

REPORT AND PROPOSAL FOR APPOINTMENT OF EXECUTIVE DIRECTOR DRAFTED FOR THE BOARD OF DIRECTORS OF INDRA SISTEMAS, S.A.

Justification and History

On 29 January, 2015 it was decided to appoint Mr. Fernando Abril-Martorell Hernández as Director by means of cooptation in order to fill a then existing vacancy on the Board. Mr. Abril-Martorell was also named Executive Chairman in substitution of Mr. Javier Monzón, who resigned on this same date after having been relieved of his executive duties on the grounds that the Board believed it advisable for there to be a change in management in order to begin a new era at the Company.

In accordance with the terms of Article 529.10(2) of the LSC, directors named by cooptation perform their duties until the date of the next Annual Shareholders Meeting, where they may be appointed/ratified, or where other directors may be designated.

In its meeting of 21 May, the Board agreed to set the Annual Shareholders Meeting for 24 June 2015 at first call and should there not then be a quorum, 25 June. At that meeting the Board agreed to submit a proposal for the appointment of Mr. Fernando Abril-Martorell as Executive Director at the next Annual Shareholders Meeting, having received a favourable report from the Nomination, Compensation and Corporate Governance Committee (“Committee”), and having done an analysis of the circumstances and legal conditions regarding the nomination, and having reviewed the internal rules of the Company.

In order to comply with the provisions of sections 4 and 6 of Article 529.10 of the LSC, the Board issues the present report and proposal for the appointment of Mr. Fernando Abril-Martorell as a member of the Board of Directors of the Company as an Executive Director, to be submitted to the next General Shareholders Meeting.

Analysis of the Profile of the Proposed Director

In drafting the present report, the Board analyzed the Report of the Committee in which it ratified the conclusions it had drawn in January upon evaluation of the candidacy of Mr. Abril-Martorell to succeed Mr. Monzón and for which it sought a detailed report from the external consultant Spencer Stuart covering the requirements of the post and the appropriateness of Mr. Abril-Martorell for it.

The Board pays particular attention to the fact that the Chairman of the Board is also the head executive of the Company and does so understanding it to be in the best interests of the Company, primarily for the following reasons: maintaining the ability to exercise necessary internal and external leadership, considering the prevailing practices in the markets where the Company principally operates; the traits found in Mr. Abril-Martorell as a result of his career progress and specific circumstances; and, primarily, the checks and balances in place at the Company in order to effectively limit the risk of excessive concentration of power.

Said checks and balances are the following: the existence of a lead independent director with substantial discretion to preserve the proper Independence of the Board of Directors in carrying out its duties and making it available to stakeholders through direct engagement; a CEO who, in addition to being a member of the Board, exercises broad powers in matters pertaining to operations management and the execution and implementation of strategies and business development; continuous supervision by the Board of Company activity and a direct

relationship with principal members of senior management, whom it evaluates and whose salaries are individually determined by the board. In addition to approving proposals which Indra brings to the Annual Shareholders Meetings, the Board, and the Audit and Compliance Committee and the Nomination, Compensation and Corporate Governance Committees are made up in their majority by independent directors, the chairmen of which are independent directors. Without prejudice to the foregoing, the Board periodically reviews this situation and will continue to do so in the future in order to maintain an adequate structure which it considers to be in the best interests of the Company.

In analyzing the aptness of Mr. Abril, his career history and professional profile were examined very closely. In examining his curriculum (attached as an appendix to the present report and proposal), the Board, in concurrence with the report issued by the Committee considers that the profile of the proposed director combines the knowledge and experience necessary for discharge of the duties and demands contained in the Board Rules and the LSC.

As regards his ability to dedicate himself to the discharge of his duties, the Committee has verified that the other professional commitments of Mr. Abril-Martorell, which are included in his profile, permit sufficient effective dedication to the Board of Directors at Indra and to the Strategy Committee, of which he is also Chair.

Favorable Report and Proposal for Ratification and Appointment

As a result, having concluded its analysis, the Board believes that Mr. Abril-Martorell continues to possess the conditions necessary to meet the proper profile for discharging the duties of Executive Chair of the Company, and for that reason issues this report in support of a proposal for his appointment as Executive Director at the next Annual Shareholders Meeting.

Given the above report and in accordance with that contained in Article 529.10, section 4 and 5 of the LSC, the following resolution will be brought before the Annual Shareholders Meeting:

“5.2.- Appoint Mr. Fernando Abril-Martorell Hernández as Executive Director for the statutory term of 3 years pursuant to a proposal from Board of Directors. Identifying data regarding the nominee will be stated for the purposes of registry in the Registro Mercantil.

SINGLE APPENDIX

FERNANDO ABRIL-MARTORELL

Degree in Law and Business Administration from ICADE (Madrid), and Chairman of the Board at Indra since January, 2015.

Has pursued his career in various businesses and financial entities. From 2011 to 2014 he was CEO of Grupo Prisa. Between 2005 and 2011 he was CEO of Credit Suisse in Spain and Portugal. He was CEO of Grupo Telefónica from 200-2003. Mr. Abril-Martorell has extensive financial experience as Managing Director and Treasurer at JP Morgan in Spain, where he worked for 10 years before joining Telefónica. Currently, he is a member of the board at Ence.