



Annual Report on Director Remuneration of Listed Public Companies

2022

The contents of this Report are the same as that found in the model Annual Report filed with the *Comisión Nacional de Mercados de Valores* (“National Securities Market Commission”).

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A. Company remuneration policy for the current financial year

A.1.1. Explain the current director remuneration policy applicable to the current financial year. To the extent that it is relevant, certain information may be included in relation to the remuneration policy approved by the General Shareholders' Meeting, provided that these references are clear, specific and concrete.

Such specific determinations for the current year as the board may have made in accordance with the contracts signed with the executive directors and with the remuneration policy approved by the General Shareholders' Meeting must be described, as regards directors' remuneration both in their capacity as such and for executive functions carried out.

In any case, the following aspects must be reported, as a minimum:

- a) Description of the procedures and company bodies involved in determining, approving and applying the remuneration policy and its terms and conditions.**
- b) Indicate and, where applicable, explain whether comparable companies have been taken into account in order to establish the company's remuneration policy.**
- c) Information on whether any external advisors took part in this process and, if so, their identity.**
- d) Procedures set forth in the current remuneration policy for directors in order to apply temporary exceptions to the policy, conditions under which those exceptions can be used and components that may be subject to exceptions according to the policy.**

The current Remuneration Policy was approved by the General Shareholders' Meeting on 30 June 2021 for the period from 2021-2023, and it replaced the policy that had been approved for the same period at the General Shareholders' Meeting held on 25 June 2020.

This policy establishes the remuneration system that applies to the Company's new governance structure, in which the roles of the Chairman and the CEO are separated and the Chairman of the Board of Directors does not assume any executive duties.

More specifically:

- As regards executive directors, the Remuneration Policy is consistent with the Policy in force until June 2021 and strengthens alignment of the remuneration system with the Company's strategic priorities, corporate governance recommendations and normal practice in comparable sectors and businesses.

- As regards directors, in their capacity as such, the Policy establishes a maximum annual limit on the total remuneration paid to all the directors for their membership of the various

administrative bodies (€2,600,000), which includes the fixed total remuneration for the position of Non-Executive Chairman.

The policy is in line with the statutory remuneration system provided for directors of the Company, both in their capacity as directors and in the performance of their executive duties, and it incorporates the requirements relating to remuneration policies that were introduced into Article 529 novodecías of the Spanish Capital Companies Act (“SCA”) modified by Act 5 of 12 April 2021 (Act 5/2021), with regard to encouraging long-term involvement by shareholders in listed companies (Act 5/2021).

In accordance with the provisions of the Board of Directors Regulations, proposals relating to the Director Remuneration Policy, along with the specific systems to be applied, their components and amounts, are prepared by the Appointments, Remuneration and Corporate Governance Committee (“ARCGC”), which submits them to the Board of Directors for approval, within the framework and limits established in the Company's Bylaws, the resolutions adopted by the General Shareholders’ Meeting and the Board of Directors Regulations, or for submission, where applicable, to the General Shareholders’ Meeting.

When preparing its proposals, the ARCGC regularly analyses the trends and best practices in remuneration policies for directors and senior executives, the opinions of investors and proxy advisors, and the results of votes in the General Shareholders’ Meeting on proposals relating to remuneration issues.

In addition, it is worth mentioning the role played by the Sustainability Committee in the design, approval and monitoring of the targets contained in the Sustainability and Social Impact Master Plan 2020-2023 and their metrics, which serve as a basis for agreement by the ARCGC and the Board on the targets set for the variable remuneration of executive directors and appraisal of whether these targets have been met.

The ARCGC received external advice from Willis Towers Watson (WTW) when designing and preparing the remuneration structure set out in the Remuneration Policy 2021-2023, following a positive assessment of the independence of this external adviser. The said consultant also provided the Company with information on the positioning of the remuneration paid to the Company’s executive directors in relation to a range of comparable businesses, and this was taken into account in order to establish the fixed remuneration amounts and set the maximum limits on the variable components for the remuneration of executive directors. The consultant established two groups for comparison: an *ad hoc* group comprising twenty-two European companies that operate in the various sectors in which Indra works and that are comparable in terms of size, including Thales, Capgemini, Atos, Leonardo, Dassault Aviation and Systems, Computacenter, Bechtle and Worldline; and a second group comprising companies from the Ibex 35, excluding regulated businesses and those whose parent company is located outside Spain.

As regards the remuneration of the (Non-executive) Chairman of the Board of Directors, the Board considered, among other circumstances and following a report by the ARCGC, the profile of the person in question, the scope of the duties assigned to this position and the market data provided by WTW on non-executive chairs in Ibex 35 companies and in other European countries.

The members of the ARCGC are exclusively external directors, and the majority are independent, the Chairman being one of the latter. On the date on which this present Report is being prepared, the ARCGC comprises five members, three of them independent and two proprietary directors, one who represents the shareholding interests of Sociedad Estatal de Participaciones Industriales (SEPI), and the other representing Sapa Placencia Holding, S.L.

At Board meetings at which proposals relating to the specific remuneration of executive directors are discussed, the executive directors are not present, nor do they participate in any way in the relevant discussions or decision-making processes.

In accordance with the provisions of Article 217.4 of the SCA, directors' 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. In addition, when designing and proposing modifications to the remuneration scheme in place at a given time, the Board is careful always 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 results. To this end, the ARCGC has begun a review of the current Remuneration Policy with a view to drawing up a proposal for a new policy for the period from 2024 to 2026, which it will submit to the Ordinary General Shareholders' Meeting.

a) Remuneration due to membership of administrative bodies

The current remunerative system incorporates the following bases and principals, which are set out in the Remuneration Policy:

- The remuneration received by external directors should be incentivising in order to reward their dedication, qualification and responsibility, though in the case of independent directors it should not represent an obstacle to their independence.
- Remuneration should not incorporate elements linked to profits or the share price, to ensure detachment from short-term targets and variables. It should also be paid entirely in cash.
- Given the high degree to which directors are expected to attend meetings of the Board and its Committees, and the requirement of dedication and availability, the remuneration is calculated on the basis of a fixed amount, which is determined on the basis of the duties performed by each director.

b) Remuneration for the performance of executive duties

Executive directors also receive the remuneration due to them for the performance of the executive duties entrusted to them under the terms of their contractual relationship with the company.

This remuneration is determined individually for each executive director by the Board of Directors, following a proposal from the ARCGC.

It is the Company's established practice to set the payment framework for executive directors for three-year periods.

The current remuneration policy includes the following criteria and principles:

- 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.
- 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, though solely over the same timeline.
- It 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 include components that are both fixed and variable, annual and pluriannual, paid in kind and in forms linked to the share price, calculated in accordance with the following criteria:
 - i. Fixed remuneration should remain unchanged for a period of three years, unless circumstances arise that make it advisable to revise the amount in question.
 - ii. Variable payments should represent a very substantial portion of total remuneration.
 - iii. Medium-term payment should carry a significant weight.
 - iv. The remuneration linked to the share price should be significant.
 - v. Receipt of a significant portion of the variable remuneration should be deferred over time.
 - vi. The weighting of the different remuneration components should be in line with best market practices.
- Executive directors should retain a minimum number of Indra shares while they continue to maintain a contractual relationship with the Company.
- The executive directors' contracts should include malus and clawback clauses that entitle the Company to reduce, cancel and/or recover any variable annual remuneration 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 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 current remuneration plan does not include share options.

A.1.2. Relative importance of variable remuneration items vis-à-vis fixed remuneration (remuneration mix) and the criteria and objectives taken into consideration in their determination and to ensure an appropriate balance between the fixed and variable components of the remuneration. In particular, indicate the actions taken by the company in relation to the remuneration scheme to reduce exposure to excessive risks and to align it with the long-term objectives, values and interests of the company, which will include, as the case may be, mention of the measures taken to ensure that the long-term results of the company are taken into account in the remuneration policy, the measures adopted in relation to those categories of personnel whose professional activities have a material impact on the risk profile of the company and measures in place to avoid conflicts of interest.

Furthermore, indicate whether the company has established any period for the accrual or vesting of certain variable remuneration items, in cash, shares or other financial instruments, any deferral period in the payment of amounts or delivery of accrued and vested financial instruments, or whether any clause has been agreed reducing the deferred remuneration not yet vested or obliging the director to return remuneration received, when such remuneration has been based on figures that have since been clearly shown to be inaccurate.

The only variable components in payments to the Board are those which correspond to the executive directors as part of their additional remuneration for the performance of their management duties.

In application of the bases and principles set out in the current Remuneration Policy, the remuneration paid to executive directors for the performance of their management duties is made up of the following payment items:

- **Fixed Remuneration (FR):** which represents 25% of total annualised remuneration.
- **Variable Annual Remuneration (VAR):** which represents 35% of total annualised remuneration for meeting 100% of targets.
- **Medium-Term Remuneration (MTR):** which represents 40% of total annualised remuneration for meeting 100% of targets.

The weighting of the individual payment items described, the limit on maximum remuneration amounts, and the procedures employed to determine targets defined in the short and long term, linked to the creation of sustainable value and an assessment of compliance with those targets, which will be analysed at a later point, 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 which allow for the reduction, cancellation or recovery of any improperly paid or deferred remuneration amounts, in the terms set out in the current Remuneration Policy.

With regard to the measures adopted in relation to the categories of personnel whose professional activities may have material repercussions on the Company's risk profile, it should be stressed that, when preparing Remuneration Policy, account was taken of employee payment and employment conditions, with close attention paid to the remuneration strategy that applies to employees and 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.

Section 3. II of the current Remuneration Policy gives details of the guidelines that this Policy shares with the general remuneration conditions for employees (total remuneration structure, equal payment, alignment of interests, proportionality and risk management, and values).

As regards payment accrual and deferral periods, it should be pointed out that VAR only accrues once the relevant financial year has ended, and its amount depends on an assessment of compliance with the quantitative and qualitative targets set by both the ARCGC and the Board for each executive director.

Receipt of 30% of the resulting VAR amount (equivalent to 10.5% of total target remuneration) is deferred for a period of three years in three equal parts, and it is received in its entirety in Company shares, the number of which is established on the date on which the Board approves the VAR that is effectively due to the executive director in question.

MTR takes the form of a performance share plan, a Medium-Term Incentive (MTI), with an initial allocation of shares, which may be awarded upon maturity in 2023 in a percentage of between 0% and 150%, calculated according to the degree to which the established targets have been met.

Insofar as it is a remuneration system based on the handover of shares to executive directors, the current MTI was approved by the General Shareholders' Meeting held during 2021, under a separate item on the agenda (item 9.2), and it falls within the framework of the MTR payment provided for under the Remuneration Policy that was submitted for approval by the same General Shareholders' Meeting in item eight on the agenda.

In accordance with the foregoing, this can be summarised as meaning that fixed remuneration accounts for 25% of the total remuneration paid to executive directors, while variable remuneration, which is linked to the meeting of targets, accounts for 75%. Approximately 50% of variable remuneration is received in the form of shares and deferred in the manner explained above.

A.1.3. Amount and nature of fixed components that are due to be accrued during the year by directors in their capacity as such.

The remuneration of the directors is determined based on their role within the various administrative bodies. This consists solely of a fixed payment, which is determined according to criteria based on their duties and the amount of time they are required to devote to them, working from the following amounts as follows: €80,000 for membership of the Board; €40,000 for membership of the Auditing and Compliance Committee; and €24,000 for membership of the ARCGC, the Sustainability Committee, and the Strategy Committee. The Chairs of each Committee receive 1.5 times these amounts.

These amounts have remained unchanged since the 2015 financial year.

The Remuneration Policy 2021-2023 establishes a separate remuneration scheme for the Chairman of the Board of Directors with no executive duties.

This payment comprises only fixed items, and it amounts to €550,000 plus the remuneration due for chairing the Strategy Committee, which amounts to €36,000 per annum.

The current Remuneration Policy sets the total maximum annual remuneration for all the directors in their capacity as such at €2,600,000. 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 Company's Bylaws, including the remuneration of the Non-Executive Chairman, with provision for the fact that some other committee may be created in addition to those that currently exist, as occurred with the Strategy Committee, which was created in September 2021. This limit will remain in place until the General Shareholders' Meeting agrees to its modification.

The Remuneration Policy establishes that in the event that a non-executive director is appointed with different duties and responsibilities, his or her remuneration will be compared and established on the basis of comparable profiles at companies of a similar size and complexity, all subject to the maximum limit approved for the Board by the General Shareholders' Meeting.

In application of the foregoing, and bearing in mind the special dedication required in the post of Lead Independent Director, the Board of Directors agreed, at its meeting of 22 February 2022, to make this a paid position, in response to a proposal from the ARCGC.

In preparing its proposal, the ARCGC had external advice from WTW, which provided information on the remuneration paid to people holding this post in Ibex 35 companies, and a fixed annual remuneration figure of €30,000 was therefore established (average for the control group).

Payment of this remuneration began following the appointment of Virginia Arce as Lead Independent Director in October 2022.

A.1.4. Amount and nature of fixed components that are due to be accrued during the year for the performance of senior management functions of executive directors.

The annual FR amount is received by executive directors entirely in cash.

Until 21 April 2022, the Company had two joint and several CEOs, Ms Ruiz and Mr Mataix, both of whom received the same FR for the performance of their management duties, which amounted to an individual gross annual payment of €600,000.

On 21 April 2022, the Board of Directors adopted the following resolutions:

- To terminate by mutual agreement the contract under which Ms Ruiz rendered her professional services. As a consequence of the foregoing, Ms Ruiz submitted her resignation as director, pursuant to the provisions of Article 23.2 f) of the Board of Directors Regulations.
- To appoint Luis Abril Mazuelas as Executive Director and IT Managing Director by co-option procedure, in order to fill the vacancy that had arisen as a consequence of the resignation submitted by Cristina Ruiz. Following a report by the ARCGC, the Board approved the agreement to be entered into with Mr Abril for the performance of executive services, with financial conditions that included fixed remuneration of €550,000.
- To increase by 10% the fixed remuneration paid to the CEO, Mr Mataix, bringing it to a gross annual amount of €660,000, in application of the provision in the Remuneration Policy that permits an increase in fixed remuneration while the Policy remains in force, in order to bring his remuneration into line with his increased duties as the result of his confirmation as sole CEO.

A.1.5. Amount and nature of any component of remuneration in kind that will accrue during the year, including, but not limited to, insurance premiums paid in favour of the director.

Because of their membership of the administrative bodies, directors do not receive any remuneration in kind.

The Non-executive Chairman, in his capacity as such, is the beneficiary of remuneration in kind which consists of life insurance, with cover in the event of death or disability, and health insurance.

With regard to the executive directors, the Director Remuneration Policy establishes that payment in kind shall include: i) life insurance with coverage in the event of death or disability; ii) health insurance under the terms of a collective policy that the Company has taken out for its senior executives; and iii) the right to use a company vehicle. The Policy establishes the annual combined cost of these payments. These are currently: €100,000 for life and accident insurance; €30,000 for health insurance; and €40,000 for the use of a company vehicle.

A.1.6. Amount and nature of variable components, differentiating between those established in the short and long terms. Financial and non-financial, including social, environmental and climate change parameters selected to determine variable remuneration for the current year, explaining the extent to which these parameters are related to performance, both of the director and of the company, and to its risk profile, and the methodology, necessary period and techniques envisaged to be able to determine the effective degree of compliance, at the end of the year, with the parameters used in the design of the variable remuneration, explaining the criteria and factors applied in regard to the time required and methods of verifying that the performance or any other conditions linked to the accrual and vesting of each component of variable remuneration have effectively been met.

Indicate the range, in monetary terms, of the different variable components according to the degree of fulfilment of the objectives and parameters established, and whether any maximum monetary amounts exist in absolute terms.

As already indicated above, the only variable components in payments to the Board are those which correspond to the executive directors as part of their additional remuneration for the performance of their management duties.

a) VAR

In accordance with the contents of the current Remuneration Policy, the aim of this remuneration is to reward the creation of value and sustainable and long-term growth of the Company through the achievement of the specific annual targets that have been set and their individual management.

To this end, following a proposal from the ARCGC and the Sustainability Committee (according to their area of responsibility), the Board sets the targets relating to VAR annually for each executive director, both quantitatively and qualitatively, in line with the Company's interests and individually, in the Company's strategic plans.

Quantitative targets carry a weighting of at least 50% in the VAR as a whole. They comprise metrics that guarantee a suitable balance between the financial and operational aspects of the Company's management.

Metrics are also established in relation to non-financial performance. Specifically, as regards sustainability, this consists of reducing CO₂ emissions and promoting diversity and innovation.

Qualitative targets, on the other hand, carry a maximum weighting of 50%. They are mainly linked to an appraisal of each individual executive director's performance and his or her contribution to the creation of value.

In order to determine the degree of compliance with each target, a central value (equivalent to 100% compliance) is set, and in the case of quantitative targets this at least corresponds to compliance with the Company's annual budget forecast figure for each of the relevant parameters. The Board sets a minimum and maximum percentage compliance figure for each of the targets established.

With the aim of ensuring that there is an effective relationship between the VAR and the professional performance achieved by its beneficiaries, when it comes to determining levels of compliance with quantitative targets, the Board and the ARCGC is empowered not to take into account extraordinary results and aspects that could cause distortions in the evaluation criteria, which must be reported in the corresponding Annual Remuneration Report.

The Remuneration Policy also allows the ARCGC, in special circumstances that may be due to internal or internal factors, to propose that the Board take into account other targets and milestones that have been achieved, both quantitative and qualitative, or the application of other criteria to determine the VAR amount. The details of any such adjustments will be broken down in the relevant Annual Remuneration Report.

The Remuneration Policy sets a target VAR figure (corresponding to compliance with 100% of the targets) equivalent to 1.4 times FR for each executive director. In addition, in the event that targets are exceeded, it sets a maximum limit on VAR of 120% of the target figure, which would be 1.68 times FR, and it provides for the establishment at the beginning of the financial year of a minimum threshold for compliance with targets, under which VAR would be zero.

Where there is 100% compliance with the target, VAR represents 35% of an executive director's total annualised remuneration. As already indicated, 30% of this amount (equivalent to 10.5% of the total annual target remuneration) is deferred in three equal parts over three years and is received in its entirety in Company shares, the number of which is determined on the date on which the VAR is approved by the Board. It is effectively due to the executive director and is calculated on the basis of the shares' average listed price over the thirty Stock Market trading sessions prior to the date of the agreement in question.

Following a proposal from the ARCGC, the Board has approved the following 2023 VAR targets for the Executive Directors (CEO and Executive Director IT Managing Director):

Company Targets: which will have a combined weighting of 60% for the CEO and 25% for the Executive Director IT Managing Director:

- Order intake (with a weighting of 25% of Company targets and 15% of total targets for the CEO and 6.25% for the Executive Director IT Managing Director);
- Cash flow (25% of Company targets and 15% of total targets for the CEO and 6.25% for the Executive Director IT Managing Director);
- EBIT (50% of Company targets and 30% of total targets for the CEO and 12.5% for the Executive Director IT Managing Director).

Business/operational targets: Solely for the Executive Director IT Managing Director, which will have a weighting of 35%:

- Order intake (with a weighting of 25% of IT business targets and 8.75% of total targets);
- Cash flow (25% of IT business targets and 8.75% of total targets);
- Ebit (50% of IT business targets and 17.5% of total targets);

Individual targets: which will have a weighting of 40% for both executive directors.

- CEO:
 - Overall appraisal of his management by the Board, particularly in relation to the preparation and implementation of the Strategic Plan (with a weighting of 67% of individual targets and 26.8% of total targets).
 - Compliance with the KPI undertaken in the Sustainability Master Plan, particularly those that relate to CO₂ emissions, diversity and innovation, maintaining the Company's leading position in the ESG benchmark rankings (with a weighting of 33% of individual targets and 13.2% of total targets).

This appraisal will take account of the following items:

- Maintaining or improving Indra's 2022 position among the top ESG companies in its sector in the main international rankings (DJSI, MSCI, FTSE4Good, Sustainalytics, CDP).
 - Compliance with the target of 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.
 - Compliance with the target of a 5% reduction 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.
 - Increase in the percentage of renewable energy acquired until a figure of 100% is achieved in Spain by 2023.
 - Systematic and complete application of EU Taxonomy to Indra's business activities before 2023.
- Executive Director IT Managing Director: in line with the strategic plan, operation of the organisational model for the IT business (Minsait) and compliance with the KPI committed to in the Sustainability Master Plan.
 - Execution of the strategic plan for Minsait (with a weighting of 33.3% of individual targets and 13.33% of total targets).

This appraisal will take account of issues such as the growth in digital skills, improvement of the geographical mix and focus on business accelerators.

- Gradual improvement in the organisation of Minsait (with a weighting of 33.3% of individual targets and 13.33% of total targets).

Among other items, this appraisal will take account of the integration of vertical capacities and the greater competitiveness of the value offer.

- Compliance with the KPI undertaken in the Sustainability Master Plan, particularly those that relate to CO₂ emissions, diversity and innovation, maintaining the Company's leading position in the ESG benchmark rankings (with a weighting of 33.3% of individual targets and 13.33% of total targets).

This appraisal will take account of the items already referred to above.

b) MTR

In accordance with the current Remuneration Policy, the aim of this remuneration is to incentivise the creation of sustainable value for shareholders over the long term through the achievement of 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 current Medium-Term Incentive (MTI) 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 targets established in the Remuneration Policy have been met.

The maximum number of shares to be handed over to the executive directors in this regard, in the event of the maximum surpassing (150%) of all 2021-2023 MTI targets will be 1,254,320 shares, equivalent to 0.71% of the total share capital on 30 June 2021, the date on which the General Shareholders' Meeting that approved the MTI was held. This maximum number of shares to be awarded was calculated on the basis of the average price of Indra's shares over the last 30 sessions in 2020 (€6.8882 per share).

Three blocks of targets have been established for the 2021-2023 MTI, each of which is linked to the following specific compliance scale: a minimum threshold (70% compliance with the target), which will result in payment of 50% (though no incentive will be paid if this threshold is not reached); a target level (100% compliance), which will result in payment of 100%; and a maximum level of compliance (120% compliance), which will result in the maximum payment (150% of the target), all in accordance with the terms set out below.

The targets for the executive directors are as follows:

A) Strategic objectives and ESG

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 the 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 2020-2023 Sustainability Master Plan.

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

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.

The ESG targets that have been established are as follows:

- i) The establishment and approval by SBTi¹ and the public communication of the science-based reduction targets for Scope 1, 2 and 3 emissions², relating to the Business Ambition for 1.5°C 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.

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 CO₂ 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.

- 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.

B) Targets linked to 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 of 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.

Companies that drop out of the Ibex 35 during the measurement period will only affect the Control Group when they cease to be listed companies, in which case they will be excluded from the Control Group.

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 at the end of the measurement period.

Indra’s position in the Ibex 35	“Percentage payment of Relative TSR”
Placed among the 8 leading shares in the Ibex 35	150%
Placed between positions 18 and 8 in the leading shares in the Ibex 35	50% – 150% (*)
Placed in 19 th position or lower in the leading shares in the Ibex 35	0

(*) The percentage payment of Relative TSR for intermediate positions will be calculated by linear interpolation.

For its part, 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 upon completion of the measurement period on the basis of the following parameters:

Performance of Indra's Absolute TSR	"Absolute TSR Percentage"
Absolute TSR \geq 40	150%
Absolute TSR \geq 20 and \leq 40	50% – 150% (*)
Absolute TSR $<$ 20	0

(*) Intermediate results will be calculated by linear interpolation.

C) Targets linked to share 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 Order Intake.

EBIT is defined as Profit/(Loss) from Operations. It is a financial indicator that the Company uses to determine its productive performance and that investors use for company valuations. 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 and project write-downs.

Free Cash Flow is defined as the funds generated by the Company before the payment of dividends, net financial investments and other similar amounts, and investment in treasury stock. It is calculated on the basis of the "Profit/(loss) before tax" entered in the consolidated cash flow statement, adjusted by depreciation/amortisation, grants and provisions, profit/(loss) from associates and other investees and financial income. Dividends received, cash flows from operating activities, capex, financial expenses, changes to other financial liabilities and corporate income tax paid are then added to the result. This figure may exclude cash outflows resulting from certain one-off and extraordinary impacts, which might include (though are not limited to) workforce restructuring, write-offs, unforeseen penalties and project write-downs.

Order intake 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 order intake figure should not be confused with the Revenue figure since the amount of a contract secured in a particular year (and which is accounted for as order intake in that year) may be spread over a number of years. The order intake 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%, the minimum level of compliance, no incentive will be paid.

In addition, and only in the event that the figures set for each of these targets in the annual budgets approved by the Board of Directors are achieved in the amount of 100% or more, the annual superseding of the target in question may be partially consolidated (in a maximum of between 3% and 6% of the 2021-2023 MTI on an annual basis) in the terms set out in the Remuneration Policy.

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 Order Intake 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.

Notwithstanding the fact that the MTI accrues at the close of the 2023 financial year, participants will not receive the shares to which they may be entitled (where applicable) until the Board of Directors, following a report from the ARCGC, makes an appraisal of the degree to which the targets set out above have been met.

When evaluating compliance with targets, under the terms of the Remuneration Policy 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. They may also weigh up other circumstances, such as the macroeconomic situation or Indra's relative performance compared with the market/sector and other comparable businesses, among other issues.

In certain special 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 that may be applied for reasons of opportunity.

Executive directors may not transfer the shares received in this regard during 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.

The current Remuneration Policy does not contemplate any other item in respect of variable remuneration.

A.1.7. Main characteristics of long-term savings schemes. Among other information, indicate the contingencies covered by the scheme, whether it is a defined contribution or a defined benefit scheme, the annual contribution that has to be made to defined contribution schemes, the benefits to which directors are entitled in the case of defined benefit schemes, the vesting conditions of the economic rights of directors and their compatibility with any other type of payment or indemnification for early termination or dismissal, or deriving from the termination of the contractual relationship, in the terms provided, between the company and the director.

Indicate whether the accrual or vesting of any of the long-term savings plans is linked to the attainment of certain objectives or parameters relating to the director's short- or long-term performance.

Directors (in their capacity as such) do not benefit from any long-term savings scheme, provision, retirement or pension plan or any other similar programme.

The executive directors are the beneficiaries of a Long-Term Savings Plan (PALP) which takes the form of a fixed contribution fund that is outsourced through an insurance policy. The Company makes annual contributions to the PALP for each executive director, defined as a percentage of their annualised total target remuneration (ATTR), in turn defined as the sum of their Fixed Remuneration, Variable Annual Remuneration and Medium-Term Remuneration.

The PALP is not a pension plan and is received by the executive director on a contingent basis. The Company makes a defined annual contribution to the PALP while the executive directors maintain their contractual relationship with the Company, though each beneficiary will only be entitled to receive the accumulated balance when they reach the age of 62. Under no circumstances may an executive director receive any amount in this regard in excess of their current annual ATTR (€2,640,000 for the CEO and €2,200,000 for the Executive Director IT Managing Director). In the event that the contract is still in place when the executive directors reach the age of 62, they will be entitled to receive the amount accumulated in the PALP, regardless of whether or not they continue with the Company. It will be received either as capital, as a life annuity, or as a combination of both.

The maximum annual contributions that the Company can make to the PALP are as follows:

- Ignacio Mataix Entero, CEO: €437,000 (16.56% of his ATTR);
- Luis Abril Mazuelas, Executive Director IT Managing Director (since April 2022): €110,000 (5% of his ATTR).

The executive directors are not the beneficiaries of pension plans or any other kind of provision, savings or deferred benefit scheme other than the PALP.

A.1.8. Any type of payment or indemnification for early termination or dismissal, or deriving from the termination of the contractual relationship, in the terms provided, between the company and the director, whether at the company's or the director's initiative, as well as any type of agreement reached, such as exclusivity, post-contractual non-competition, minimum contract term or loyalty, that entitles the director to any kind of remuneration.

See the following section.

A.1.9. Indicate the conditions that the contracts of executive directors performing senior management functions should contain. Among other things, information must be provided on the duration, limits on amounts of indemnification, minimum contract term clauses, notice periods and payment in lieu of these notice periods, and any other clauses relating to signing bonuses, as well as compensation or golden parachute clauses for early termination of the contractual relationship between the company and the executive director. Include, among others, the pacts or agreement on non-competition, exclusivity, minimum contract terms and loyalty, and post-contractual non-competition, unless these have been explained in the previous section.

The executive directors have a commercial relationship with the Company through service provision agreements, which regulate the conditions that apply to their professional relationship with the Company, and these contain the clauses that are normally included in this type of agreement in accordance with usual practice.

The term of these agreements is indefinite. In the event of the termination of their contract for reasons that cannot be attributed to the CEO themselves (unilateral voluntary termination by the Company or a significant modification of their duties or service provisions conditions), the CEO is entitled to receive compensation equivalent to one year's ATTR and the Executive Director IT Managing Director is entitled to receive compensation equivalent to 60% of his ATTR.

The contracts of the two executive directors also establish an obligation for the Company to give three months' advance notice of the termination of their professional contracts. In the event that the Company breaches this notice period, the executive directors will be entitled to receive compensation equivalent to their ATTR, annualised for the amount of the notice period that is not complied with.

Furthermore, these contracts include a post-contractual non-compete clause for a period of one year following termination of their relationship with the Company, compensated in an amount equivalent to 0.75 times their ATTR in the case of the CEO and 0.60 times their ATTR for the Executive Director IT Managing Director.

As already mentioned, the contracts of both executive directors include malus and clawback clauses that entitle the Company to reduce, cancel and/or recover any variable amounts paid or recognised, within twenty-four months of their payment or recognition, in the event that it is subsequently shown in an objective way that their calculation was based on incorrect or imprecise data.

The current Remuneration Policy sets out the details of the situations that could result in the application of these clauses.

A.1.10. The nature and estimated amount of any other supplementary remuneration that will be accrued by directors in the current year in consideration for services rendered other than those inherent in their position.

It is not expected that the directors will receive any supplementary remuneration during the 2023 financial year.

A.1.11. Other items of remuneration such as any deriving from the company's granting the director advances, loans or guarantees or any other remuneration.

As set out in its Remuneration Policy for 2021-2023, the Company currently has a policy for granting advances and loans which applies to the executive directors and which 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 executive 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 agreement provided for in the Policy.

A.1.12. The nature and estimated amount of any other planned supplementary remuneration to be accrued by directors in the current year that is not included in the foregoing sections, whether paid by the company or by another group company.

It is not expected that the directors will receive any supplementary remuneration during the 2023 financial year.

A.2. Explain any significant change in the remuneration policy applicable in the current year resulting from:

- a) **A new policy or an amendment to a policy already approved by the General Meeting.**
- b) **Significant changes in the specific determinations established by the board for the current year regarding the remuneration policy in force with respect to those applied in the previous year.**

c) Proposals that the Board of Directors has agreed to submit to the General Shareholders' Meeting to which this annual report will be submitted and for which it is proposed that they be applicable to the current year.

As already mentioned in section A.1.1, the 2021 General Shareholders' Meeting approved a new Remuneration Policy for the period from 2021 to 2023 to replace the policy that had been approved for the same period at the General Shareholders' Meeting held on 25 June 2020.

The current Remuneration Policy establishes the payment system that applied to the governance structure in place prior to the changes made in April 2022, as explained in section A.1.4. The changes that have been implemented are merely adjustments to the current governance structure (one CEO and one Executive Director IT Managing Director), and they fall within the maximum remuneration limits set out in that structure.

Given that the current Remuneration Policy was approved for the period from 2021 to 2023, it is planned that, during the current financial year, the Ordinary General Shareholders' Meeting in 2023 will be asked to vote on approval of a new Director Remuneration Policy for the period from 2024 to 2026, which will be submitted by the Board of Directors based on a proposal from the ARCGC. As of the date on which this report is being prepared, the proposals that are to be submitted at the next Ordinary General Shareholders' Meeting have not been approved, nor has any appraisal been made as to whether the new policy will be proposed for application from the date on which it is approved, for the following three years, or for application from 2024.

A.3. Identify the direct link to the document containing the company's current remuneration policy, which must be available on the company's website.

<https://www.indracompany.com/sites/default/files/d7/Accionistas/2021/Politicasy politica de remuneraciones 0.pdf>

A.4. Explain, taking into account the data provided in Section B.4, how account has been taken of the voting of shareholders at the General Shareholders' Meeting to which the annual report on remuneration for the previous year was submitted on a consultative basis.

Indra maintains contact with its shareholders, stakeholders and proxy advisers, and it takes account of all the observations and suggestions received from such contacts when submitting any proposal to the General Shareholders' Meeting. At the Ordinary General Shareholders' Meeting held in 2022, the Annual Remuneration Report received the backing of the majority of shareholders. The percentage of abstentions obtained in respect of that item on the Agenda, as reported after the meeting, was due to the abstention by the significant shareholder SEPI , which as a general policy abstains from voting on matters relating to the remuneration of directors and managers at the General Shareholders' Meetings of all the listed companies in which it has a holding.

B. Overall summary of how the Remuneration Policy was applied during the year just ended

B.1.1. Explain the process followed to apply the remuneration policy and determine the individual remuneration contained in Section C of this report. This information will include the role played by the remuneration committee, the decisions taken by the Board of Directors and the identity and role of any external advisors whose services may have been used in the process of applying the remuneration policy in the year last ended.

As already mentioned, following a proposal from the ARCGC, the Board of Directors is the body with the power to set the remuneration to be received by directors, within the limits and parameters established in the Remuneration Policy approved by the General Shareholders' Meeting.

Remuneration for membership of the various administrative bodies has consisted solely of a fixed allocation which has been received in its entirety in cash, in accordance with the amounts set out in the current Remuneration Policy.

Depending on each individual director's membership of the different administrative bodies, the allocation of these amounts resulted in the individual payments shown in section C below.

In September 2021, subject to the provisions contained in the Remuneration Policy and the maximum annual limit on the total remuneration paid to directors for their membership of the administrative bodies, the Board of Directors agreed to the creation of a new Strategy Committee, and established that its members would receive gross annual remuneration of €24,000, and that its Chair, the Chairman of the Board, would receive 1.5 times that amount (€36,000).

At its meeting on February 22, 2022, in response to a proposal from the ARCGC, the Board of Directors agreed to make the post of Lead Independent Director a paid position, bearing in mind the particular amount of time required for these duties, setting remuneration in the fixed amount of €30,000. Payment of this remuneration began following the appointment of Virginia Arce as Lead Independent Director in October 2022, and she received the proportional part of this payment for the months of November and December 2022.

As regards the Executive Directors, their FR is the amount established in section B.6, and their VAR is the amount determined by the ARCGC and the Board at their meetings held respectively on 23 and 28 February 2023, after the close of the 2022 financial year, once an appraisal had been made of the degree to which each of them had met their targets. The results of this appraisal are set out in section B.7 below.

B.1.2. Explain any deviation from the procedure established for the application of the remuneration policy that has occurred during the year.

There has not been any deviation from the procedure established for application of the Remuneration Policy during the financial year.

As already mentioned in section A.2, the changes implemented during the 2022 financial year are merely adjustments to the current governance structure (one CEO and one Executive Director IT Managing Director), and they fall within the maximum remuneration limits set out in that structure.

B.1.3. Indicate whether any temporary exception has been applied to the remuneration policy and, if so, explain the exceptional circumstances that have led to the application of these exceptions, the specific components of the remuneration policy affected and the reasons why the entity believes that these exceptions have been necessary to serve the long-term interests and sustainability of the society as a whole or ensure its viability. Similarly, quantify the impact that the application of these exceptions has had on the remuneration of each director over the year.

No exception has been made to the Remuneration Policy with regard to timings.

B.2. Explain the different actions taken by the company in relation to the remuneration scheme and how they have contributed to reducing exposure to excessive risks, aligning it with the long-term objectives, values and interests of the company, including a reference to the measures adopted to ensure that the long-term results of the company have been taken into consideration in the remuneration accrued. Ensure that an appropriate balance has been attained between the fixed and variable components of the remuneration, the measures adopted in relation to those categories of personnel whose professional activities have a material effect on the company's risk profile and the measures in place to avoid any possible conflicts of interest.

As indicated in section A.1, the system for the remuneration of directors for their membership of the administrative bodies has been designed with the specific aim of uncoupling this remuneration from short-term targets and variables.

In addition, with regard to the specific remuneration of the executive directors for the performance of their management duties, the current remuneration plan gives important weight (more than 50%, including a deferred portion of their VAR) to medium-term components and variable components (75%), as opposed to their fixed remuneration (25%), as explained throughout this report.

The procedures for setting targets and assessing compliance with those targets pays particular attention to the variables in the performance of the Company's most important business activities, in order to create sustainable value in the medium and long term.

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, the Remuneration Policy takes account of the necessary alignment between the remuneration of executive directors and that of senior management, given its repercussions on the Company's risk profile.

As indicated in section A, the contracts of the Company's executive directors include malus and clawback clauses which allow for the reduction, cancellation and recovery of any remuneration amounts that have been improperly paid, in the terms set out in that section.

B.3. Explain how the remuneration accrued and consolidated over the financial the year complies with the provisions of the current remuneration policy and, in particular, how it contributes to the company's long-term and sustainable performance.

Furthermore, report on the relationship between the remuneration obtained by the directors and the results or other performance measures of the company in the short and long term, explaining, if applicable, how variations in the company's performance have influenced changes in Directors' remuneration, including any accrued remuneration payment of which has been deferred, and how such remuneration contributes to the short- and long-term results of the company.

The remuneration amounts accrued by the directors for each of the items provided for in the Remuneration Policy result from applying the criteria and amounts set out, and they fall within the limits established in this regard. The principles that govern the said Policy, as regards the remuneration of directors both for their membership of the administrative bodies and for the performance of their executive duties, have been properly applied.

60% of the VAR is linked to compliance with the Company's quantitative targets (Order Intake, EBIT and FCF), and it is therefore directly related to the Company's results.

The following sections give details of the way in which the Remuneration Policy is applied and the way that each of the remunerative items is calculated and approved. Specifically, section B.7 gives details of the percentage in which the targets for each of the executive directors are met, based on the ARCGC's and the Board's appraisal of compliance with those targets and the aspects considered when carrying out that appraisal.

B.4. Report on the result of the consultative vote at the General Shareholders' Meeting on remuneration in the previous year, indicating the number of votes in favour, votes against, abstentions and blank ballots:

	Number	% of the total
Votes cast	131,714,419	74.56
	Number	% over issued
Votes against	543,208	0.4124
Votes in favour	84,697,557	64.3039
Blank ballots	-	-
Abstentions	46,473,654	35.2837

Observations

As indicated in section A.4, the significant shareholder SEPI has a general policy of abstaining from voting at the General Shareholders' Meetings of all the companies of which it is a shareholder when the vote relates to the remuneration of directors and managers. SEPI's abstention accounted for 99.57% of the total abstentions recorded above (35.13% of the total votes cast).

B.5. Explain how the fixed components accrued and vested during the year by the directors in their capacity as such were determined, their relative proportion with regard to each director and how they changed with respect to the previous year.

As mentioned in section B.1.1, remuneration has consisted solely of a fixed allocation which has been received in its entirety in cash, in accordance with the amounts set out in the current Remuneration Policy, based on each director's membership of the various administrative bodies and the number of days this has lasted.

The remuneration paid for chairmanship of the Board was governed by the terms of the current Remuneration Policy (€550,000 per annum).

In September 2021, the Board of Directors agreed to the creation of a new Strategy Committee, establishing that its members would receive fixed annual remuneration of €24,000, and that its Chair, the Chairman of the Board, would receive 1.5 times that amount.

As already mentioned in section A.1.3, in response to a proposal from the ARCGC, the Board of Directors agreed at its meeting of 22 February 2022 to make the post of lead independent director a paid position, bearing in mind the particular amount of time required for these duties, setting remuneration in the fixed amount of €30,000. Payment of this remuneration began following the appointment of Virginia Arce as lead independent director in October 2022.

Depending on each individual director's membership of the different administrative bodies and the length of their mandates, the allocation of these amounts resulted in the individual payments shown in section C below.

The total amount accrued in 2022 by all of the directors in their capacity as such (for their membership of the Board and its Committees) amounted to €1,908,000 (€1,876,000 in 2021).

The total amount accrued remains below the maximum annual limit (€2,600,000) approved by the General Shareholders' Meeting and provided for in the Remuneration Policy.

B.6. Explain how the salaries accrued and vested by each of the executive directors over the past financial year for the performance of management duties were determined, and how they changed with respect to the previous year.

During the 2022 financial year, the FR accrued by the executive directors was as follows:

- Cristina Ruiz (CEO until April 2022): €189,000.
- Ignacio Mataix (CEO): €644,000.
- Luis Abril (Executive Director IT Managing Director from April 2022): €406,000.

The specific remuneration of the executive directors was determined, up until April 2022, in accordance with the amounts provided for in the Remuneration Policy approved by the General Shareholders' Meeting held on 30 June 2021. This policy established a fixed remuneration per annum for the CEOs Ms Ruiz and Mr Mataix of €600,000.

In April 2022, following the termination by mutual agreement of the executive services contract signed with Ms Ruiz, her resignation as director, and the appointment of Mr Abril as Executive Director IT Managing Director, the Board approved the agreement to be entered into with Mr Abril for the provision of his services (following a report by the ARCGC), with financial conditions that included fixed remuneration of €550,000. It also agreed a 10% increase in the fixed remuneration paid to the CEO, Mr Mataix, bringing it to a gross annual amount of €660,000, in order to bring his remuneration into line with the increased duties for which he was responsible as a consequence of the change to the Company's governance structure that led to his confirmation as sole CEO. These amounts were fixed on an annual basis and came into force from 22 April 2022.

B.7. Explain the nature and the main characteristics of the variable components of the remuneration schemes accrued and vested in the year last ended.

In particular:

- a) Identify each of the remuneration plans that determined the different types of variable remuneration accrued by each of the directors in the year last ended, including information on their scope, date of approval, date of implementation, any vesting conditions that apply, periods of accrual and validity, criteria used to evaluate performance and how this affected the establishment of the variable amount accrued, as well as the measurement criteria used and the time needed to be able to adequately measure all the conditions and criteria stipulated, explaining the criteria and factors applied in regard to the time required and the methods of

verifying that the performance or any other kind of conditions linked to the accrual and vesting of each component of variable remuneration have effectively been met.

- b) In the case of share options and other financial instruments, the general characteristics of each plan must include information on the conditions both for acquiring unconditional ownership (vesting) of these options or financial instruments and for exercising them, including the exercise price and period.
- c) Each director that is a beneficiary of remunerations schemes or plans that include variable remuneration, and his or her category (executive director, external proprietary director, external independent director or other external director).
- d) Information is to be provided on any periods for accrual, vesting or deferment of payment of vested amounts applied and/or the periods for retention/unavailability of shares or other financial instruments, if any.

Explain the short-term variable components of remuneration schemes

As already indicated above, the only variable components in payments to the Board are those which correspond to the executive directors as part of their additional remuneration for the performance of their management duties.

As regards VAR, following a proposal from the ARCGC, the Board agreed an annual set of targets for the CEOs (Ms Ruiz held this position until April 2022), and for the 2022 financial year these targets were as follows:

- Company targets: Order intake, cash flow and EBIT for the Group with a combined weighting of 60%.

The following table shows the weighting for each target:

Target	CEOs and Executive Director IT Managing Director
Group order intake	15%
Group Cash Flow	15%
Group EBIT	30%
Total	60%

In order to determine the degree of compliance with each of these targets, a central

value (equivalent to 100% compliance) was set, corresponding at least to compliance with the Company's annual budget forecast figure, along with the following figures that remain pending achievement:

	Compliance with targets	% payment	Compliance with targets	% payment	Compliance with targets	% payment	Weighting
Cash flow	< 80%	0%	80%-100%	25%-100%	100%-110%	100%-120%	25%
EBIT	< 80%	0%	80%-100%	25%-100%	100%-110%	100%-120%	50%
Order intake	< 80%	0%	80%-100%	25%-100%	100%-110%	100%-120%	25%

- Individual targets for the CEOs (Ms Ruiz was CEO until April 2022) with an overall weighting of 40%:
 - Overall appraisal of their management by the Board (with a weighting of 67% and 26.8% of total targets).
 - Compliance with Sustainability Master Plan KPIs, particularly those that relate to CO₂ emissions, diversity and innovation, maintaining the Company's leading position in the ESG benchmark rankings (with a weighting of 33% and 13.2% of total targets).

As regards the VAR for Executive Director IT Managing Director (Mr Abril Mazuelas), the targets agreed for the 2022 financial year based on his appointment in April 2022 were as follows:

- Company targets: Order intake, cash flow and EBIT for the Group with a combined weighting of 60%.
- Individual targets with an overall weighting of 40%, distributed proportionally among the three following targets (each with a weighting of 33% and 13.2% of total targets):
 - i. Overall appraisal of the CEO's management performance.
 - ii. Reorganisation of the Minsait team.
 - iii. Compliance with Sustainability Master Plan KPIs.

Following closure of the 2022 financial year, the ARCGC and the Board completed the process for assessing compliance with the targets linked to VAR and obtained the following results:

As regards the company targets that are common to all three executive directors, the ARCGC and the Board made an appraisal of operational and financial achievements in the 2022 financial year: record growth in sales and the portfolio, cash generated in excess of expectations, debt reduced to the lowest levels and

substantial improvement in EBIT margins. These achievements had a highly positive impact on the share price, which rose by 14% in 2022 (dividend adjusted), as compared with an 6% fall in the Ibex 35. Indra had the 8th highest share price increase on the said Index.

The percentages in which each of the Company targets were achieved were as follows: Order intake 130.1%, Cash flow 148.8% and Ebit 108.8%. Bearing in mind the weighting of each target and the maximum permitted valuation (120%), the percentage in which these company targets were achieved amounted to **114.40%** for each executive director (**68.64%** in overall terms, bearing in mind their weighting).

With regard to the CEOs individual targets:

a) When making an overall appraisal of their management performance, the Board took the following points into account:

- Strategic approach, with significant progress in strategic order intake, as is the case with important operations such as the FCAS, non-organic operations for the acceleration of payment growth vectors, the strengthening of strategic verticals with new customers, as is the case with Canada.

- Cooperation between CEOs, for the continuous improvement of integrated bids between the company's two verticals.

- Profitability of new business and new operations, including the acquisition of Nexus and ATM activities in the USA.

- Retention and recruitment of talent, with new employer branding plans and schools for talent, this having been a record year for the recruitment of staff with a view to covering growth.

- Reorganisation of corporate duties, with the integration of capabilities in the areas of HR and business procurement, and simplification of the group's structure in terms of the quality of central services.

The percentage in which this target has been achieved is **90%** for Ms Ruiz (**24.12%** overall, bearing in mind its weighting) and **114%** for Mr Mataix (**30.552%** overall, bearing in mind its weighting).

b) as regards the sustainability targets, which are also common to all three executive directors, the ARCGC and the Board gave a highly positive score to: i) complying with and exceeding the targets for the reduction of CO2 emissions fixed for 2022 (using base data from 2019), reaching a reduction of 38% in Scope 1 emissions and 80% for Scope 2 emissions (emissions from energy consumption at workplaces) and 21%, 68% and 40% for Scope 3 emissions for procurement, business travel and commuting (indirect emissions resulting from the value chain); ii) that Indra ranked at no. 1 in the world for the second consecutive year for the Software and IT Services sector in the DSJI World Index, and it rose to "A list" level in the CDP

Climate Change Index; and iii) compliance with the main milestones and KPIs set for 2022, with particular reference to the updating of the Sustainability Policy approved by the Board, approval of its updating of the Modern Slavery Statement, the inclusion of Sustainability Policy for suppliers in the Company's procurement terms and conditions, the 360° assessment of critical suppliers based on ESG criteria, and the provision of continuous training in Sustainability for all the Company's employees.

The percentage in which this target has been achieved is **120%** and, bearing in mind its weighting, the percentage in terms of overall weighting amounts to **15.84%** for the CEOs.

As regards the individual targets for the Executive Director IT Managing Director:

- a) Overall appraisal of the CEO's management performance. The following aspects have been taken into account: taking on responsibility for the new organisation for a short period of time and that activities had been rationalised for the purposes of greater efficiency.

The percentage in which this target has been achieved is **111.2%** and, bearing in mind its weighting, the percentage in terms of overall weighting amounts to **14.68%** for the CEOs.

- b) Reorganisation of the Minsait team. The Board and the ARCGC took account of the fact that verticals have been integrated under a single leadership position and that delivery and product capabilities have been reorganised.

The percentage in which this target has been achieved is **120%** and, bearing in mind its weighting, the percentage in terms of overall weighting amounts to **15.84%** for the CEOs.

- c) Compliance with Sustainability Master Plan KPIs. An assessment was made of the achievements obtained during the financial year, as mentioned above. As also mentioned above, the percentage in which this target has been achieved is **120%** and, bearing in mind its weighting, the percentage in terms of overall weighting amounts to **15.84%** for each executive director.

After analysing the aforementioned achievements, the ARCGC and the Board scored the executive directors' performance as excellent, with an achievement percentage of **115%** for **Mr Mataix** and **Mr Abril Mazuelas** and **108.64%** for **Ms Ruiz**. These percentages corresponded to gross payments of €1,063,000 for Mr Mataix, €590,000 for Mr Abril Mazuelas and €281,000 for Ms Ruiz, bearing in mind the amount of time that these last two people remained in post.

In accordance with the current Remuneration Policy, 70% of the VAR will be received in cash in March 2023. The remaining 30% will be received in shares, the gross number of which has been calculated on the basis of the average share price during the 30 stock market sessions prior to the date on which the Board approved the VAR, which gave a

price of €11.39. The foregoing means that the following numbers of shares have accrued: CEO until April 2022 (Ms Ruiz) 7,410 shares; CEO (Mr Mataix) 27,983 shares; and Executive Director IT Managing Director (Mr Abril) 23,319 shares. These shares will be handed over to the executive directors in three equal amounts in 2024, 2025 and 2026.

In accordance with the deferral described above, on 1 March 2023 the Executive Directors received the shares corresponding to the last third of the VAR for 2019, the second third of the VAR for 2020 and the first third of the VAR for 2021, with former CEO (Ms Ruiz), CEO (Mr Mataix) and the Executive Director IT Managing Director (Mr Abril) receiving 23,728 shares, 23,728 shares and 14,467 shares respectively in this regard. All of the above amounts and numbers of shares are gross figures and, therefore, subject to the tax withholdings that apply from time to time.

Receipt of the deferred portion of the variable annual remuneration is 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.

Explain the components of long-term variable remuneration schemes

Given that the 2021-2023 MTI becomes due at the end of the period for which it has been established, and that its receipt is conditional upon remaining an executive director at the Company for that period (notwithstanding any exceptions that may be implemented for reasons of opportunity), no amount was allocated in this regard during the 2022 financial year.

B.8. Indicate whether certain variable components have been reduced or clawed back when, in the former case, payment of non-vested amounts has been deferred or, in the latter case, they have vested and been paid, on the basis of data that have subsequently been clearly shown to be inaccurate. Describe the amounts reduced or clawed back through the application of the "malus" (reduction) or clawback clauses, why they were implemented and the years to which they refer.

There was no reduction or claim for repayment of any of the consolidated variable payments during the 2022 financial year.

B.9. Explain the main characteristics of the long-term savings schemes where the amount or equivalent annual cost appears in the tables in Section C, including retirement and any other survivor benefit, whether financed in whole or in part by the company or through internal or external contributions, indicating the type of plan, whether it is a defined contribution or defined benefit plan, the contingencies covered, the conditions on which the economic rights vest in favour of the Directors and their compatibility with any type of indemnification for early termination or cessation of the contractual relationship between the company and the Director.

As indicated in the foregoing section A.1.7, members of the administrative bodies, directors (in their capacity as such) do not benefit from any long-term savings system, provision, retirement or pension plan or any other similar programme.

The current Remuneration Policy modified the approval given by the General Shareholders' Meeting in June 2020 which, with regard to the CEOs, decoupled the plan previously known as the Pre-Retirement and Long-Term Savings Plan (PPALP) from any indemnification and compensation payments for termination of contract, in line with normal market practices. The characteristics of the current Long-Term Savings Plan (PALP) for the executive directors, as provided for in the Remunerations Policy, are detailed in section A.1.7 of this report.

The contributions made by the Company to the PALP in 2022 were as follows:

- CEO Mr Mataix: €424,000 (16.56% of his ATTR, bearing in mind the increase in this amount following the review of his FR in April 2022).
- Executive Director, Mr Abril (since April 2022): €73,000 (5% of his ATTR). The contribution made is proportional to the amount of time he remained in his post.

With regard to Ms Ruiz, the amount accumulated in her PALP reverted to the Company, since, upon termination by mutual agreement of the executive contract under which she rendered her services, she was not entitled to collect the amount accumulated because she had not reached the age of 62 while still working for the Company.

The executive directors are not the beneficiaries of pension plans or any other kind of provision, savings or deferred benefit plan other than the plans that are in place from time to time. Section C below shows the contributions made by the Company to the plans in place from time to time for each of the executive directors, along with the amounts that have accumulated in those plans.

B.10. Explain, where applicable, the indemnification or any other type of payment deriving from the early termination, whether at the company's or the director's initiative, or from the termination of the contract in the terms provided therein, accrued and/or received by directors during the year just ended.

As already mentioned, in April 2022, the Company and Ms Ruiz terminated the executive services contract that they had entered into by mutual agreement. After this, Ms Ruiz tendered her resignation as director and it was agreed that Mr Abril would be appointed as Executive Director IT Managing Director.

The amount of compensation received by Ms Ruiz upon the termination of her contractual relationship in April 2022 was €1,800,000 (75% of her ATTR).

In addition, Ms Ruiz received €16,000 from the Company by way of holiday allowance that she had accrued but not taken.

Finally, the termination of her contract triggered the non-compete clause that Ms Ruiz had agreed with the Company, under which she received the compensation provided for in this regard in her contract, in the amount of €1,800,000 (75% of her ATTR).

The amounts received by Ms Ruiz did not exceed two years' ATTR.

B.11. Indicate whether there have been any significant changes in the contracts of persons exercising senior management functions, such as executive directors, and, if so, explain them. In addition, explain the main conditions of the new contracts signed with executive directors during the year, unless these have already been explained in Section A.1.

The amendments introduced in the contracts of the executive directors are explained in sections A.1.4 and B.6 of this report.

B.12. Explain any supplementary remuneration accrued by directors in consideration of the provision of services other than those inherent in their position.

No supplementary remuneration has been made to the benefit of the Company's directors.

B.13. Explain any remuneration deriving from advances, loans or guarantees granted, indicating the interest rate, their key characteristics and any amounts returned, as well as the obligations assumed on their behalf by way of guarantee.

As explained in section A.1.11, the Company currently has a policy for granting advances and loans which applies to the executive directors. No loans or advances have been granted to the executive directors during the financial year that has just ended.

B.14. Itemise the remuneration in kind accrued by the directors during the year, briefly explaining the nature of the various salary components.

Pursuant to the terms of the contracts governing their professional relationship with the Company, the executive directors receive remuneration in kind which consists of life insurance with cover in the event of death or disability. They are also the beneficiaries of health insurance under the terms of a collective policy that the Company has taken out for its senior executives. Executive Directors Mr Mataix and Mr Abril Mazuelas and Ms Ruiz (CEO until April 2022) are entitled to the use of a company vehicle, in accordance with the policy established to this end by the Company. The individual amounts that correspond to each of the aforementioned items were as follows:

- Mr Mataix (CEO): (i) life insurance premium €22,000; (ii) healthcare policy €9,000; and (iii) use of vehicle €24,000.
- Mr Abril Mazuelas (Executive Director since April 2022): (i) life insurance premium €3,000; (ii) healthcare policy €8,000; and (iii) use of vehicle €11,000.

- Ms Ruiz (CEO until April 2022): (i) life insurance premium €1,000; (ii) healthcare policy €2,000; and (iii) use of vehicle €4,000.

These amounts are included under sub-section iv of section C.1 a), “breakdown of other items”.

As already mentioned above, the directors do not receive any remuneration in kind as a result of their membership of the administrative bodies, except for the Non-Executive Chairman who, as mentioned in section A.1.5, is the beneficiary of life insurance, with cover in the event of death or disability, and health insurance. The amounts accrued in this regard during 2022 were €2,000 and €7,000 respectively.

B.15. Explain the remuneration accrued by any director by virtue of payments made by the listed company to a third company in which the director provides services when these payments seek to remunerate the director’s services to the company.

No director accrues remuneration by virtue of the payments made by the Company to a third party organisation to which the director provides services.

B.16. Explain and detail the amounts accrued in the year in relation to any other remuneration concept other than that set forth above, whatever its nature or the group entity that pays it, including all benefits in any form, such as when it is considered a related-party transaction or, especially, when it significantly affects the true image of the total remuneration accrued by the director. Explain the amount granted or pending payment, the nature of the consideration received and the reasons for those that would have been considered, if applicable, that do not constitute remuneration to the director or in consideration for the performance of their executive functions and whether or not it has been considered appropriate to be included among the amounts accrued under the “Other concepts” heading in Section C.

Directors do not receive any remuneration other than the amounts explained in the foregoing sections.

C. Itemised individual remuneration accrued by each director

Name	Type	Period of accrual in year 2022
Fernando Abril-Martorell Hernández	Executive	From 01/01/2022 to 31/05/2022
Luis Abril Mazuelas	Executive	From 21/04/2022 to 31/12/2022
Belén Amatriain Corbi	Independent	From 28/10/2022 to 31/12/2022
Jokin Aperribay Bedialauneta	Proprietary	From 23/06/2022 to 31/12/2022
Carmen Aquerreta Ferraz	Independent	From 01/01/2022 to 23/06/2022
Virginia Arce Peralta	Independent	From 28/10/2022 to 31/12/2022
Axel Arendt	Independent	From 28/10/2022 to 31/12/2022
Coloma Armero Montes	Independent	From 28/10/2022 to 31/12/2022
Antonio Cuevas Delgado	Proprietary	From 01/01/2022 to 31/12/2022
Francisco Javier García Sanz	Independent	From 28/04/2022 to 31/12/2022
Silvia Iranzo Gutiérrez	Independent	From 01/01/2022 to 25/06/2022
Enrique de Leyva Pérez	Independent	From 01/01/2022 to 23/06/2022
Ignacio Martín San Vicente	Independent	From 01/01/2022 to 27/10/2022
Ignacio Mataix Entero	Executive	From 01/01/2022 to 31/12/2022
Juan Moscoso del Prado Hernández	Proprietary	From 28/10/2022 to 31/12/2022
Marc Thomas Murtra Millar	Other external	From 01/01/2022 to 31/12/2022
Ana de Pro Gonzalo	Independent	From 01/01/2022 to 23/06/2022
Cristina Ruiz Ortega	Executive	From 01/01/2022 to 21/04/2022
Olga San Jacinto Martínez	Independent	From 28/10/2022 to 31/12/2022
Miguel Sebastián Gascón	Proprietary	From 01/01/2022 to 31/12/2022
Alberto Terol Esteban	Independent	From 01/01/2022 to 23/06/2022
Isabel Torremocha Ferrezuelo	Independent	From 01/01/2022 to 23/06/2022
Bernardo José Villazán Gil	Independent	From 28/10/2022 to 31/12/2022

Complete the following tables regarding the individual remuneration of each director (including remuneration received for performing executive duties) accrued during the year.

a) Remuneration from the reporting company:

i. Remuneration accruing in cash (thousands of euros)

Name	Fixed remuneration	Attendance fees	Remuneration for membership on Board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Indemnification	Other items	Total 2022	Total 2021
F. Abril-Martorell (*)	0	0	0	0	0	0	0	1,163	1,163	2,696
L. Abril	53	0	0	406	413	0	0	0	872	0
B. Amatriain	13	0	13	0	0	0	0	0	26	0
J. Aperribay	40	0	8	0	0	0	0	0	48	0
C. Aquerreta	40	0	32	0	0	0	0	0	72	144
V. Arce	13	0	19	0	0	0	0	0	32	0
A. Arendt	13	0	8	0	0	0	0	0	21	0
C. Armero	13	0	13	0	0	0	0	0	26	0
A. Cuevas	80	0	48	0	0	0	0	0	128	128
F. J. García	53	0	48	0	0	0	0	0	101	0
S. Iranzo	40	0	18	0	0	0	0	0	58	116
E. de Leyva	40	0	48	0	0	0	0	0	88	146
I. Martín	67	0	81	0	0	0	0	0	148	134
I. Mataix	80	0	0	644	744	0	0	0	1,468	1,369
J. Moscoso del Prado	13	0	11	0	0	0	0	0	24	0
M. Murtra	550	0	36	0	0	0	0	0	586	336

A. de Pro	40	0	32	0	0	0	0	0	72	126
C. Ruiz	27	0	0	189	197	0	1,800	1,816	4,029	1,369
O. San Jacinto	13	0	8			0	0	0	21	0
M. Sebastián	80	0	64	0	0	0	0	0	144	126
A. Terol	40	0	18	0	0	0	0	0	58	116
I. Torremocha	40	0	32	0	0	0	0	0	72	144
B. Villazán	13	0	8	0	0	0	0	0	21	0

(*) Executive Chairman up until May 2021

Observations

With regard to Mr Abril-Martorell, Executive Chairman of the Company until 27 May 2021, the heading “other items” includes the compensation received during 2022 under the terms of the non-compete clause agreed with the Company (€1,163,000).

With regard to Ms Arce, the heading “remuneration for membership of Board committees” includes the €5,000 due as payment for her duties as Lead Independent Director, a position to which she was appointed at a meeting of the Board of Directors on 28 October 2022.

In addition, the €1,800,000 declared as “compensation” as part of the remuneration paid to Ms Ruiz, CEO of the Company until 21 April 2022, refers to the termination of her executive services contract with the Company by mutual agreement; and the €1,816,000 declared as “other items” includes the compensation received in relation to the non-compete clause agreed with the Company (€1,800,000), plus the holiday allowance that had accrued and was not taken and was included in her final settlement (€16,000).

ii. Table of changes in share-based remuneration schemes and gross profit from vested shares or financial instruments

Name	Name of Plan	Financial instruments at start of 2022		Financial instruments granted during 2022		Financial instruments vested during the year				Instruments matured but not exercised	Financial instruments at year-end 2022	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent / vested shares	Price of vested shares	Gross profit from vested shares or financial instruments (thousands of euros)	No. of instruments	No. of instruments	No. of equivalent shares
Luis Abril	VAR 2018-2021, with the deferred handover of shares	52,988	52,988	23,319	23,319	-	-	-	-	-	61,250	61,250
Ignacio Mataix	VAR 2018-2021, with the deferred handover of shares	72,455	72,455	27,983	27,983	-	-	-	-	-	79,975	79,975
Cristina Ruiz	VAR 2018-2021, with the deferred handover of shares	72,455	72,455	7,410	7,410	-	-	-	-	-	59,402	59,402

Observations

All the numbers of shares shown in the table represent gross figures.

Receipt of the deferred portion of the variable annual remuneration is 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.

The number of financial instruments at the beginning of the 2022 financial year = deferred shares corresponding to 30% of the VAR for 2018 (last third) for 2019 (second and last third) and for 2020 and 2021 (first, second and last third), for Mr Abril and Mr Mataix and for the CEO, Ms Ruiz, until 21 April 2022, as described in section B.7. above.

Some of these shares were handed over on 28 February 2022: Mr Abril, 15,057 shares (last third of the VAR for 2018, the second third of the VAR for 2019 and first third of the VAR for 2020); Ms Ruiz, 20,463 shares (last third of the VAR for 2018, the second third of the VAR for 2019 and the first third of the VAR for 2020), and Mr Mataix, 20,463 shares (last third of the VAR for 2018, the second third of the VAR for 2019 and the first third of the VAR for 2020).

The number of financial instruments consolidated during the financial year = includes the shares accrued during that year in respect of VAR for 2022, pursuant to the assessment of compliance with targets made by the ARCGC and the Board. Handover of these shares is deferred in accordance with the terms set out in section B.7, and it is subject to the non-

occurrence of the circumstances provided for in the *malus* clause.

The number of financial instruments at year-end = include the shares pending handover at the beginning of the financial year, from which the shares handed over during the financial year are subtracted and those awarded during the 2022 financial year in the form of VAR for 2022 are added. As of 1 March 2023, some of these VAR shares have been handed over relating to the last third of the VAR for 2019, the second third of the VAR for 2020 and the first third of the VAR for 2021 (Mr Abril, 14,467, Ms Ruiz, 23,728, and Mr Mataix, 23,728).

In the case of Mr Abril Mazuelas, the shares shown at the end of the financial year include those that he held at the beginning of the 2022 financial year as a senior manager and those that he was awarded during the 2022 financial year.

iii. Long-term savings schemes

Name	Remuneration from vesting of rights to saving schemes
L. Abril	0
I. Mataix	0
C. Ruiz	0

Name	Contribution for the year by the Company (thousands of euros)				Amount of accrued funds (thousands of euros)			
	Savings schemes with vested financial rights		Savings schemes with non-vested financial rights		Savings schemes with vested financial rights		Savings schemes with non-vested financial rights	
	2022	2021	2022	2021	2022	2021	2022	2021
L. Abril	-	-	73	0	0	0	73	0
I. Mataix	-	-	424	397	0	0	1,855	1,584
C. Ruiz	-	-	0	161	0	0	0	665

Observations

The PALP is not a pension plan and is received by the executive director on a contingent basis. The Company makes a defined annual contribution to the PALP while the executive directors maintain their contractual relationship with the Company, though each beneficiary will only be entitled to receive the accumulated balance when they reach the age of 62. Under no circumstances may an executive director receive any amount in this regard in excess of their current annual ATTR.

In the event that the contract is still in place when the executive directors reach the age of 62, they will be entitled to receive the amount accumulated in the PALP, regardless of whether or not they continue with the Company. It will be received either as capital, as a life annuity, or as a combination of both.

In the case of Ms Ruiz, as her executive services contract with the Company was terminated by mutual agreement before she reached the age of 62, the amount accumulated in her PALP is zero, since the amount corresponding to the contributions made up to that date reverted to the Company and she was not entitled to receive any payment in this regard.

iv. Detail of other items

Name	Concept	Amount of remuneration
L. Abril	Life and health insurance premiums and vehicle	22
I. Mataix	Life and health insurance premiums and vehicle	55
M. Murtra	Life and health insurance premiums	9
C. Ruiz	Life and health insurance premiums and vehicle	7

Observations

b) Remuneration of directors of the listed company for seats on the boards of other subsidiary companies:

i. Remuneration accruing in cash (thousands of euros)

Name	Fixed remuneration	Attendance fees	Remuneration for membership on Board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Indemnification	Other items	Total 2022	Total 2021
No data available										

Observations

ii. Table of changes in share-based remuneration schemes and gross profit from vested shares or financial instruments

Name	Name of Plan	Financial instruments at start of 2022		Financial instruments granted during 2022		Financial instruments vested during the year				Instruments matured but not exercised	Financial instruments at year-end 2022	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent / vested shares	Price of vested shares	Gross profit from vested shares or financial instruments (thousands of euros)	No. of instruments	No. of instruments	No. of equivalent shares
No data available												

Observations

iii. Long-term savings schemes

Name	Remuneration from vesting of rights to saving schemes
No data available	

Name	Contribution for the year by the Company (thousands of euros)				Amount of accrued funds (thousands of euros)			
	Savings schemes with vested financial rights		Savings schemes with non-vested financial rights		Savings schemes with vested financial rights		Savings schemes with non-vested financial rights	
	2022	2021	2022	2021	2022	2021	2022	2021
No data available								

Observations

iv. Detail of other items

Name	Concept	Amount of remuneration
No data available		

Observations

Observations

c) Summary of remuneration (thousands of euros):

This summary must include the amounts corresponding to all the remuneration items included in this report that have accrued to each director, in thousands of euros.

	Remuneration accruing in the Company					Remuneration accruing in Group companies				
	Total cash remuneration	Gross profit from vested shares or financial instruments	Remuneration by way of savings schemes	Other items of remuneration	Total 2022	Total cash remuneration	Gross profit from vested shares or financial instruments	Remuneration by way of savings schemes	Other items of remuneration	Total 2022
F. Abril-Martorell	1,163	-	-	-	1,163	-	-	-	-	-
L. Abril	872	-	-	22	894	-	-	-	-	-
B. Amatriain	26	-	-	-	26	-	-	-	-	-
J. Aperribay	48	-	-	-	48	-	-	-	-	-
C. Aquerreta	72	-	-	-	72	-	-	-	-	-
V. Arce	32	-	-	-	32	-	-	-	-	-
A. Arendt	21	-	-	-	21	-	-	-	-	-
C. Armero	26	-	-	-	26	-	-	-	-	-

A. Cuevas	128	-	-	-	128	-	-	-	-	-
F. J. García	101	-	-	-	101	-	-	-	-	-
S. Iranzo	58	-	-	-	58	-	-	-	-	-
E. de Leyva	88	-	-	-	88	-	-	-	-	-
I. Martín	148	-	-	-	148	-	-	-	-	-
I. Mataix	1,468	-	-	55	1,523	-	-	-	-	-
J. Moscoso del Prado	24	-	-	-	24	-	-	-	-	-
M. Murtra	586	-	-	9	595	-	-	-	-	-
A. de Pro	72	-	-	-	72	-	-	-	-	-
C. Ruiz	4,029	-	-	7	4,036	-	-	-	-	-
O. San Jacinto	21	-	-	-	21	-	-	-	-	-
M. Sebastián	144	-	-	-	144	-	-	-	-	-
A. Terol	58	-	-	-	58	-	-	-	-	-
I. Torremocha	72	-	-	-	72	-	-	-	-	-
B. Villazán	21	-	-	-	21	-	-	-	-	-
TOTAL	9,278	-	-	93	9,371	-	-	-	-	-

OBSERVATIONS

Total director remuneration differs from one director to another depending on each individual director's membership of the different administrative bodies and the number of days they held the role during the financial year. The mandate term of each director is detailed below:

- Marc Thomas Murtra: full year.
- Luis Abril: since 04/2022.
- Belén Amatriain: since 10/2022.
- Jokin Aperribay: since 06/2022.
- Virginia Arce: since 10/2022.
- Axel Arendt: since 10/2022.
- Coloma Armero: since 10/2022.
- Antonio Cuevas: full year.
- Francisco Javier García: since 04/2022.
- Ignacio Mataix: full year.
- Juan Moscoso del Prado: since 10/2022.
- Olga San Jacinto: since 10/2022.
- Miguel Sebastián: full year.
- Bernardo José Villazán: since 10/2022.
- Cristina Ruiz: until 04/2022.
- Alberto Terol: until 06/2022.
- Carmen Aquerreta: until 06/2022.
- Silvia Iranzo: until 06/2022.
- Enrique de Leyva: until 06/2022.
- Ana de Pro: until 06/2022.
- Isabel Torremocha: until 06/2022.
- Ignacio Martín: until 10/2022.

The amounts included in this section and in the Annual Corporate Governance Report follow the criteria set out in CNMV Circular 3 of 28 September 2021, meaning that, as regards remuneration from the CEOs savings schemes (C.1.a.iii), the amount of the annual contribution made in this regard

is not declared, since it becomes consolidated when the CEOs reach the age of 62. Notwithstanding the foregoing, the note made in the report on the remuneration of directors and senior executive does include these contributions, since the Company applies the criteria established in the accounting standards that it follows.

The individual amounts shown for director remuneration are not exactly the same as the amounts recorded in the notes to the annual accounts, since all of the amounts in this report are expressed in thousands of euros.

With regard to Mr Abril-Martorell, the amount declared as “Total cash payment” refers to the compensation accrued during 2022 in relation to the non-compete clause agreed with the Company (€1,163,000).

Indicate the evolution in the last five years of the amount and percentage variation of the remuneration accrued by each of the directors of the listed company who have held this position during the year, the consolidated results of the company and the average remuneration on an equivalent basis with regard to full-time employees of the company and its subsidiaries that are not directors of the listed company.

Total amounts accrued and % annual variation									
Name	2022	% variation 2022/2021	2021	% variation 2021/2020	2020	% variation 2020/2019	2019	% variation 2019/2018	2018
Executive directors									
L. Abril	894	-	0	-	0	-	0	-	0
I. Mataix	1,523	6.88	1,425	-47.73	2,726	59.32	1,711	11.98	1,528
C. Ruiz	4,036	190.15	1,391	-43.71	2,471	68.90	1,463	-1.01	1,478
External directors									
B. Amatriain	26	-	0	-	0	-	0	-	0

J. Aperribay	48	-	0	-	0	-	0	-	0
C. Aquerreta	72	-50	144	100	72	-	0	-	0
V. Arce	32	-	0	-	0	-	0	-	0
A. Arendt	21	-	0	-	0	-	0	-	0
C. Armero	26	-	0	-	0	-	0	-	0
A. Cuevas	128	0	128	6.67	120	2.56	117	-	0
F. J. García	101	-	0	-	0	-	0	-	0
S. Iranzo	58	-50	116	-2.52	119	11.21	107	2.88	104
E. de Leyva	88	-39.73	146	2.82	142	-7.79	154	6.94	144
I. Martín	148	10.45	134	11.67	120	13.21	106	103.85	52
J. Moscoso del Prado	24	-	0	-	0	-	0	-	0
M Murtra	595	73.98	342	-	0	-	0	-	0
A. de Pro	72	-42.86	126	-	0	-	0	-	0
O. San Jacinto	21	-	0	-	0	-	0	-	0
M. Sebastián	144	14.29	126	12.5	112	1.82	110	-	0
A. Terol	58	-50	116	-2.52	119	-15	140	-	0
I. Torremocha	72	-50	144	15.2	125	108.33	60	-	0

B. Villazán	21	-	0	-	0	-	0	-	0
Consolidated results of the Company	255,761	20.96	211,441	-	-72,413	-	177,563	8.34	163,888
Average employee remuneration	32.522	14.34	28.442	2.93	27.632	-1.57	28.073	-3.78	29.177

D. Other information of interest

If there are any relevant issues relating to directors' remuneration that it has not been possible to include in the foregoing sections of this report, but which it is necessary to include in order to provide more comprehensive and reasoned information on the remuneration structure and practices of the company with regard to its directors, list them briefly.

The percentage variation in the remuneration received by Ms Ruiz in the 2021 and 2022 financial years, as set out in section C.2 above, is due to the fact that the amount for 2022 includes the compensation received when her executive services contract with the Company was terminated by mutual agreement, and compensation for the non-compete clause.

This annual remuneration report was approved by the Board of Directors of the Company at its meeting held 27 March 2023.

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

Yes No

Name or company name of any member of the Board of Directors not voting in favour of the approval of this report	Reasons (against, abstention, non-attendance)	Explain the reasons
Antonio Cuevas Delgado	Abstention	According to Sociedad Estatal de Participaciones Industriales (SEPI), this is the position they take with listed companies in which they have a minority stake.
Miguel Sebastián Gascón	Abstention	According to SEPI, this is the position they take with listed companies in which they have a minority stake.
Juan Moscoso del Prado Hernández	Abstention	According to SEPI, this is the position they take with listed companies in which they have a minority stake.

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