



**Report by the Appointments,  
Remuneration and Corporate  
Governance Committee on the  
request submitted by the  
shareholder Sapa Placencia  
Holding, S.L. for a supplement to  
the call announcing an Ordinary  
General Shareholders' Meeting.**

May 2022

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# 1 Purpose

On 25 May 2022, Indra Sistemas, S.A. (“**Indra**” or the “**Company**”) received a communication from Sapa Placencia Holding, S.L. (“**SAPA**”), acting in its capacity as a Company shareholder, holding, according to the information published on the Spanish National Securities Market Commission’s website, 5% of the share capital of the Company, relating to the Ordinary General Shareholders’ Meeting of the Company convened at first and second call on 22 and 23 June 2022 respectively.

In its communication, pursuant to the terms of Article 519 of the consolidated text of the Spanish Companies Act, as approved by Royal Legislative Decree 1 of 2 July 2010 (the “**LSC**”), SAPA requested publication of a supplement to the call announcing the Ordinary General Shareholders’ Meeting, consisting of the inclusion of two new items on the agenda, worded as follows:

*“6.6. Appointment of Jokin Aperribay Bedialauneta as director, with the status of proprietary director”.*

*“6.7. Change to the number of members of the Board of Directors”.*

As a consequence of the foregoing, it requested an amendment to the wording of item 6 on the agenda so that it would read as follows: *“Six. Ratification, appointment and re-election of board members”.*

It also stated in its communication that *“The proposed resolutions submitted in relation to item six on the Agenda are as follows:*

*Proposal for resolution: “6.6. Appointment of Jokin Aperribay Bedialauneta as director, with the status of proprietary director”.*

*Proposal for resolution: “6.7. Change to the number of members of the Board of Directors”.*

In accordance with the contents of the aforementioned Article 519 of the LSC, the said shareholder also attached the CV of the proposed board member, together with the combined justification transcribed below:

**“Combined justification for the proposal for resolutions contained in this supplement.**

*Articles 172 and 519 of the LSC, Article 12 of the Bylaws, and Article 3 bis of the Regulations governing the Company’s General Shareholders’ Meeting require any proposal for resolutions submitted by shareholders representing at last three per cent of the share capital to be accompanied by the appropriate justification.*

*The appointment of Jokin Aperribay Bedialauneta as a proprietary director of Indra will have a positive impact on the Company’s corporate interests, as it will bring to the Board of Directors a significant shareholder that has accumulated proven industrial know-how in the defence sector and that could make a highly beneficial contribution to the successful development of Indra’s project. A significant shareholder that has a clear mission to remain part of the Company in the long term.*

*This appointment would also be in line with Principle 11 of the Code of Good Governance for Listed Companies (“CGGLC”), which advocates a “balanced composition” on the Board of Directors, with a “suitable proportion between proprietary and independent directors”.*

*Not only will the appointment of a proprietary director from SAPA bring about the more balanced composition proposed under Principle 11 of the CGGLC, but the independent directors will also continue to make up at least half of the members of the Company’s Board of Directors.*

*Finally, the appointment of Jokin Aperribay Bedialauneta as a proprietary director of the Company would mean compliance with Recommendation 16 of the CGGLC. Bearing in mind the current number of independent directors, the number of proprietary directors as a percentage of the total number of non-executive directors would not exceed the proportion between the company share capital represented by these directors and the remainder of this share capital, especially if one bears in mind that Indra is a company with a high level of capitalisation in which the shareholdings that are legally classified as significant are few.*

*In order for it to be possible for Jokin Aperribay Bedialauneta to be appointed proprietary director of Indra, it is necessary for a vacancy to arise on the Board of Directors, either prior to or during the course of the General Shareholders’ Meeting, as a consequence of the dismissal or resignation of one of the current members of the Board of Directors. In the event that neither of these situations arise, the Company’s General Shareholders’ Meeting will be required to increase the number of seats on the Board of Directors.*

*Given that the Company’s Board of Directors currently comprises 13 members, in the event that no vacancy arises it will be necessary for the General Shareholders’ Meeting to raise the number of seats on the Company’s Board of Directors to 14 in order to allow for the appointment of a new board member. All of this is provided for in Article 211 of the LSC and Article 21 of the Bylaws, under which “the Board of Directors will comprise a minimum of eight members and a maximum of fifteen, and the Meeting shall be the body with the power to decide on this number”.*

*Setting the number of members of the Board of Directors at 14 would comply with Recommendation 13 of the CGGLC, which recommends that “the board of directors should have the appropriate size to achieve maximum effectiveness and participation, which means it should ideally have between five and fifteen members”.*

As regards the proposal for resolution for the appointment of Jokin Aperribay Bedialauneta as proprietary director representing SAPA, attached hereto as an Appendix is the CV submitted by the said shareholder.

Bearing in mind the duties with which it is charged, the Appointments, Remuneration and Corporate Governance Committee has today issued the required report relating to the proposal for the appointment of Jokin Aperribay Bedialauneta, pursuant to the contents of section 6 of Article 529 *decies* of the LSC.

## 2 Report on the proposals submitted by the shareholder Sapa Placencia Holding, S.L.

The Committee hereby records that last March it examined a letter from the shareholder SAPA, a shareholder of the Company holding, according to the information published on the Spanish National Securities Market Commission's website, 5% of the share capital of the Company, in which it expressed an interest in having a proprietary director on Indra's Board. In this connection, the Committee requested relevant information from SAPA, information not received.

In view of the information to which the Committee had access, it agreed, by an absolute majority, that it would submit a report to the Board in which it did not favour the incorporation of a board member to represent SAPA, based principally on the following arguments:

- i) That SAPA did not have the percentage share capital holding that it required in order to exercise a proportional right of representation on the Board.
- ii) In accordance with the available information, the nature of the financial instrument used to purchase its shareholding implies that the shareholder assumes a highly limited economic risk linked to its shares and makes it difficult to appreciate the possibility of its permanence.

The Committee believed that, apart from the fact that the identity and CV of the proposed candidate were now known, the circumstances in which the request contained in this supplement to the call to the General Shareholders' Meeting were being made were identical to the circumstances analysed in March, and it therefore reiterated the position it had adopted then as regards the proposal submitted by SAPA and as a consequence would not be making any analysis of the proposed candidate's profile.

Notwithstanding the foregoing, and bearing in mind SAPA's right to request the publication of a supplement to the call announcing the General Shareholders' Meeting, the Committee has resolved by an absolute majority to inform the Board of Directors of the following in relation to the two proposal for resolution contained in SAPA's request.

As regards the proposed resolution set out formally in item 6.6 proposed by SAPA in relation to the appointment of Mr Aperribay, the Committee believes it more appropriate to include it in the agenda as a new item Six *bis*, so it would not therefore be necessary to modify the wording of item 6 on the agenda.

To remain consistent with the wording of item 6 on the agenda and the proposed rulings that this item includes with regard to the re-election and ratification of positions on the Board of Directors to be submitted to the General Shareholders' Meeting, the Committee believes that it would be appropriate for the wording and content of the proposal for resolution in item Six *bis* on the agenda to be drafted as follows:

*"Six bis. Appointment of Jokin Aperribay Bedialauneta as proprietary director, representing the interests of the shareholder Sapa Placencia Holding, S.L."*

*“Six bis. To appoint Jokin Aperribay Bedialauneta to the position of proprietary director representing the interests of the shareholder Sapa Placencia Holding, S.L., for the statutory period of three years, upon the proposal of the said shareholder. The personal details of the proposed director shall be recorded for the purposes of their entry at the Mercantile Registry”.*

The Committee analyzed the relevance and sufficiency of the request for a supplement in relation to the second of the items indicated, which related to a change to the number of members of the Board of Directors.

The Committee believes that this request should be rejected for the following reasons:

Firstly, the Committee notes that what is known as a “proposal for resolution” is identical to the title of the item that the shareholder is requesting be added to the Meeting’s agenda, though SAPA’s request fails to provide a proposal for resolution that contains the actual number that it intends to submit to a vote by the General Shareholders’ Meeting, this being the power that is legally afforded to the Meeting.

Secondly, in the form in which it has been requested by SAPA, item 6.7 is subsidiary to item 6.6, since according to the justification offered by SAPA, the basis for this request is as follows (emphasis added): *“in the event that no vacancy arises it will be necessary for the General Shareholders’ Meeting to raise the number of seats on the Company’s Board of Directors to 14 in order to allow for the appointment of a new board member”*. It is not necessary for the Meeting to decide the number of Indra’s directors, either in advance or afterwards, in order to allow a proprietary director to be appointed, provided that the number of directors remains between the minimum and maximum established in the Bylaws (which currently sets these limits at 8 and 15 respectively).

## APPENDIX

### CV of Jokin Aperribay Bedialauneta, provided by the shareholder Sapa Placencia Holding, S.L.

The CV of Jokin Aperribay Bedialauneta, as provided by the shareholder Sapa Placencia Holding, S.L., is transcribed word for word below:

#### **“CEO**

*Jokin joined SAPA at the beginning of the 1990s. He performs his duties in the Company’s corporate division, while at the same time helping to boost international business, particularly in China and North America, where he focuses on legal issues and forming alliances with international groups.*

*In recent years he has focused his efforts on the development of SAPA Transmission, a subsidiary based in the USA that is planting the Company’s roots in that country. His duties centre on the alliances formed with the country’s main manufacturers, General Dynamis and BAE System, in addition to working with bodies from the Department of Defence, the US Army and other multinationals such as Cummins and Honeywell.*

*He has been one of the main driving forces behind the transformation of the Company, together with his brother. The Company has gone from working under licence to manufacture mobility systems for heavy vehicles to developing its own products by investing heavily in innovation and development. SAPA is currently a global leader in this type of technology.*

*Jokin is also currently a director of SAPA Transmission.*

#### **Chairman of Real Sociedad football club**

*Jokin was appointed to this position at a Shareholders’ Meeting held on 20 December 2008. Real Sociedad was in the Spanish league’s second division and had filed for bankruptcy. The arrival of Jokin Aperribay and his board marked a turning point for the club.*

*During his time at the club, the team has been promoted to the first division and has competed in Europe, and he is currently working on new projects in order to ensure the club’s stability over the coming years.*

*Notable achievements include winning the Copa de la Reina in 2019 and the Copa del Rey in 2020.*

*Jokin has been a member of the Managing Board of the Royal Spanish Football Federation.*

#### **Positions held at companies in the financial and corporate sectors**

*Jokin has been a director of the Consulnor investment fund, managing director of the company Zeleta, and a lawyer at the Mario Fernández firm, which is now a member of the Uría Group.”*

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