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# **COMPANY BYLAWS OF INDRA SISTEMAS, S.A.**

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**Article 1.-** The Company shall operate under the name of “INDRA SISTEMAS, S.A.” and it shall be governed by these Company Bylaws and, in all matters upon which the said Bylaws are silent, by the Ley de Sociedades de Capital (“Spanish Stock Company Act” or “LSC”) and such other legal provisions as may apply to it.

**Article 2.-**

1. The Company has as its corporate purpose:

- a) The design, development, production, integration, operation, maintenance, marketing and repair of systems, solutions and products -including automotive vehicles, ships, aircraft and aerospace devices or vehicles- that make use of information technologies (computer, electronics and communications), as well as any part or component thereof and any kind of services relating to any and all of the foregoing, including the necessary works to be installed, in any field or sector.
- b) The provision of services in the fields of strategic and management consultancy, technology consultancy and training in any sector or field, including fields such as spatial planning or the environment. Additionally, the drafting, preparation and execution of any kind of studies and projects as well as management, technical assistance, technology transfer, commercialisation and administration of such studies, projects and activities.
- c) The provision of outsourcing services related to activities or processes pertaining to any field or sector.

2. The activities included in the company's corporate purpose may be pursued in Spain and abroad, even indirectly, by any of the forms admitted by law and, in particular, through the ownership of stock or participation in other companies or legal entities with a corporate purpose identical, analogous, accessory or complementary to the foregoing activities.

**Article 3.-** The Company shall have its registered office in Alcobendas (Madrid), at Avenida de Bruselas 35, and it is authorized to establish branches, agencies, delegations and representative offices wherever it may be deemed necessary, including internationally, as decided by the Administrative Body of the Company .

The Management Body may also resolve to move the Company's registered office within the same city limits.

**Article 4.-** The Company shall have perpetual existence.



**Article 5.-** The Company's authorized capital is 32.851.219,40 € (THIRTY-TWO MILLION EIGHT HUNDRED AND FIFTY-ONE THOUSAND, TWO HUNDRED NINETEEN AND 40/100 EUROS), represented by 164,132,539 ordinary class 'A' shares, of par value 0.20 € (TWENTY CENTS OF EURO) each, numbered consecutively from 1 to 164,132,539, both inclusive, and represented by means of book entries.

The authorized capital is entirely issued and paid in full.

The book entries will depict the characteristics of the shares as required by law applicable to this way of representing the shares.

**Article 6.-** Each share confers on its rightful holder the status of shareholder and shall entitle the shareholder to a right to share in the Company's profits and in the proceeds from liquidation of the company; rights of pre-emption in newly issued shares or options; attendance and voting at General Shareholders Meetings and the right to object to Company decisions and information as provided for in Article 93 of the LSC, as well as any other rights under applicable law and the current Bylaws.

The Company shall treat all similarly situated shareholders equally.

Except as provided by law as regards non monetary disbursements, in any issuance of shares in which only a portion of its par value is paid, the Board of Directors is authorized to fix the date or dates and other conditions for the remaining payments.

Whilst the Company shares are quoted on the Stock Exchange, the register book of said shares shall be kept by the entity or entities assigned to that task in accordance with applicable law.

Shares may be transferred by any of the methods recognized by law, according to the type of share, and pursuant to the regulations governing the transfer of shares represented by means of book entries.

**Article 7.-** The shares are indivisible. In the event of co-ownership, usufruct, hypothecation and any other instances of co-ownership as permitted by law, ownership rights shall be determined by applicable law and these Bylaws.

**Article 8.-** Upon resolution at a Shareholders Meeting adopted in accordance with applicable law, the Company may issue securities or other types of debt, with no limits other than those established by law.

When they are made available for trading on the Stock Exchange, debt issued by the Company shall be represented by means of book entries.



**Article 9.-** The governance, management and representation of the Company shall pertain, with complete and plenary powers to resolve all business of the Company, to the shareholders in Shareholders Meeting and by permanent delegation thereof, in the manner provided in these Bylaws, to the Board of Directors.

**Article 10.-** The Shareholders Meeting, duly called in accordance with provisions of these Bylaws and current applicable law, shall represent all the shareholders and be their decisions, its resolutions being mandatory and binding on all shareholders, including those opposed and those who did not participate at the Shareholders Meeting, once the corresponding minutes have been approved in accordance with these Bylaws.

Participants at the Shareholders Meeting shall have the authority to decide any matters under its competence under applicable law and the Bylaws, in particular the following:

- a) Approval of the annual financial statements, application of the results and approval of company management.
- b) The appointment and dismissal of administrators, liquidators and auditors, as well as exercise of company rights against any of them.
- c) Modification of the Bylaws.
- d) Increase or decrease of issued shares.
- e) Suspension or limitation of pre-emption rights.
- f) Reorganization, merger, and in cases required by law, suspension or bankruptcy and relocation of the registered office abroad.
- g) Winding down of the Company.
- h) Approval of the final liquidation balance sheet.
- i) Incorporation of subsidiaries from time to time in order to perform essential Company activities.
- j) Acquisition or divestiture of essential assets upon modification of the corporate purpose.
- k) Any other activities whose effect is the winding down of the Company.
- l) Any other matters as may be provided for by law or the Bylaws.



Any powers not vested to the Shareholders Meeting by law or the Bylaws shall be within the competence of the Board of Directors.

**Article 11.-** The Annual Shareholders Meeting shall be held within the first six months of each fiscal year, to review the management of the company, approve the annual financial statements of the preceding fiscal year, and decide on the proposed application of company earnings and any other matters included on the Agenda. All other meetings of the shareholders shall be considered Special Shareholders Meetings and shall be held upon resolution of the Board of Directors or when requested to do so by shareholders who represent at least five per cent of the issued shares.

The results of the Shareholders Meeting shall be effective in spite of its being held at another location.

Those shareholders who request a Special Shareholders Meeting to be called must direct the appropriate request to the Company Board of Directors, duly verifying they hold title to a number of shares which represent at least five per cent of the Company's issued shares, and they must also state precisely which matters are to be dealt with at said meeting. Where this is the case, the meeting shall be called to be held within the time provided for by the LSC, counting from the time that the Board of Directors have been properly notified by means of official record, and the agenda must include those matters which form the subject of the request and any others which the Board may approve.

**Article 12.-** Both Annual and Special Shareholders Meetings shall be called upon resolution of the Board of Directors by way of a notice published in the Boletín Oficial del Registro Mercantil ("Official Gazette of the Commercial Registry") and on the Company website, or in the form and within the time as established by law.

Notices must set forth the date, time and place for the meeting on first call and a statement regarding the matters to be discussed at the meeting. In addition, the notice may include the date and time, if appropriate, on which the meeting shall be held on second call. There shall be a period of time of at least twenty-four hours between the first call and the second call.

Those shareholders representing at least 5% of the capital stock may request that an annex to the notice of call for any General Shareholders' Meeting be published, in order to include one or more points in the Agenda. This right shall be exercised by sending a certified notification which must be received at the company's registered office within five days following the date when the call of the General Shareholders' Meeting was published.



The annex to the notice shall also published at least 15 days in advance of the date scheduled for the General Shareholders' Meeting. The lack of publication in such timeframe shall void the results of the Shareholders Meeting.

**Article 13.-** Any shareholder wishing to attend the Shareholders Meeting must have title to shares registered in the registry book at least five days prior to commencement of the Shareholders Meeting.

Any shareholder entitled to attend may be represented at the General Shareholders' Shareholders Meetings through another person who need not be a shareholder. Such representation, which will be conferred specially for each Shareholders Meeting, may be given by any of the procedures provided for by Law or in the present Bylaws. A single shareholder may not have more than one representative at the Shareholders Meeting.

**Article 14 .-** The right to attend General Shareholders' Meetings, as well as the rights to vote and be represented by a proxy, may be exercised by means of such forms of remote communication devices as may be stipulated in the Regulations for Shareholders' Meetings or approved from time to time by the Board of Directors, in view of their complying with the security aspects required in accordance with legislation to ensure the identity of the shareholders in question and the effective exercise of their rights. The calls announcing the General Shareholders' Meetings will detail the procedure and requirements whereby the right in question may be exercised by means of the telecommunications devices that may be used in each case, in accordance with the provisions of the present article.

**Article 15.-** Directors must attend the Shareholders Meetings. Managers and employees of the Company summoned by the Board of Directors may also attend the Shareholders Meeting. In no event may any attendees who are not shareholders have a right to vote.

**Article 16.-** The Shareholders Meeting may be held at any place within Spanish territory. The Board of Directors will determine in each instance the place for the Shareholders Meeting.

The Chairman of the Board of Directors shall preside over Shareholders Meetings, or in his/her absence, one of the Vice-Chairmen, and if they are absent, by such Director which the Board may appoint, or else such shareholder who may be appointed at the Shareholders Meeting.

The Secretary of the Shareholders Meeting shall be the Secretary of the Board of Directors or, in his/her absence, the Vice-Secretary of the Board of Directors, and if both are absent, such shareholder in attendance who may be appointed at the Shareholders Meeting.



The Chairman of the Shareholders Meeting shall have the authority to determine the validity of proxy documents and compliance with attendance requirements.

**Article 17.-** In order for the Shareholders Meeting to constitute a quorum, at least twenty-five per cent of the outstanding voting capital stock shall be required to be in attendance, either in person or by proxy, on first call. On second call, the Shareholders Meeting shall be held whatever the voting capital stock in attendance. Notwithstanding, in order to make valid any resolutions regarding an increase or reduction of capital; issuance of debt; a reorganization of the Company; elimination or reduction of pre-emption rights of new shares; any modification of the Bylaws; or a change, merger, divestiture or takeover; as well as relocation of the registered office abroad , at least fifty per cent of the outstanding voting capital stock must be in attendance at first call and twenty-five per cent of said capital stock must be in attendance at second call.

**Article 18.-** Any Shareholders Meeting shall be deemed to be quorate in order to deal with any matter with no need for call, so long as all issued shares are present or represented and those in attendance unanimously agree to hold the meeting.

**Article 19.-** Each share gives the right to cast one vote and the resolutions of the Shareholders Meeting, both Annual and Special, shall be made by a majority of validly cast votes, the only exception to this rule being those cases in which the law or these Bylaws require the favourable vote of other types of majorities.

**Article 20.-** The Minutes of the each Shareholders Meeting shall be compiled by the Secretary. A list of those in attendance shall appear at the beginning along with a summary of the corporate resolutions passed. The Minutes shall be transcribed in the corresponding Minute Book especially reserved for Shareholders Meetings and must be approved at the end of the meeting or within a period of fifteen days following, by the Chairman of the meeting and two shareholders who shall act as scrutineers, one designated by the majority and the other by the minority, and the minutes shall be signed by the Chairman and Secretary of the meeting, as well as the two shareholders who acted as scrutineers.

Corporate resolutions may be acted upon starting the date which the Minutes where they appear are approved.

The Board of Directors (the "Board") as well as shareholders representing a minimum of one percent of the outstanding stock of the company, within the time and in accordance with the requirements of applicable law, may require that a notary be present to prepare the minutes of the meeting. It will not be necessary for the notarized minutes to be approved by the shareholders and they shall be considered a resolution of the meeting.



**Article 21.-** Company management is entrusted to the Board of Directors (individually, “Director”), which shall act as a consultative body.

A Director need not be a shareholder.

The Board of Directors shall be composed of a minimum of eight members and a maximum of sixteen, setting of the exact number to be decided at a Shareholders Meeting.

**Article 22.-** Directors shall serve in their posts for a term of office of three years.

In the event that there is no alternate, any vacancies that arise on the Board which do not occur as a result of the expiry of a term of office can be filled by a person appointed by the Board from among the shareholders of the Company, until the first General Shareholders Meeting.

Directors shall not be required to provide any special bond to cover liability for their official acts, but they may be dismissed from their posts at any time by resolution of a shareholders meeting.

Directors must resign from their posts in those circumstances provided for by applicable law and in those regulations approved by the Board to such effect pursuant to the power conferred on the Board by Article 245 of the LSC.

**Article 23.-** The Board of Directors shall meet at least once a year in accordance with the regulations that the Board itself approves, pursuant to the power conferred on it by Article 245 of the LSC. With the exception of those cases in which, pursuant to said power or pursuant to applicable law an alternative is established, calls shall be made by the Chairman.

**Article 24.-** Any Director may be represented at the meetings of the Board by granting the corresponding proxy in writing to another member of the Board who shall attend in person.

With the exception of those cases wherein specific attendance requirements have been laid down in relation to quorums, the Board of Directors shall be deemed quorate when the majority of Directors attend, whether in person or by proxy. Resolutions shall be adopted by an absolute majority of votes of those Directors in attendance; in the case of a tie, the Chairman of the Board of Directors shall cast the deciding vote. However, when such resolutions refer to the appointment of chief executives or permanent delegation of authority of the Board, these resolutions shall require the favorable vote of the Directors.

**Article 25.-** Discussions and resolutions of the Board of Directors shall be kept in a minute book, which shall be signed by the Secretary or Vice Secretary and approved by whomever shall have presided as Chairman.





**Article 26.-** The Board of Directors shall be invested with the broadest powers to administer, manage and represent the Company in all matters concerning its areas of competence, limited only by applicable law or these Bylaws as approved at a Shareholders Meeting.

**Article 27.-**

1. The post of Director is to be compensated. Directors shall received fixed compensation to be paid in cash.

The gross compensation for the Board of Directors shall not exceed an annual amount as fixed at a Shareholders Meeting. Such limit shall remain in effect so long as no change has been made at a Shareholders Meeting.

The Board of Directors shall determine, within said limits, the amounts and methods of compensation for each Director as well as pay dates, and shall from time to time establish criteria to give effect to such determinations.

2. Apart from the compensation outlined above, shareholders at a meeting may resolve, subject to applicable law at all times, to deliver shares, options or any other consideration tied to Company stock value to Directors.

3. The remuneration provided for in prior paragraphs is compatible with and independent of any salaries, emoluments, indemnities, pensions or compensation of any kind established in general or in particular for those members of the Board of Directors who have an employment relationship with the Company – whether typical or special in the case of top management -- or for the rendering of services, when such is compatible with their status as members of the Board of Directors.

**Article 28.-** The Board of Directors shall elect one of its members to the post of Chairman and it may also, if it be deemed necessary, elect one or more Vice-Chairmen as a substitute in case of the Chairman's absence. In those cases where no Vice-Chairman has been elected, the substitute for the Chairman of the Board shall be a Director appointed by the Board itself.

The duties of the Chairman or his substitute shall be the following: to call the meetings of the Board of Directors; to ensure that in calling and conducting meetings that the procedures laid down in these Bylaws and applicable law are observed; to preside as chairman of the meetings of the Board of Directors and the Shareholders Meetings; to direct the discussions which are the subject of the Agenda and to resolve any statutory doubts which may arise; to authorize with his signature the minutes of the meetings of the Board of Directors and the Shareholders Meetings; and approve the certifications and abstracts of said minutes issued by the Secretary.



**Article 29.-** The Board of Directors shall also appoint a Secretary; a Director may be appointed to the post, and shall be called Director-Secretary, or a person who is not a member of the Board, but in this case the person appointed shall not have the right to vote. In addition, the Board may appoint a Vice-Secretary, who need not be a Director or a shareholder, and who shall substitute in the Secretary's absence.

The duties of the Secretary or the Vice-Secretary shall be to assist the Chairman during meetings of the Board of Directors and the Shareholders Meetings, to draw up the lists of those in attendance and the minutes, which he/she shall authorize by signing the same, and affirming the contents thereof by means of certifications which are to be issued with the approval of the Chairman.

**Article 30.-**

1. The Board of Directors of the Company may delegate, totally or partially, those powers which have been granted in relation to the management and administration of the property of the Company, management of its business activities, and powers of representation of the same to one or more persons, who are members of the Board who shall be appointed as Managing Directors, or to non-members who shall be attorneys-in-fact by means of granting the necessary powers of attorney.

2. The Board may also appoint an Executive Committee from among its members, authorized to manage and represent the Company in general, as well as any other committees to which it may entrust areas of authority in relation to certain areas or matters.

Under no circumstances shall any powers be delegated which may not be delegated pursuant to law or in accordance with rules established by the Board pursuant to powers conferred on it by Article 245 of the LSC.

**Article 31.-** The Board of Directors will appoint an Audit and Compliance Committee from its membership. The number of members of the Committee may not be less than three or greater than five and will be appointed by the Board of Directors. All the members of the Audit and Compliance Committee must be non-executive Directors of the Company and at least one must be Independent and will be appointed based upon the Director's knowledge and experience in accounting, auditing, or both.

The Audit and Compliance Committee will appoint a Chairman among its members. The duration of the Chairman's term in office will be of four years maximum, and the Chairman may be re-elected once a period of one year has



passed after the end of the his term. The Committee will also designate a Secretary that will not necessarily be a member of the Committee.

Without prejudice to any other tasks that the LSC, the shareholders at a meeting, or the Board of Directors may assign it, the Audit and Compliance Committee will have the following basic functions:

- a) Inform the General Shareholders Meeting about the issues that the shareholders raise in matters falling within the scope of the Committee's competencies.
- b) Oversee the effectiveness of the internal control system of the Company, internal audit, and risk management, as well as discuss with the external auditors any significant weakness in the internal control system detected during the audit.
- c) Supervise the creation and presentation of required financial statements.
- d) Submit to the Board of Directors for its consideration proposals for the appointment of the external auditor as well as terms of engagement, the scope of work and, if appropriate, revocation or non-renovation.
- e) Liaise directly with the external auditors and evaluate the progress and results of their work, paying special attention to those issues that may jeopardize the auditors' independence and any other issues related with the development process of the financial audit, as well as any other communications set forth in the applicable law regarding financial audits and in audit standards. The Committee shall receive written confirmation from the external auditors each and every year that they are independent of the Company and any directly or indirectly related entities, as well as reports of additional services rendered by the auditors to said entities or by persons or entities related to the auditors in accordance with the law regarding auditing.
- f) Issue an annual report in which the Committee expresses an opinion regarding the independence of the external auditors before the auditors' report is published. This report shall treat the rendering of services referenced in the previous paragraph.

The Committee will meet periodically as necessary at least four times a year. It will draft an annual work plan and report its contents to the Board. It will keep minutes of each meeting, which minutes will be presented to the entire Board. Meetings will be called by the Chairman of the Committee.

Any member of the management team or Company staff may be required to attend meetings of the Audit and Compliance Committee and to cooperate and give access to any information they may have. The Committee may also request the attendance of the external auditors.



The Board of Directors may delegate other authority to the Committee depending upon the needs of the Company from time to time.

**Article 32.-** Within the first three months of each fiscal year, the Board shall prepare the annual financial statements and the management report for the previous fiscal year. The financial statements shall consist of the balance sheet, the income statement, a statement of shareholders' equity, a statement of cash flows, and the Annual Report.

The annual financial statements and the management report shall comply with applicable legal provisions and, whenever so required, be audited by the auditors appointed at the Shareholders Meeting.

As of the call date of the Shareholders Meeting where the annual financial statements and the management report shall be submitted for approval, shareholders may obtain from the Company, free of charge and at once, a copy of said documents and the Auditors' Report, if required.

**Article 33.-** Together with the Annual Report for each fiscal year, the Board of Directors will prepare a proposal for distribution of earnings in accordance with applicable law.

**Article 34.-** Upon resolution at a Shareholders Meeting or, when permitted by law the Board of Directors, adopted in accordance with the then current applicable law and these Bylaws, the Company may merge with or take over any other company, and reorganize itself as any other type of business organization.

**Article 35.-** The Company shall be dissolved for those reasons provided for under applicable law and at any time upon a resolution at a Shareholders Meeting which has been expressly called for this purpose.

**Article 36.-** Once the dissolution of the Company has been duly resolved, the words "In Liquidation" shall be added to the company name, the Directors shall cease to hold office and at the Shareholders Meeting an uneven number of liquidators shall be appointed, who shall discharge their functions as provided under applicable law.

**Article 37.-** Once the liquidation has been completed, the liquidators shall submit a final balance, a comprehensive report regarding their activities, and a proposal for division of assets among shareholders for approval at the Shareholders Meeting. Once the time for challenging the final balance has expired with no objection, or after objections have been resolved, liquidation payment to shareholders shall be made and the liquidators will publish a document declaring



dissolution of the Company, with which a cancellation of registry with the Registro Mercantil shall be obtained.