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**PROPOSAL MADE BY THE APPOINTMENTS AND REMUNERATION  
COMMITTEE IN RELATION TO THE RE-ELECTION OF MR. JULIÁN  
GRACIA PALACÍN AS AN INDEPENDENT DIRECTOR, INCLUDED IN ITEM  
5.1 OF THE AGENDA OF THE GENERAL SHAREHOLDERS' MEETING**

**1.- PURPOSE OF THE PROPOSAL**

This proposal is made by the Appointments and Remuneration Committee of CONSTRUCCIONES Y AUXILIAR DE FERROCARRILES, S.A. ("CAF" or the "**Company**"), in accordance with the provisions of section 4 of article 529 decies, section 3 of article 529 quincecies, both of the consolidated text of the Capital Companies Act approved by Royal Legislative Decree 1/2010, of 2 July ("**CCA**"), and in articles 15.2 of the Rules of the Board of Directors and 3 of the Rules of this Committee.

In accordance with the provisions of the aforementioned articles, this Committee is responsible for proposing the re-election of the members of the Board of Directors who have the category of independent.

For the preparation of this proposal the provisions of the Company's Diversity and Board Member Selection Policy have been taking into account, according to which the selection, appointment or re-election process of directors must be based on the analysis of the Board's needs, based on its competence matrix, which the Committee keeps updated and aligned, at all times, with the strategic objectives of the Company.

Likewise, the recommendations of Technical Guide 1/2019 on Appointments and Remuneration Committees, published by the Spanish Stock Market National Commission ("**CNMV**") on 27 February 2019 (the "**Technical Guide**") have been taken into consideration and, in particular, those related to the role of the Committee in preparing proposals for the re-election of independent directors.

Within the framework of the above, the purpose of this document, on the basis of the assessment of the needs of the Board and the skills and knowledge of the candidate, is to propose to the Board, for submission to the Ordinary General Meeting of Shareholders, the re-election of Mr. Julián Gracia Palacín as an independent director, for the statutory period of four years.

It is hereby stated that, for the purposes of article 518 e) of the CCA, this proposal contains complete information on the identity, curriculum vitae and category to which the candidate for the position of proposed director belongs.

**2.- ASPECTS CONSIDERED BY THE APPOINTMENTS AND REMUNERATION  
COMMITTEE**

In view of the imminent expiry of office of Mr. Julián Gracia, at the end of the four-year period since his last appointment, by virtue of the resolution of the Ordinary General

Shareholders Meeting of June 5, 2021, the Appointments and Remuneration Committee has examined the advisability of his re-election and has carried out the necessary verifications and evaluations, in accordance with the provisions of the law and the Internal Corporate Governance System. As a result of this analysis, the Committee considers it justified and appropriate to propose the re-election of Mr. Gracia as a director of the Company, with the category of independent, as well as his continuity in the position of Chairman of this Committee, based, among others, on the following considerations:

1. Candidate's professional profile

Mr. Julián Gracia Palacín is an Industrial Engineer and holds a Master's Degree in Business Administration and Management from ICADE. He has developed his professional career in the telecommunications, logistics and consulting sectors, holding management positions at Tudor, S.A., Haggen Batterien, and Airtel, S.A., among others.

Mr. Julián Gracia Palacín was first appointed CAF's director, for the statutory term of four years, on June 10, 2017, having been re-elected by agreement of the Ordinary General Meeting of Shareholders of June 5, 2021. He has been a member of its Appointments and Remuneration Committee since 6 May 2020, and has been its Chairman since 11 June 2022.

2. Analysis of the needs of the Board and verification of compliance with the requirements to be re-elected as a director of the Company

The evaluation process has been based on the prior analysis of the Board's needs, as well as the skills, knowledge and competences that the Committee considers most suitable for the position of director.

The Committee has assessed the suitability of the candidate following the criteria established in current regulations and the best practices of good governance in relation to dedication, independence and the absence of conflicts of interest.

In this regard, the criterion of the Technical Guide has been followed, which considers it good practice that proposals for the re-election of directors take into account the same factors as for their first election and, in addition, assess the performance of the director during the time in which they have held the position and their ability to continue to perform it satisfactorily.

As a result of that assessment, the Committee has found that Mr. Gracia:

- (i) Continues to meet the requirements set forth by law, as well as in the Rules of the Board of Directors and in the Company's Diversity and Board Member Selection Policy, to be appointed director.
- (ii) Has not incurred nor does incur any cause for prohibition or legal incompatibility, nor any of the cases in which he must place his position at the disposal of the Board, according to article 18 of the Rules of the Board of Directors of the Company.
- (iii) Since his appointment, he has held both the position of director and that of Chairman of this Committee satisfactorily. He also has the time and capacity to continue to meet its obligations in an equally satisfactory manner.
- (iv) Has the skills and knowledge required for candidates for directors in accordance with

the competence matrix.

In particular, his extensive experience and professional career, his knowledge in the fields of business management and strategy and in the performance of senior management functions, in particular in the technological sector, necessary in accordance with the Board's competence matrix, are favourably valued, which, together with his good performance throughout his mandate, give him an ideal profile to continue as a member of the Board and this Committee.

- (v) He can continue to perform his functions without being conditioned by his relations with the Company, its significant shareholders or its directors, so he maintains the legal and statutory conditions provided for to be included in the category of independent director.
- (vi) According to the information provided by the candidate, no potential conflicts of interest are identified that could negatively affect their ability to perform their duties properly or their current or future independence.

The Committee also considers that Mr. Gracia's continuity as a director will contribute to strengthening diversity and balance in the composition of both the Board of Directors and its Committees, providing added value, derived from his knowledge and experience in areas that the Board considers valuable.

It is particularly noteworthy that his permanence on the Board will help to promote the presence of independent directors, in accordance with the best practices of good governance.

The results of the analysis carried out in relation to the advisability of his re-election are also included in the minutes of the meeting of the Committee in which this issue was discussed.

In view of the foregoing, the Committee considers Mr. Julián Gracia Palacín as a suitable candidate and proposes his re-election as an independent director for the statutory period of four years. In accordance with the provisions of section 2 of Article 6 of the Rules of the Appointments and Remuneration Committee, in the event of being re-elected by the General Meeting, Mr. Gracia Palacín will continue to hold the position of Chairman of said Committee, without the need for a new appointment.

### **3.- CONCLUSIONS OF THE APPOINTMENTS AND REMUNERATION COMMITTEE**

Consequently, the Committee, unanimously, considers justified and submits to the Board for submission to the General Shareholders' Meeting the following proposal, for a separate vote, under item 5.1 of the agenda:

*"Five: Re-election of a Board Member and fixing of the number of Board Members.*

*5.1 Re-election of Mr. Julián Gracia Palacín as Independent Director, for the statutory term of four years.*

(...)"

In San Sebastián, on 7 May 2025.