGC and the Board for each Executive Director. Receipt of 30% of the resulting variable annual remuneration amount (equivalent to 10.5% of total target remuneration) is deferred for a period of three years by third parties, subject to the Executive Director remaining with the Company, and it is received in its entirety in Company shares.

As regards medium-term remuneration, this is defined within a multi-annual framework, in order to ensure that the assessment process is based on long-term results and that the Company’s underlying economic cycle is taken properly into account. This remuneration is awarded on the basis of value creation, in such a way that the interests of executive directors are properly aligned with those of the Company’s shareholders.

In addition, to strengthen executive directors’ commitment to the Company’s long-term interests and their alignment with the interests of shareholders, this policy includes a requirement for the permanent holding of a minimum number of shares, as described in Section 5.VIII.

Finally, the specific measures employed to identify and manage any potential conflicts of interest are established in the Board of Directors Regulations. These measures also determine the code of conduct that is applicable to members of the Board of Directors.

8. Validity of this Remuneration Policy

Following a proposal from the ARCGC, the Board of Directors submits this new Remuneration Policy for approval by the 2021 Ordinary General Shareholders Meeting, and once it has been approved it will become applicable for the 2021 financial year, rendering without effect the Remuneration Policy that has been in force up to this time, as approved by the General Shareholders Meeting held on 25 June 2020, except for what is established in section 5.IX of this Policy on the Executive Chairman’s remuneration from 1 January to 27 May 2021.

This new Remuneration Policy shall remain in force for three financial years (2021, 2022 and 2023), though the ARCGC may propose a new policy to the Board of Directors, for approval by the General Shareholders Meeting, on an earlier date, if deemed appropriate.