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**REGULATIONS FOR GENERAL  
SHAREHOLDERS' MEETINGS  
INDRA SISTEMAS, S.A.**

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**June 2015**

## REGULATIONS FOR GENERAL SHAREHOLDERS' MEETINGS

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## **REGULATIONS FOR GENERAL SHAREHOLDERS' MEETINGS**

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### **Chapter I. PRELIMINARY**

#### **Article 1.- The Relationship of the Company with its Shareholders. Purpose, Effect and Amendment of Regulations.**

1. The relationship of the Company with its Shareholders is governed by the principles of equal treatment of Shareholders, transparency, and the supply of extensive and continuous information, so that all Shareholders may have sufficient knowledge of the situation of the Company and may exercise their rights in full. In this regard, the Company guarantees at all time equal treatment of all similarly situated Shareholders, especially as such treatment concerns information, participation, and exercise of the right to vote at Shareholders Meetings (hereinafter, "Meeting" or "Meetings").

The two basic channels through which this information is available are the Company's website, especially the Investor Relations section, and the Shareholders Office.

2. These Regulations are approved in order to ensure that Shareholders may participate more fully and effectively at General Shareholders' Meetings, and contain in a single document the rules and procedures that the Company has decided to establish in order to regulate the organization and function of the Meetings of the Company, as well as the exercise the politics rights to which they are entitled.

3. The current version of these Rules will remain permanently available to Shareholders on the website of the Comisión Nacional del Mercado de Valores ("Spanish Securities Regulatory Commission, hereinafter ("CNMV") and on the Company website, as well as being filed at the Trade Registry in accordance with applicable law.

4. The General Shareholders Meeting, established in accordance with the Company Bylaws and applicable law, shall represent all Shareholders and shall exercise the full powers of the Company, and its decisions shall be binding on and mandatory for all Shareholders, including those who voted against said decisions and those who were not present at the meeting.

5. Amendment of the current Regulations may be proposed by the Board of Directors of the Company (hereinafter, "Board") or by shareholders representatives of a percentage of equity as determined by applicable law.

Resolutions for amendment are approved by a simple majority of votes

## **Chapter II. CALLING OF THE MEETING**

### **Article 2. Types of meetings**

The General Shareholders' Meeting shall ordinarily occur every year within the first six months of each fiscal year for the purposes of examining company management, approving the financial statements of the preceding financial year and approving a resolution regarding the allocation of the earnings thereof and any other matter included on the Agenda. The General Shareholders' Meeting shall meet in a special session in all other circumstances where a meeting is called following a decision by the Board or at the request of Shareholders representing at least the minimum percentage of capital stock as determined by applicable law.

### **Article 3.- Procedure, Content and Notice Period for Call to Meeting**

1. General Shareholders' Meetings, whether annual or extraordinary, shall be called following a resolution of the Board of Directors, by way of a notice published, in the following media: (i) in the Boletín Oficial del Registro Mercantil ("Official Gazette of the Mercantile Registry") or a daily newspaper of general circulation in Spain (ii) on the CNMV website, and (iii) on the Company website, or in any other form as may be established by applicable law

2. Call notice of a Shareholders Meeting shall be made at least one month before the date established for first call.

Notwithstanding the forgoing, in the event of Special Shareholders meetings where the Company offers reliable means of universal electronic voting, call to notice may be given in as little as fifteen days before said meeting. Such reduction in notice shall require a resolution at a General Annual Shareholders Meeting with no less than two-thirds of voting shares voting in favour, and shall expire no later than the next Meeting.

When the Board is called to convene a Special Shareholders meeting upon request by those shareholders representing at least the minimum amount of capital stock as required by law, the meeting shall be held no less than two months following the date in which the Board received a notarized request to call the Meeting, and the agenda shall include those matters raised in the request.

3. The call notice shall state (i) the name of the Company, (ii) the place, date and time of first call and if, necessary, of second call, (iii) the agenda, as well as (iv) the position of the person or persons issuing the call and (v) any other issues required by applicable law. At least twenty-four hours shall elapse between the first and second calls.

### **Article 3 bis. - Right to Supplement the Call Notice and Present New Resolutions**

1. Those Shareholders representing at least the minimum percentage of capital stock as provided for by applicable law may request that an annex be attached to the notice of call of an Annual General Shareholders' Meeting which include one or more items on the Agenda provided that there be a proposal for resolution with the reasons therefore stated. This right shall be exercised by sending a certified notification that must be received at the company's registered office within the five days following the date when the notice of the General Shareholders' Meeting was published.

The annex to the call shall also be published at least 15 days in advance of the date scheduled for the General Shareholders' Meeting. The lack of publication of the annex shall make it of no effect at the General Shareholders' Meeting.

2. Shareholders representing at least the minimum percentage of capital stock as provided for by applicable law may, within 5 days following publication of the call, present proposals based upon resolutions regarding matters already appearing or which should appear on the agenda for the upcoming meeting as they are received and which shall be continuously published on the Company website.

3. Notwithstanding the foregoing, in general, as soon as the Board has specific knowledge of the probable date on which the next General Shareholders' Meeting is to be called and held, it shall announce this by way of a public announcement and via the Company's web page, so that Shareholders may propose points to be addressed or included in the agenda for the Meeting.

### **Article 4. - Agenda**

The Agenda included in the call for the Meeting shall be drawn up by the Board of Directors, analyzing and including, where appropriate, any suggestions and proposals received from the Shareholders prior to the meeting of the Board where the Shareholders meeting is scheduled and agreed to be called.

Said agenda shall be drafted with clarity and precision so that the items to be addressed and put to vote at the Meeting are easily understood.

#### **Article 5.- Shareholders' Right to Information.**

1. The Board of Directors shall promote the informed participation of Shareholders at General Shareholders' Meetings and shall ensure that the General Shareholders' Meeting exercises its powers effectively in accordance with law and Company Bylaws.

2. From the publication of the call notice through the holding of the Meeting, the Company shall continuously provide detailed information regarding the call, the content of the various points on the Agenda and the resolutions proposed under each one on its website, as well as information required under applicable law or which the Board considers necessary in order to ensure Shareholders' rights to information.

3. Shareholders may request in writing and in terms as established by law from senior management until the fifth day prior to any Meeting, or verbally during the meeting, information or clarification they may deem necessary regarding matters contained in the agenda, or they may present written questions which they deem relevant. Shareholders may also request that senior management produce, in writing, clarification of public information which the Company has delivered to the CNMV since the last Meeting or information contained in the auditor's report.

Should any such request for information or clarification regarding matters included in the agenda made during the meeting not be satisfied at that time, senior management is required to provide the requested information in writing within seven days following the end of the Meeting.

4. The Company shall make available through the internet and the Shareholders' office a means by which they may make such requests for clarification or for additional information regarding agenda items for Meetings.

5. Shareholder requests shall include the petitioner's full name, with evidence of shares owned, in order that this information may be compared with the list of Shareholders and the number of shares owned in accordance with applicable law for the applicable meeting. It is up to the Shareholder to prove that such request was properly made and within the allotted time. The Company website shall contain detailed information explaining the right of Shareholders to information in terms consistent with applicable law.

6. Senior management will make written information available up to the day of the Meeting. However, the Board may limit the information made available to the Shareholders if required by the interests of the Company. In this regard, the Board may limit said right to information in those cases where said information is unnecessary for the exercise of Shareholder rights, or where there are objective reasons for believing that such information may be used for

purposes outside the scope of company administration, or where its publication might damage the Company or any of its related companies. Notwithstanding the foregoing, information requested by Shareholders in accordance with the law and the Bylaws may not be denied when such request is supported by Shareholders who represent no less than a fourth of outstanding shares.

7. Valid requests for information, clarifications, and written questions and their answers made in writing by senior management shall be included on the Company website. When, prior to the delivery of a specific question, the requested information is available in a clear, express and direct manner for all Shareholders on the Company website in the form of a question and answer, senior management may limit their answer by reference to the information already provided in said format.

8. Shareholders shall likewise be entitled to examine, at the registered office, the documentation placed at their disposal and referred to in the preceding paragraphs, and they may also request that the said documents be sent to their domicile free of charge, in the terms set forth by Law.

## **Article 6. Electronic Shareholder Forum**

In accordance with current law, an Electronic Shareholder Forum ("Forum") shall be created on the Company website for each Shareholder meeting, and shall be accessible by properly identified individual Shareholders, as well as specific Voluntary Shareholder Associations duly registered with CNMV.

In the Forum, which shall be accessible from the time of publication of the call for meeting, Shareholders may publish (i) proposed annexes to the agenda announced in the call (ii) requests that such proposals be added to the agenda; (iii) initiatives intended to meet the required minority rights level as provided for by law, as well as (iv) proposals or petitions for voluntary representation.

The Board of Directors shall approve the regulations which govern the operation of the Forum made available for the Meeting, which rules shall be published on the Company website.

## **Chapter III. ATTENDANCE AT THE MEETING**

### **Article 7.- Accreditation as a Shareholder**

In order to attend the Meeting, Shareholders must have their shares registered with the Company under their name in the appropriate file at least five days before convocation of the Meeting, and shall prove their condition as such by depositing at the Company their attendance card or their certificate of share



ownership or any other certifying document that evidence their ownership of the shares issued for these purposes with the depositary entities for the shares.

The Company shall provide a model attendance card for Shareholders, which shall be published on the Company website upon call of the Meeting, and which the Shareholder may download or request that it be sent to the Shareholder's address.

For each Meeting, the Board of Directors will provide the procedures for attendance by any remote communication means that fulfill the requirements for security and efficiency set forth in the Bylaws and are at all times compatible with the state of the art.

#### **Article 8.- Proxy, Public Request for Proxy, and Conflicts of Interest**

1. Shareholders may confer their proxy on any person, whether or not said person is a Shareholder.

Appointment of a representative by the Shareholder and notice to the Company may be made either in writing or electronically.

The Board will issue procedures for each Meeting, consistent with the state of the art, in order to ensure security and effectiveness. This Article shall apply to revocation of proxies.

Proxy conferred by either of the above mentioned remote methods must be received by the Company prior to the time limit fixed for said purpose in the call to Meeting. Otherwise, said proxy shall be ineffective.

Proxies should be given in writing and specifically for each Meeting save for spouses or direct descendents and ancestors of the Shareholder or when pursuant to a general power of attorney conferred by means of public document with the authority to manage all of the Shareholder's domestic assets.

In all cases, the number of shares represented by proxy shall be included in determining quorum.

Proxy holders may represent more than one Shareholder without limitation on the number of Shareholders represented. Should a proxy holder represent more than one Shareholder, he or she may vote separately in accordance with the instructions received by each Shareholder.

Representation may also include matters which, although not expected to appear on the agenda as it appears on the call, may be brought up at the meeting in accordance with law. Should there not be instructions regarding matters which are not legally required to appear on the agenda, the representative is to vote in the manner in which the representative feels is in the



best interest of the Shareholder.

2. In the event that members of the Board or any other person on their behalf or in their interest have publically solicited a proxy, rules under applicable law shall apply. In particular, the document substantiating the proxy must contain or have attached to it the agenda as well as the request for instructions regarding the exercise of voting rights and indicating the manner to vote in the event that instructions are not included or that they be erroneous.

In exceptional circumstances, the proxy holder may vote contrary to instructions when circumstances arise of which the Shareholder was ignorant at the time of sending the instructions, and following such instructions runs the risk of prejudicing the interests of the Shareholder. In the event that a vote is cast contrary to instructions, the proxy holder shall immediately inform the Shareholder in writing, explaining the reasons for said vote.

3. Before being selected, the proxy holder must inform the Shareholder in detail of any legally defined conflict of interest. Should the conflict arise after appointment and the Shareholder not be aware of its possible existence, the Shareholder must be informed immediately. In both cases, if specific new voting instructions are not received for each of the matters which the proxy holder is to vote on behalf of the Shareholder, then the proxy holder may not cast a ballot.

Conflicts of interest may arise under this Article when the proxy holder is placed in a position provided for by law. Nonetheless, should specific instructions be issued, no conflict of interest shall exist for voting purposes.

4. Any proxy not containing a specific nominee or which is conferred generally to the Board will be assumed to have been assigned to the person specifically designated by the Board in the official notice of call for each Meeting.

5. For all proxies placed in the hands of the Board or one of its members, in the event that the proxy contains no instructions to vote against or to abstain, it shall be assumed that the Shareholder has delivered specific instructions to vote in favour of proposals for resolutions drafted by the Board and contained in the Meeting Agenda.

6. Brokers with proxies should provide the Company within five days before the Meeting with a list indicating the identity of each client and the number of shares to be voted on the client's behalf, as well as any instructions received. When said brokers act on behalf of more than one person, they may divide their votes and exercise it in different manners in accordance with the instructions they have received.

Brokers referred to in the paragraph above may delegate their votes to any indirect Shareholder or third party designated by them, with no limit.

7. In any event, whether the proxy be voluntary, by operation of law, or by solicitation of proxy, no Shareholder may have more than one representative attend a meeting.

8. Representation shall always be revocable. The personal attendance at the meeting or casting of a ballot remotely after issuance of a proxy will have the effect of revoking any issued proxy and shall be immediately communicated to the representative in order that the representative not exercise a proxy when he may no longer do so.

The Company shall make available to Shareholders a model card for issuing proxies, which shall be published on the Company website upon call of the meeting and which the Shareholder may download or request that it be sent to the Shareholder's address. Said cards shall make express mention of each of the agenda items in order to facilitate issuance of instructions to proxy holders.

#### **Article 8 bis. - Attendance by Board Members and Senior Management**

1. Members of the Board shall attend Meetings except in the case of good cause shown which would prevent such attendance, although said attendance is not a requirement for the Meeting to be held.

2. The Board may authorize the attendance at Meetings of senior managers and other persons who have a direct interest in the efficient running of company, as well as persons who may provide additional related information.

### **Chapter IV HOLDING AND CONDUCT OF THE MEETING**

#### **Article 9.- Place and Quorum**

1. At the place and the day scheduled, at first or second call Shareholders and their properly designated proxies may present their attendance and proxy cards to personnel chosen by the Company and, when appropriate, documents showing their powers of attorney and they shall be included in the list of attendees. Any Shareholder or any proxy holder who presents proper documentation up to the time that attendance registration is closed may attend the Meeting.

2. In the event that because a quorum is not present at first call, the Meeting must be held at second call, such circumstances shall be duly recorded in the minutes of the Meeting.

3. General Shareholders' Meetings shall be validly constituted on first call when those Shareholders in attendance, whether in person or by proxy, hold at least twenty-five percent of the voting capital stock, or such other percentage is present as provided for under applicable law. On second call the Meeting shall be constituted regardless of the capital stock in attendance.

Nonetheless, in order for a resolution at the Meeting to validly approve any

increase or decrease in capital increases or decreases, and, generally, any amendment to the Company Bylaws, the issuance of debt, the denial or limitation of subscription rights, as well as reorganization, merger, spin-off or sale of all Company assets, or movement of the registered office abroad, Shareholders holding at least fifty percent of the outstanding shares or such other percentage as determined by applicable law must be in attendance at first call, whether in person or by proxy. Upon second call, the attendance of twenty-five percent of such capital stock or such other percentage as determined by applicable law shall suffice.

45. Notwithstanding the foregoing, the General Shareholders' Meeting shall be deemed to have been called and validly constituted to address any item and with full powers to pass any kind of resolution, with no other requirements, if all capital stock is in attendance and the Shareholders unanimously resolve to hold it.

#### **Article 10. - Chairman and Secretary of the Meeting. Attendance of the Board Committees.**

1. The Shareholders Meeting shall be chaired by the Chairman of the Board of Directors, and in his absence by any one of the Vice-Chairmen, and as a last resort, by the Director appointed by the Board or by the Shareholder chosen at the same Meeting.

The Secretary shall be the Secretary of the Board of Directors, and in his absence the Vice-Secretary, and in the absence of both, the Shareholder in attendance at the meeting appointed by the Meeting.

2. The Chairman of the Meeting shall be deemed to have power to determine the validity of the proxies which have been conferred and compliance with the requirements for attendance at the Meeting. Without prejudice to the powers of the Chairman contained the Bylaws and/or these Regulations, the Chairman shall:

- a) Open the Meeting.
- b) Verify that the Meeting is properly constituted and declare such.
- c) Consider, where appropriate, any requirement imposed by the Board that a Notary be present in order to approve the minutes.
- d) Together with the Secretary, resolve any doubts, clarifications or complaints arising relative to the list of attendees and with proxies or proxy holders.
- e) Lead the Meeting in a manner that gives effective treatment of items on the agenda.
- f) Lead deliberations, giving the floor to Shareholders who request to be heard, withdrawing or denying it when the Chair considers the matter sufficiently discussed, not on the agenda, or if it impedes progress of the Meeting.
- g) Indicate the times for casting ballots.
- h) Manage voting and, with the assistance of the Secretary, count votes.

- i) Announce the result of votes.
- j) Temporarily suspend the Meeting.
- k) Direct adjournment.
- l) In general, exercise any other powers, including those of order and discipline that may be necessary for the proper progress of the Meeting, including interpreting these Regulations.

Should the Chairman of the Meeting leave for any reason before it is adjourned, his duties shall be performed in substitution in accordance with that contained in the first paragraph of section 1 of this Article.

3. The Chairman shall be assisted in carrying out his duties by the Secretary. The Secretary's duties shall be the following:

- a) Introduce the officers of the Meeting.
- b) Inform the Meeting, under the authority of the Chair, of the preliminary and final quorum of Shareholders in attendance, indicating how many are physically present and how many by proxy, as well as the number of shares present and represented, and give a breakdown of the percentage of each. He shall also indicate the total number of shares attending as well as the percentage of total capital stock it represents, without counting treasury shares as being in attendance.
- c) Read or give a summary of the essential terms of the call, and of the text of resolutions.
- d) Together with the Chair, resolve any doubts, clarifications or complaints arising relative to the list of attendees and with proxies or proxy holders.
- e) Draft, when appropriate, the minutes of the Meeting.

Should the Secretary of the Meeting leave for any reason before it is adjourned, his duties shall be performed in substitution in accordance with that contained in the second paragraph of section 1 of this Article.

4. The officers of the Meeting shall be the Chairman, the Secretary, and any others the Chairman shall deem appropriate.

5. In the event that Shareholders bring up questions within the competence of the Audit and Compliance Committee, said Committee shall, through its chairman or in his absence, any other member thereof, report on the said questions. The same shall apply equally for the Appointment, Compensation and Corporate Governance Committee or any other Board committees.

#### **Article 11. Participation of the Shareholders at the Meeting.**

The Chairman shall regulate the statements made by the shareholders in order to ensure that the Meeting proceeds in an orderly fashion and that those shareholders wishing to intervene may do so equally, and also so that they may express their opinions regarding each one of the points on the Agenda.

Throughout the Meeting the shareholders will have access to an easily-identifiable location where they may seek their turn in taking the floor. They may likewise request their turn in writing prior to the meeting.

The Board of Directors will furnish any information requested by shareholders in accordance with the provisions of the Law, the Company Bylaws and these Regulations.

Any intervening shareholder may request that the content of his statement be stated for the record in the minutes, and may also request a transcript of his statement.

### **Article 12.-Voting on Resolutions**

1. Each share is entitled to one vote, and resolutions at General Shareholders' Meetings, whether Annual or Special, shall be approved by a simple majority of votes cast, without any further exception to this rule other than where the law requires some special qualified majority.
2. The Board of Directors shall report at the beginning of the Meeting on the number of shares represented by members of the Board of Directors and which could be relevant to the outcome.
3. The Chairman shall ensure that the various proposals put forward to the Meeting be voted on separately and in order, irrespective of whether the statements regarding the various points have been made together or separately.
4. The Chairman shall decide on the order in which the various proposals made on one single point on the Agenda will be put to vote. Once a proposal has been approved, all those that are incompatible with it shall be excluded.
5. In general, votes shall by default be considered in favor unless they indicate otherwise to the officers. This assumption shall be the opposite in the event of votes taken on matters not appearing on the agenda, in which case the default position shall be votes against unless indicated **otherwise to the officers**. The Chairman, at his sole discretion or following a request made by a Shareholder, may establish other voting procedures in order to ensure the reliability of the voting results.
6. Any Shareholder may request that his vote be individually entered into the minutes, in which case it must be made explicitly and the Shareholder may be properly identified.
7. Attendees representing more than one Shareholder may divide their votes in accordance with instructions received from their principals as provided for in these Regulations.
8. Shareholders with the right to attend and vote may submit their votes on

matters contained in the agenda by means of post, email, or any other telecommunication means.

9. The Board will provide the procedures for distance voting at each Meeting by means that fulfill the requirements for security and efficiency set forth in the Bylaws and that are at all times compatible with the state of the art.

10. Rules adopted by the Board in exercise of its duties under this Article shall be included in the notice of call for the Meeting contained on the corporate website. Proxy and distance voting forms shall be published on the Company website.

### **Article 13. Conflicts of Interest with Shareholders**

Where a conflict of interest may exist with a particular shareholder on a matter subject to decision by the General Shareholders' Meeting, and when the Board has knowledge of this, it shall announce this publicly and recommend that the shareholder or shareholders involved abstain in the corresponding vote.

## **Chapter V MINUTES OF THE MEETING**

### **Article 14. Minutes of the Meeting**

The Secretary shall compile the minutes for all Meetings, which shall include a list of those in attendance, as well as a summary of the deliberations, the resolutions approved, the result of the votes for each, and any other matter required by law.

The minutes shall be approved at the close of the meeting by those in attendance, or within fifteen days of the date of the meeting by the Chairman and two Shareholders acting as scrutineers, one appointed by the majority and one by the minority, and this shall be formalized with the signatures of the Chairman and Secretary, in addition to the signatures of the two scrutineers, where appropriate.

The minutes approved in either of these two manners shall have executive force as of the date on which they are approved.

These minutes shall be recorded in the special Minutes Book for General Shareholders' Meetings.

Shareholders may request copies of the minutes or certifications of the resolutions that have been approved, which shall be authorized by the Chairman and the Secretary.

The Board of Directors may require the attendance of a Notary in order to draft the minutes of the Meeting, and such attendance shall be mandatory in the event that, five days prior to holding the Meeting, such is requested by Shareholders who represent, at least, the percentage of capital stock provided

for by applicable law. The deed produced by the Notary shall be considered the minutes of the Meeting and the notary fees shall be paid by the Company.

#### **Article 15. - Publication of Resolutions**

Without prejudice to registry in the Registro Mercantil of those resolutions that are to be registered and applicable law regarding the publication of company resolutions, the Company will inform the CNMV, by means of announcement of a relevant fact, those resolutions approved. The text of the resolutions will be available as well on the Company website within five days of the end of the Meeting.

#### **Article 16. - Extension**

In exceptional cases, and in accordance with law, the meeting may be continued for one or more consecutive days upon proposal by the officers or Shareholders who own a percentage of capital stock as provided for by law.