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ACTIVITY REPORT OF THE APPOINTMENTS AND REMUNERATION COMMITTEE OF CONSTRUCCIONES Y AUXILIAR DE FERROCARRILES, S.A. (CAF) FOR THE 2024 FINANCIAL YEAR

1. Purpose of the Report

The purpose of this report is to disclose the functions and activities carried out by the Appointments and Remuneration Committee (hereinafter, "**ARC**" or "**Committee**") of CONSTRUCCIONES Y AUXILIAR DE FERROCARRILES, S.A. (hereinafter, "**CAF**" or the "**Company**") during the financial year ended December 31, 2024, for which it will be made available to shareholders and other interested parties through the corporate website, in the terms set out in Recommendation 6 of the CNMV's Code of Good Governance for Listed Companies (hereinafter, "**CGG**").

For the preparation of this report, the principles and criteria set out in the CNMV's Technical Guide 1/2019, on Appointments and Remuneration Committees, published on 27 February 2019 (hereinafter, the "**Technical Guide**"), have been taken into account, in particular with regard to the structure and minimum content required by its section 11 for this type of documents, as well as in the CNMV's Technical Guide 1/2024 on Audit Committees of Public-Interest Entities (hereinafter, "**Guide 1/2024**") in those aspects that are applicable to this Committee (jointly, the "**Technical Guides**").

2. Regulation of the ARC

The legal regime of the ARC is contained in the Bylaws, in the Regulations of the Board of Directors and in its specific Regulations.

Specifically, Article 37 ter of the Bylaws refers to the composition and functions of the Committee. Article 12 of the Regulations of the Board of Directors lays down certain rules on its composition and functioning. Finally, the Committee's own Regulations regulate in greater detail fundamental aspects of this body such as its powers, operating rules, and relations with other bodies of the Company in its Chapters II, V and VI, respectively.

The Governing Rules of the Corporate Governance Bodies (i.e. Bylaws and Regulations of the General Shareholders' Meeting, Board of Directors, and its Committees) and the Policies and Other Corporate Governance, Ethics and Compliance Rules remain available to the general public on the corporate website in an updated and permanent manner in accordance with the applicable regulations.

3. Composition of the ARC during the year

In accordance with the provisions of Articles 37 ter of the Bylaws, 12 of the Board's Regulations and 4 of its own Regulations, the Committee is made up of three non-

executive Directors, two of whom are independent. The Chairman of the Committee has been appointed from among the independent Directors who are part of the Committee.

The appointment of the members of the ARC is made by the Board of Directors, and their dismissal is foreseen by resignation, by agreement of the Board, for losing their status as directors, or for not complying with the requirements of the Regulations or legal provisions.

In determining the composition, both quantitative and qualitative, of this body, the Board of Directors has taken into account the rules contained in article 529 quidecies of the Consolidated Text of the Capital Companies Act (hereinafter, "CCA"), Recommendation 47 of the CGG and the guidelines of the Technical Guide, adapting them to the circumstances and complexity of the organization, with the aim of promoting diversity in its structure, its independence and its decision-making effectiveness.

Members of the Committee, as members of the Board of Directors, have experience and expertise in management, economic, financial and business fields. In addition, all of them have been appointed taking into account the knowledge, skills and experience necessary for the performance of the functions entrusted to them and, in particular, in the areas of corporate governance, human resources, selection of Directors and executives, senior management functions and design of remuneration policies and plans.

The composition of the Committee is diverse and balanced in terms of age, gender, professional experience, personal skills and sectoral knowledge.

As of the date of issuance of this report, the ARC is composed of the following members:

<i>Board member</i>	<i>Position</i>	<i>Category</i>	<i>Seniority</i>
Mr. Julián Gracia Palacín	Chairman	Independent	Appointed Director on 10 June 2017, has been a member of the Committee since 6 May 2020 and Chairman of the Committee since 11 June 2022.
Mr. Luis Miguel Arconada Echarri	Voting member	Other External	Appointed Director on 29 January 1992, has been a member of the Committee since 25 February 2015.
Ms. Carmen Allo Pérez	Voting member	Independent	Appointed Director on 11 June 2016, has been a member of the Committee since 17 December 2024.

The appointment of Ms. Carmen Allo as a member of the Committee was carried out to fill the pre-existent vacancy.

The Secretary of this Committee is the same as that of the Board of Directors.

In the "*Shareholders and Investors*" section, "*Corporate Governance*" subsection, of CAF's corporate website, both the information relating to the composition of the Committee and the public information corresponding to each of the directors, including their respective professional profiles, are permanently updated.

4. Functions and activities performed throughout the year by the ARC, changes therein and reference to the Regulations that govern them

The functions and powers attributed to the Committee are detailed in Article 37 ter of the Bylaws and in Article 3 of its Specific Regulations, the latter having been amended during the reporting year, mainly to adapt it to the technical concepts and regulatory clarifications contained in Guide 1/2024, to clarify the wording of the competences relating to the corporate governance and sustainability system, to align it with the reform of article 529 bis of the CCA introduced by Organic Law 2/2024, of 1 August, on equal representation and balanced presence of women and men, as well as to establish the necessary collaboration between the Audit Committee and the Appointments and Remuneration Committee, in particular in terms of sustainability, and make other technical adaptations and adjustments.

In accordance with the aforementioned regulations, the Committee is entrusted with the legal functions provided for in article 529 quincecies of the CCA, as well as those recommended by the CGG (Recommendations 49 and 50) and by the Technical Guides applicable to this body. In addition to these competences, it was also entrusted with the supervision of compliance with the Corporate Governance rules, the periodic evaluation of the Corporate Governance System and the Sustainability Policy, the supervision of sustainability practices and of stakeholder processes, which were attributed to this Committee in the distribution of powers provided for in Recommendations 53 and 54 of the CGG between the two Committees.

5. Meetings held during the exercise and attendees

During the financial year 2024, the Committee met 5 times. In addition to the 4 ordinary meetings provided for in the Activity Plan approved for the year, it was considered necessary to hold 1 additional meeting to address other matters within its competence. All the sessions have been held in person, with the attendance of all its members. In all cases, the board members were provided with the necessary documentation and sufficiently in advance to deal with the items included in the planned agenda.

<i>Meeting n°</i>	<i>Meeting Date</i>	<i>Number of Committee members attending</i>	<i>Other attendees</i>
1	02/01/2024	3	<ul style="list-style-type: none"> • CEO • Head of the Sustainability Function
2	02/26/2024	3	<ul style="list-style-type: none"> • CEO • Economic-Financial and Strategy Director

3	05/08/2024	3	--
4	11/13/2024	2	Head of the Sustainability Function
5	12/16/2024	2	Head of the Sustainability Function

The meetings of the Committee deal with matters within the competence of the same, facilitating the free participation of all members in the deliberations.

At the invitation of the Chairman, other attendees have also participated in some of the meetings of the Committee. Specifically, the CEO participated in two sessions, the Head of the Sustainability Function participated in three sessions and the Economic-Financial and Strategy Director participated in one of them, as detailed in the table above. Additionally, on November 13, 2024, the Committee met with an external consultant, accompanied by the Chief Executive Officer, and the Director of Human Resources, on which it was reported at the Board meeting held the following day.

The intervention of the interlocutors in the sessions has always taken place at the request of the Committee and only to deal with the topics on the agenda for which they were summoned. Attendance and exit of the different attendees, who have not been present at the deliberation and voting phases of the sessions, have been recorded in the related minutes.

The Secretary of the Committee takes minutes of the content of the meetings, faithfully reflecting the debates and agreements adopted.

Everything discussed and agreed upon at each meeting has been reported on in detail at the following meetings of the Board of Directors.

Appendix I to this report details the schedule of meetings held and the matters dealt with by the Committee during the financial year 2024.

6. Most significant activities carried out during this year

During the year under review, the Committee has adequately carried out the functions provided for in the Bylaws (art. 37 ter), and in its own Regulations (art. 3).

a. Appointment activities

- Presentation to the Board, for submission to the General Meeting: (i) of the respective preliminary reports formulated for the purposes of article 529 *decies*, paragraph 6, of the CCA and article 15.2 of the Regulations of the Board and 3 of the Regulations of this Committee, on the proposal for the re-election of Ms. Idoia Zenarrutzabeitia Beldarrain (Proprietary Director), Ms. Marta Baztarrica Lizarbe (Executive Director), and Mr. Manuel Domínguez de la Maza (Proprietary Director); and (ii) the proposal for the re-election of Ms. Carmen Allo Pérez (Independent Director), formulated in accordance with the provisions of section 4 of article 529 *decies*, and section 3 of article 529 *quindecies* of the CCA, and in articles 15.2 of the Regulations of the Board of Directors and 3 of the Regulations of this Committee.

These documents were made available to shareholders on the corporate website from the time of the call for the General Shareholders' Meeting.

- Analysis to fill the existing vacancy in the Committee and the Board of Directors.

b. Remuneration activities

- Review of the Long-Term Incentive Plan and approval of its Regulations.
- Proposal to the Board of Directors of the Directors' Remuneration Report, corresponding to the 2023 financial year.
- Verification of compliance with the predetermined economic-financial and non-financial parameters for the accrual of variable remuneration corresponding to the 2023 financial year.
- Proposal to the Board of the Variable Remuneration Plan for Executive Directors and the Executive Committee for the 2024 financial year.
- Presentation to the Board, for submission to the General Meeting, of the Committee's report on the proposal for approval of the Directors' Remuneration Policy for the years 2024, 2025 and 2026, in accordance with the provisions of article 529 *novodecies* of the CCA.
- Submission to the Board of Directors of the proposal for allocations to the Long-Term Savings System for the 2024 financial year.

c. Corporate Governance and Sustainability Activities

- Review of the Statement of Non-Financial Information/Sustainability Report, corresponding to the financial year 2023, for approval by the Board of Directors.
- Review of the Reports of the "Declaration on the Fight against Modern Slavery", corresponding to the financial year 2023, prior to their approval by the Board of Directors and signature by the Chief Executive Officer.
- Supervision of effective compliance with corporate governance rules and evaluation of the Corporate Governance System in 2024, preparing the corresponding report confirming that the System fulfills its mission of promoting the social interest and the satisfaction of the legitimate interests of the other stakeholders.
- Supervision of the Sustainability Policy to verify that it promotes the social interest, taking into account the interests of the other affected groups, as well as the Company's practices in terms of sustainability, in order to verify that they are in line with the strategy and policy established.
- Submission to the Board, for approval, of a new Sustainability Policy of corporate scope, which replaced the one approved on 17 December 2020, within the framework of the new regulatory requirements applicable to sustainability in the short and medium term, and the demands of stakeholders.
- Verification of compliance with the Diversity and Board Member Selection Policy during the 2024 financial year.

- Submission to the Board, for its consideration, of a proposal to update the Diversity and Board Member Selection Policy with the fundamental aim of adapting its content to the new legal obligations on gender equality established by Organic Law 2/2024, of 1 August, on equal representation and balanced presence of women and men.
- Preparation, for submission to the Board, of the proposal to amend the Regulations of the Appointments and Remuneration Committee, mainly to clarify the wording of the powers relating to the corporate governance and sustainability system, and to align it with the amendment of article 529 bis of the Capital Companies Act, introduced by Organic Law 2/2024, of 1 August, on equal representation and balanced presence of women and men.

d. Other actions

- Approval of the Activity Report of the Appointments and Remuneration Committee (formerly the Operating Report), corresponding to the 2023 financial year. This Report was made available to shareholders on the occasion of the last Ordinary General Meeting.
- Authorization for renewal of D&O policy.
- Approval of the Committee's 2025 Activity Plan.

Likewise, within the framework of the directors' training programme, the members of the Committee have attended training sessions on different matters relevant to the Company and, in particular, in terms of sustainability, occupational risk prevention and quality.

e. Follow-up activities to the Committee's own action plans

Throughout the reporting year, the Committee has continuously monitored the action plans for 2024, proposed in the Annual Report on the evaluation of the functioning of the Board of Directors and its Committees for 2023, which was submitted by an independent external consultant, confirming that they have been satisfactorily implemented.

7. Scope of the evaluation of the functioning and performance of the Board and of the CNR itself, including the areas evaluated, the evaluation methods used, and the extent to which the evaluation has led to significant changes in the organization

At its meeting on 29 January 2025, the Committee has approved the Annual Evaluation Report of its own performance in 2024, as well as the Annual Evaluation Report of the Board of Directors and its Committees in the same year, in compliance with Recommendation 36 of the CGG, for their submission to the Board of Directors.

The evaluation process carried out by the Committee on its own performance and that of the Board and its Committees has included, among others, the following aspects: i) quality and efficiency in the performance of the Board of Directors and its Committees, including the degree of effective use of the contributions of its members; ii) size, composition and diversity of these bodies, iii) performance of its members; iv)

frequency and duration of meetings; v) content of the agenda and sufficiency of the time dedicated to addressing the different topics; vi) quality of information received; vii) breadth, openness of discussions; and viii) whether the decision-making process is dominated or strongly influenced by one member or small group of members.

To carry out this process, the degree of compliance with regulatory requirements and guidelines on corporate governance has been taken into consideration, among other indicators, as well as the level of achievement of the plans and objectives set for the 2024 financial year.

The result of the evaluations carried out has been positive, with specific action plans proposed to the Board of Directors for the financial year 2025.

The results of the evaluation have not led to significant changes in the internal organization or procedures of these bodies.

8. Information on what practical guides on appointments and remuneration committees are being followed, if any, which ones and to what extent

Since the publication of the CNMV's Technical Guide 1/2019, on Appointments and Remuneration Committees, on 27 February 2019, the ARC has followed these guidelines as a guide for action in the performance of its functions.

The Committee also takes into account, where applicable, the new Technical Guide 1/2024 of 27 June 2024, published by the CNMV on 1 July 2024, on Audit Committees of public-interest entities.

9. Significant deviations from the procedures adopted or irregularities that have been communicated in writing to the Board in matters within the competence of the committee

No significant deviations from the procedures adopted or irregularities in matters within the competence of this Committee have been brought to the attention of the Board of Directors.

10. Conclusions

As a result of the above, the Appointments and Remuneration Committee considers that its organisation and operation during the 2024 financial year are in line with the legal provisions, the Bylaws, the Board Regulations and its own Regulations.

Special attention has also been paid to the principles and guidelines contained in the Technical Guides.

The Committee understands that, through the work carried out throughout this year, it has faithfully fulfilled the functions entrusted to it. Notwithstanding this positive assessment, the Committee reaffirms its willingness to continue improving the effectiveness of its operation and compliance with its purposes, in line with the best practices in Corporate Governance.

This report was issued by the Appointments and Remuneration Committee on 29 January 2025.

Approval by the Board of Directors and dissemination:

This report was approved by CAF's Board of Directors at its meeting on 30 January 2025.

In accordance with the provisions of Recommendation 6 of the CGG, this report will be published on the Company's website (www.cafmobility.com) well in advance of the holding of the Ordinary General Meeting.

APPENDIX I

Schedule of sessions held in 2024

Date	Matters Discussed
February 1, 2024	<ul style="list-style-type: none">• Presentation by the Head of the Sustainability Function of the Report for the Supervision of the Sustainability Policy and practices in environmental and social matters.• Information from the Chief Executive Officer on remuneration of senior management and other executives.• Review of the Long-Term Incentive Plan and its Regulations with the Chief Executive Officer.• Operating Report of the Appointments and Remuneration Committee for the 2023 financial year.• Miscellaneous.
February 26, 2024	<ul style="list-style-type: none">• Review of the Annual Report on Directors' Remuneration for 2023.• Review of the Sustainability Report for the 2023 financial year.• Review of the Declaration on the Fight against "Modern Slavery", corresponding to the 2023 financial year.• Approval of the Regulations of the Long-Term Incentive Plan.• Proposal for a Variable Remuneration Plan for the 2024 financial year.• Economic Department Report for the renewal of the Directors and Directors (D&O) Policy.• Miscellaneous.

May 8, 2024

- Re-election of Directors.
- Proposal for the Directors' Remuneration Policy for the years 2024, 2025 and 2026.
- Miscellaneous.

November 13, 2024

- Presentation of the Sustainability Master Plan.
- Proposal of allocations to the Long-Term Savings System.
- Miscellaneous.

December 16, 2024

- Presentation by the Head of Sustainability of the Report for the Supervision of the Sustainability Policy and practices in environmental and social matters.
- Presentation by the Head of Sustainability of the Sustainability Policy proposal.
- Proposal for the appointment of a member of the Appointments and Remuneration Committee.
- Selection process to fill the vacancy on the Board.
- Proposal to amend the Regulations of the Appointments and Remuneration Committee.
- Proposal to amend the Diversity and Board Member Selection Policy.
- Verification of compliance with the Diversity and Board Member Selection Policy.
- Report for the Supervision and Evaluation of the Corporate Governance System.
- Approval of the Activity Plan for 2025.
- Miscellaneous.