
**INTERNAL CODE OF CONDUCT ON
MATTERS RELATING TO THE SECURITIES
MARKETS
OF INDRA SISTEMAS, S.A.**

November, 2016

Internal Code Of Conduct On Matters Relating To The Securities Markets

I.	INTRODUCTION.....	3
II.	DEFINITIONS.....	3
III.	SCOPE OF APPLICATION.....	7
IV.	RULES OF CONDUCT RELATING TO SECURITIES.....	7
V.	PROCEDURES REGARDING INSIDE INFORMATION.....	13
VI.	COMMUNICATION OF INSIDE INFORMATION.....	17
VII.	TRANSACTIONS IN ITS OWN SECURITIES CARRIED OUT BY THE COMPANY.....	19
VIII.	ENFORCEMENT MANAGER.....	21
IX.	TERM AND NONCOMPLIANCE.....	23

INTERNAL CODE OF CONDUCT ON MATTERS RELATING TO THE SECURITIES MARKETS OF INDRA SISTEMAS, S.A.

I.- INTRODUCTION

The Internal Code of Conduct on Matters Relating to the Securities Markets of Indra Sistemas, S.A. (the “Code of Conduct”) and its group of companies was approved in 1999 and subsequently modified on various occasions with the goal of adapting it to new legislative measures regarding market abuse.

The Board of Directors of Indra (the “Board”), at its meeting held 3 November, approved the current text so that it would be consistent with Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and its implementing legislation.

The purpose of the present Code of Conduct is to establish rules of conduct to be observed by those who are governed by it in their dealings with securities markets.

II. DEFINITIONS

For the purpose of this Code of Conduct, certain capitalized terms will be defined as follows:

External Advisers.- Natural or legal persons who are neither members of the Board nor employees of the Company and who provide Indra with financial, legal, consultancy or any other type of service and who have access to Inside Information arising from the relationship.

CNMV.- Comisión Nacional del Mercado de Valores (“National Securities Market Commission”).

Confidential Documents.- Any written, electronic, audiovisual or other type of material that contains Inside Information.

Indra/Company.- Indra Sistemas, S.A., the company registered in the *Registro Mercantil de Madrid*, with Tax Identification Number A-28599033.

Group Companies.- all subsidiaries and affiliates of Indra as defined by Article 42 of the *Código de Comercio*.

Inside Information.- Any specific information that has not been made public and which refers directly or indirectly to Indra or any Group Company or to its Securities which, if made public, might have an appreciable impact on the price of said Securities.

Information will be considered specific if it refers to a series of existing circumstances, or to circumstances which may reasonably be expected to arise, or to an event that has occurred or may reasonably be expected to occur, under those circumstances where the information is specific enough to allow conclusions to be drawn about the effects of those circumstances or event on the price of Securities.

In the case of a long term process which is expected to give rise to or which results in certain circumstances or a specific fact, these circumstances or fact may be considered specific information, as well as any intermediate steps in the process which directly relate to the creation or development of said future circumstances or fact.

An intermediate step in a long term process will be considered Inside Information provided that, when considered alone, it meets the definition of Inside Information described in this Code of Conduct.

Any information which a reasonable investor would probably use as one of the primary elements of an investment decision will be considered information which would have an appreciable impact on the price of Securities.

Insiders.- Any natural or legal person, including External Advisors who, in a temporary or transient manner, has access to Inside Information of Indra or Group Companies arising from participation or involvement in any operation. Said persons will no longer be considered Insiders once the Inside Information has been made public or after having been so informed by the Enforcement Manager.

Spokesmen.- Those individuals appointed by the Company to act as authorised spokesmen before the CNMV regarding Inside Information.

Personal Transactions.- Any transaction regarding Securities carried out by Subject Persons and by Closely Related Persons, to include not only the

Internal Code Of Conduct On Matters Relating To The Securities Markets

purchase and sale of Securities, but also loans, pledges, gifts, and transactions realized under the terms of a life insurance policy resulting in an investment in Securities, as well as any other transaction so considered by applicable law.

Managers.- All members of the administrative board or any other management or supervisory body of the Company, as well as Directors who are not members of said bodies who have regular access to Inside Information which is directly or indirectly related to the Company and have the power to make management decisions which may affect the course of Company business or which may impact the results of the Company. All members of the Management Committee of Indra are to be considered Managers.

Subject Persons.- Are defined as:

1. All Managers.
2. The Secretary of the Board of Directors of the Company and those employees and managers of Indra or of Group Companies who, because of their duties, have regular access to Inside Information.
3. All other persons regularly associated with Indra or with Group Companies who have access to Inside Information.

Closely Related Persons.- Those persons who are related in any of the following manners to any Subject Person:

1. A spouse or the functional equivalent under Spanish law.
2. Unemancipated children.
3. Any other relatives who live with a Subject Person or who were under the Subject Person's care during the year before the date of determining whether such a relationship exists.
4. Any legal person, trust or association in which the Subject Person or persons identified in the above paragraphs exercise a decision making role, when such legal person, trust or association is directly or indirectly controlled by any of them, or when said legal person, trust or association was created for their benefit, or when the economic interests of said legal person, trust or association are significantly tied to those of any of the persons identified in the above paragraphs.

Internal Code Of Conduct On Matters Relating To The Securities Markets

5. Other persons or entities considered as such in accordance with applicable law.

Subject Persons must communicate to the Enforcement Manager the identity of Closely Related Persons as well as any changes in said relationships.

They must also inform any Closely Related Persons regarding their obligations which arise from the *Reglamento sobre Abuso de Mercado* and its enabling legislation, in particular those which arise from any Personal Transactions.

Code of Conduct.- The present Internal Code of Conduct for Market Dealings.

Insiders List Manager.- The person within the Indra organisation responsible for the List of Insiders for each piece of Inside Information, in accordance with Chapter V of the Code of Conduct.

Enforcement Manager.- Person responsible for the application, interpretation and monitoring of the Code of Conduct, in accordance with Chapter VIII.

Securities.- Include the following items:

1. The following securities issued by Indra or Group Companies which are traded in a market or in any organised trading system:
 - a) shares and securities which are share equivalents;
 - b) obligations or other forms of securitised debt;
 - c) securitised debt which is convertible or redeemable for shares or other securities which are share equivalents.
2. Those financial instruments and contracts of any type that grant the right to acquire the securities mentioned in paragraph 1 above.
3. Those financial instruments and contracts based upon securities, financial instruments, or contracts described above.
4. In the specific instance of prohibition against the use of Inside Information (Chapter IV), the securities, instruments and contracts of entities other than Indra which make reference to Inside Information.

III. - SCOPE OF APPLICATION

All Subject Persons and all persons so indicated by the Enforcement Manager are subject to this Code of Conduct, as well as Insiders and Closely Related Persons in those instances when the Code of Conduct's provisions apply to them.

The Enforcement Manager will keep at all times an updated registry of Subject Persons under this Code of Conduct.

The Enforcement Manager will inform all the Subject Persons of their inclusion in the registry and that they are subject to the Code of Conduct, as well as potential infractions and sanctions which may arise from noncompliance with rules regarding Protection of Personal Data and for this purpose will send them a copy of the Code of Conduct, recording said person's receipt and acceptance of same.

In addition, the Enforcement Manager will create and maintain a Registry of Closely Related Persons to the Subject Persons.

The Enforcement Manager must make the data recorded in this registry available to the CNMV.

IV.- RULES OF CONDUCT RELATING TO SECURITIES

IV.1 Ban on the use of Inside Information: No person who has knowledge of Inside Information may:

1. Carry out or intend to carry out transactions in Securities;
2. Recommend that any other person carries out transactions using Inside Information or induce any person to do so; or
3. Improperly communicate any Inside Information in that person's possession.

As described above, transactions using Inside Information are those carried out by a person who possess such information and uses it to:

- Acquire, transfer or assign Securities on his own behalf or on behalf of third parties;

Internal Code Of Conduct On Matters Relating To The Securities Markets

- Cancel or modify any prior instruction made before verification or knowledge of the Inside Information;
- Follows a recommendation or inducement when the person so acting knows or should know that said recommendation or inducement is based on Inside Information.

In addition, recommendation or inducement of a person to carry out a transaction based upon Inside Information occurs when a person in possession of Inside Information:

- Recommends, based upon Inside Information, that another person acquire, transfer, or assign Securities to which the Inside Information refers, or induces said person to carry out such acquisition, transfer or delivery, or
- Recommends, based upon Inside Information, that another person cancel or modify an order relating to Securities related to said Inside Information, or induces said person to carry out said cancelation or modification.

As described above, unless the CNMV determines that there is no legitimate reason for the transaction, a person subject to this Code of Conduct in possession of Inside Information will not be considered to have acted upon it in the following cases:

1. When the transaction to acquire, transfer or assign Securities is done in good faith compliance with an enforceable obligation and not in order to avoid the prohibition against transactions based upon Inside Information, and:
 - a) Said obligation arises from an agreement reached before said person knew of the Inside Information, or
 - b) The transaction is carried out in order to comply with a legal or regulatory requirement in effect before the date in which said person knew of the Inside Information.
2. Generally speaking, those transactions carried out in accordance with applicable law.

IV.2 Time Limits

Subject Persons will abstain from directly or indirectly carrying out transactions in Securities on their own behalf or on behalf of third parties for a period of 30 calendar days before the publication by Indra of semiannual or annual financial reports or interim management reports.

Without prejudice to the above provision, the Enforcement Manager or the Chairman of the Board in the case of Directors or members of the Executive Committee, upon written request and justification by the Subject Person, may authorize such transactions in Securities by that person under any of the following circumstances:

- Under exceptional circumstances, such as severe financial difficulties, which require the immediate sale of Securities;
- Transactions within the framework of or arising from share incentive plans or from pre-emptive rights or rights to cost free assignment of shares, or from other employee plans which comply with applicable law;
- Transactions, the end result which is no change in ownership of the Security in question.

In all cases, the Subject Person must demonstrate that said transaction cannot be carried out at a time other than the closed period described above.

IV. 3 Market Manipulation

Subject Persons and Insiders will abstain from preparing or carrying out practices which may be construed as market manipulation, and said practices will always include such acts so defined by applicable law. Subject Persons will also abstain from any attempt to engage in said practices.

In this regard, market manipulation includes, without limitation, the following activities:

1. Carry out a transaction, make a business decision or engage in any other conduct which:
 - a) Transmits or may transmit false or misleading signals regarding supply or demand or price of a Security, or

Internal Code Of Conduct On Matters Relating To The Securities Markets

- b) Sets or may set an abnormal or artificial price for one or more Securities unless the person realizing such transaction or making such business decision or engaging in any other conduct can demonstrate that the transaction, decision or conduct was made for legitimate reasons consistent with market practices accepted by the CNMV.
- 2. Carry out a transaction, make a business decision, or engage in any other activity or conduct using fictitious means or any other form of deceit or artifice which affects or may affect the price of one or more Securities.
- 3. Distribute information through any media, including Internet, which conveys or may convey false or misleading information regarding supply, demand or price of Securities, or which may set an abnormal or artificial price for one or more Securities, including the spreading of rumours, when the source of the distribution knows or should know that the information is false or misleading.

Additionally, market manipulation will be assumed pursuant to conduct consistent with taking advantage of regular or occasional access to traditional or electronic media in order to express an opinion regarding Securities (or indirectly regarding the Company or Group Companies), after taking a position regarding said Securities and then later acting upon the effects that said expressed opinions may have regarding the price of Securities without having revealed publically at the same time such conflict of interest in an adequate and effective manner.

- 4. Transmit false or misleading information or supply false data regarding relevant metrics when the source of the transmission or provision of data knows or should know that they are false or misleading, or any other conduct which involves a manipulation or the fixing of said metric.
- 5. The involvement of a person or several persons acting in concert in order to obtain a dominant position regarding supply or demand of Securities which affects or may affect directly or indirectly the establishment of their sale or purchase price, or which creates or may create other unequal market conditions.
- 6. The issuance of orders, including cancelation or modification of orders, by means of any available commercial techniques, including electronic means

Internal Code Of Conduct On Matters Relating To The Securities Markets

such as high volume or algorithmic trading strategies, which produce the effects described in paragraphs 1 and 2 above.

7. The purchase or sale of Securities at opening or closing of the market which has or may have the effect of causing confusion or misunderstanding on the part of investors who rely upon published share prices, including those prices at opening or closing.

The following transactions or orders will not be considered market manipulation:

1. Those which arise from share repurchase programs or programs whose purpose is stabilization of securities executed by the Company itself, so long as they comply with legally established rules for their execution; and
2. Generally speaking, those which are executed in compliance with applicable law.

IV.4 Duty to Communicate

1. Managers as well as their Closely Related Persons must communicate any Personal Transactions without delay and in any event within 3 working days to the Enforcement Manager and to the CNMV. The communication to the Enforcement Manager will be always executed by the Managers. The communication to the CNMV will be executed by the obliged person under the applicable law. Said communications will be made in the form, with the content and by the means established by law. The Enforcement Manager will ensure that the information produced in accordance with the above is published without delay and no later than the established time.
2. Subject Persons other than Managers, for their part, must declare any Personal Transactions by means of delivery to the Enforcement Manager of a detailed communication within 5 business days after the day in which the transaction was realized, in which said transactions are described and include the identity of the Securities, the date, volume and price of the transaction.

Internal Code Of Conduct On Matters Relating To The Securities Markets

3. The Enforcement Manager may require that any Subject Person provide additional information regarding any Personal Transaction. Subject Persons must respond to said requirement within a period of 5 days after its receipt.
4. Exceptionally, Subject Persons and their Closely Related Persons, other than Directors and their Closely Related Persons will not be required to submit the communications described above when, within one calendar year, the total amount of Personal Transactions executed for the person's personal account do not exceed 5,000 euros or any other amount not to exceed 20,000 euros as established by the CNMV. The threshold amount will be calculated by adding all of the transactions referenced in the above section with no set-off for any unrelated transaction.

This exception will also apply to notification requirements for Closely Related Persons of Directors in the sole event that the Director has no discretion regarding the exercise of the right to vote.

5. The provisions of the above sections are without prejudice to notification requirements to the CNMV in accordance with applicable law for Directors, senior managers and Closely Related Persons regarding Securities.

IV. 5 Portfolio Management Agreements

Communication requirements contained in Section IV. 4 also apply to transactions in Securities on behalf of Subject Persons or their Closely Related Persons carried out by third parties within the context of the provision of discretionary portfolio management.

In this regard, discretionary portfolio management agreements must contain a provision obliging the manager to immediately inform the Subject Person or the Closely Related Person of any transactions regarding Securities so that said person may comply with communication obligations.

Portfolio management agreements which antedate the entry into force of present version of the Code of Conduct must conform to it, and until they do the portfolio manager must abstain from executing any transactions in Securities on behalf of a Subject Person or a Closely Related Person.

In any event, Subject Persons must communicate to the Enforcement Manager the existence of said contracts, including those entered into by Closely Related

Internal Code Of Conduct On Matters Relating To The Securities Markets

Persons within 15 days of execution, along with the identity of the entity managing the portfolio. Subject Persons and Closely Related Persons who enter into portfolio management contracts must assure themselves that the managing entity understands the rules of conduct for those who find themselves subject to them and that both must act accordingly. Subject Persons and Closely Related Persons will also require that the managing entity complies with any communication requirements issued by the Enforcement Manager regarding transactions in Securities.

IV. 6 Communication Registry

The Enforcement Manager will be required to appropriately file communications and notices received regarding the obligations contained in this chapter in electronic format and in compliance with technical requirements in accordance with applicable law. The data contained in this file will be strictly confidential.

IV.7

Under instructions from the Board of Directors, the Enforcement Manager may establish additional limits on transactions in Securities when circumstances so justify.

V.- PROCEDURES REGARDING INSIDE INFORMATION

V.1 Insiders List Manager

For the purposes set forth in this Chapter V, Insiders List Manager will include those persons designated by Executive Management to specifically assume leadership of an operation or internal process which carries with it access to Inside Information.

For every matter which contains Inside Information, the Insiders List Manager will maintain an updated registry ("Insiders List") created pursuant to those models established by law, and which will consist of:

1. The identity of persons with access to said Inside Information;
2. The reason and the date of inclusion or removal for each Insider;
3. The date and hour in which each person obtained Inside Information;

4. The dates and hours of creation, updating and closing of the Insiders List, as well as any other item required by applicable law.

The Insiders List Manager or the Enforcement Manager in the case of Directors, will expressly inform the individuals included in the Insiders List that they are subject to the Code of Conduct because of their Insider status regarding information to which they have access or may have access and of other points of law contained in the *Ley Orgánica 15/1999, de Protección de Datos de Carácter Personal* and regarding the rules on market abuse. The Enforcement Manager will also adopt reasonable means for ensuring that said persons acknowledge in writing the legal and regulatory obligations imposed on them by virtue of their Insider status and the sanctions which may arise from noncompliance.

The Insider List Manager will forward a List of Insiders to the Enforcement Manager, along with updates at the time it is created or updated.

V.2 Central Registry of the Insiders List

The Enforcement Manager will maintain and keep an updated Central Registry of Insider Lists received from those responsible for each of them in an electronic format which complies with the technical requirements of applicable law in accordance with the provisions of the prior section.

The electronic format will ensure at all times a) confidentiality of the information contained; b) accuracy of the information contained in the Insiders List; and c) access to iterations of the Insiders List and means for their recovery.

The Enforcement Manager shall keep the data included in the Central Registry for a minimum of five years from the date of their entry or last updating. Additionally, the Enforcement Manager shall make the information in the Central Registry available to the CNMV upon request.

V.3 Measures for Preserving and Handling Inside Information

While studying, planning or implementing any decision which may give rise to Inside Information, Subject Persons must act with diligence in its use and handling and take on an attitude of secrecy in order to avoid confusion and the creation of false expectations in the markets.

Internal Code Of Conduct On Matters Relating To The Securities Markets

Regarding Inside Information, Subject Persons shall adopt the following measures for maintaining confidentiality:

1. Strictly limit its distribution to persons inside or outside the Company and Group Companies on a need to know basis.
2. Maintain a List of Insiders for each operation or internal process which might involve access to Inside Information in accordance with the provisions of section V.1 of the Code of Conduct.
3. Adopt security measures regarding custody, filing, access, reproduction and distribution of the information.
4. Pay attention to changes in list price and share volumes of Securities in the market, as well as rumours and news from professional economics information sources and the media.
5. Subject completion of transactions in Securities to requirements which avoid the appearance that such investment or divestment decisions were influenced by possession of Inside Information.
6. In the event of an abnormal fluctuation in the price or volume of Securities being traded, should there exist a rational basis to believe that said fluctuations may be the result of premature, partial or inaccurate news of an operation, Subject Persons will inform the Enforcement Manager of said circumstance, who will then propose adoption of appropriate measures including, when applicable, a communication in conformance with applicable law which explains in a clear and precise manner the current status of the operation, or which contains a preview of the information to be provided.
7. In the event there is evidence that Inside Information may have been used in an abusive or unfair manner, the Subject Persons shall immediately take the means necessary to correct the consequences, without prejudice to their obligation of cooperation or communication with judicial and administrative authorities under the terms of the *Ley del Mercado de Valores* and any other applicable law.

In addition to the requirements of the section above and of the Insiders List provided for in section V.1 above, treatment of Inside Information shall conform to the following:

Internal Code Of Conduct On Matters Relating To The Securities Markets

1. Identification of the information as confidential. All documents which contain Inside Information must be clearly marked with the word “confidential” in order to indicate that its use is restricted to Insiders. In the case of electronic documents, their confidential nature shall be indicated before granting access to the information.
2. Code Name. Whenever an operation or internal process is designated as Inside Information, it shall be assigned a code name used to designate the documents related to the operation or internal process and will reference the section of the Insiders List referring to the Inside Information.
3. Archive. Confidential Documents will be filed separately from other ordinary documents, in separate spaces designated for this purpose, and will be provided with special protective measures that will guarantee access only to Insiders. In particular, they will be protected using files located in locked restricted access areas or by means of personalized computer passwords which are to be periodically updated.
4. Distribution and Copying. General distribution and delivery of Confidential Documents will always be done by a secure means that guarantees preservation of its confidentiality. In particular, delivery by email will be kept to an absolute minimum. Recipients of the reproductions or copies of Confidential Documents will abstain from obtaining second copies or from distributing them in any way and will at all times be included in the List of Insiders, subject to the provisions in section V.1 above.
5. Return or Destruction of Confidential Documents. Once an operation or internal process ceases, all persons with access to Inside Information shall return or destroy those Confidential Documents whenever required by the Company.
6. Responsibility. Insiders will be personal responsible for compliance with the measures described above and any others imposed on account of access to Inside Information, without prejudice to other security measures imposed by the Company on Subject Persons.

V.4 When Inside Information is transmitted to External Advisors

It shall be restricted to the extent possible and done as late as possible, adopting the following measures intended to ensure its confidentiality:

1. Before proceeding with the transmission of Inside Information, confirmation shall be obtained from the External Advisor that it has available the means for ensuring the confidentiality of the information it is about to receive.
2. Additionally, and also before the transmission, External Advisors must sign a confidentiality agreement, in which they explicitly acknowledge that Inside Information is to be delivered to them as well as the specific conditions under which they are to maintain its confidentiality.
3. External Advisors may not transmit the information to others unrelated to them or outside their organization, and must be sure to observe and comply with the procedures and measures relevant to maintenance of the confidentiality of the information.
4. The duty of the External Advisor to maintain the confidentiality of the Inside Information shall continue until the information loses its character as such.

VI.- COMMUNICATION OF INSIDE INFORMATION

VI.1 Communication of Inside Information

1. Without prejudice to its obligations regarding Inside Information and its duty to safeguard it as governed by section V above, the Company will make public as soon as possible Inside Information which concerns it directly, in a form which allows its rapid access and a complete, accurate and timely evaluation by the public. The content of the communication shall be truthful, clear, and complete and, when the nature of the information so demands, quantified in such a way so as not to induce confusion or deceit.

Public dissemination of Inside Information may not be combined with marketing of business.

Internal Code Of Conduct On Matters Relating To The Securities Markets

2. In order to comply with its obligations contained in the above section, the Company will submit the Inside Information to the CNMV in order that it might be distributed and included in the official registry governed by stock market rules.
3. Inside Information may also be distributed by inclusion on the Company website and maintaining it there for a minimum of five (5) years.
4. Whenever a significant change in previously published Inside Information occurs, such changes shall immediately be published in the same manner.
5. In any event, the content and the manner of distribution of the Inside Information will conform to the applicable security market rules in force at all times.
6. In performing its duties, the Company on its responsibility, may delay the public dissemination of Inside Information when the following conditions are met:
 - a) that immediate dissemination may prejudice the legitimate interests of the Company;
 - b) that the delay in dissemination will not cause confusion or deceit to the public;
 - c) that the Company is in a position to ensure the confidentiality of the Inside Information.
7. For long term processes which evolve in distinct stages designed to result in specific circumstances or a particular event, the Company may delay dissemination of Inside Information to the public regarding the process, subject to the conditions of the previous section.
8. In the case where public dissemination of Inside Information is delayed in conformance with the prior sections, the CNMV is to be informed of the decision to delay its dissemination in terms established by all applicable rules.
9. Additionally, in the event that dissemination of Inside Information is delayed but the confidentiality of it can no longer be ensured (for example, in those cases where a rumour refers explicitly to said information and the level of accuracy of the rumour indicates that

confidentiality can no longer be guaranteed), the Company shall make the information public as soon as possible.

VI.2 Communications with Analysts and Investors

The Company will adopt the means necessary to avoid providing any Inside Information to analysts, shareholders, investors or the media before it is made public to the market in general.

To that end, in the event that Company's Inside Information is to be disseminated during meetings with analysts, shareholders, investors or the media, the Company will notify the CNMV sufficiently in advance by sending it a copy. This Information will also be published on Indra's website before the start of said meetings.

VI.3 The Spokesman

Inside Information will be submitted to the CNMV by the Spokesman, in accordance with the steps and procedures established from time to time by the CNMV, after informing the Chairman of the Board and the Enforcement Manager. Additionally, the Spokesman will be the person responsible before the CNMV for responding effectively and as quickly as possible to all the queries that the CNMV may make regarding Inside Information.

VI.4 Registry

The Enforcement Manager will maintain a registry of all communications of Inside Information sent to the CNMV.

VII.- TRANSACTIONS IN ITS OWN SECURITIES CARRIED OUT BY THE COMPANY

VII.1 Company transactions in its own Securities will always be carried out by the Company in accordance with the authority granted at the Annual Shareholders' Meeting and never with the intent of interfering with or distorting the unfettered process of establishing market prices or in order to favour particular shareholders or investors.

VII.2 Said transactions may be carried out by the Company for the following reasons:

Internal Code Of Conduct On Matters Relating To The Securities Markets

1. Ordinary transactions whose purpose is to provide liquidity and stability to the Securities, minimising temporary imbalances in the listed price.
 2. The execution of plans to buy or dispose of Securities as well as specific transactions that do not fall within the purpose indicated in section 1 above.
- VII.3 Without prejudice to compliance with applicable law regarding the communication of treasury stock transactions, the transactions indicated in the above section 2. will be communicated to the CNMV in the event that their size or unusual nature may affect the Company share price.
- VII.4 Company transactions in its own Securities will always follow criteria for transparency and neutrality, and will be subject to the same measures contained in the Code of Conduct in order to avoid having their execution affected by possession of Inside Information.

Execution of ordinary transactions shall be entrusted by the Company to stock brokerages and securities companies or other members of the market by means of a liquidity agreement or other accepted market practice.

In the case of treasury share transactions carried out within the framework of a share buyback or securities stabilization program, or which occur pursuant to liquidity agreements or upon application of any other accepted market practice, or pursuant to a public offering of securities or private placement or any other transaction performed outside of the market, all legal requirements must be met such that prohibitions relating to transactions with Inside Information do not apply.

- VII.5 It shall be the responsibility of the Finance Department of Indra to:
1. Execute and supervise unique transactions and plans referred to in the above section VII.2.2.
 2. Supervise ordinary transactions in Securities referred to in section VII.2.1, and make timely reports regarding them to the Enforcement Manager.
 3. Maintain a daily record of treasury stock transactions and ensure that the Company communicates with the CNMV in a timely and proper manner regarding treasury stock transactions in accordance with applicable law.

Internal Code Of Conduct On Matters Relating To The Securities Markets

4. Inform the Enforcement Manager of any incident arising under the provisions of this chapter VII.
 5. Maintain absolute confidentiality regarding strategy and treasury stock transactions.
 6. Make periodic reports to the Board of Directors regarding transactions involving Company Securities.
- VII.6 During those times that the Company does not have in place a liquidity agreement, discretionary treasury stock transactions will, in general, at all times follow those obligations and requirements arising from the regulations and recommendations set forth by the applicable supervisory bodies, except in those exceptional circumstances identified by the Finance Department of Indra, after consultation with the Chairman or Chief Executive Officer or, in their absence, with a Corporate General Manager.

VIII.- ENFORCEMENT MANAGER

VIII.1 The Enforcement Manager is the person in charge of the application of, interpretation of and compliance by Subject Persons with the provisions contained in this Code of Conduct, and will be the Chief in House Counsel.

Without prejudice to any other duties which may be found in the present Code of Conduct, the Enforcement manager will perform the following duties:

1. Promote awareness of and compliance with the present Code of Conduct, as well as interpret the specific application of its rules.
2. Propose measures deemed appropriate regarding information flows and establishment and adoption of procedures and measures for this purpose.
3. Determine who, in accordance with the provisions of Chapter III, should be considered Subject Persons.
4. Duly communicate to those affected of their status as Subject Persons, informing them of the circumstances and obligations that such a status entails.

Internal Code Of Conduct On Matters Relating To The Securities Markets

5. Receive communications and information described in this Code of Conduct from Subject Persons, and file them in the manner described in it.
6. Attend to and resolve all inquiries made by Subject Persons.
7. Prepare, manage and update the registries so assigned by this Code of Conduct, maintaining a digital copy of them for eventual review by the competent authorities.
8. Verify that the transactions carried out in the market by Subject Persons and Closely Related Persons as communicated to the Enforcement Manager are not affected by improper access to Inside Information.
9. Evaluate possible instances of noncompliance arising from the provisions of the Code of Conduct and passing them on to the Chairman of the Board and to the competent authorities when they constitute an administrative or criminal infraction.
10. Inform the Nomination, Compensation and Corporate Governance Committee of any relevant incidents that arise related to compliance with the Code of Conduct. In any event, inform the Committee at least once a year regarding overall compliance and application of the Code of Conduct.
11. Perform any other duty assigned in accordance with the provisions contained in the Code of Conduct, with the power to assign others to collaborate in carrying out said duties.

The Enforcement Manager and his collaborators are obliged to ensure the strict confidentiality of all transactions and circumstances of which they are aware arising from the exercise of the duties assigned to them under the Code of Conduct.

VIII.2 In order to comply with his duties, the Enforcement Manager may request from any department at Indra all documents, information and cooperation deemed necessary.

IX. TERM AND NONCOMPLIANCE

IX.1 Term

The current version of the Code of Conduct will enter into force on 30 November, 2016.

Prior to that date, the Enforcement Manager will send it to the Subject Persons, who shall confirm its receipt.

IX.2 Noncompliance

Noncompliance with the provisions of the Code of Conduct, depending upon the state of securities market legislation, may give rise to civil as well as criminal sanctions and liability as applicable.

In the event of noncompliance with the Code of Conduct by persons who have an employment relationship with the Company, such will be considered a workplace infraction under applicable law and will be sanctioned in accordance therewith.