Indra Sistemas, S.A.
Director Remuneration Policy

Introduction

At a meeting held on 25 May 2023, the Board of Directors of Indra Sistemas, S.A. (hereinafter interchangeably referred to as "Indra" or the "Company"), following a proposal by the Appointments, Remuneration and Corporate Governance Committee (hereinafter, the "ARCGC"), agreed to submit this policy relating to the remuneration of the members of the Board of Directors (hereinafter, the "Remuneration Policy" or the "Policy") for approval by the General Shareholders' Meeting, as a separate item on the Agenda, in accordance with the consolidated text of the Spanish Companies Act, as approved by Royal Legislative Decree 1 of 2 July 2010 (hereinafter interchangeably referred to as either the "Spanish Companies Act" or the "LSC"). This Policy will come into force on the date on which it is approved by the General Shareholders' Meeting and remain in force until 31 December 2026, without prejudice to any incentives that remain pending payment and were awarded under the terms of previous policies, and notwithstanding any adjustments or updates that may be made by the Board of Directors, where applicable, pursuant to the terms of the Policy itself, and any amendments that may be approved from time to time by the General Shareholders' Meeting.

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

This Remuneration Policy contains the following sections:

1. Our principles

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

ALIGNMENT WITH THE INTERESTS OF STAKEHOLDERS

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

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

LINK BETWEEN REMUNERATION AND RESULTS

Variable remuneration should be aligned with the corporate interest, using monitoring and measurement systems that determine the receipt of variable remuneration on the basis of appraisals that measure individual performance and personal contribution to the achievement of the targets set.

Variable remuneration should represent a substantial part of total remuneration and medium-term remuneration should have a sufficiently significant weighting to ensure alignment with the long-term interests of shareholders.

COMPETITIVENESS

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

PROPORTIONALITY

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

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

SUITABILITY

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

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

PRUDENCE

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

TRANSPARENCY

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

2. What we do

WHAT WE DO

Remuneration of directors for their executive duties

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

Remuneration of directors as a result of their membership of the administrative body

Remuneration comprises a fixed amount, which is established as appropriate remuneration for the amount of time required to perform the duties required of the position in question, though without reaching levels that compromise the director's independence.

WHAT WE DO NOT DO

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

3. Process used to define Remuneration Policy

I. Company bodies involved

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

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

General Shareholders' Meeting:

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

Board of Directors:

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

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

Appointments, Remuneration and Corporate Governance Committee:

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

Sustainability Committee:

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

II. Criteria adopted when determining Remuneration Policy

Consideration of the opinions of shareholders and good governance recommendations

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

At the same time, when preparing the remuneration system, the ARCGC takes account of the results of votes taken in relation to remuneration policies that have been previously approved by the General Shareholders' Meeting, and the consultative votes included in the annual reports on remuneration in which these policies are applied. The backing generally expressed by shareholders for the remuneration policies proposed by the Board of Directors (given that the remunerations policy for 2021-2023 was approved with 73.17% of the vote in favour and only 0.66% against, with 26.45% abstaining (SEPI's policy of abstaining in relation to these resolutions should be borne in mind, given that it accounted for 98.98% of all abstentions)), confirms that this Policy essentially favours continuity, notwithstanding its adjustment in line with current governance structure, the remuneration practices employed by comparable IBEX-35 companies and inclusion of the improvements deemed pertinent, as detailed in section 4 below.

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

Consideration of employee payment conditions

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

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

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

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

employees.

Consideration of market conditions

The remuneration paid to directors is compared with the payments received by people with comparable profiles in companies that are similar in terms of size. The remuneration paid to Non-Executive Directors is compared with the Ibex-35, excluding the companies that occupy the first ten places in the index, since their practices are clearly different from those of the rest.

The remuneration paid to Executive Directors is compared with a sample of IBEX-35 (companies with a turnover of between 1,200M and 5,500M) and large Spanish companies with a size comparable to that of Indra.

Consideration by an independent external adviser

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

More specifically, the ARCGC received external advice from Mercer Consulting, S.L. to adapt the director remuneration structure set out in this Policy, following a positive assessment of the independence of this external adviser prior to its appointment.

4. New developments in Remuneration Policy

With regard to Executive Directors, this Remuneration Policy maintains the basic principles applied in the current policy approved by the General Shareholders' Meeting on 30 June 2021. However, following an evaluation of the practices employed in the sector and at comparable companies, general market trends and best practices in respect of remuneration, some new provisions have been introduced, the most significant of which are as follows:

- The updating of the CEO's fixed remuneration, which was increased in April 2022 within the limits provided for in the 2021-2023 Remuneration Policy, in order to bring it into line with the new governance structure under which the Company moved from two joint and several CEOs to a single CEO, with the resulting increase in his duties and responsibilities.

  Provisions is also made for the fixed remuneration paid to the Executive Director and Managing Director of IT, who was also appointed in April 2022.

- The maximum cost of payments in kind to Executive Directors is updated, in order to bring these into line with market prices.

- The 3-year deferral of 30% of the Variable Annual Remuneration ("VAR") paid in the form of shares no longer applies. This change has been made in order to bring this payment item into line with the market practices employed by comparable companies and thus strengthen the Company's ability to retain, attract and recruit talent, placing Indra in a competitive position in relation to comparable companies without changing the remuneration mix (shares/cash) or any other conditions governing its receipt.

- The maximum weighting of the qualitative targets set for VAR is reduced, while the weighting of quantitative targets is increased.

- With regard to Medium-Term Incentive (MTI), the possibility of partial consolidation in the event of compliance or over-compliance with operational targets is removed, as it has been confirmed that it does not act as a tool for motivation or retention, since its application accounts for an insignificant percentage of this incentive.

- As regards the Typology of MTI targets, the main new developments are as follows:

  - The number of targets has been reduced, with the removal of those that were formerly known as "strategic plan targets", in which the Board evaluated the initiatives completed at the end of the period, since this gave rise to a discretional advantage that was very difficult to quantify.

  - The weighting of the ESG targets has been increased from 10% to 15%, in line with the Company's commitment in this area, which it considers to be strategic.

  - The set of targets entitled "Operational Performance Targets" will now be known as "Economic, Financial and Operational targets forming part of the Strategic Plan", and it weighting increases up to (65%)

  - The "Action Performance Targets" are retained, with the same indicators and weighting (20%). The weighting of 10% established for the Relative TSR metric is considered reasonable, since it should be borne in mind that the Performance Share mechanism is, by its very nature, already indexed and centred on the revaluation of the share price.

- The power of the Board of Directors to adjust the final result of the variable remuneration of executive directors is limited to a maximum of 10%, upwards or downwards. The exceptional circumstances that may justify the exercise of this power by the Board of Directors shall be detailed in the corresponding Annual Remuneration Report.

- With regard to the Long-Term Savings Plan, a maximum annual contribution is established for the new CEO, along with the moment at which the right to receive the amount accumulated in this Plan will be triggered (provided that his contract remains in force, and bearing in mind his age and career projection), while the maximum amount that an executive director may receive in this regard is maintained.

- With regard to the remuneration paid to directors as members of the Board and its Committees, a breakdown of the gross annual amount received by the members of the Strategy Committee (formed in September 2021) has been included. In addition, the remuneration for the Lead Independent Director is established bearing in mind the special dedication required for this position, which was set with external advice from WTW, based on the remuneration of this position in Ibex 35 companies (median of the comparison group).

- It is proposed to set the maximum annual limit of the remuneration of all the directors in their capacity as such at € 2,750,000, as it is proposed to this Meeting to increase the maximum number of members of the Board of Directors to 16.

5. Executive directors' Remuneration Policy

I. Remunerative elements

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

Fixed Remuneration (FR)

Rewarding performance, bearing in mind levels of responsibility and professional experience

- *CEO €660,000*
- *Executive Director, Managing Director of IT €550,000*

Variable Annual Remuneration (VAR)

Quantitative targets (minimum weighting of 60%), linked to financial, sustainability and operational aspects of the Company's management.
Qualitative targets (maximum weighting of 40%), mainly linked to the appraisal of each individual executive director's performance and his or her contribution to the creation of value.

- *Target: 140% of FR*
- *Maximum: 120% of the Target*

Medium-term Remuneration (MTR)

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

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

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

⋆ Furthermore, executive directors may also participate in the Savings Plan. Details are set out in Section 5.VI.

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

II. Mixed remuneration scenarios

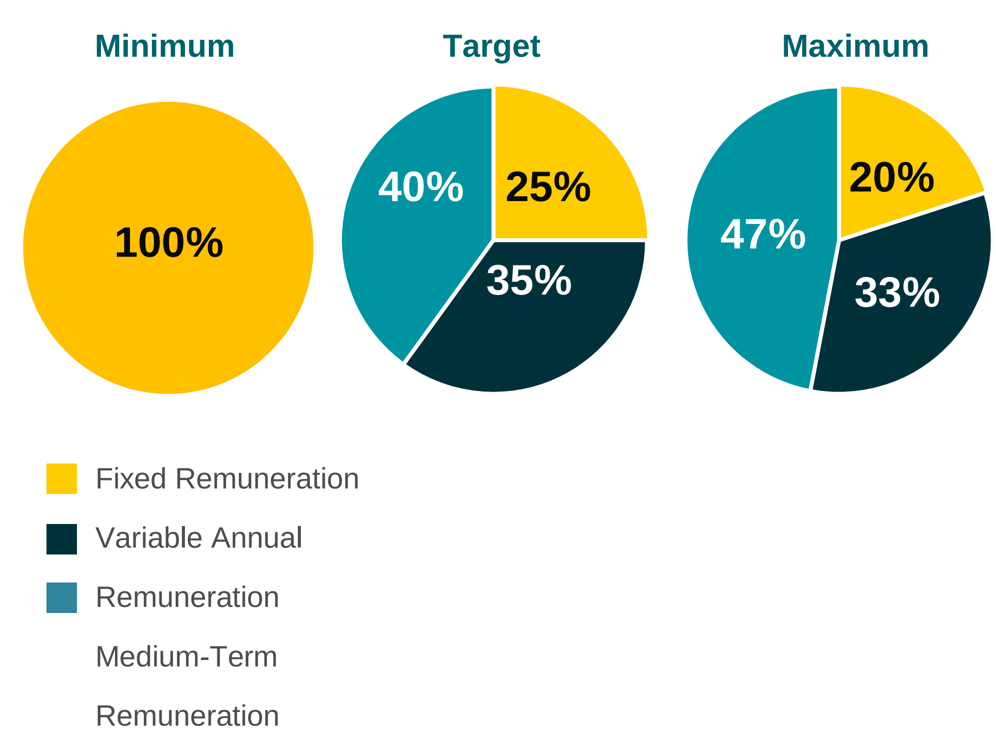
The Remuneration Policy offers a reasonable balance between the different fixed and variable elements (both annual and long-term), reflecting an appropriate assumption of risk combined with the achievement of defined short- and long-term targets, linked to the creation of sustainable value.

Fixed Remuneration1	All scenarios	CEO €660,000 Executive Director, Managing Director of IT: €550,000
Variable Annual Remuneration2	Minimum	No incentive payment will be made
	Target	140% of FR
	Maximum	168% of FR
Medium-Term Remuneration2	Minimum	No incentive payment will be made
	Target	160% of FR
	Maximum	240% of FR

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

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

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



5. Executive directors' Remuneration Policy (contd.)

III. Fixed amounts for the performance of executive duties

Fixed Remuneration in cash	
Purpose	To reward performance, bearing in mind levels of responsibility and professional experience
Amount	• CEO: €660,000. • Executive Director, Managing Director of IT: €550,000
Procedure	Fixed Remuneration will remain unchanged during the entire time that this Remuneration Policy remains in force, unless specific circumstances make a review advisable. It is calculated taking account of the content of the executive duties associated with the position and comparative information on the remuneration paid by listed companies that are comparable to Indra. In certain situations, the ARCGC may, for example, recognise a change in responsibility, developments affecting a position, the amount of time that has elapsed without any increment, or issues relating to the retention of the director. Under these circumstances, following a proposal from the ARCGC, the Board may approve an increment in the Fixed Remuneration figure. The underlying reasons will be properly justified in the relevant Annual Remuneration Report. In any case, any increments that may be agreed under the aforementioned criteria for each of the Executive Directors while this Policy remains in force may not exceed 10% of the Fixed Remuneration amount shown. This Fixed Remuneration will be divided into 14 equal instalments, one being paid in each calendar month and the remaining two in June and December.

Benefits in kind	
Purpose	To offer competitive benefits.
Amount	• Life and accident insurance: the combined annual cost of premiums for executive directors is less than €100,000. • Health insurance: the combined annual cost of premiums for executive directors is less than €34,000. • Use of a company vehicle: the combined annual cost represented by this benefit afforded to the Executive Directors €60,000.
Procedure	• Life and accident insurance: The Company has taken out life insurance policies to cover the executive directors in case of death or disablement. • Health insurance: the executive directors are beneficiaries of a collective health insurance policy that the Company has taken out for its senior executives. • Use of vehicle: in line with the policy established to this end by the Company.

5. Executive directors' Remuneration Policy (contd.)

IV. Variable amounts for the performance of executive duties

Variable Annual Remuneration	
Purpose	To provide an incentive to meet the annual targets, in line with the Strategic Plan in place at any given time. Compliance with these targets, even when they are set in the short term, is referred to in the Company's Strategic Plan, to the extent that this assists in advancing the strategy established by the Board of Directors to achieve sustainable and long-term growth for the Company while at the same time creating value for shareholders. Likewise, the definition of these targets also takes account of non-financial parameters which, when achieved, have a similarly beneficial effect on the Company as a whole.
Amount	• Target: 140% of Fixed Remuneration. • Maximum: 120% of the Target (168% of Fixed Remuneration).
Targets and Metrics	The Board of Directors will define both quantitative and qualitative targets: • Quantitative targets will carry a weighting of at least 60% of the incentive as a whole. They will comprise metrics that guarantee a suitable balance between the financial and operational aspects of the Company's management. In particular, quantitative metrics will be principally linked to the achievement of certain financial performance thresholds: order intake, free cash flow or EBIT. In turn, metrics will also be established relating to non-financial performance. Specifically, as regards sustainability, this will consist of reducing CO_2 emissions and promoting diversity and innovation. • Qualitative targets will carry a maximum weighting of 40% of the incentive as a whole. These targets will mainly be linked to the appraisal of each individual executive director's performance and his or her contribution to the achievement of the creation of value. The ARCGC may also propose the possibility to the Board of considering other targets and milestones that have been achieved, both quantitative and qualitative, or the application of other criteria to determine the variable annual remuneration amount. The details of any such adjustments will be broken down in the relevant Annual Remuneration Report.
Procedure	The accrual of Variable Annual Remuneration is linked to the individual performance of the Executive Director in question and the achievement of the targets set in each case. Targets will be defined annually by the Board of Directors, at the proposal of the ARCGC and the Sustainability Committee (according to their area of responsibility), for each Executive Director, in such a way that the targets are specific, quantifiable and predetermined for each financial year. An account of the targets set by the Board of Directors for each financial year will be given in the relevant Annual Remuneration Report. When preparing its proposal for definition of the suitable metrics to be used to determine levels of compliance with each target, the ARCGC will take account of both past information on the Company's performance and projections and forecasts relating to the Company's growth, while at the same time assessing the suitable weighting for each target in consideration of the Company's strategy. In this regard, to determine levels of compliance, a specific compliance scale will be established for each target at the beginning of each financial year. This will include (i) a minimum threshold, below which no incentive payment will be made, (ii) a target level, which will correspond to 100% compliance with targets, and (iii) a maximum level. Once the financial year to which the targets apply has ended, and following a report from the ARCGC, the Board will calculate the variable remuneration that has accrued during that financial year on the basis of the degree of compliance with both the quantitative and the qualitative targets. With the aim of ensuring that there is an effective relationship between the variable annual remuneration and the professional performance achieved by its beneficiaries, when it comes to determining levels of compliance with quantitative targets, the Board and the ARCGC may not take into account extraordinary results and aspects that could distort the evaluation criteria, which must be reported in the corresponding Annual Remuneration Report. The Board of Directors has the power to modulate in a discretionary manner, on the basis of the proposal made by the ARCGC, up to a maximum of 10%, upwards or downwards, the final result of the variable remuneration of executive directors, based on the quality of the results, individual performance or the occurrence of exceptional circumstances occurring during the financial year that require a qualitative assessment. In the event that the Board of Directors resolves to apply this qualitative modulation upwards or downwards, the Company shall provide detailed information on the reasons justifying its application in the corresponding Annual Directors' Remuneration Report. 70% of the variable annual remuneration will be received in cash and the remaining 30% will be received in its entirety in the form of Company shares, the number of which shall be set on the date on which the Board approves the variable annual remuneration to which the Executive Director in question is effectively entitled. The number of shares to be awarded will be calculated on the basis of the average share price during the thirty stock market trading sessions preceding the date of the Board's resolution. Where applicable, a cash amount equivalent to the dividends paid by the Company will be paid from the date on which the shares are allocated. The shares awarded may not be disposed of until at least 3 years have elapsed from the date on which they are awarded, unless the executive directors directly or indirectly own a number of shares equivalent to twice their Fixed Annual Remuneration. In addition, due to justifiable circumstances in the socio-economic environment, or due to specific circumstances involving the financial leveraging of the company, the Board of Directors may, following a proposal from the ARCGC, agree to pay VAR in cash in its entirety. In any case, the reasons justifying this decision will be set out in the Annual Remuneration Report for the financial year in question. The variable annual remuneration amount will be received following preparation of the annual accounts and subject to an appraisal of the external auditor's report, and in any event, within the three months immediately following the financial year-end. This will permit sufficient verification that the conditions relating to performance and any other factors that may be established have been effectively met. As indicated in greater detail in the following Section 5.VII, the amounts pending payment in relation to variable annual remuneration may be subject to reduction or cancellation by the Company if any of the circumstances provided for in the *malus* clause arise, and the amounts paid in the form of variable annual remuneration are subject to possible recovery (clawback) for a period of two years.

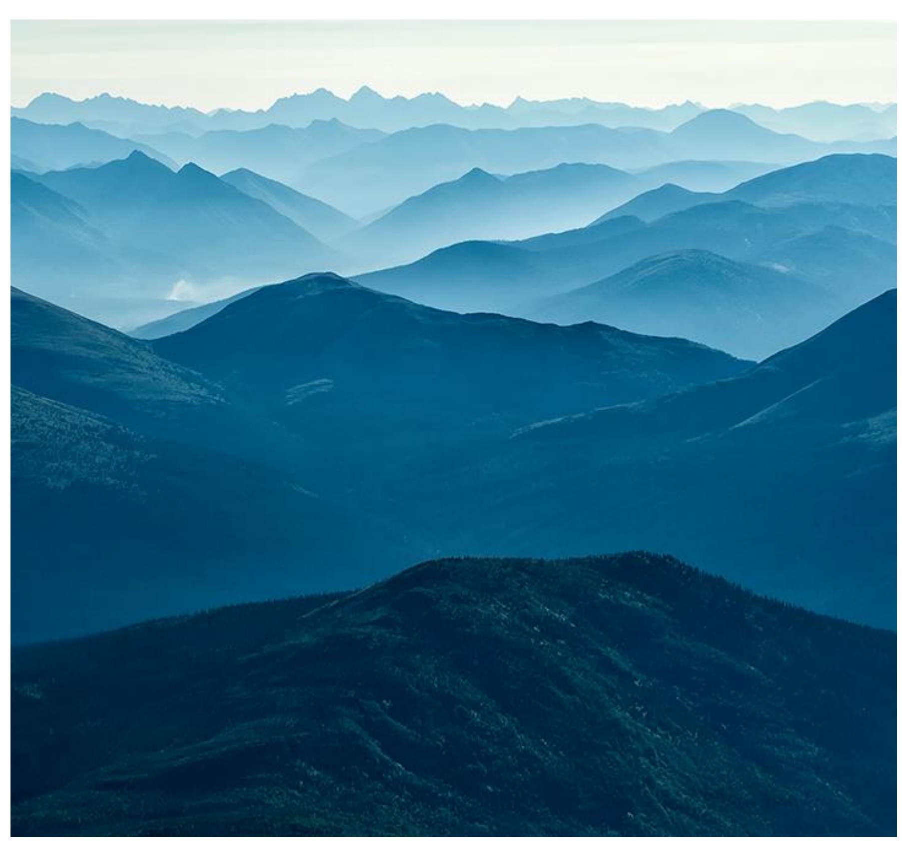
5. Executive directors' Remuneration Policy (contd.)

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

Medium-Term Incentive (MTI) for the period from 2024 to 2026	
The 2024-2026 MTI is a medium-term incentive (three years) that is directed towards the Company's executive directors and managers who are considered to have contributed decisively to the creation of value over the reference period. The following section contains a description of the main features of the 2024-2026 MTI insofar as they affect the remuneration of executive directors.	
Purpose	To incentivise the creation of sustainable value for shareholders over the long term.
Description	The 2024-2026 MTI is linked to the Company's performance in relation to implementation of the Strategic Plan approved by the Board of Directors. It takes the form of a performance share plan, with an initial allocation of shares, which may be awarded upon completion in a percentage of between 0% and 150%, calculated according to the degree to which the established targets have been met.
Term	The 2024-2026 MTI will have a term of three years, and the relevant number of shares will be awarded, as applicable, following the end of the 2026 financial year. The specific date of their award will be decided by the Board of Directors or the body or individual to which/whom this duty is delegated.
Amount (in annualised terms)	• Target: 160% of Fixed Remuneration. • Overall maximum: 150% of the Target (240% of Fixed Remuneration).
Maximum number of shares	The maximum number of shares to be awarded will be calculated, following completion of the terms to which the 2021-2023 Medium-Term Incentive applies, on the basis of the average price of Indra's shares over the last 30 sessions in 2023, and will correspond to a scenario in which all the 2024-2026 MTI targets have been superseded by the maximum amount (150%).
Procedure, requirements and conditions for payment	Medium-term Incentive may be structured in the form of one single cycle or as a series of overlapping cycles, and it will be awarded in the form of shares, the award of which will depend on the level of compliance with the targets to which remuneration is linked. The accrual period will be at least 3 years. Targets will be linked to a compliance scale, which will be specific for each target and established at the beginning of the medium-term incentive period. They will include: a minimum threshold, below which no incentive payment will be made; a target level, which will correspond to 100% compliance with targets; and a maximum compliance level. The 2024-2026 MTI amount that will be paid to each beneficiary following the end of the 2026 financial year will depend on the degree to which the established targets have been met. Executive directors may not transfer the shares received 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.
Evaluation and settlement	Notwithstanding the fact that the 2024-2026 MTI accrues at the close of the 2026 financial year, the Executive Directors 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 in the section headed "Types of Targets, criteria, weightings and merits" have been met. When evaluating compliance with targets, the Board and the ARCGC may discount any circumstances that do not relate to the ordinary course of business (such as acquisitions, restructuring, corporate transactions, etc.) and that have had an effect on the achievement of those targets and fall outside the director's direct management responsibilities. In addition, when assessing targets, the Board and the ARCGC may give weight to other circumstances, such as the macro-economic situation or Indra's relative performance as compared with comparable market or business sectors, among other factors. The Board of Directors also has discretionary powers to moderate the basic proposal prepared by the Appointments, Remuneration and Corporate Governance Committee, allowing it to make changes of up to a maximum of between 10% (upwards or downwards) to the variable remuneration that is to be paid to executive directors, taking account of the quality of the results, individual performance and the existence of exceptional circumstances that arise during the course of the financial year and that require a qualitative appraisal. In the event that the Board of Directors agrees to apply this qualitative change, either upwards or downwards, the Company will provide detailed information on the reasons justifying its application in the relevant Annual Report on director remuneration. 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.
Withholding, cancellation and reimbursement period	With regard to the shares awarded (or to be awarded) within the framework of the 2024-2026 MTI, the Board of Directors will assess, after receiving a report from the ARCGC, whether it should: i. wholly or partially cancel the right to receive any shares that are pending award (malus), and/or ii. be wholly or partially reimbursed for the shares awarded within twenty-four months of their award (clawback), when the circumstances provided for in the executive directors' respective contracts have arisen, as detailed in Section 5.VII of this policy.

<table>
<tr><th colspan="3">Targets and types of targets</th></tr>
<tr><td colspan="3">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 details of the objectives, metrics, weightings and scales of achievement defined for this Policy in relation to the IMP for executive directors will be determined by the Board of Directors, at the proposal of the ARCGC and the Sustainability Committee (as regards the objectives within its remit), once the strategic plan for the period of validity of this policy has been approved and reported on in the corresponding annual remuneration report.</td></tr>
<tr><td rowspan="3">Targets, criteria, weightings and metrics</td><td>ESG</td><td>These targets carry a weighting of 15% of the total incentive amount, and they are intended to evaluate the Executive Directors’ performance in terms of their compliance with the ESG targets in the Sustainability Master Plan.
Details of the related targets and metrics will be linked to the targets approved for the Sustainability Master Plan for the period that this Policy is in force.</td></tr>
<tr><td>Share price performanc e</td><td>These targets carry a weighting of 20% of the total incentive amount, with 10% allocated to each of the following: Relative Total Shareholder Return (TSR), as compared with the IBEX-35 (or the Control Group defined by the Board of Directors) 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 2024 and 31 December 2026, as compared with the performance of an investment in the shares of the companies included in the Control Group.
• Absolute TSR is the metric used to measure the performance of an investment in Indra shares over the period between 1 January 2024 and 31 December 2026, 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.</td></tr>
<tr><td>Economic, Financial and Operational targets forming part of the Strategic Plan</td><td>These objectives have a weighting of 65% of the total incentive and will include metrics that may be related to EBIT, Free Cash Flow and other indicators relating to the company's economic, financial and operational performance. The detailed objectives, metrics and weighting of each of them will be defined in accordance with the Strategic Plan approved for the period of validity of this policy.</td></tr>
</table>



5. Executive directors' Remuneration Policy (contd.)

V. , Loans, credit and guarantees

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

VI. Long-Term Savings Plan

The Long-Term Savings Plan takes the form of a fixed contribution fund that is outsourced through an insurance policy. Contributions are made on an individual basis and the Company's only obligation is to make the annual contributions indicated below while the contractual relationship between the Executive Directors and the Company remains in force.

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

- CEO: 15% of ATTR.
- Executive Director, Managing Director of IT: 5% of ATTR.

The Long-Term Savings Plan is not a pension or retirement scheme, and receipt of the amount that the executive director accrues under the Plan is contingent. The time at which the director will have the right to receive the accumulated amount is set down in his/her contract for the provision of executive services.

In the case of the CEO, he will receive the amount accumulated in the Long-Term Savings Plan in the event that his contract is still in place when he reaches the age of 65, or the age agreed by the parties in the event of an agreed extension, regardless of whether or not he continues with the Company. It will be received either as capital, as a life annuity, or as a combination of both.

The Executive Director and General IT Manager will be entitled to receive the amount accumulated in the Long-Term Savings Plan in the event that his contract is still in place when he reaches the age of 62, regardless of whether or not he continues with the Company. It will be received either as capital, as a life annuity, or as a combination of both.

The maximum amount that can be received by Executive Directors under the Long-Term Savings Plan is limited in all cases to 1x their ATTR.

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

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

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

- Material restatement of the Company's and/or of the Executive Director's business units' financial statements, when determined by the Company's external auditor, unless this is due to regulatory changes to the accounting legislation.
- Existence of alterations or inaccuracies in the business data that are relevant for the purposes of variable remuneration and are confirmed by the Company's external auditors.
- Serious breach of the Company's internal regulations and policies by the Executive Director. In this regard, a breach by the Executive Director of the Company's Code of Ethics and its implementing regulations contained in the Indra Compliance Program will be regarded as a serious breach.

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

VIII. Policy relating to the holding of shares

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

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

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

IX. Main contractual terms and conditions

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

5. Executive directors' Remuneration Policy (contd.)

Compensation in the event of termination of the contractual relationship:

<table>
<tr><th></th><th>Advance notice</th><th>Indemnification</th></tr>
<tr><td>Voluntary unilateral withdrawal by the Executive Director</td><td>3 months' advance notice.
In the event that this term is breached, the Director must compensate the Company. Compensation will be equivalent to his or her ATTR for the notice period that is not served.</td><td>Not applicable.</td></tr>
<tr><td>Voluntary unilateral termination by the Company*</td><td rowspan="2">3 months' advance notice.
In the event that this term is breached, the Company must compensate the Executive Director. Compensation will be equivalent to his or her ATTR for the notice period that is not served.</td><td rowspan="2">Compensation equivalent to one year's ATTR in the case of the CEO, and 60% of ATTR in the case of the Executive Director and IT Managing Director.</td></tr>
<tr><td>Termination at the request of the Executive Director due to a significant change to his or her duties or the conditions in which his or her services are rendered</td></tr>
</table>

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

Exclusivity and no competition:

Executive director 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, Managing Director of IT.

5. Executive directors' Remuneration Policy (contd.)

X. Remuneration Policy that applies to the CEO from 1 January 2023 until 18 May 2023

On 6 March 2023, Indra's Board of Directors agreed mutually with current CEO Ignacio Mataix Entero to begin a succession process for the position of CEO, linked to definition of the forthcoming strategic plan. This process ended on 18 May 2023 with the appointment of a new CEO, and on that same date the contract for the provision of his executive services was terminated and his resignation as a director formally accepted.

The remuneration payable to Mr Mataix from 1 January through to the termination of his mercantile contract is governed by the terms set out in the 2021-2023 Remuneration Policy.

XI. Remuneration Policy for New Appointees

In fixing the compensation plan for a new Executive Director, the Board and the Committee take account of the candidate's experience and know-how, their provenance (from inside or outside the Company) and their compensation level at the time of appointment. Compensation is to be determined in all cases on the basis of the criteria, components and limits provided for in the present Compensation Policy.

In order to attract candidates from outside the Company, special incentives may be established to compensate for income lost due to early termination at the previous company. In order to calculate these special incentives, equivalent financial and performance terms will be established, based on targets that are similarly demanding or difficult (and on whether these would have been expected to have been met at the previous company), along with the period over which they are to be measured. These targets and the degree to which they have been met will be set out in detail and properly justified in the relevant Annual Remuneration Report. This type of compensation may be either fully or partially paid in the form of shares, subject to the allocation limits approved by the General Shareholders' Meeting from time to time.

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

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

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

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

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

As set out in the Bylaws and Article 529 *septdecies* of the Spanish Companies Act, the maximum annual amount of this remuneration is fixed by the General Shareholders' Meeting through its approval of the Remuneration Policy in which it is established.

To this end, it is proposed to fix the maximum annual limit on the remuneration paid to all the directors for their membership of the Administrative Body in the amount of €2,750,000. 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 Bylaws. This limit will remain in place until the General Shareholders' Meeting agrees to its modification.

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

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

The following paragraphs contain a breakdown of the main elements included in the Director Remuneration Policy as a result of their membership of the Administrative Body.

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

The gross annual amounts are as follows:

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

<u>Lead Independent Director:</u> Bearing in mind the importance of the duties and responsibilities required of this position, along with the amount of time to be devoted to these duties, gross annual remuneration is set at €30,000. This remuneration figure is based on information provided by WTW related to the remuneration of this position in Ibex 35 companies.

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

The fixed amount will be paid entirely in cash.

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

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

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

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

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

III. Remuneration of the Chairman of the Board of Directors

The Chairman of the Board of Directors, who does not perform any executive duties, will receive remuneration of €550,000, comprising only fixed payment items. Any remuneration payable for his/her membership of a Board Committees will be added to this amount.

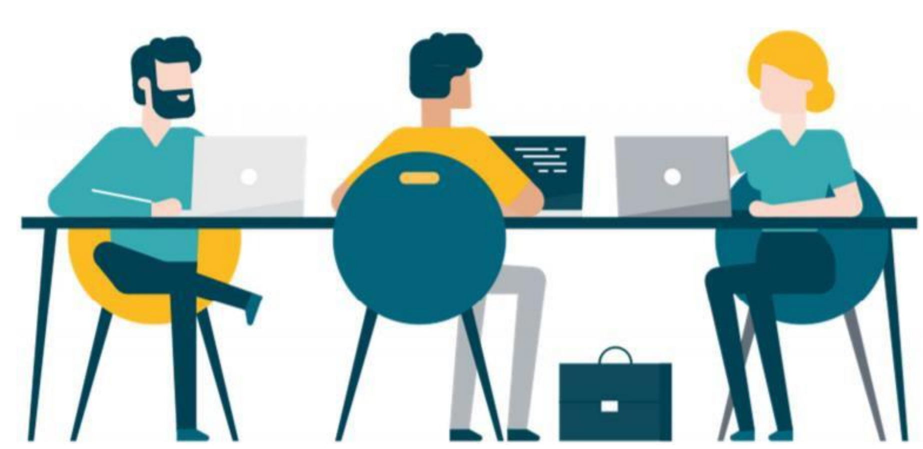
The Chairman of the Board of Directors may be the beneficiary of an allowance in cash or in kind, including for life and accident insurance, health care and use of a company car.

In setting this amount, the Board has considered, among other items, and following a report from the CNRGC, the profile of the person, the range of duties assigned to the position and market payment rates for non-executive chairs of IBEX 35 companies and businesses in other countries.

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

IV. IV. Remuneration applicable to new directors

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



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

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

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

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

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

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

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

8. Validity of this Remuneration Policy

The Board of Directors, at the proposal of the ARCGC, submits this new Remuneration Policy for approval by the Ordinary General Meeting of Shareholders in 2023, before the end of the last year of application of the previous policy, which included the years 2021, 2022 and 2023.

This new Remuneration Policy will come into force from the date on which it is approved and will remain in force for the following three financial years (2024, 2025 and 2026). However, the outstanding incentives granted under the previous policies will be settled in accordance with the provisions of the previous policies and the ARCGC may propose to the Board of Directors for approval by the General Meeting a new policy before its termination, if deemed appropriate.