



Report by the Appointments, Remuneration and Corporate Governance Committee on the re- election of an executive director

May 2024

This document is a translation of an original text in Spanish. In case of any discrepancy between both texts, the Spanish version will prevail.

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1 Introduction

Mr Murtra's term as director will end on 30 June 2024, as required under the Company's Bylaws. As a consequence, the ARCGC has prepared this report in which, pursuant to the requirements of Article 20, section 4, of the Board of Directors Regulations, it analyses the skills, experience and merits of Mr Murtra with a view to his re-election as a director of the Company, in the terms set out in the following section 3, with the category of executive director.

On 27 February 2024, the Board of Directors of Indra Sistemas, S.A. ("Indra" or the "Company") approved a new 2024-2026 Strategic Plan with 2030 vision ("the Strategic Plan"). Jointly led by the Chairman and the CEO, this highly ambitious Plan was published on 6 March 2024 and envisions a complete transformation of the Company aimed at turning Indra into a benchmark Spanish multinational in the Defence & Aerospace and Advanced Digital Technologies sectors.

In the effort to suitably implement this Strategic Plan, following a joint proposal from Chairman Marc Thomas Murtra Millar and CEO José Vicente de los Mozos Obispo, and prior a favourable report by the Appointments, Remuneration and Corporate Governance Committee ("ARCGC"), Indra's Board of Directors unanimously agreed at its meeting held on 30 April 2024 to grant specific executive functions relating to corporate and institutional matters in favour of Mr Murtra, in addition to those inherent to his position as Chairman of the Board of Directors, which will be exercised in coordination with the operational and business guidance provided by the CEO, whose delegated powers as chief executive remain unchanged.

Consequently, and pursuant to the contents of Article 529 duodecies of the Spanish Companies Act, Mr Murtra was assigned the category of executive director.

2 Purpose

In the event of the re-election of members of the Board of Directors, Article 518 e) of the Spanish Companies Act (LSC) requires that the general information published by the Company at the time of convening a General Shareholders' Meeting must include details about the identity of each of these members, their CV, and the category to which each of them belongs, as well as the proposal and reports referred to in Article 529 decies of the said Act.

Pursuant to the contents of section 2 of article 20 of the Indra Board of Directors Regulations, candidates proposed for appointment or re-election as directors shall be for persons of recognised personal and professional character, with sufficient capacity to maintain proper dedication to the post and without other interests incompatible with their performance.

In addition, sections 4 and 6 of Article 529 decies of the LSC and section 3 of Article 20 of the Board of Directors Regulations establish that proposals for the appointment or re-election of members of the Board of Directors who are not classified as independents is the responsibility of the Board of Directors, prior a report from the ARCGC.

Article 20 of the Board of Directors Regulations establishes that when preparing proposals that

are to be submitted to the General Shareholders' Meeting for the re-election of board members who do not have independent status, the Board, prior a report from the ARCGC, will evaluate in its supporting report the knowledge, experience and merits of the candidates, the way in which they align with the current responsibility assignment matrix, and their ability to devote the necessary amount of time to the performance of their duties.

Bearing in mind both the requirements and procedure described and the above-stated skills matrix, the ARCGC submits this report on the re-election of Mr Murtra as executive director, under the terms listed below.

From the moment that the General Shareholders' Meeting is convened, the section reserved for the aforementioned Meeting on the Company's website (www.indracompany.com), will offer shareholders comprehensive information on the identity, CV and category of each of the directors whose re-election is being proposed.

3 Information taken into account by the Committee when preparing its report on the re-election of Marc Thomas Murtra Millar as executive director

➤ Suitability of Mr Murtra's experience and know-how:

Mr Murtra, who holds a degree in industrial engineering from the UPC's ETSEIB and an MBA from the University of New York's Leonard Stern School of Business, has acquired a broad professional experience working in both the public and private sectors. He has worked in the Nuclear Industry in the United Kingdom, acted as Chief of Staff for the Minister for Industry, Tourism and Trade, and was Director General of Red.es. He was Managing Partner and Chairman of Closa Investment Bankers and a director at CREA Inversión, and has a deep knowledge of the technology sector. He is also an independent director of Ebro Foods, S.A., a member of its Executive Committee and Chairman of its Auditing and Control Committee, as well as acting as a director (representative of Indra), at Industria de Turbo Propulsores, S.A. He is also a Patron at the Fundación Bancaria La Caixa.

In the education field, he is an Associate Professor of Financial Management and Economic Financing at Pompeu Fabra University, and on the Master's in Science course in Finance and Banking, where he teaches classes on Business Management and Administration and Economics on both the undergraduate and Masters programmes. He is also a regular contributor to a range of media outlets.

The Committee considers that his in-depth experience in the corporate environment, his knowledge of the Company, his strategic vision, his broad experience in the public sector, his management skills and his ability to communicate with other organisations that operate in this sector are qualities of great value to a company such as Indra, particularly in the context of the development and implementation of the recently approved Strategic Plan.

In addition, his record in performing the duties of director on a number of Boards of Directors of both listed and non-listed companies and his conciliatory leadership style mean that he has the ideal profile to hold the position of Chairman of the Board of Directors.

➤ Mr Murtra's ability to devote the necessary time to the performance of his duties:

The ARCGC has confirmed that Mr Murtra's other professional duties, as evidenced in his professional profile which is available for consultation by shareholders, allow him sufficient time to devote himself to the effective performance of his duties as executive director.

In this regard, the ARCGC has made a favourable appraisal of the degree to which Mr Murtra has devoted time to his duties during his term in office, during which he has attended all the sessions held by the Board of Directors over the last three years, leaving promptly whenever his own annual performance was being assessed during annual appraisals of the Board and its Committees.

➤ Mr Murtra's previous performance in this post:

The Committee has made a favourable appraisal of Mr Murtra's performance over the last three years, not only as regards his contribution to the transformation of the Company and the consolidation of its position in the different markets in which it operates, but also in relation to his ability to attract new shareholders and strategic investors who will support the Company in the development of its strategy.

Regarding his performance as Chairman of the Board, the Committee has taken account of the results of the annual assessments carried out during his time in office. These examined the way that the Board of Directors and its Committees had operated and assessed his own performance as Chairman, and they were all completed with the support of an independent expert.

Specifically, the Committee highly values Mr Murtra's efforts in guaranteeing the effective functioning of the Company's governing bodies, along with his contribution to the achievement of constructive debate within these bodies. This has ensured an efficient and smooth decision-making procedures which favour the Company's enhanced performance and the implementation of measures that encourage consensus in the adoption of agreements.

The Committee also places particular value on his leadership skills when ensuring that the Board performs its duties and exercises its powers effectively, ensuring that all the matters provided for in the Board Regulations and any other issues deemed relevant to the Company are submitted for its consideration with the support of complete, objective and transparent information.

The Committee also appreciates Mr Murtra's commitment to Indra, his diligence, professionalism and the way he has pro-actively supported and coordinated the strategic initiatives approved during his term in office, along with his efficient coordination with the

CEO, which is key to the Company's ability to successfully tackle the challenges of the new strategic plan.

➤ Requirements necessary for him to act as executive director:

As mentioned at the outset of this report, on 30 April of this year, in response to a joint proposal from the Chairman and the CEO and prior a favourable report by this Committee, the Board of Directors agreed unanimously to grant executive corporate and institutional powers to Mr Murtra, in addition to the powers inherent to his position as Chairman of the Company's Board of Directors and his subsequent classification in the category of executive director.

In order to report this proposed assignment of executive powers to Mr Murtra, the ARCGC examined the possibility of extending his powers (in order to guarantee the proper implementation of the Strategic Plan in coordination with the CEO), in addition to analysing whether the scope of these powers would mean his reclassification in the category of executive director.

To this end, the Committee received advice from a legal adviser with expertise in corporate governance and the securities markets (Gomez Acebo & Pombo) and an employment law firm with expertise in senior management (Sagardoy Abogados).

Taking account of the contents of Article 529 duodecies of the LSC with regard to the figure of an executive director, the powers assigned to Mr Murtra as director afford him both managerial and decision-making powers in the corporate and institutional fields, which effectively means that he must be classified in that category.

This assignment of powers provides Mr Murtra with the necessary leadership in the areas for which he is responsible (corporate and institutional) in order to allow him to assist the CEO and to devote himself fully to his operational and business duties, all for the purposes of pursuing compliance with the challenges set out in the Strategic Plan.

Mr Murtra's recognition as an executive and Indra's most senior institutional representative comes at a time that is unquestionably essential to the Company's bid for internationalisation, and one in which his role will be fundamental in facilitating entry into new markets, strengthening the national and international alliances that development of the business will require, and consolidating relations with the various stakeholders, particularly Governments, Public Authorities, shareholders and investors, whose support will be needed by Indra in this new phase. This must all be achieved in coordination with the Company's CEO, Mr de los Mozos, who will continue to exercise the same powers that were delegated to him by the Board of Directors in May 2023.

In view of the above, the Committee has confirmed that all of the circumstances required for Mr Murtra to be classified as an executive director have been met.

Following its analysis, the ARCGC has agreed to submit a favourable report to the Board, so that it may in turn submit the following proposal to the General Shareholders' Meeting:

To re-elect Marc Thomas Murtra Millar to the position of executive director for the

statutory period of three years, at the proposal of the Board of Directors and following a favourable report from the Appointments, Remuneration and Corporate Governance Committee. The personal details of the proposed director shall be recorded for the purposes of their entry at the Mercantile Registry.

4 Composition of the Board and its Committees

The composition of the Board resulting from the approval of the above proposals submitted to the Ordinary General Shareholders' Meeting, bearing in mind the resignation presented by Ms Elena García Armada, currently an Independent Director of Indra, effective 27 June, is as follows:

Composition of the Board of Directors 2024	
External Directors	13
Independent Directors	7
Proprietary Directors	6
Executive Directors	3
Total Directors	16

The Board's new composition is of a temporary nature and responds to the need to give access to the Board of Directors to those significant shareholders who are entitled to it, and is also transitory, since the Board will have to adapt and reestablish the necessary balances as the implementation of the Strategic Plan advances. In this regard, Indra confirms its commitment to good corporate governance, and will ensure that the composition of the Board complies with the recommendations and principles of the Spanish Good Governance Code of Listed Companies.

Notwithstanding the foregoing, the Committee considers that, with the composition resulting from this proposal, all members of the Board provide the appropriate knowledge, skills, qualifications and experience for the Company, in accordance with the resulting skills and knowledge matrix attached hereto.

After the General Meeting and pursuant to article 16.3 of the Board Regulations, the Board, following a report from the ARCGC, shall review the composition of the Committees, taking into consideration the knowledge, skills and experience of each of the directors, as outlined in the attached skills matrix. This review shall bear in mind the suitability of such knowledge for the matters relating to the duties to be performed by each of the Committees and shall also take into consideration the principle of rotation of directors among the various committees, ensuring the majority presence of independent directors on the Audit and Compliance, ARCGC and Sustainability Committees.

APPENDIX

1 Skills assignment Matrix resulting from these proposals

	M. T. Murtra (Executive Chairman)	J.V. de los Mozos (Chief Executive Officer)	V. Arce (Deputy Chair and Lead Independent Director)	L. Abril (Executive Director)	B. Amatriain (Independent Director)	Jokin Aperribay (Independent Director)	C. Armero (Proprietary Director)	A. Cuevas (Proprietary Director)	F. J. García (Independent Director)	P. Jiménez de Parga (Independent Director)	J. Moscoso del Prado (Proprietary Director)	O. San Jacinto (Proprietary Director)	A. Santamaría (Independent Director)	M. Sebastián (Independent Director)	B. Villazán (Independent Director)	J. Escribano Ruiz (Proprietary Director)
Competence	Executive D.	Executive D.	Executive D.	Proprietary D.	Proprietary D.	Proprietary D.	Proprietary D.	Proprietary D.	Proprietary D.	Proprietary D.	Proprietary D.	Proprietary D.	Proprietary D.	Proprietary D.	Proprietary D.	Proprietary D.
Management experience																
First-rate corporate management (CEO, COO)	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Senior positions in Public Administration and Public Function	•															
Experience in Board of Directors of listed companies																
Board of Directors / Committees Member	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Board Chairman / Committees chairman / Lead Independent Director ¹	•		•	•	•	•	•	•	•	•	•	•	•	•	•	•
Sector																
TI	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Defense / Aerospace / Transport	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Industrial	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Services	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
International experience																
Europe	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Latam / EE.UU.	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Emea	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Functional																
CFO / Controller	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Risk Management / Audit Partner	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Production / Manufacturing / Operations	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Talent / Senior Management / Compensation	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
ESG	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Information Security / Cybersecurity	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Engineering	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Legal / Corporate Governance	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Innovation and Technology	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Duration of office																
0 a 3 years	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
4 a 9 years																
10 years or more																

Independent D.
Proprietary D.
Executive D.

¹ Includes Secretaries and Vice-Secretaries

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