

AUDIT AND COMPLIANCE COMMISSION 2009 ACTIVITIES REPORT

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LETTER FROM THE CHAIRMAN OF THE AUDIT AND COMPLIANCE COMMITTEE

To the Shareholders:

Another year has passed, and just as Indra has done every year since 2003, it is my pleasure to place in your hands, upon the call to order of the Annual Shareholders Meeting for 2010, the Activities Annual Report 2009 of the Audit and Compliance Committee. Indra publishes this Report as a result of its commitment to transparency and good corporate governance, convinced that a better knowledge of company management permits the Shareholder to make more informed investment decisions.

This document allows in depth understanding of the accomplishments of the Committee and assessment of the important work that it does in protecting the interests of Shareholders by imposing stricter standards for management processes, in analysis and management of company risk, in production of financial statements, and compliance with legal obligations and the highest standards of corporate governance.

In fiscal 2009 the Company approved a new Risk Map with the goal of improving management and control of risks arising from Company activities, implementing a process that allows continuous assessment, updating, and permanent improvement in management of risk.

Additionally, it should be noted that the Company has approved a new Code of Ethics and Professional Conduct which follows best international practices in the area and a Canal Directo ("Direct Line") which allows confidential communication by employees who have questions which relate to application of the Code. The Audit and Compliance Committee supervised the implementation of the Direct Line following a recommendation contained in the Código Unificado de Buen Gobierno.

The Activities Annual Report 2009 of the Audit and Compliance Committee was drafted by the Committee at its session of 23rd February 2010, and submitted to the Board of Directors for its consideration at its meeting held 22nd April 2010.

This Report, which also is made public through the Company website (www.indra.es), is made available to Shareholders simultaneous with the Annual Shareholders Meeting of 2010 call.

Manuel Soto Serrano

Audit and Compliance Committee Chairman

INTRODUCTION

INDRA HAS HAD AN AUDIT COMMITTEE FOR OVER 10 YEARS

Ever since its shares began trading on the continuous market over ten years ago, INDRA has had a corporate governance system in line with the legislation in effect at any given time and with the best national and international practices.

Within the framework of this corporate governance system, since 1999 INDRA has had an Audit and Compliance Committee. The functions, composition and rules of procedure of this Committee have been regulated ever since in the Rules of Procedure of the Board of Directors, which have met and even surpassed the requirements of the legislation in force. Since that date, this Committee has been engaging in intense activity in the areas of its competence, as evidenced by the annual public information regarding Corporate Governance of the Company.

In the wake of the publication of Spanish Act 44/2002, of 22 November, on Financial System Reform Measures ("Financial Act"), which made it compulsory for all listed companies to set up audit committees and regulate them in their corporate bylaws, the Company took the necessary measures in order to bring its already existing Audit and Compliance Committee in line with the new legal framework.

As a result of this process, at the Ordinary General Meeting of Shareholders of INDRA held on 28 June 2003 the Committee became regulated in the corporate bylaws.

Likewise, in application of the best principles of transparency in corporate governance, since 2003 the Audit and Compliance Committee Activities Annual Report has been put at the disposal of the shareholders at the time that the Ordinary General Meeting of Shareholders is called, and may be consulted by logging on to the corporate web page or by requesting a free copy from the Shareholders' Office.

The present Audit and Compliance Committee Activities Annual Report corresponding to the year 2009 was approved at a meeting of said Committee on 23 February 2010, presented to the Board of Directors at its meeting held on 25 February 2010, and will be made available to the shareholders of the Company at the time the General Shareholders' Meeting is called, scheduled to be held on 23 June 2010 at first call or on 24 June at second call

COMPOSITION

5 members

- > 3 independent directors
- > 2 female directors
- > Independent Chairman

COMPOSITION:

CHAIRMAN

Mr. Manuel Soto

Independent Director Deputy Chairman of the Board of Directors.

BOARD MEMBERS

Ms. Isabel Aguilera

Independent Director

Mr. Estanislao Rodríguez-Ponga ⁽¹⁾

Proprietary Director proposed by Caja Madrid

Ms. Mónica de Oriol

Independent Director

Mr. Eusebio Vidal-Ribas ⁽²⁾

Proprietary Director

The Chairman of the Committee must be an independent director. The Secretary of the Committee is the Secretary of the Board of Directors, or in lieu thereof, the Deputy Secretary of the Board.

As can be seen from its composition, three of the five external directors who are members of the Committee are independent directors, two of whom are women.

During 2009, the only changes which took place in the composition of the Committee were the substitution of Mr. Honorato López Isla by Mr. Rafael Villaseca in the month of June at the proposal of the shareholder Unión Fenosa. Subsequently, Mr. Villaseca presented his resignation as Director of the company leaving also his post in the Committee. In its session of July, the Board of Directors decided to cover this vacancy with the appointment of the proprietary director Mr. Eusebio Vidal Ribas.

⁽¹⁾

Individual representing the proprietary director PARTICIPACIONES Y CARTERA DE INVER

RESPONSIBILITIES AND FUNCTIONS

Wide-ranging competencies and responsibilities

The responsibilities and functions of the Audit and Compliance Committee are listed in article 30 of the Corporate Bylaws:

- a)** Report to the General Shareholders' Meeting on those matters posed by shareholders at said Meeting which are within the competence of the Committee.
- b)** Present to the Board of Directors the proposal for appointment of external auditors, as well as the terms of their contract, the scope of their professional mandate and, if applicable, the renewal or non-renewal thereof.
- c)** Maintain direct relations with the external auditors, evaluate the development and results of their work, paying particular attention to those matters which might jeopardize the independence of the auditors and any other matters related to the account audit process, as well as all other communications required by account audit legislation and auditing technical standards.
- d)** Supervise the functioning of the internal auditing of the Company.
- e)** Be informed of and verify the suitability and integrity of the financial information process and the internal control systems.

In addition to the functions assigned to it by the Corporate Bylaws, article 19 of the Rules of Procedure of the Board of Directors assigns it the following functions:

- a)** Supervise the process for the drafting and integrity of the financial information regarding the Company, and, if applicable, regarding the consolidated group, reviewing compliance with regulatory requisites, the proper delimitation of the consolidation perimeter and the correct application of accounting criteria.
- b)** Serve as a channel of communication between the Board and the external auditors, from whom it will regularly receive information regarding the audit plan and the results of its execution. It shall likewise evaluate the response of the management team to the recommendations made by the external auditors and shall mediate in cases of discrepancy between said team and the auditors in relation to the principles and criteria to be applied in preparing the financial statements. The Committee shall favor having the auditors of the head company of the group take responsibility for auditing all of the companies in said group.
- c)** Report to the Board, prior to the Board's taking the corresponding decisions, on the creation or acquisition of instrumental companies or companies domiciled in tax havens, as well as on any other transaction or operation which might impair Company transparency.
- d)** Review securities trading prospectuses.
- e)** Report to the Board, prior to the Board's taking the corresponding decisions, on the financial information which the Company, as a listed company, is required to make public periodically. The Committee shall verify

that the quarterly and semi-annual financial statements are drafted using the same accounting criteria as that used in the annual accounts.

- f)** Establish measures to preserve the independence of the external auditors, and, in said regard:
 - i) propose to the Board the communication of the change of auditor as a relevant fact, accompanying this with a declaration on the existence of disagreements with the outgoing auditor and, if applicable, on the content thereof;
 - ii) ensure that the Company and auditors respect the regulations in effect regarding the provision of services other than auditing services, pursuant to the stipulations of article 42 of the Rules of Procedure of the Board of Directors, and;
 - iii) in the case of resignation of the external auditors, examine the circumstances giving rise thereto.
- g)** Supervise compliance with the audit contract, seeing to it that the opinion on the annual accounts and the principal contents of the audit report are drafted clearly and accurately.
- h)** Periodically review the internal control and risk management systems of the Company.
- i)** See to it that the internal audit system functions independently and effectively; propose the selection, appointment, reelection, and dismissal of the head of the internal audit service; propose the budget for said service; receive periodical information on its activities; and verify that Senior Management take into account the conclusions and recommendations of its reports.
- j)** Set up and supervise the operation of a procedure which will allow employees to inform the Committee confidentially of any potentially significant irregularities which they may detect in the running of the Company, especially in the areas of finance and accounting.
- k)** Consider any suggestions which may be made to it in matters of its competence by the shareholders, directors and Senior Management of the Company.

As indicated in the chapter on the activities carried out by the Committee during 2009, each and every one of the responsibilities and functions entrusted to it by the Corporate Bylaws and the Rules of Procedure of the Board of Directors have been carried out; moreover, additional matters deemed advisable for the exercise of its functions and for the general interest of the Company have likewise been dealt with.

ACTIVITIES CARRIED OUT IN 2009

9
meetings

220
hours

The chairman gave
presentations at 9
Board meetings

2009
Committee
activities

OVERVIEW

During 2009, the Committee, surpassing the minimum number of four meetings called for in the Corporate Bylaws, held nine meetings. This means that, in terms of the time required to prepare the meetings and the average duration thereof, in 2009 the Committee members as a whole devoted nearly 220 hours (4.8 hrs. per director/meeting) to reviewing the matters within their sphere of competence.

Committee meetings are called one week in advance, and, together with the notice of the meeting, documentation and information are sent in relation to the matters to be dealt with at said meeting, in order to allow the Committee members sufficient time to analyze the contents thereof.

In addition to presenting proposals on matters of its competence to the Board of Directors, the Committee also reports at all Board meetings on the matters dealt with at each of the Committee meetings held in the period between each Board meeting. In 2009, the Committee Chairman has taken part in 9 of the 12 meetings held by the Board of Directors to report on the activities carried out by the Committee throughout the year.

Moreover, as it does every year, the Committee drafted its Activities Annual Report for 2008, which was approved by the Committee itself at its meeting held on 24 February 2009. This Annual Report was published on the Company web page on the occasion of the Ordinary General Shareholders' Meeting held on 25 June 2009. Said meeting was attended by the Committee Chairman, who was at the disposal of the shareholders to resolve any matters posed by them within the competence of the Committee.

In order to suitably plan and organize its work, at the outset of 2009 the Committee drafted, as it does every year, an Action Plan which established the number of ordinary meetings to be held during the year (eight) as well as the contents of each meeting. The Committee held the eight scheduled meetings, and likewise held an extraordinary meeting in the month of October, in order to revise the text of the new Company Code of Ethics and Professional Conduct.

In accordance with said Action Plan for 2009, the Committee has dealt with the following items and matters:

Supervision of the preparation of the 2008 financial statements and the periodic public information in 2009.

ELABORACIÓN Y RENDICIÓN DE CUENTAS

1. Review of Company Annual Accounts

At its March meeting, the Committee reviewed the Management Report as well as the Individual and Consolidated Annual Accounts for 2008, prior to the presentation thereof by the Board of Directors, expressing a favorable opinion of said report and accounts.

With regard to the company Annual Accounts for 2008, the Committee was informed of the new format for presentation of the individual annual accounts resulting from the approval of the new Spanish General Chart of Accounts. The Committee was likewise informed of the incorporation of the Annual Report on Corporate Governance as part of the Management Report, which is to be presented at the same time as said Report.

2. Review of Periodical Information to be Provided to Markets and their Supervisory Bodies

The Committee reviewed the quarterly and half-yearly financial information for 2009 to be communicated to the CNMV prior to the approval thereof by the Board of Directors, verifying that said information was drafted in accordance with the same criteria as that used in the annual financial statements.

Moreover, in compliance with the task entrusted to it of supervising the process for the drafting and integrity of the financial information regarding the Company and the consolidated group, and of reviewing compliance with regulatory requisites, the proper delimitation of the consolidation perimeter and the correct application of accounting principles, on the occasion of the presentation by the Company Finance and Corporate Development General Manager of the quarterly and half-yearly report proposals to be sent to the Spanish Securities Market Commission (CNMV) as stated in the following point, the Committee has been reviewing the criteria for the application of accounting principles and the presentation of financial information, making recommendations regarding the manner of reflecting, recording or presenting various concepts.

In order to comply in due time and form with the Company obligation to provide the CNMV with quarterly and half-yearly financial information, the Committee summoned the Finance and Corporate Development General Manager to its meetings held in the months of February, May, July and November.

Proposal to re-appoint KPMG as auditor for 2009 financial statements.

Communication channel with the external auditor, evaluation of its work, and safeguarding of its independence.

EXTERNAL AUDIT

1. Proposal for Appointment of Auditors

In exercise of the responsibility conferred upon it by the Corporate Bylaws to present the Board of Directors with the proposal for the appointment of auditors, as well as the terms of their contract, the scope of their professional mandate and, if applicable, the renewal or non-renewal of said mandate, the Committee debated among its members the appointment of Company auditors for the year 2009.

After an in-depth analysis of the qualitative and financial aspects of the external audit services, the Committee members deliberated on possible alternatives, resolving to propose to the Board of Directors the reelection of KPMG as external auditor of the Company to review the annual accounts for 2009 given that said firm had presented the proposal which best suited the needs of the Company.

This proposal was, in turn, presented by the Board of Directors to the General Shareholders' Meeting, being approved thereat.

2. Auditor Fees

Likewise, and in compliance with its obligation to evaluate any matters which could jeopardize the independence of the auditors, the Committee supervised the amounts paid as fees to the external auditors during 2009 for services other than auditing services..

Annual Accounts Audit : 802 Other services: 124 TOTAL: 926
(Thousands of Euros)

3. Annual Accounts Audit Process Follow-up

In carrying out its function of ensuring compliance with the audit contract, seeing to it that the opinion on the annual accounts and the principal contents of the audit report are drafted clearly and accurately, the Committee supervised the 2008 annual accounts audit process from the planning and development stages to the conclusion thereof. The Committee evaluated the development and results of the audit process and of its work, analyzing in depth the reports drafted by the external auditors in relation with the following:

Auditor confirms that the effectiveness of the company's information and control systems is satisfactory.

- o The final conclusions regarding the audit work for the 2008 annual accounts.
- o The final consolidated annual accounts audit report for 2008, with the auditor issuing an opinion without reservations.
- o The report on recommendations for improving the information and control organization, processes and systems, resulting from the audit of the 2008 annual accounts.
- o The planning and preliminary work for the 2009 annual accounts audit.
- o The 2009 annual accounts audit preliminary report.

In order to suitably evaluate the above aspects, the KPMG partner in charge of the audit appeared before the Committee on five occasions, at the meetings held in February, March, May, September and December.

4. Evaluation of Follow-up on Accounts Audit Recommendations

The general opinion of the auditor is that all levels of Company information and control are effective, issuing a satisfactory conclusion in its report on recommendations for improving the information and control organization, processes and systems. Notwithstanding the above, in the 2008 report on recommendations the external auditor detected a slight number of matters which could be improved.

The Committee coordinated the communication of said recommendations to those in charge of the various areas affected, and monitored the process for the adoption of these recommendations.

Likewise, during 2009, in compliance with its responsibility to evaluate the management team response to the recommendations made by the auditor, the Committee verified that practically all of the recommendations made in the wake of the 2008 annual accounts audit had been satisfactorily resolved or were in the process of being resolved.

Supervision of the internal audit function.

2008 Annual Report and 2009 Annual Plan and Internal Audit.

INTERNAL AUDIT

The Committee is responsible for supervising the functioning of the Internal Audit process of the Company, and for reviewing the appointment and replacement of those in charge of said Audit.

Within the context of this function, the Committee has supervised the actions of the Internal Audit Management during this year, which is the second year of the current audit cycle (Integral Audit Plan 2008-2012.) Among these actions are the reviews conducted by the Internal Audit Department in the main international subsidiaries.

As part of this supervisory work, during 2009 the Committee reviewed the Internal Audit Annual Report for 2008 and evaluated on a quarterly basis the actions carried out and reports issued by the Internal Audit Department in reviewing the various areas of organization and the management and control processes of the Company, for which purpose the Internal Audit Director appeared before the Committee on four occasions during the year.

The Internal Audit Department likewise informed the Committee of the extent of implementation of the recommendations made in the wake of the reviews conducted in the preceding year of 2008, which were still pending adoption at the expiry of the time periods established for their implementation. Those in charge of the areas affected by these recommendations appeared before the Committee to explain the actions taken for compliance with the recommendations.

The Committee likewise approved the Annual Internal Audit Plan for 2009, proposed by the person in charge of this function.

Supervision of the adaptation and integration of the economic information process and the sound functioning of risk control and management.

INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS

Likewise among the Committee responsibilities is that of being informed of and verifying the suitability and integrity of the financial information process and the proper functioning of the internal control and risk management systems of the Company.

Within the context of these tasks, the Committee has met with those in charge of the various corporate areas of the Company in an aim to be informed of the situation and running of these areas, and likewise to supervise the functioning of the information and control processes. At these meetings, in addition to being informed of the above matters, the Committee engaged in active supervision, making recommendations to improve the internal control and risk management processes and systems developed by these areas. The area heads called to the Committee meetings in 2009 were the following:

2009: training of 1,200 project managers and certification of 145 Project Management Professionals (PMPs).

New Risk Map.

Action plan for mitigating and controlling risks.

1. Project Management

The Committee met with the Corporate Control and Purchase General Manager and with the Director of the Project Management Office in charge of the INDRA project management method (IPMM) who reported on the new developments and advances made in the development and application of this methodology which allows for project management by systemizing project planning and follow-up.

The Committee was informed of the improvements introduced in the project management tools, the following being highlighted: the definition of the new version of the commercial activity management tool to be introduced in 2010; the publication of a new version of the methodology (IPMM 2.0) and the publication of guides for the drafting of the WDS (Project Work Detailed Structuring).

During 2009 important results were obtained in measuring the advance in project risk management. Furthermore, work has continued in the training of personnel in charge of project management. Some 1,200 project managers were trained and 145 Project Management Professionals (PMPs) were certified, with another 120 undergoing training. Moreover, great strides have been made in training project managers in geographical areas outside of Spain, beginning with Latin America, with project management offices having been created in the principal subsidiaries of the zone.

2. Risk Map

The Corporate Control and Purchase General Manager and the Internal Audit Director presented the new Company Risk Map to the Committee, explaining in detail the entire process of drafting the map, which calls for the start-up of a methodology for risk identification and evaluation, the principal aim of which is to improve risk management, introducing a recurrent process which redounds in its permanent updating and ongoing improvement.

The Committee was informed that the methodology for drafting the Risk Map was designed with the support of an outside consultant and with the active participation of the entire management team. As part of this methodology an action plan has been drawn up to mitigate and control each one of the risks identified. The procedures and controls established to mitigate these risks will be revised periodically by the Internal Audit Department.

2009 General Insurance Plan.

3. Risk and Insurance Management

The Committee met with the Corporate Control and Purchase General Manager and with the Risk and Insurance Director who reported, as they do every year, on risk management and Company policy regarding insurance in 2009.

The Committee was informed of the General Insurance Plan for 2009 which takes into account in detail the various typologies of insurance policies taken out (equity/operational, civil liability, transport and goods) the coverage provided, premiums charged and capital covered, and the applicable preventive measures as well as the loss indices for each modality.

The Committee was also informed of the start-up of a new corporate insurance application which enables project heads to obtain direct information on existing insurance policies, and to communicate and follow up on any losses incurred.

4. Administration and Taxation

The Administration Director reported to the Committee on the most significant actions carried out in 2009 in the areas of which he is in charge.

In relation to the Administrative Services Center, the Committee was informed of the number of persons who currently comprise said Center, the subsidiaries to which services are provided and the important increase in the total number of transactions processed by this Center.

The Administration Area has likewise coordinated the annual review of the Accounting Manual by the external auditor in the context of the audit work carried out, with there being no incidents worthy of mention in regard to the quality and compliance with said Manual. In the area of Consolidation, note is to be made of the change in the model of balance settlement between subsidiaries and the support given to the foreign subsidiaries in this process.

The Committee, in conjunction with the Administration Director, likewise reviewed the monthly closing and consolidation process during 2009

Revision of the application of the accounting manual and the closing and consolidation process.

Verification of the participation of the tax division in international projects.

Confirmation of the application of measures to ensure the independence of purchasers.

In the Taxation Area the Committee was informed of the active participation of people responsables of this area in the preventive analysis of international commercial proposals as well as the role played in the tax audits.

5. Purchases

At two of its meetings (February and June) the Committee met with the Corporate Control and Purchase General Manager and with the Purchase Director, who informed the Committee of the principal actions carried out in the Purchase Area during 2009 in the spheres of organization, codification, suppliers, production, warehouses, foreign trade and corporate systems of purchase management.

Among the actions for improvement carried out during the year, the following are worthy of note: buyers' specialization by operation area and the application of a plan of periodical rotation that try to ensure their independence, as well as their increased integration in production areas in order to optimize processes; the implementation of component engineering and discrimination between massive usage components for proper inventory management and to reduce codification requests; the establishment of framework agreements with strategic suppliers; the establishment of metrics for the evaluation and follow up of subcontractors; planning procurement needs in the medium and long term; the establishment of warehouse management procedures; the publication of a practical guide for export operations and the introduction of a control application for temporary exports; and, lastly, the introduction of purchase management corporate systems in the principal subsidiaries of Latin America.

The Committee was likewise informed of the overall results for 2008 and 2009 in the principal purchase management magnitudes. This information highlighted the highly significant growth in Purchases owing to the acquisition of the companies Azertia and Soluzionia in the second half of 2007.

Verification that the crisis will not negatively affect cash management.

6. Company Treasury

The Committee met with the Company Treasury Director to review in detail the actions which took place in 2009 in the area of which he is in charge.

The Committee was informed that, in the current context of financial crisis, Indra has not been affected by the increased difficulty which many companies are experiencing in having access to credit and the worsening of credit contracting conditions.

Moreover, the Committee was informed of the work carried out by the Treasury Area in order to ensure a readily available financing base which will make it possible to finance operations at a reasonable cost and guarantee liquidity in a context of financial crisis.

7. Human Resources

The General Manager of Talent, Innovation and Strategy and the Human Resources Director of the Company met with the Committee to report on the principal actions carried out during 2009 in the area of Human Resources.

The main achievement of the year has been the culmination of the work for the transformation of the Human Resources management model, underway since 2008, entailing the transition from a direct management model to a global model adapted to the current dimension, diversity and internationalization of the Company, which since 2006 has tripled its resources and substantially increased its diversity, both with respect to profiles and geographical presence.

The Committee was informed of the guidelines on which the new model is based: an overall view made with foresight, responsibility of the business units for resources, integral management based on talent management, differentiation and segmentation policies and models, and the redesign of processes and information systems.

Monitoring of the transformation of the human resources model into a global model adapted to the current size, diversity and internationalisation of the company .

Rollout of the new Code of Ethics and Professional Conduct and a confidential communications channel.

Migration towards the new ERP.

8. Code of Ethics and Professional Conduct

Within the sphere of its competence, the Committee reviewed the new Code of Ethics and Professional Conduct, which has replaced the Code approved in 2000. This new Code has been adapted to the new corporate identity values of Indra and to the best national and international Corporate Responsibility practices.

Likewise, and as part of the new Code, in accordance with the Rules of Procedure of the Board of Directors in compliance with the recommendation set out in the Unified Code of Good Governance for Listed Companies, the Committee supervised the implementation of a confidential channel of communication, called the 'Direct Channel', which enables employees to communicate any irregularities and other matters related to the application of the Code.

9. Internal Systems

The Committee met with the Internal Systems Director of the Company who reported on the principal actions carried out during the year, among which the following can be noted: the introduction of computer tools in support of the new Human Resources management model, the new electronic invoicing system, the new foreign trade and customs invoicing functionalities, digitization and identification of supplier invoicing through OCR technology, the production demand management tool of the Technology and Product Management Directorate, the adaptation of the external web page and internal portals to the new corporate identity, the updating and increase in security levels of the operation platforms and establishment of an IT risk map, the installation of the internal systems in new buildings (Barcelona, Gijón or Salamanca), the centralized telephony management model throughout the group, and the automation of systems to detect technical weaknesses.

The Committee was likewise informed of the principal objective of the Internal Systems Area for 2010, namely the change in the systems architecture and integration and migration of the remaining systems into the new ERP (Enterprise Resource Planning), with respect to which this area, throughout the year of 2009, in coordination with other areas of the Company, has participated intensely in the design and parameterizing of the requirements of said ERP.

Continuous improvement of project management systems.

10. Management Control

The Committee, together with the Corporate Control and Purchase General Manager, reviewed the principal actions carried out in this area during 2009, highlighting the following:

- Improved project control applications, in the framework of the new ERP, improving the identification and management of risks and the detection of intellectual and industrial property rights in order to manage the protection of said rights. These improvements have provided the project control systems with new capacities, converting them into multi-currency, multi-lingual, multi-project tools, having improved fiscal management, foreign trade and treasury functionalities.
- The implementation of a warehouse management and production control model.
- The drafting of a Procedures Manual for subsidiaries which includes the regulations on the use of powers, project management, purchases and investments, travel expenses and general expenses, treasury and human resources.
- The implementation of the drafting of specific manuals for General Services and Asset Management under the supervision of the Quality Area.

Globalisation of internal legal advisory services.

11. General Secretariat

Together with the General Secretary, the Committee reviewed the principal actions carried out in the General Secretariat during the year, with the following being highlighted:

- The creation of a specific area of responsibility entrusted with accompanying the Company in its process of internationalization and with providing coverage for the increased legal risks owing to operations in a growing number of jurisdictions. This aims to acquire a better knowledge of the idiosyncrasy of each subsidiary and the adaptation to this; to increase control, from the parent company, over the quality of consultancy in the subsidiaries; and to unify legal consultancy values and standards in all of the companies of the Indra group.
- The implementation of an internal legal training plan, both for the legal team of the Company as well as for providing legal training for other areas of the Company.

Intense activity to protect intellectual and industrial property rights .

The Committee was informed of the principal objective of the General Secretariat for 2010, consisting of the introduction of a computer tool to create an environment of collaboration in which all attorneys, regardless of their location, can work online, protecting confidentiality, the loss of data and unauthorized access or downloading, and which, at the same time, allows for the proper management of the data generated in the General Secretariat.

Likewise, the Committee was updated on the information regarding the internal organization of the General Secretariat, whose configuration by areas and departments is adapted to the organization of the Company and that of the internal customers for which it serves as a support. Updated information on the number and profiles of the persons forming the General Secretariat team was provided.

12. Intellectual and Industrial Property Rights Management

The Business Legal Consultancy Director together with the Committee reviewed the aspects which were the focus of the intellectual and industrial property rights (IPRs) management of the Company during 2009.

In said year, the Company engaged in intense activity in an aim to renew and protect the corporate image, through trademark registration and other corporate identity elements in those countries in which the Company is carrying out activities. In this process, certain cases have arisen in which other companies had the same or similar trademarks, having signed coexistence agreements with non-competitor companies.

Moreover, in coordination with those in charge of the operations areas a follow-up has been conducted of existing patents, and intense work has been carried out to detect new patents.

With regard to the protection of software intellectual property rights, the policy of notarial deposits has been maintained.

Overseeing the internationalisation process.

LINES OF ACTION FORESEEN FOR 2010

In accordance with the Audit and Compliance Committee 2010 Action Plan, approved by said Committee at the outset of the current year, the Committee plans to hold 8 ordinary meetings, in which, in addition to the matters which are reviewed recurrently each year, special emphasis is sought to be placed on the process of Company internationalization, in order to ensure that in said process the high levels of suitability and integrity of the financial information drafting process and the proper functioning of the control systems are maintained, as has been customary in the Company.

Likewise, in accordance with the provisions of the Rules of Procedure of the Board of Directors, the Committee plans to supervise the process for introducing the Code of Ethics and Professional Conduct and the proper functioning of the Direct Channel, which became operative in December of 2009.