

Alcobendas, May 25<sup>th</sup>, 2017

**SPANISH STOCK EXCHANGE COMMISSION**

According to article 228 of the Securities Market Act and related legislation, Indra makes public the following:

The Board of Directors of Indra has unanimously resolved today to call a General Ordinary Shareholders Meeting according to the agenda and proposals of resolutions enclosed herewith.

This notice will be also published in compliance with article 516.2 of the LSC (Spanish Corporations Act) and related rules.

From publication of the call to the meeting and at least until the General Ordinary Shareholders Meeting takes place, all the information included under paragraph "INFORMATION RIGHTS" will be available continuously for examination in the Company's website ([www.indracompany.com](http://www.indracompany.com)).

The foregoing is reported for all pertinent effects.

Yours faithfully,

**Carlos González**  
**Vice-Secretary to the Board of Directors**

## Annual Shareholders Meeting

By resolution of the Board of Directors, Shareholders are called to the Annual Shareholders Meeting of **Indra Sistemas, S.A.**, to be held at the corporate offices located at Alcobendas (Madrid), Avenida de Bruselas 35, this upcoming June 28<sup>th</sup>, 2017 at first call at **12:30 p.m.** or, in the event a quorum is not present the next day, June 29<sup>th</sup>, 2017 at the same time and place on second call in order to consider and decide the following matters:

### AGENDA

**First.-** Review and approval of the Financial Statements and the Management Report of Indra Sistemas, S.A. and its Consolidated Group for the fiscal year ended 31 December 2016.

**Second.-** Approval of the proposed allocation of results for fiscal 2016.

**Third.-** Approval of management by the Board of Directors during the fiscal year ended on 31 December 2016.

**Fourth.-** Appointment and re-election of Directors

**4.1.** Appointment of Ms. Silvia Iranzo Gutiérrez as Independent Director, upon proposal by the Nomination, Compensation and Corporate Governance Committee.

**4.2.** Appointment of Ms. María Rotondo Urcola as Independent Director, upon proposal by the Nomination, Compensation and Corporate Governance Committee.

**4.3.** Re-election of Mr. Ignacio Santillana del Barrio as Independent Director, upon proposal by the Nomination, Compensation and Corporate Governance Committee.

**4.4.** Re-election of Mr. Juan Carlos Aparicio Pérez as Proprietary Director representing the equity interest of Sociedad Estatal de Participaciones Industriales, upon proposal by the Board of Directors.

**4.5.** Re-election of Mr. Adolfo Menéndez Menéndez as Proprietary Director representing the equity interest of Sociedad Estatal de Participaciones Industriales, upon proposal by the Board of Directors.

**4.6.** Re-election of Mr. Javier de Andrés González as Executive Director, upon proposal by the Board of Directors.

**Fifth.-** Delegation to the Board of Directors, with express power to sub-delegate, the authority to increase the capital stock of the Company consistent with the conditions contained in Article 297.1 b) of the LSC, including by means of the issuance of redeemable shares, and the authority to exclude pre-emptive rights, in which case any

increase of capital pursuant to this delegation may not exceed 20% of the capital stock of the Company at the time of authorization at the Annual Shareholders' Meeting, it being understood that said limitation includes the amount of any increase in capital which may arise from the approval and execution of the proposal contained in Item Sixth of the Agenda.

**Sixth.-** Delegation to the Board of Directors, with express power to sub-delegate, the authority to issue in one or more offerings, bonds or debentures, simple, convertible, exchangeable into or for shares of the Company, as well as other fixed income instruments, warrants, and any other instruments conceding the right to acquire new share issuances, outstanding shares of the Company or of other companies, with a limit of 1,500 M€. This authorization includes the delegation of powers necessary, when appropriate, to: (i) determine the bases and means of conversion, exchange or exercise; (ii) increase capital stock in the amount necessary to carry out conversion requests; and (iii) exclude pre-emptive rights for said issuances, limited to a maximum of 20% of the nominal value of capital stock.

**Seventh.-** Consultative voting on the Annual Compensation Report 2016.

**Eighth.-** Approval of the Compensation Policy for Directors for period 2018-2020.

**Ninth.-** Approval and delegation of authority to formalize, enter and carry out the resolutions adopted at the Meeting.

#### **SUPPLEMENT TO THE CALL AND PRESENTATION OF NEW PROPOSALS FOR RESOLUTION**

Shareholders representing at least three percent of the capital stock may request that a supplement to the call of General Shareholders' Meeting be published in order to include one or more items on the Agenda, so long as the new items are accompanied with supporting arguments or are certified. This right shall be exercised by sending a certified notification indicating the identity of the Shareholder(s) exercising said right and the number of shares that they own, and 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 supplement to the call, if any, will be published no less than fifteen days prior to 28 June 2017, the date set for the Shareholders' Meeting at first call.

During the same period of time described above, Shareholders representing at least three percent of Company equity may also present proposals based on matters already included or which ought to be included in the Agenda of the already called General Shareholders' Meeting. The Company will assure distribution of these proposed resolutions and their accompanying documentation.

## **RIGHT TO INFORMATION**

Until the fifth day before the scheduled Meeting, Shareholders may request information which they deem appropriate or clarification from the Board of Directors or they may submit written questions which they deem relevant regarding items appearing in the Agenda. Additionally, they may request information or clarification or submit written questions regarding any public information which the Company has submitted to the CNMV since 20 February 2017, the date of the last Shareholders' Meeting. For these matters, Shareholders may apply to the Shareholder Office by telephone at 91-4809800; or by email at [accionistas@indracompany.com](mailto:accionistas@indracompany.com) or use forms placed on the Company website for that purpose ([www.indracompany.com](http://www.indracompany.com)). In order to do this, Shareholders should present reliable identification (DNI, passport, or NIE), as well as provide information regarding the shares they own.

From publication of the call and until the holding of the Meeting, every Shareholder who wishes to do so may review the following information at the corporate offices or the Company website ([www.indracompany.com](http://www.indracompany.com)) and request that it be delivered immediately and free of charge:

- (i) Call notice.
- (ii) The total number of Company shares and voting rights on the date the Meeting is called.
- (iii) Documents referred to in Article 272 of the LSC (Annual Financial Statements and Management reports of Indra Sistemas, S.A. and its Consolidated Group for fiscal 2016, as well as the report from the external auditor), which will be submitted to the Annual Shareholders' Meeting for approval as Item One of the Agenda.
- (iv) Also regarding Item One of the Agenda, the Annual Report on Corporate Governance, which forms an integral part of the Management Report.
- (v) The Annual Corporate Social Responsibility Report for 2016.
- (vi) The report regarding the independence of the 2016 Financial Statements auditor drafted by the Audit and Compliance Committee.
- (vii) The entire text of the proposals and resolutions regarding Items of the Agenda as well as reports from the Board of Directors or supporting information regarding their contents as required by law (Items 5 and 6) or which have been otherwise considered convenient.
- (viii) The names, professional profiles and class of each of the Directors whose re-election is proposed in Item Four of the Agenda, as well as the reports from the

Nomination, Compensation and Corporate Governance Committee referred to in Article 529 *decies* of the *Ley de Sociedades de Capital* ("LSC").

- (ix) The 2016 Annual Compensation Report drafted by the Board of Directors and referred to in Item Seven of the Agenda.
- (x) As regards the eighth item of the Agenda regarding approval of the Compensation Policy there is a proposal brought by the Board of Directors and a specific Report from the Appointment, Compensation and Corporate Governance Committee.
- (xi) Procedures established by the Company in order to make distance voting possible and the forms made available to Shareholders to do so. Without prejudice to the foregoing, such information will be made available here regarding such procedures.
- (xii) In accordance with the provisions of Recommendation 6 of the Code of Good Corporate Governance for Listed Companies, the Annual Reports of the Audit and Compliance Committee and of the Nomination, Compensation and Corporate Governance Committee for fiscal 2016 as well as the report from the Nomination, Compensation and Corporate Governance Committee regarding related party transactions.

## **SPECIAL INFORMATION TOOLS**

In accordance with article 539 of the LSC, the Company has a corporate website [www.indracompany.com](http://www.indracompany.com), in order to make it easier for Shareholders to exercise their right to information and in order to distribute information required by applicable law.

From the time of publication of this call and up until the moment that the Meeting begins, the above mentioned Company website will contain an Electronic Shareholders Forum accessible to all Shareholders as well as to voluntary shareholder associations which are registered in the special Registry created for that purpose at the *Comisión Nacional del Mercado de Valores* ("CNMV").

Rules governing access and use of the Electronic Shareholders Forum are available for review on the same Company website in the section dedicated to the Annual Shareholders Meeting.

## **ATTENDANCE AND VOTING RIGHTS**

Shareholders whose shares are registered in the books of account five days before the date of the Meeting are allowed to attend. Each share shall be entitled to one vote at the Meeting.

In accordance with Article 197 bis of the LSC, the proposals contained in Item Four of the Agenda are subject to individual and separate voting for each one of them, whether voting is done in person or by electronic means made available by the Company for such purpose. In the event that attendance cards provided by the share registry custodian do not provide for individualized voting for each of the proposals, Shareholders may nonetheless vote separately and individually for each proposal on the attendance card provided by the custodian or on the card made available to Shareholders by the Company from the moment of call on the Company website ([www.indracompany.com](http://www.indracompany.com)). Otherwise, votes will be construed to apply to all of the proposed resolutions contained in the above-mentioned item of the Agenda.

This card should be addressed to the Company duly signed, and it is essential that in the event that the card placed at the disposal of Shareholders by the Company is used, that it be sent with a photocopy of the owner's DNI, NIE, or passport.

## **PROXY PROCEDURE AND PROCEDURE FOR LONG DISTANCE VOTING**

The Board of Directors, under the power granted by Article 14 of the Bylaws and Articles 7 and 12 of the of the General Shareholders' Meeting Rules, has authorized the following procedures and requirements for the exercise of proxy rights and long distance voting at this Annual Shareholders Meeting:

### **1. Representation by long distance communication means**

Shareholders not attending the Meeting may delegate their votes by any means indicated below to another person, who need not be a Shareholder.

The designated representative who attends the Meeting must prove his or her identity in the same fashion as attending Shareholders. The representative may exercise his or her proxy and vote only by being physically present at the Meeting.

Any proxy or representation which does not expressly indicate the person to whom the proxy is made or which is made generally to the Board of Directors will be conferred upon the Secretary of the Meeting.

Unless otherwise indicated by the represented Shareholder, the proxy applies to resolutions other than those drafted by the Board or to any matters permitted by law not included in the Agenda which may be submitted to the Meeting.

In accordance with the provisions of Articles 523 and 526 of the LSC, it is to be noted that if the representative is a Company Director, said representative may find himself in a situation of conflict of interest regarding Items 4.3, 4.4, 4.5, 4.6, 7 and 8 of the Agenda, as well as other proposals for resolutions not necessarily brought by the Board and regarding matters which are not included in the Agenda which may nonetheless be submitted to vote at the Meeting, when such is permitted by law.

For all proxies given to the Secretary of the Meeting or to a member of the Board of Directors where the proxy card does not contain express instructions to vote against or to abstain, it is understood that in all instances the represented Shareholder has given specific instructions to vote in favour of all of the proposals drafted by the Board of Directors included in the Agenda.

In the event that a proxy be applied in the manner indicated above, should the proxy empower the Secretary of the Meeting or a member of the Board of Directors, and the proxy card contain no express instructions to vote in favour or to abstain, it will be understood that the shareholder has conferred instructions to vote against said proposals.

### **1.1. Delivery or Correspondence by mail**

Proxy rights are conferred by filling in the section included for that purpose on the attendance card provided by the share registry depository or that which the Company makes available to Shareholders by means of its website ([www.indracompany.com](http://www.indracompany.com)) in the section dedicated to the General Shareholders' Meeting. The Shareholder may obtain a Company proxy card by downloading one from the website and printing it; retrieving one from the corporate offices; or requesting that a copy be sent free of charge from the shareholder office.

The properly filled out and signed card should be sent by mail or hand delivered to the corporate office (Oficina del Accionista, Av. de Bruselas 35, Alcobendas 28108, Madrid) accompanied by a photocopy of an official government issued identification document.

No one may have more than one representative at the Meeting.

When a proxy is given to a member of the Board of Directors, the communication is complete upon receipt of the documentation constituting same at the corporate office.

### **1.2. Electronic Means**

The delivery of proxies and notice to the Company may be made electronically through the Company website ([www.indracompany.com](http://www.indracompany.com).) The procedure that a Shareholder must follow for exercising his right to vote is explained there in detail. The Shareholder must prove his or her identity by means of an unexpired electronic DNI or a recognized irrevocable electronic certificate issued by the *Fábrica Nacional de la Moneda y Timbre* (FNMT).

## **2. Long Distance Voting**

Shareholders may exercise their right to vote without the need of attending the Meeting using means indicated below. Shareholders who vote in this way will be considered present for the purposes of quorum.

## **2.1. Hand or Mail Delivery**

The exercise of the right to vote by this procedure is accomplished by filling out the appropriate section of the attendance card provided by the share depository or by completing the one made available by the Company to Shareholders on its website ([www.indracompany.com](http://www.indracompany.com)) in the section dedicated to the General Shareholders' Meeting. The Shareholder may obtain a Company voting card by downloading and printing from the website, by retrieving one from the corporate office or requesting one be sent free of charge from the Shareholder Office.

A properly filled out card with original signature should be sent to the company office by post or it may be hand delivered to the corporate office (Oficina del Accionista, Av. de Bruselas 35, Alcobendas 28108, Madrid) accompanied by a photocopy of a government issued identification document.

In the event that the card does not indicate the way to be voted, it will be assumed in all cases that the Shareholder votes in favour of each of the proposed resolutions formulated by the Board of Directors which appear in the Agenda published at call.

## **2.2. Electronic Means**

Votes may be cast electronically by means of the system designed for such on the Company website ([www.indracompany.com](http://www.indracompany.com)). There, the Shareholder will find detailed explanation of the procedure to follow in order to exercise voting rights. The Shareholder who wishes to use this voting procedure must prove his identity using an unexpired electronic DNI or using a recognized irrevocable electronic certificate issued by the *Fábrica Nacional de la Moneda y Timbre* (FNMT).

## **3. Rules common to the exercise of proxy rights and long distance voting**

### **3.1. Identity Verification**

The Company reserves the right to verify information given by each Shareholder by matching it with that provided by Iberclear, the entity in charge of the book entries for Company shares. In the event of a discrepancy between the number of shares communicated by the Shareholder on the proxy card, by electronic voting, or by forms made available on the corporate website ([www.indracompany.com](http://www.indracompany.com)) and the number in the book entries as communicated by Iberclear, the number of shares registered by Iberclear shall be considered valid for quorum and voting purposes.

### **3.2. Artificial Persons**

In the case of artificial person Shareholders, the Company reserves the right to require evidence of the sufficiency and currency of the power of attorney presented by the natural person acting in the Shareholder's place.

### **3.3. Time Limit for Receipt by the Company**

In order for proxies and distance votes to be valid they must be received by the Company before **9:00 a.m. on 28 June 2017**, the date planned for first call of the Meeting.

### **3.4. Revocation and Priority**

- (i) Proxies and exercise of the right to vote by long distance communication are always revocable and should be revoked expressly and by the same means used for their delivery within the period established for said voting.
- (ii) Physical attendance of the Shareholder at the Meeting, as well as attendance by means of a vote delivered by long distance revokes any proxy regardless of its date or form.
- (iii) Physical attendance of the Shareholder at the Meeting revokes any vote sent by long distance communication.
- (iv) Any vote or proxy submitted by electronic means will always prevail over a vote made by hand delivery or post.

### **3.5. Responsibility for Custody of the Electronic Certificate and the Devices for Creating the Electronic Signature**

- (i) The Shareholder is exclusively responsible for the diligent use of his or her electronic DNI and the data for creating electronic signatures and for custody of the electronic certificate for exercising proxy rights or distance voting through electronic means.
- (ii) The Shareholder using an electronic signature is responsible for proving that the electronic certificate used has not expired or been revoked, suspended, or otherwise made invalid at the moment the electronic signature is generated.

### **3.6. Availability of Service**

- (i) The Company reserves the right to modify, suspend, cancel or restrict voting mechanisms and electronic proxies when technical or security reasons so require.
- (ii) The Company will not be responsible for any damages which might be suffered by the Shareholder as a result of outages, overloads, fallen communication lines, connection failures, postal service malfunction or any other eventuality of an equal or similar nature outside the control of the Company which might hamper or impede the Shareholder from exercising voting rights or proxy rights by long distance communication.

## **DATA PROTECTION**

Pursuant to the provisions of the Data Protection Legislation, the shareholder expressly consents that his/her personal data as shareholder or shareholder representative sent to the Company for the exercise of the rights to information, attendance rights, proxy or voting rights at the Shareholders' Meeting, or which may be sent by banks and Securities Brokers where Shareholders have their shares deposited through Iberclear, will be used for the purposes of facilitating the development, compliance and management of Shareholder relationships and, where applicable, Shareholder representative relationships.

Additionally, notice is given that an audiovisual recording of the entire Meeting may be made in order to facilitate its progress and to adequately distribute it. Therefore the shareholder also consents, to the extent he or she attends and participates in it, that his/her image may be processed and published by means made available by the Company, which for this purpose will be streaming through the Company website ([www.indracompany.com](http://www.indracompany.com)).

Consequently, it is hereby informed that the data provided by shareholders will be collected in a file belonging to the Company on which they will have the right to exercise their rights to access, rectification, erasure, cancellation, opposition, restriction of processing and data portability in the terms specified in the Data Protection Legislation by sending an e-mail to [dpo@indra.es](mailto:dpo@indra.es).

## **NOTARIAL PARTICIPATION AT THE MEETING**

The Board of Directors has agreed to require the presence of a Notary to record the minutes of the Shareholders' Meeting in accordance with that contained in Article 203.1 of the LSC.

**Shareholders are informed that the Meeting may be held at second call, that is, on 29 June 2017 at 12:30 p.m.**

Beginning one hour prior to the beginning of the Meeting and in the place where it is being held, Shareholders and their properly appointed representatives may present their attendance cards and proxies and, where applicable, documents confirming their legal representation, to personnel charged with registration of Shareholders.

**José Antonio Escalona de Molina**  
**Secretary of the Board of Directors**