



ANNUAL REPORT ON CORPORATE GOVERNANCE OF LISTED PUBLIC LIMITED

The following English translation is provided by the Company for information purposes only and is based on the original official document in Spanish available on the Company's website (www.caf.net). In the event of any discrepancy between the English version and the original document in Spanish, the latter will prevail.

ISSUER'S PARTICULARS

End date of reference financial year: [31/12/2023]

Tax Identification Number (CIF): [A20001020]

Company name:

[**CONSTRUCCIONES Y AUXILIAR DE FERROCARRILES, SA**]

Registered office:

[JOSE MIGUEL ITURRIOZ, 26 20200 BEASAIN (GUIPUZCOA)]

A. OWNERSHIP STRUCTURE

- A.1. Complete the following table on share capital and the attributed voting rights, including those corresponding to shares with a loyalty vote as of the closing date of the year, where appropriate:

Indicate whether company bylaws contain the provision of double loyalty voting:

Yes
 No

Date of last change	Share capital (euros)	Number of shares	Number of voting rights
04/08/1999	10,318,505.75	34,280,750	

Indicate whether there are different classes of shares with different associated rights:

Yes
 No

- A.2. List the company's significant direct and indirect shareholders at year end, including directors who have a significant interest:

Name or company name of shareholder	% voting rights attributed to the shares		% voting rights through financial instruments		% of total voting rights
	Direct	Indirect	Direct	Indirect	
CARTERA SOCIAL, SA	24.04	0.00	0.00	0.00	24.04
BILBAO BIZKAIA KUTXA FUNDACIÓN BANCARIA	0.00	14.06	0.00	0.00	14.06
INDUMENTA PUERI, SL	0.00	5.02	0.00	0.00	5.02
DANIEL BRAVO ANDREU	0.00	5.00	0.00	0.00	5.00
INSTITUTO VASCO DE FINANZAS	0.00	3.00	0.00	0.00	3.00
INVESCO LIMITED	0.00	1.10	0.00	0.01	1.11

Breakdown of the indirect holding:

Name or company name of the indirect owner	Name or company name of the direct owner	% voting rights attributed to the shares	% of voting rights through financial instruments	% of total voting rights
BILBAO BIZKAIA KUTXA FUNDACIÓN BANCARIA	KUTXABANK, S.A.	14.06	0.00	14.06
INDUMENTA PUERI, SL	GLOBAL PORTFOLIO INVESTMENTS, SL	5.02	0.00	5.02
DANIEL BRAVO ANDREU	DANIMAR 1990, SL	5.00	0.00	5.00
INSTITUTO VASCO DE FINANZAS	FINKATZE KAPITALA FINKATUZ, SA	3.00	0.00	3.00
INVESCO LIMITED	GROUP COMPANIES	1.10	0.01	1.11

Indicate the most significant changes in the shareholder structure during the year:

Most significant movements

On February 27, 2023, Santander Asset Management, S.A. SGIIC exceeded the threshold of 3% of Share Capital.

On April 20, 2023, Santander Asset Management, S.A. SGIIC dropped below the threshold of 3% of Share Capital.

A.3. Give details of the participation at the close of the fiscal year of the members of the board of directors who are holders of voting rights attributed to shares of the company or through financial instruments, whatever the percentage, excluding the directors who have been identified in Section A2 above:

Name or company name of director	% voting rights attributed to shares (including loyalty votes)		% of voting rights through financial instruments		% of total voting rights	Of the total % of voting rights attributed to the shares, indicate, if applicable, the % of additional attributed votes that correspond to shares with a loyalty vote	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
MR. JAVIER MARTÍNEZ OJINAGA	0.04	0.00	0.00	0.00	0.04	0.00	0.00
MS. MARTA BAZTARRICA LIZARBE	0.05	0.00	0.00	0.00	0.05	0.00	0.00
MR. JUAN JOSÉ ARRIETA SUDUPE	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MS. BEGOÑA BELTRAN DE HEREDIA VILLA	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Total percentage of voting rights held by the Board of Directors	0.09
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As the system only allows for two decimal points, we have not been able to enter the correct percentages of the total voting rights, which are as follows: MR. JAVIER MARTÍNEZ OJINAGA 0.036%, MS. MARTA BAZTARRICA LIZARBE 0.050%, MR. JUAN JOSÉ ARRIETA SUDUPE 0.003%, AND MS BEGOÑA BELTRÁN DE HEREDIA VILLA 0.0014%. Total 0.0904%

Breakdown of the indirect holding:

Name or company name of director	Name or company name of the direct owner	% voting rights attributed to shares (including loyalty votes)	% of voting rights through financial instruments	% of total voting rights	Of the total % of voting rights attributed to the shares, indicate, if applicable, the % of the additional attributed votes that relate to shares with a loyalty vote
No data					

List the total percentage of voting rights represented on the board:

Total percentage of voting rights represented on the Board of Directors	19,17
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The total percentage of voting rights represented on the Board of Directors is the sum of:

- The total voting rights held by the members of the Board of Directors (0,0904%) and
- The stake held by significant shareholders Kutxabank, S.A. (14.06%) and Indumenta Pueri, SL (5.02%), who, although they are not members of the Board, sought the appointment of proprietary directors Ms. Idoia Zenarrutzabeitia Beldarrain and Mr. Manuel Domínguez de la Maza, respectively.

A.4. If applicable, indicate any family, commercial, contractual or corporate relationships that exist among significant shareholders to the extent that they are known to the company, unless they are insignificant or arise in the ordinary course of business, with the exception of those reported in Section A.6:

Name or company name of related party	Nature of relationship	Brief description
No data		

A.5. If applicable, indicate any commercial, contractual or corporate relationships that exist between significant shareholders and the company and/or its group, unless they are insignificant or arise in the ordinary course of business:

Name or company name of related party	Nature of relationship	Brief description
CARTERA SOCIAL, SA	Contractual	Workers' share instrument in CAF's share capital

A.6. Describe the relationships, unless insignificant for both parties, that exist between significant shareholders or shareholders represented on the Board and directors, or their representatives in the case of directors that are legal persons.

Explain, if applicable, how the significant shareholders are represented. Specifically, indicate those directors appointed to represent significant shareholders, those whose appointment was proposed by significant shareholders, or who are linked to significant shareholders and/or companies in their group, specifying the nature of such relationships or ties. In particular, mention, where appropriate, the existence, identity and position of members of the board, or representatives of directors, of the listed company, who are, in turn, members of the Board of Directors of companies that hold significant shareholdings in the listed company or in group companies of these significant shareholders:

Name or company name of related director or representative	Name or company name of significant linked shareholder	Company name of the group company Significant shareholder	Description of relationship / post
MS. IDOIA ZENARRUTZABEITIA BELDARRAIN	KUTXABANK, SA	KUTXABANK, SA	Ms. Zenarrutzabeitia is a member of the Board of Trustees of a number of Voluntary Social Welfare Entities (EPSVs)

Name or company name of related director or representative	Name or company name of shareholder significant linked shareholder	Company name of the group company Significant shareholder	Description of relationship / post
			(E.P.S.V ZAINZA E.P.S.V. HAZIA E.P.S.V GAUZATU) of BILBAO BIZKAIA KUTXA FUNDACIÓN BANCARIA.
MR. MANUEL DOMÍNGUEZ DE LA MAZA	INDUMENTA PUERI, SL	GLOBAL PORTFOLIO INVESTMENTS, SL	Mr. Domínguez de la Maza is a shareholder and board member of INDUMENTA PUERI, SL and also the joint and several attorney-in-fact of that company and of GLOBAL PORTFOLIO INVESTMENTS, SL.

A.7. Indicate whether the company has been notified of any shareholders' agreements that may affect it, in accordance with the provisions of Articles 530 and 531 of the Spanish Corporate Enterprises Act. If so, describe them briefly and list the shareholders bound by the agreement:

Yes
 No

Indicate whether the company is aware of any concerted actions among its shareholders. If so, provide a brief description:

Yes
 No

If any of the aforementioned agreements or concerted actions have been amended or terminated during the year, indicate this expressly:

A.8. Indicate whether any individual or company exercises or may exercise control over the company in accordance with Article 5 of the Securities Market Act. If so, identify them:

Yes
 No

A.9. Complete the following table with details of the company's treasury shares:

At the close of the year:

Number of direct shares	Number of indirect shares(*)	Total % of share capital
43,318		0.13

Because the system only allows two decimal places, the total percentage of share capital has been rounded to 0.13%, the exact figure being 0,1264%.

(*) Through:

Name or company name of direct shareholder	Number of direct shares
No data	

Explain any significant changes during the year:

Explain any significant changes

The company's own shares are associated with the liquidity contract between the Company and Norbolsa, S.V., S.A, as a financial intermediary, dated 5 April 2022, which is referred to in the following section.

The changes in treasury shares in 2023 are the result of the normal operation of this liquidity contract, as periodically reported to the market in accordance with the regulations applicable to this transaction.

A.10. Provide a detailed description of the conditions and terms of the authority given to the Board of Directors to issue, repurchase, or dispose of treasury shares.

The CAF General Meeting held on 13 June 2020 resolved to authorise the derivative acquisition of CONSTRUCCIONES Y AUXILIAR DE FERROCARRILES, SA for five years and under the following terms: a) Acquisitions may be executed by CONSTRUCCIONES Y AUXILIAR DE FERROCARRILES, SA directly, or indirectly through its affiliates; b) Acquisitions shall be performed through purchase or exchange transactions or any others permitted by law; c) Acquisitions shall be performed, at each given time, up to the maximum amount provided by law; d) Acquisitions shall be performed at market price; e) Acquisitions performed within the scope of this authorisation shall fulfil the legal requirements in force; f) This authorisation shall be valid for a five-year term.

Within the framework of this delegation, the Board of Directors of CAF authorised the agreement of a liquidity contract. The market was informed of the signing of this agreement through an Other material disclosure to the CNMV on 26 April 2022, which remains current. In accordance with prevailing law and regulations, the Company reports quarterly to the CNMV on all transactions carried out under this contract. See the section above for more information on treasury shares.

A.11. Estimated floating capital:

	%
Estimated floating capital	47.56

A.12. Indicate whether there are any restrictions (articles of incorporation, legislative or of any other nature) placed on the transfer of shares and/or any restrictions on voting rights. In particular, indicate the existence of any type of restriction that may inhibit a takeover of the company through acquisition of its shares on the market, as well as such regimes for prior authorisation or notification that may be applicable, under sector regulations, to acquisitions or transfers of the company's financial instruments.

Yes
 No

A.13. Indicate whether the general shareholders' meeting has resolved to adopt measures to neutralise a takeover bid by virtue of the provisions of Law 6/2007.

Yes
 No

If so, explain the measures approved and the terms under which such limitations would cease to apply:

A.14. Indicate whether the company has issued shares that are not traded on a regulated EU market.

Yes
 No

If so, indicate each share class and the rights and obligations conferred.

B. GENERAL SHAREHOLDERS' MEETING

B.1. Indicate whether there are any differences between the minimum quorum regime established by the Spanish Corporate Enterprises Act for General Shareholders' Meetings and the quorum set by the company, and if so give details.

Yes
 No

B.2. Indicate whether there are any differences between the company's manner of adopting corporate resolutions and the regime provided in the Spanish Corporate Enterprises Act and, if so, give details:

[] Yes
[v] No

B.3. Indicate the rules for amending the company's articles of incorporation. In particular, indicate the majorities required for amendment of the articles of incorporation and any provisions in place to protect shareholders' rights in the event of amendments to the articles of incorporation.

The regime for modifying the Company's Bylaws does not differ from the provisions of Articles 285 et seq of the Consolidated Text of the Spanish Corporate Enterprises Act, approved by Royal Legislative Decree 1/2010 of 2 July, which require the approval of the General Shareholders' Meeting with the majorities indicated in Articles 194 and 201 of that Law.

Thus, article 13 of the Bylaws, in its ninth section, attributes to the General Meeting the power to agree to modify them. Article 20 sets down that the adoption of resolutions on the issue of bonds that are convertible into shares or bonds that attribute a share in Company earnings to bondholders; capital increases and reductions; the removal or limitation of pre-emptive rights to acquire new shares; the conversion, merger or spin-off or the global assignment of the Company's assets and liabilities or the transfer of its registered office abroad, and, in general, any amendment to the Bylaws, shall require that the shareholders present or represented at first call hold at least 50% of the subscribed share capital with voting rights. On second call, the attendance of shareholders accounting for 25% of the share capital will be sufficient. When shareholders representing 25% or more of the subscribed capital with voting rights but less than 50% attend the second call, such resolutions may only be validly adopted with the vote of two-thirds of the capital present or represented at the Meeting. Further, in compliance with the provisions of Article 286 of the Spanish Corporate Enterprises Act, when the annual or extraordinary General Meeting has to resolve on the modification of the Bylaws, the notice of call must, with due clarity, express the matters to be modified and the rights of every shareholder to examine, at the registered office, the full text of the proposed modification and the report thereon, as well as to request that these documents be delivered or sent to them (Article 16 of the Company's Bylaws).

Article 21 of the Company's Bylaws establishes that shareholders that hold one thousand or more Company shares may attend the General Shareholders' Meeting in person or remotely and take part in its deliberations, with the right to speak and vote. In order to exercise their right to attend, shareholders must have the shares registered in their name in the corresponding book entry register five days prior to the day on which the General Shareholders' Meeting is to be held. Shareholders owning fewer shares may group together and grant their proxy to another shareholder in order to reach one thousand or more shares. Any shareholder entitled to attend may be represented at the General Shareholders' Meeting by another person, even if that person is not a shareholder.

B.4. Give details of attendance at General Shareholders' Meetings held during the reporting year and the two previous years:

Date of General Meeting	Attendance data				Total
	% physical presence	% present by proxy	% distance voting Electronic voting	Other	
05/06/2021	40.80	28.23	7.00	2.14	78.17
Of which, free float:	0.00	25.62	2.00	2.14	29.76
11/06/2022	40.32	25.47	8.90	1.18	75.87
Of which, free float:	0.00	22.46	3.90	1.18	27.54
10/06/2023	43.49	23.40	8.18	1.61	76.68
Of which, free float:	0.15	23.40	3.00	1.61	28.16

B.5. Indicate whether any point on the agenda of the General Shareholders' Meetings during the year was not approved by the shareholders for any reason.

Yes
 No

B.6. Indicate whether the articles of incorporation contain any restrictions requiring a minimum number of shares to attend General Shareholders' Meetings, or to vote remotely:

Yes
 No

Number of shares required to attend General Meetings	1,000
Number of shares required for voting remotely	1

B.7. Indicate whether it has been established that certain decisions, other than those established by law, entailing an acquisition, disposal or contribution to another company of essential assets or other similar corporate transactions must be submitted for approval to the General Shareholders' Meeting.

Yes
 No

B.8. Indicate the address and manner of access on the company's website to information on corporate governance and other information regarding General Shareholders' Meetings that must be made available to shareholders through the company website.

The corporate information is available in the "Shareholders and investors" section of the corporate website (www.caf.net) at <https://www.caf.net/es/accionistas-inversores/informacion-general/index.php>.

This link includes, in a structured way, the information required by the LSC, Law 6/2023, of March 17, on Securities Markets and Investment Services, and Circular 3/2015, of 23 of June, of the National Securities Market Commission, on technical and legal specifications and information that must be contained on the websites of listed corporations and savings banks that issue securities admitted to trading in official secondary securities markets, as well as that provided for in Recommendation 18 of the CGG.

In addition to the current corporate bylaws, the Corporate Governance subsection contains the most important information on this matter (including the Regulations of the General Meeting of Shareholders, Regulations of the Board of Directors, the Company's Internal Code of Conduct within the sphere of Securities Markets, membership of the Board of Directors and its committees and publicly-available information on the directors, Annual Corporate Governance Report and Annual Report on Directors' Compensation, the Company's Corporate Policies, other Regulations and Codes, Reports on the operation of the committees, Report on the Auditor's Independence, Reports on the Modern Slavery Act, the Sustainability Report and Internal Information System Report).

In addition, the "General Shareholders' Meeting" subsection contains all the information that the Company makes available to shareholders ahead of the General Shareholders' Meeting, including the announcement of the agenda and call, the motions to be voted on, the documents to be laid before the General Shareholders' Meeting for approval, the procedures and channels in place for exercising the rights of information, attendance, granting of proxies and remote attendance, requesting further information and clarifications and obtaining information on the business discussed at the meeting and the resolutions passed after the General Meeting has finished. Information is likewise provided on meeting announcements, motions, available documentation and resolutions adopted at General Meetings held in previous years.

In addition, in compliance with Article 539.2 of the Spanish Corporate Enterprises Act, at the same time as the call to each general meeting, direct access to the Electronic Shareholders Forum is enabled to allow for communication among shareholders regarding the call and the meeting itself.

The corporate website provides further information on these matters in both Spanish and English.

C. STRUCTURE OF THE COMPANY'S ADMINISTRATION

C.1. Board of Directors

C.1.1 Maximum and minimum number of directors established in the articles of incorporation and the number set by the general meeting:

Maximum number of directors	15
Minimum number of directors	7
Number of directors set by the general meeting	11

C.1.2 Complete the following table on Board members:

Name of director	Natural person representative	Category	Position on the Board	Date first appointed to Board	Last re-election date	Method of selection to Board
MR. ANDRÉS ARIZKORRETA GARCÍA		Other external	CHAIRMAN	26/12/1991	11/06/2022	AGREEMENT GENERAL SHAREHOLDERS' MEETING
MR. JAVIER MARTÍNEZ OJINAGA		Executive	DIRECTOR	13/06/2015	10/06/2023	AGREEMENT GENERAL SHAREHOLDERS' MEETING
MR. JUAN JOSÉ ARRIETA SUDUPE		Other external	DIRECTOR	07/06/2008	11/06/2022	AGREEMENT GENERAL SHAREHOLDERS' MEETING
MR. LUIS MIGUEL ARCONADA ECHARRI		Other external	DIRECTOR	29/01/1992	11/06/2022	AGREEMENT GENERAL SHAREHOLDERS' MEETING
MS. CARMEN ALLO PÉREZ		Independent	DIRECTOR	11/06/2016	13/06/2020	AGREEMENT GENERAL SHAREHOLDERS' MEETING
MR. JULIÁN GRACIA PALACÍN		Independent	DIRECTOR	10/06/2017	05/06/2021	AGREEMENT GENERAL SHAREHOLDERS' MEETING

Name or company name of director	Natural person representative	Category	Position on the Board	Date first appointed to Board	Last re-election date	Method of selection to Board
MS. BEGOÑA BELTRAN DE HEREDIA VILLA		Independent	DIRECTOR	24/02/2023	10/06/2023	AGREEMENT GENERAL SHAREHOLDERS' MEETING
MR. IGNACIO CAMARERO GARCÍA		Independent	DIRECTOR	15/06/2019	15/06/2019	AGREEMENT GENERAL SHAREHOLDERS' MEETING
MS. MARTA BAZTARRICA LIZARBE		Executive	SECRETARY DIRECTOR	22/01/2016	13/06/2020	AGREEMENT GENERAL SHAREHOLDERS' MEETING
MS. IDOIA ZENARRUTZABE BELDARRAIN	ITIA	Proprietary	DIRECTOR	13/06/2020	13/06/2020	AGREEMENT GENERAL SHAREHOLDERS' MEETING
MR. MANUEL DOMÍNGUEZ DE LA MAZA		Proprietary Director	DIRECTOR	13/06/2020	13/06/2020	AGREEMENT GENERAL SHAREHOLDERS' MEETING

Total number of directors	11
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Indicate any cessations, whether through resignation or by resolution of the general meeting, that have taken place in the Board of Directors during the reporting period:

Name or company name of director	Type of director at time of leaving	Date of last appointment	Date director left	Specialist committees of which they were a member	Indicate whether the director left before the end of their term
No data					

Reason for cessation when this occurs before the end of the term of office and other observations; information on whether the director has sent a letter to the remaining members of the board and, in the case of cessation of nonexecutive directors, explanation or opinion of the director dismissed by the general meeting.

There were no resignations from the Board of Directors in the reporting period. However, there have been some changes to its composition. These are set out in the subsequent sections of this report.

C.1.3 Complete the following tables on the members of the Board and their categories:

EXECUTIVE DIRECTORS		
Name of director	Post in organisational chart of the company	Profile
MR. JAVIER MARTÍNEZ OJINAGA	Executive Director	Lawyer and Economist from Deusto University, holds an MBA from the University of Glasgow. He has developed his professional career in companies within the electric sector as well as in project management and interim management. He is Chairman of CIC Nanogune and a member of the Governing Council of Asociación para el Progreso de la Dirección (APD). He was appointed Chief Executive Officer, replacing Mr. Andrés Arizkorreta, on 29 April 2021, effective 1 September 2021.
MS. MARTA BAZTARRICA LIZARBE	Director – Secretary of the Board	Holds a Degree in Law and in Economic and Business Sciences from Comillas Pontifical University (ICADE E-3) and an Executive Master Degree in Business Administration from ICADE business school. She is the Group's Chief Legal and Compliance Officer and is also secretary to the Board of Directors of CAF and its Committees

Total number of executive directors	2
Percentage of Board	18.18

EXTERNAL PROPRIETARY DIRECTORS		
Name of director	Name or company name of the significant shareholder represented by the director or that nominated the director	Profile
MS. IDOIA ZENARRUTZABEITIA BELDARRAIN	KUTXABANK, SA	Degree in Law from the University of Deusto. She has held, among others, the positions of Deputy in the Basque Parliament and Vicelehendakari, as well as Vice-President and Councilor of Finance and Public Administration of the Basque Government. She has been a Director of the National Energy Commission and the National Commission on Markets and Competition. She is currently a member of the Board of Trustees of various voluntary social welfare entities of BBK.
MR. MANUEL DOMÍNGUEZ DE LA MAZA	INDUMENTA PUERI, SL	Holds a degree in Economics from Universidad de Málaga and holds an MBA from IESE as well as a Master's Degree in Leadership from Columbia University, among other post-graduate studies. Most of his professional career has been spent in Mayoral Moda Infantil, SA, where he has held the position of General Manager since 2007.

Total number of proprietary directors	2
Percentage of Board	18.18

INDEPENDENT EXTERNAL DIRECTORS	
Name or company name of director	Profile
MR. JULIÁN GRACIA PALACÍN	Industrial engineer and MBA from ICADE. He has spent his professional career in the telecommunications, logistics and consulting sectors, where he has held various senior executive positions. He is the Chairman of CAF's Nomination and Remuneration Committee.
MS. BEGOÑA BELTRAN DE HEREDIA VILLA	Holds a degree in Economics and Business Studies from Deusto University. She has pursued her career in leading audit and law firms. She is a Chartered Accountant and member of the Official Registry of Account Auditors. She was an independent director of Solarpack Corporación Tecnológica S.A., where she chaired the Audit and Compliance Committee and the Nomination and Remuneration Committee at different times. She is chair of CAF's Audit Committee.
MS. CARMEN ALLO PÉREZ	Graduate in Exact Science and holder of a Master's Degree in Business Management from the IE. Most of her professional career has been spent in the financial industry, occupying various management positions. He is a member of CAF's Audit Committee. She holds the position of Independent Director and President of the Audit Committee of eDreams ODIGEO. She is Chairwoman of the Investment Committee of Crisae Private Debt S.L.U. and Associate Professor at IE. She is an independent director of "SAREB". She is Chairwoman of its Audit Committee and member of its Nomination and Remuneration Committee.
MR. IGNACIO CAMARERO GARCÍA	Graduate in Physics from Universidad de Valladolid. During his professional career he has worked in the Telecommunications and Information Technology industries, and held various senior executive positions. He is a member of CAF's Nomination and Remuneration Committee.

Total number of independent directors	4
Percentage of Board	36.36

Indicate whether any director classified as independent receives from the company or any company in its group any amount or benefit other than remuneration as a director, or has or has had a business relationship with the company or any company in its group during the past year, whether in his or her own name or as a significant shareholder, director or senior executive of a company that has or has had such a relationship.

If so, include a reasoned statement by the Board explaining why it believes that the director in question can perform his or her duties as an independent director.

Name of director	Description of the relationship	Reasoned statement
No data		

OTHER EXTERNAL DIRECTORS

Identify the other external directors, indicate the reasons why they cannot be considered either proprietary or independent, and detail their ties with the company or its management or shareholders:

Name of director	Reasons	Company, director or shareholder to whom the director is related	Profile
MR. ANDRÉS ARIZKORRETA GARCÍA	Mr. Andrés Arizkorreta held the position of Chief Executive Officer of the Company until 1 September 2021, so he cannot be classified as an independent director, in accordance with the provisions of article 529 duodecies of the LSC.	CONSTRUCCIONES Y AUXILIAR DE FERROCARRILES, SA	<p>Holds a degree in Economics and Business Administration from Deusto University and has spent his entire professional life at CAF, where he was appointed General Manager of the company in 1992. From 2006 until 1 September 2021 he was the Company's Chief Executive Officer. From that date forward, he has been the non-executive Chairman of the Board of Directors.</p> <p>He is an independent director and member of the Audit Committee and the Nomination, Remuneration and Sustainability Committee of Viscofan, S.A. He is also Chairmam of the Basque Businessmen's Circle.</p>
MR. LUIS MIGUEL ARCONADA ECHARRI	Mr. Luis Miguel Arconada Echarrri has been a Director for a continuous period of more than twelve years. Therefore, in accordance with the provisions of article 529 duodecies of the LSC, he cannot be classified as an independent director.	CONSTRUCCIONES Y AUXILIAR DE FERROCARRILES, SA	<p>Mr. Luis Arconada has extensive experience and knowledge in the corporate and business sector. He is also well renowned in various social and economic circles, due to his success in the sports world. He is a member of the Company's Nomination and Remuneration Committee.</p>
MR. JUAN JOSÉ ARRIETA SUDUPE	Mr. Juan José Arrieta Sudupe has been a director for a continuous period of more than 12 years. Therefore, in accordance with Article 529 dudodecies of the LSC, he cannot be classified as an independent director.	CONSTRUCCIONES Y AUXILIAR DE FERROCARRILES, SA	<p>He holds a doctorate in Economics and Business Studies from Deusto University. He has extensive experience in management of financial institutions and leading business schools. He is a member of the Strategy Committee of the Technological Centre at the University of Navarre. He is also a director</p>

OTHER EXTERNAL DIRECTORS			
Identify the other external directors, indicate the reasons why they cannot be considered either proprietary or independent, and detail their ties with the company or its management or shareholders:			
Name of director	Reasons	Company, director or shareholder to whom the director is related	Profile
			and member of the Elkargi Executive Committee. He is a member of the Company's Audit Committee.

Total number of other external directors	3
Percentage of Board	27.27

Indicate any changes that have occurred during the period in each director category:

Name of director	Date of change	Previous status	Current status
No data			

C.1.4 Complete the following table with information relating to the number of female directors at the close of the past four years, as well as the category of each one:

	Number of female directors				% of directors for each category			
	2023	2022	2021	2020	2023	2022	2021	2020
Executive	1	1	1	1	50.00	50.00	50.00	50.00
Proprietary	1	1	1	1	50.00	50.00	50.00	50.00
Independent	2	1	2	2	50.00	33.33	50.00	40.00
Other External					0.00	0.00	0.00	0.00
Total	4	3	4	4	36.36	30.00	36.36	36.36

Following the appointment of Ms. Begoña Beltrán de Heredia to the Board of Directors in the reporting period to fill an existing vacancy, the Board has eleven members. The appointment of Ms Beltrán de Heredia has made it possible to increase both the number of women and the number of independent directors on the Board of Directors, as will be explained later in this report.

C.1.5 Indicate whether the company has diversity policies in relation to its Board of Directors on such questions as age, gender, disability, education and professional experience. Small and medium-sized enterprises, in accordance with the definition set out in the Spanish Auditing Act, will have to report at least the gender diversity policy that they have put in place.

- Yes
 No
 Partial policies

If so, describe these diversity policies, their objectives, the measures and the way in which they have been applied and their results over the year. Also indicate the specific measures adopted by the Board of Directors and the nomination and remuneration committee to achieve a balanced and diverse presence of directors.

If the company does not apply a diversity policy, explain the reasons why.

Description of policies, objectives, measures and how they have been applied, and results achieved

The Company has a specific Director Selection and Diversity Policy (the "Policy"), which is available to view on the corporate website: (https://www.caf.net/upload/accionista/POLITICA-DE-DIVERSIDAD-Y-DE-SELECCION-DE-CONSEJEROS-2020_en.pdf).

The Policy is intended to ensure that any proposals for the appointment and re-election of CAF directors are based on a prior needs assessment of the Board of Directors, as well as to enrich the diversity of knowledge, experience, age and gender of the Board members by following criteria that ensures adequate diversity among the members and the absence of any implicit biases that may lead to discrimination based on age, gender, disability or any other personal circumstance or situation.

The Policy establishes that it is the responsibility of the Board to ensure that the director selection procedures meet these objectives and, in particular, that they facilitate the selection of female directors in a number that allows for a balance between women and men to be achieved.

The aim is to ensure that the Board of Directors and its committees have a balanced composition that enriches decision-making and contributes a diversity of points of view, with full compliance with the suitability requirements, both individual and joint, of these bodies.

In this respect, criteria aimed at ensuring diversity on the Board of Directors serve as an important element in analysing the needs of the Board of Directors when it comes to the selection of directors. This is achieved by using the Board's competences matrix, which the Nomination and Remuneration Committee regularly updates.

Diversity criteria may influence the selection of board members when the assurance of a diverse membership is required so as to benefit the Company by offering a broad range of experiences and perspectives that add value in the decision-making processes of the Board of Directors.

Notably, the Policy sets out diversity criteria in relation to the following categories: (i) Training and work experience, (ii) Age, (iii) Disability, and (iv) Gender (see Section 4 of the Policy).

The Regulations of the Nomination and Remuneration Committee attribute to this Committee the function of annually verifying compliance with the Diversity and Director Selection Policy, reporting on this in the annual corporate governance report.

In 2023, the Board of Directors proposed the reappointment of Javier Martínez Ojinaga as executive director of the company to the General Shareholders' Meeting, together with ratification of the appointment by co-option of Begoña Beltrán de Heredia Villa to fill the vacancy on the Board on 24 February 2023, and her appointment as independent director, following a recommendation from the Nomination and Remuneration Committee.

These reappointment and appointment ratification processes complied strictly with the provisions of the Policy, both in relation to the diversity criteria and in terms of the conditions the candidates must meet in terms of good reputation, suitability, recognised solvency, competence, experience, training, qualifications, dedication and commitment to the role of director.

Both proposed agreements were approved by the Board with sufficient majorities.

As of the date of issuance of this report, the Board of Directors is made up of eleven members. Its composition is reasonably balanced, with its members being highly qualified and offering extensive professional experience, enriched with skills that are relevant to the Company. Its composition is consistent with the diversity objectives set out in the Policy.

As a fundamental tool for supervising the balance, diversity and quality of the Board, the Committee duly updated its competences matrix in 2023, submitting this tool for review to ensure its validity and alignment with the Company's strategy.

On 18 December 2023, the Nomination and Remuneration Committee issued its Annual Report verifying compliance with the Diversity and Director Selection Policy in that year. The conclusions presented were favourable, as explained in greater detail in Section C.1.7 of this report.

- C.1.6 Describe the measures, if any, agreed upon by the nomination committee to ensure that selection procedures do not contain hidden biases which impede the selection of female directors and that the company deliberately seeks and includes women who meet the target professional profile among potential candidates, making it possible to achieve a balance between men and women. Also indicate whether these measures include encouraging the company to have a significant number of women in executive positions:

Explanation of measures

CAF's Nomination and Remuneration Committee ensures that when covering new vacancies, the selection processes utilised are not implicitly impartial and do not hinder the selection of female directors, thus it includes women with the required profile among potential candidates and under the same conditions to achieve a balance between men and women. Article 3 of the Committee's Regulations also set out, as one of its duties, "Establishing a target level of representation of the gender with the lowest representation on the Board of Directors and issuing guidelines on how to achieve that target".

The Company's Diversity and Director Selection Policy sets out to ensure that the number of female directors should represent at all times the percentage of the total number of members of the Board of Directors established by the good governance recommendations or, where applicable, by law.

This objective has resulted in significant progress in recent years in terms of the presence of women on the Board of Directors. Thus, from 2017 to 2020, CAF continuously met the target of achieving at least 30% of women on its Board, as established for 2020 under Recommendation No 14 of the Code of Good Governance (CGG) of Listed Companies. In 2020, the percentage of women on the Board of Directors increased to 36.36%, approaching the 40% that the revised version of the CGG recommended should be achieved before the end of 2022. This percentage remained the same until June 2022, when it temporarily fell to 30% when a vacancy arose on the Board of Directors.

Being aware of the need to restore the balance of women on the Board as quickly as possible, the Nomination and Remuneration Committee began the selection process for an independent candidate to recommend to the Board in 2022. This resulted in the appointment by co-option of Ms. Begoña Beltrán de Heredia on 24 February 2023. This appointment was ratified by the General Shareholders' Meeting held on 10 June 2023, returning the ratio of women on the Board to 36.36%, as it remains at the date of issue of this report.

Since joining the Board of Directors, Ms Beltrán de Heredia became part of the Audit Committee, being appointed Chairwoman of the same on October 4, 2023.

CAF will take into account and follow up on the diversity criteria defined in the CGG and in the Spanish regulations currently being processed when they are finally approved.

As regards senior executives, the Company maintains a clear commitment to equality objectives that promote the creation of mechanisms that facilitate the access of all available talent to managerial positions, irrespective of their gender. In this regard, it should be noted that the Group's Legal and Compliance Department is led by a woman who is an executive director and Secretary to the Board. Additionally, the head of Internal Audit is a woman.

The Company is also seeking to include more women on the management committees of the Group's business units and at various subsidiaries, having made significant progress in recent years.

If in spite of any measures adopted there are few or no female directors or senior managers, explain the reasons for this:

Explanation of reasons

CAF promotes equality in the selection and promotion processes, and is advancing in the implementation of measures that ensure a balanced representation of women and men at the various levels within the organisation.

As explained in the previous sections, the Company has made generalised progress in incorporating women onto the Board of Directors, on which the number of female directors increased in the reporting period, as described in previous sections, and into management positions in the organisation.

As provided for in CAF's Code of Conduct, Sustainability Policy and Diversity and Director Selection Policy, the Company is committed to respecting diversity and the right to equal treatment between women and men.

To this end, the Group, under the leadership of the Human Resources Department, actively promotes the absence of all discrimination, direct or indirect, especially on grounds of gender, as well as equal opportunities, through internal policies and strategies.

In turn, the Collective Agreement of CAF, S.A. states its aim to encourage women's access to employment and supports the effective application of the principle of equality and absence of discrimination in working conditions between women and men.

Also, the existence of an Equality Committee in the Company should be noted, which is responsible for the implementation and monitoring of equality plans and, in particular, of annually supervising the equality indicators in the personnel selection and promotion processes.

In view of all of the above, the measures that have been implemented will foreseeably lead to a progressive increase in the number of women in executive positions at the Group in the coming years.

C.1.7 Explain the conclusions of the nomination committee regarding verification of compliance with the policy aimed at promoting an appropriate composition of the Board of Directors.

On December 18, 2023, the Nomination and Remuneration Committee issued its Annual Report on verification of compliance with the Director Selection and Diversity Policy in said year.

This report monitors the application of the aforementioned Policy in the re-appointment and the ratification and appointment of the directors Mr. Javier Martínez Ojinaga and Ms. Begoña Beltrán de Heredia Villa as executive and independent directors, respectively, of the company, which were approved by the General Shareholders' Meeting on 10 June. The report concludes that the provisions had been met in relation to the diversity criteria in hiring and the conditions the candidates must meet in terms of good reputation, solvency, competence, experience, training, qualifications, dedication and commitment to the role of Director.

In particular, the report confirmed that the proposals for the re-election and ratification of the appointment of these Directors, respectively, were based on an analysis of the needs of the Board, in accordance with the competences matrix, with the aim of promoting diversity in a broad sense, in terms of gender and experience, knowledge, age, length of service of directors, among other aspects, as an essential factor for achieving their objectives from a plural and balanced standpoint. As a result of these analyses, the Board of Directors and the Nomination and Remuneration Committee both considered that the presence of the candidates on the Board and, in the case of Ms Beltrán de Heredia, the Audit Committee would reinforce the existing diversity and balance in the composition of these bodies by contributing their extensive knowledge and experience in areas of value to the Company.

Of the eleven members that currently make up the Board, two are classified as executive directors, two as proprietary directors, four as independent directors and another three as other external directors. Four of the members of the Board are women, in line, therefore, with Directive (EU) 2022/2381, of November 23, 2022, relating to a better gender balance among the directors of listed companies.

Therefore, CAF's Nomination and Remuneration Committee concluded that the Director Diversity and Selection Policy had been satisfactorily complied with in the financial year under review, and informed the Board of this decision at its meeting on 19 December 2023.

Notwithstanding the above, the Committee has stated it will monitor progress with the implementation of the new gender-balance requirements set down in Spanish regulations, in addition to good governance best practices and recommendations.

C.1.8 If applicable, explain the reasons for the appointment of any proprietary directors at the request of shareholders with less than a 3% equity interest:

Name or company name of shareholder	Reason
No data	

Detail any failure to address formal requests for Board representation from shareholders with ownership interests equal to or exceeding those of others at whose request proprietary directors were appointed. If so, explain the reasons why the request was not entertained:

Yes

No

C.1.9 Indicate the powers, if any, delegated by the Board of Directors, including those relating to the option of issuing or re-purchasing shares, to directors or board committees.

Name of director	Brief description
MR. JAVIER MARTÍNEZ OJINAGA	Delegation of all Board powers, pursuant to the law and the Company's Bylaws except for those which the law stipulates that cannot be delegated.

C.1.10 Identify any members of the Board who are also directors, representatives of directors or managers in other companies forming part of the listed company's group:

Name of director	Name of group member	Position	Does the director have executive powers?
MR. JAVIER MARTÍNEZ OJINAGA	CAF ARGELIA EURL	Sole Director	YES
MR. JAVIER MARTÍNEZ OJINAGA	CAF CHILE, SA	Chairman	NO
MR. JAVIER MARTÍNEZ OJINAGA	CAF DEUTSCHLAND GmbH	Sole Director	YES
MR. JAVIER MARTÍNEZ OJINAGA	CAF FRANCE SAS	Chairman	YES
MR. JAVIER MARTÍNEZ OJINAGA	CAF INDIA PRIVATE LTD	Executive Director	YES
MR. JAVIER MARTÍNEZ OJINAGA	CAF NEW ZEALAND LIMITED	Joint Director	YES
MR. JAVIER MARTÍNEZ OJINAGA	CAF RAIL AUSTRALIA PTY LTD	Executive Director	YES
MR. JAVIER MARTÍNEZ OJINAGA	CAF SISTEME FERROVIARE, SRL	Sole Director	YES
MR. JAVIER MARTÍNEZ OJINAGA	CONSTRUCCIONES Y AUXILIAR DE FERROCARRILES, CAF COLOMBIA S.A.S.	Sole Director	YES
MR. JAVIER MARTÍNEZ OJINAGA	CAF INVESTMENT PROJECTS, S.A.U.	Joint Director	YES
MR. JAVIER MARTÍNEZ OJINAGA	TRENES CAF VENEZUELA, C.A.	Sole Director	YES
MR. JAVIER MARTÍNEZ OJINAGA	CAF HUNGARY Korlátolt Felelősségű Társaság	Sole Director	YES
MR. JAVIER MARTÍNEZ OJINAGA	CAF NETHERLANDS BV	Sole Director	YES
MR. JAVIER MARTÍNEZ OJINAGA	CAF BELGIUM, SPRL	Sole Director	YES
MR. JAVIER MARTÍNEZ OJINAGA	CAF NORWAY AS	Sole Director	YES
MR. JAVIER MARTÍNEZ OJINAGA	CAF PORTUGAL UNIPessoal LDA.	Sole Director	YES
MR. JAVIER MARTÍNEZ OJINAGA	CAF ITALIA SRL	Sole Director	YES

Name of director	Name of group member	Position	Does the director have executive powers?
MR. JAVIER MARTÍNEZ OJINAGA	CAF MÉXICO SA de CV	Sole Director	YES
MR. JAVIER MARTÍNEZ OJINAGA	CAF USA Inc.	Chairman	YES
MR. JAVIER MARTÍNEZ OJINAGA	CAF POLSKA sp. zoo	Chairman	YES
MR. JAVIER MARTÍNEZ OJINAGA	SOLARIS BUS & COACH sp. z.o.o.	Chairman of the Supervisory Board	NO
MR. JAVIER MARTÍNEZ OJINAGA	Myanmar CAF Limited	Sole Director	YES
MR. JAVIER MARTÍNEZ OJINAGA	CAF Rail Philippines Inc	Chairman	YES
MR. JAVIER MARTÍNEZ OJINAGA	CAF Greece Single Member S.A.	Sole Director	YES
MR. JAVIER MARTÍNEZ OJINAGA	CAF Canada Inc.	Sole Director	YES

C.1.11 List the positions of director, administrator or director, or their representative, held by the directors or representatives of directors who are members of the company's board of directors in other entities, whether or not they are listed companies:

Identity of the director or representative	Company name of the listed or non-listed entity	Position
MR. ANDRÉS ARIZKORRETA GARCÍA	Círculo de Empresarios Vascos	CHAIRMAN
MR. ANDRÉS ARIZKORRETA GARCÍA	VISCOFAN, SA	DIRECTOR
MR. JAVIER MARTÍNEZ OJINAGA	CIC NANOGUNE Cooperative Research Center	CHAIRMAN
MS. CARMEN ALLO PÉREZ	eDreams ODIGEO, S.A.	DIRECTOR
MS. CARMEN ALLO PÉREZ	Sociedad de Gestión de Activos Procedentes de la Reestructuración Bancaria, Sociedad Anónima ("SAREB")	DIRECTOR
MR. JUAN JOSÉ ARRIETA SUDUPE	Elkargi	DIRECTOR
MR. MANUEL DOMÍNGUEZ DE LA MAZA	INDUMENTA PUERI, SL	DIRECTOR

To the extent that the CNMV electronic document does not allow information on membership in specialised committees of Boards of Directors to be included in the previous table, the following is specified:

- Mr Andrés Arizkorreta García is a member of the Audit Committee and the Nomination, Remuneration and Sustainability Committee of VISCOFAN, S.A.
- Ms Carmen Allo Pérez is the Chairwoman of the Audit Committee of eDreams ODIGEO, S.A., chair of the Audit Committee and a member of the Appointment and Remuneration Committee of Sociedad de Gestión de Activos Procedentes de la Reestructuración Bancaria, Sociedad Anónima ("SAREB").

- Mr. Juan José Arrieta Sudupe is a member of the Executive Committee of Elkargi.

Likewise, given that the same document does not allow the identification of the titles of specific positions of certain foundations and other entities, the following information is added:

- Mr Javier Martínez Ojinaga is a member of the Governing Board of the Association for Management Progress (APD).
- Mr Juan José Arrieta Sudupe is a member of the Strategic Commission of the Technology Center of the University of Navarra (CEIT).
- Ms Idoia Zenarrutabeitia Beldarrain is a member of the Board of Trustees of the following Voluntary Social Welfare Entities (E.P.S.V.): E.P.S.V ZAINITZA, E.P.S.V. HAZIA and E.P.S.V GAUZATU.

As the form does not allow users to select executive positions, please note that Mr Manuel Domínguez de la Maza is General Manager of Mayoral Moda Infantil, SAU, in addition to holding the position indicated in the above table.

Of the positions identified in Section C.1.11, the following are remunerated:

- Mr Andrés Arizkorreta García: The positions held by Mr Arizkorreta in VISCOFAN, SA are remunerated.
- Ms Carmen Allo Pérez: The positions indicated in this section are remunerated.
- Mr Juan José Arrieta Sudupe: The position at Elkargi is remunerated.
- Mr Manuel Domínguez de la Maza: The positions indicated in this section are remunerated.

Indicate, where appropriate, the other remunerated activities of the directors or directors' representatives, whatever their nature, other than those indicated in the previous table.

Identity of the director or representative	Other paid activities
MS. CARMEN ALLO PÉREZ	• President of the Investment Committee of Crisae Private Debt S.L.U. (debt fund investee of Banco Sabadell). • Associate Professor at the Instituto de Empresa business school.

C.1.12 C.1.12 Indicate whether the company has established rules on the maximum number of company boards on which its directors may sit, explaining if necessary and identifying where this is regulated, if applicable:

- Yes
 No

Explanation of the rules and identification of the document where it is regulated

Article 23.2.b) of the Regulations of the Board of Directors states that no director shall belong simultaneously to more than four Boards of Directors in listed companies other than the Company or its group.

C.1.13 Indicate the remuneration received by the Board of Directors as a whole for the following items:

Remuneration accruing in favour of the Board of Directors in the financial year (thousands of euros)	2,684
Funds accumulated by current directors for long-term savings systems with consolidated economic rights (thousands of euros)	
Funds accumulated by current directors for long-term savings systems with unconsolidated economic rights (thousands of euros)	1,035
Pension rights accumulated by former directors (thousands of euros)	

C.1.14 Identify members of senior management who are not also executive directors and indicate their total remuneration accrued during the year:

Name	Position
MR. JOSU IMAZ MURGUIONDO	GENERAL CHIEF OF VEHICLES
MR. IBON GARCÍA NEILL	DIRECTOR OF RAILWAY SERVICES
MR. URTZI MONTALVO IBARGOYEN	DIRECTOR OF INTEGRAL SOLUTIONS AND SYSTEMS
MR. AITOR GALARZA RODRÍGUEZ	CHIEF ECONOMIC-FINANCIAL AND STRATEGY OFFICER
MR. JESUS MARÍA IBARBIA IRIONDO	DIRECTOR OF TECHNOLOGY
MR. GORKA ZABALEGI AGINAGA	CHIEF HUMAN RESOURCES OFFICER
MS. IRUNE LÓPEZ FERNÁNDEZ	INTERNAL AUDITOR

Number of women in executive positions	1
Women as a percentage of the total executive positions	14.28
Total remuneration of senior management (thousands of euros)	2,392

C.1.15 Indicate whether the Board regulations were amended during the year:

- Yes
 No

C.1.16 Specify the procedures for selection, appointment, re-election and removal of directors. List the competent bodies, steps to follow and criteria applied in each procedure.

The Board of Directors shall be composed of no less than seven and no more than fifteen members freely appointed by the General Shareholders' Meeting or, in the case of early vacancy, by the same Board through co-option. The director does not need to be a shareholder. The prohibitions and incompatibilities established by law will apply (Article 29 of the Company's Bylaws). Should a vacancy occur during the period the Directors were appointed, the Board of Directors may cover them until the first General Meeting is held. Should the vacancy take place once the General Meeting has been called but before it is held, the Board of Directors may appoint a director until the following General Meeting is held. Should the vacancy be for the position of Chairman or Chief Executive Officer, the Board of Directors may cover the vacancies and temporarily appoint a Chairman. The Board may also appoint a Chief Executive Officer with the favourable vote of two thirds of its members. These appointments shall be fully effective until the first General Shareholders' Meeting (Article 33 of the Company's Bylaws). Furthermore, in the exercise of its powers to lay proposals before the General Meeting and of co-option in the case of vacancies, the Board shall ensure the balance of Board membership, with a broad majority of non-executive directors and an adequate proportion between proprietary and independent directors, with the latter representing at least one third of total Board membership (Article 7 of the Regulations of the Board of Directors). Any appointment or re-election proposal submitted by the Board of Directors to the General Meeting for approval and any nomination made by the Board by virtue of its powers of co-option must be preceded by the corresponding proposal from the Nomination and Remuneration Committee in the case of independent directors, and from the Board for all other director categories. The proposal shall be accompanied with an explanatory report issued by the Board of Directors, assessing the competence, experience and merits of the proposed candidate, to be attached to the General Meeting or Board of Directors' Meeting minutes. The proposal for the appointment or re-election of any non-independent director shall also be preceded by a report from Nomination and Remunerations Committee. When the Board departs from the proposals of the Nomination and Remuneration Committee, it must give reasons for its action and record these reasons in the minutes. (Article 15 of the Regulations of the Board of Directors).

With respect to the appointment of non-executive directors, the Board shall endeavour to ensure that candidates shall be selected from among persons recognised for their solvency, competence and experience, and extreme care shall be taken in respect of calls to fill independent director positions. Independent Directors will be considered those who, appointed based on their personal conditions and professional qualities, can discharge their functions without being influenced by relationships with the company or its group, significant shareholders or senior executives. No directors meeting the conditions provided for in Article 16.3 of the Regulations of the Board of Directors shall be considered independent directors. Proprietary directors are considered to be those who have a shareholding equal to or exceeding the level considered by law to be significant, or were appointed on the basis of their shareholder status, even though their shareholding does not reach the stipulated amount, and those who represent shareholders of the aforementioned parties. Proprietary Directors who lose such status

due to disposal of shares by the shareholder they represent may only be re-elected as independent directors once the shareholder they represented has sold all the remaining shares in the Company. Any director who has a shareholding in the company may hold the position of independent director, provided they satisfy all the conditions established in the article and, in addition, their ownership interest is not material (Article 16, Sections 4 and 5 of the Regulations of the Board of Directors).

The selection of candidates for directorships will be based on a prior analysis of the needs of the Company's Board of Directors, which must be carried out by the Nomination and Remuneration Committee. Taking into account the Board's competences matrix, the Nomination and Remuneration Committee will specify the profile and skills required from the new director and assess the suitability of each candidate. This Committee will keep a record of the evaluation carried out and the suitability of the candidate for the category to which he or she has been assigned in the minutes of the session in which the matter was discussed and, where applicable, in the report or proposal that the Committee must submit to the Board for the appointment or re-election of directors.

The Director Diversity and Selection Policy defines the conditions that candidates must meet, placing special emphasis on the fundamental objective of promoting diversity of knowledge, experience, age and gender among the members of the Board, applying criteria that ensure it is properly diversified and there are no implicit biases that could imply discrimination based on age, gender, disability, or any other condition of a personal nature. For further details, see Section C.1.5 of this report.

Continued in section H

C.1.17 Explain to what extent the annual evaluation of the Board has given rise to significant changes in its internal organisation and in the procedures applicable to its activities:

Description of amendments

The Board of Directors, on the basis of operating reports issued by the committees and the assessment report by the independent external consultant, the results of which were positive, has evaluated the performance of the Board and its committees in 2023 positively and verified that all Action Plans put in place for that year have been fulfilled.

Likewise, within the framework of the aforementioned evaluation process, the external consultant has recommended different improvement initiatives, although these do not lead to important changes in the internal organisation or in the procedures applicable to its activities.

Describe the evaluation process and the areas evaluated by the Board of Directors with or without the help of an external advisor, regarding the functioning and composition of the Board and its committees and any other area or aspect that has been evaluated.

Description of the evaluation process and evaluated areas

In accordance with the provisions of article 5.5 of the Regulations of the Board of Directors, the Board of Directors must carry out an annual evaluation of its functioning and that of its Committees and propose, based on its results, an action plan that corrects the detected deficiencies.

Following Recommendation 36 of the CGG, which provides for the intervention of an external consultant in the process every three years, in fiscal year 2023 the assistance of an evaluator has been required, whose independence has been verified by the Nomination and Remuneration Committee.

The external consultant examined the corporate documents published on the Company's website, including its Bylaws, the Regulations of the Board and its Committees, the Code of Conduct, corporate governance reports, reports prepared by the Committees, and the Company's policies, in addition to the minutes of meetings of the Board and its Committees. They examined over 150 items related to the functioning of the Board of Directors, monitoring of recommendations from the CGG, the technical guidance of the Audit Committees and the Nomination and Remuneration Committees, and adaptation to the current legal framework. They also interviewed all of the Directors.

With these premises, the following main areas have been analyzed separately:

- Board of directors:
- Size
- Directors' obligations
- Composition

Dedication of the Board Members
Gender Diversity Available
Information at their disposal
Board member selection policy
Board member remuneration
Information on Board members
Meetings of the Board
Termination of Board members
Operation of the Board Proprietary directors
Powers of the Board that cannot be delegated
Independent Board members
Work of the Board

• Audit Committee:

Composition
Functioning
Internal audit
External audit
Ethics hotline
Financial information
Structural Operations
Risk Control
Accounts without limitations or caveats

• Nomination and Remuneration Committee:

•
Composition Competencies
Selection of Board members
Succession Plan
Other functions

The Assessment Report, which concluded favourably, was presented to the Board of Directors at its meeting in December, where it was unanimously approved, together with the improvement initiatives identified.

C.1.18 Provide details, for years in which the evaluation was carried out with the help of an external advisor, of the business relationships that the external advisor or company in its group maintains with the company or any company in its group.

The external consultant engaged to evaluate the performance of the Board and its Committees during the period has not had any relations with the Company or any company in its Group, other than this evaluation service.

In the declaration of independence provided to the Company, the consultant confirmed they "have no commercial relationship with CAF, its board members or executives, and can, therefore, confirm their independence for the performance of the work for which they have been engaged."

C.1.19 Indicate the cases in which directors are obliged to resign.

Directors must tender their resignation to the Board of Directors and, if the latter sees fit, resign in the following cases: a) When the specific circumstances for which they were appointed, as the case may be, cease to exist and, in particular, proprietary directors must resign when the shareholder they represent sells its entire shareholding or diminishes it to a level that requires a reduction of the number of proprietary directors. b) If they are found to be in a situation of incompatibility due to a conflict of interest or any other legal reason. c) Should they be processed for any alleged crime or when subject to disciplinary measures for a serious or very serious breach as determined by the supervising authorities. d) When seriously reprimanded by the Nomination and Remuneration Committee for not upholding director obligations. e) When involved in a situation that creates a conflict of interest with the Company or violates the duty to provide information and abstain. f) When they breach the non-competition agreement.

The directors shall inform the Board and, where applicable, resign, when situations affecting them arise, that may or may not be related to the duties they discharge within the Company, that may harm its good name and reputation and, in particular, in the event of any criminal case in which they appear as the investigated party, or otherwise party to the proceedings. The Board of Directors, having been informed or having otherwise become apprised of any of the situations mentioned in the previous paragraph, will examine the case as soon as possible and, taking into account the specific circumstances, will decide, following a report from the Nomination and Remuneration Committee, the measures to be adopted. All of this will be disclosed in the Annual Corporate Governance Report, unless there are special justifying circumstances, which must be recorded in the minutes. The foregoing is without prejudice to the information that the Company must release, if required, at the time the corresponding measures are implemented. The Board of Directors shall not propose the removal of independent directors before the expiry of the

term for which they were appointed, as mandated by the Company's Bylaws, except where just cause is found by the Board of Directors, based on a proposal from the Nomination and Remuneration Committee. When a director resigns from their position before their tenure expires, they must sufficiently explain their reasons or, in the case of non-executive directors, their opinion on the reasons for removal by the General Shareholders' Meeting, in a letter sent to all members of the Board of Directors. (Article 18 of the Regulations of the Board of Directors).

C.1.20 Are qualified majorities other than those established by law required for any particular kind of decision?

- Yes
 No

If so, describe the differences.

C.1.21 Explain whether there are any specific requirements, other than those relating to directors, for being appointed as chairman of the Board of Directors.

- Yes
 No

C.1.22 Indicate whether the articles of incorporation or Board regulations establish any limit as to the age of directors:

- Yes
 No

C.1.23 Indicate whether the articles of incorporation or Board regulations establish any term limits for independent directors other than those required by law or any other additional requirements that are stricter than those provided by law:

- Yes
 No

C.1.24 Indicate whether the articles of incorporation or Board regulations establish specific rules for appointing other directors as proxy to vote in Board meetings, if so, the procedure for doing so and, in particular, the maximum number of proxies that a director may hold, as well as whether any limit has been established regarding the categories of director to whom votes may be delegated beyond the limits imposed by law. If so, provide a brief description of the rules.

Article 31 of the Company's Bylaws and Article 14 of the Regulation of the Board of Directors establish that directors shall make every effort to attend Board meetings and, when they cannot do so personally, may confer their representation to another director in writing addressed to the Board Chairman, with no restriction on the number of proxies that each director can hold for Board attendance, although a separate proxy must be granted for each meeting. Proxy may be granted in writing through any means and shall include the corresponding direction of the vote for each of the matters mentioned in the agenda.

These same rules also specify that non-executive directors may only confer their proxy on a fellow non-executive director.

C.1.25 Indicate the number of meetings held by the Board of Directors during the year. Also indicate, if applicable, the number of times the Board met without the chairman being present. Meetings where the chairman gave specific proxy instructions are to be counted as attended.

Number of board meetings	10
Number of board meetings held without the chairman's presence	0

Indicate the number of meetings held by the coordinating director with the other directors, where there was neither attendance nor representation of any executive director:

Number of meetings	0
--------------------	---

Indicate how many meetings of the various Board committees were held during the year:

Number of meetings held by the AUDIT COMMITTEE	8
Number of Meetings held by the NOMINATION AND REMUNERATION COMMITTEE	7

The Company does not have a Coordinating Director, as the positions of President and CEO are separated.

C.1.26 Indicate the number of meetings held by Board of Directors during the year and with member attendance data:

Number of meetings in situ of at least 80% of directors	10
Attendance in person as a % of total votes during the year	100.00
Number of meetings attended in person, or by proxies granted with specific instructions, by all the directors	10
% of votes cast by attendees or proxies granted with specific instructions, as % of the total votes during the year	100.00

C.1.27 Indicate whether the individual and consolidated financial statements submitted to the Board for issue are certified in advance:

Yes
 No

Identify, if applicable, the person(s) who certified the individual and consolidated financial statements of the company for issue by the Board:

Name	Position
MR. JAVIER MARTÍNEZ OJINAGA	Executive Director
MR. AITOR GALARZA RODRÍGUEZ	Chief Economic-Financial and Strategy Officer

C.1.28 Explain the mechanisms, if any, established by the Board of Directors to ensure that the financial statements it presents to the General Shareholders' Meeting are prepared in accordance with accounting regulations.

The Board of Directors will submit to the General Meeting the financial statements prepared in accordance with accounting legislation. In the event that the auditor includes any qualification, the Chair of the Audit Committee will clearly explain at the General Meeting the opinion of the Committee on its content and scope. Also, a summary of that opinion will be made available to shareholders at the time of publication of the call to the General Meeting, together with the other proposals and reports of the Board (Article 37 of the Board Regulations).

To this end, the separate and consolidated financial statements are subject to prior review by the Company's Audit Committee, which is assigned, inter alia, the responsibility of supervising and evaluating the preparation, presentation and completeness of the financial and

non-financial information relating to the Company and, where applicable, to the group, reviewing compliance with regulatory requirements, the adequate delimitation of the consolidation perimeter and the correct application of accounting criteria, and presenting recommendations or proposals to the Board of Directors, directed to safeguard its integrity (Article 3 of the Regulations of the Audit Committee). It is also the responsibility of the Audit Committee to collect information regularly from the auditors on the auditing process and in particular on any differences that may arise between the auditors and the Company's management. When the audit has been completed, the Committee shall review, along with the external auditor, any significant findings brought to light from these tasks, as well as the content of its mandatory reports. (Article 13 of the Audit Committee Regulations).

The financial statements for 2022 and previous years were approved by the Board of Directors without qualifications.

C.1.29 Is the secretary of the Board also a director?

- Yes
 No

If the secretary is not a director, complete the following table:

C.1.30 Indicate the specific mechanisms established by the company to safeguard the independence of the external auditors, and any mechanisms to safeguard the independence of financial analysts, investment banks and rating agencies, including how legal provisions have been implemented in practice.

Mechanisms to preserve the independence of external auditors:

In addition, according to the Company's Bylaws, the Audit and Compliance Committee is responsible for managing the relationships with the external auditors in order to gather information on matters that may call the auditor's independence into question, to be analysed by the Committee, as well as any other matters related to the auditing process, and any other disclosures set forth in accounting and auditing legislation and auditing standards. The Audit Committee must receive a statement from the external auditor, annually, affirming its independence in relation to the Company or companies directly or indirectly connected to such, as well as the information of any type of additional services rendered and corresponding fees received from these entities by the auditor, or by persons or entities associated to the latter, pursuant to the governing regulations concerning the undertaking of account auditing. Similarly, according to the Company's Bylaws, every year the Audit Committee is required to issue, prior to the issuance of the audit report, an annual report containing an opinion on the auditor's independence (Article 37 bis of the Company's Bylaws).

Pursuant to the foregoing, the Audit Committee has its own Regulations governing its nature, composition, functions, terms of reference and powers. Pursuant to these Regulations, the Audit Committee is responsible for the following functions linked to the external auditor and to preserve its independency: (i) submitting, to the Board of Directors, the proposals for the selection, appointment, reappointment and removal of the Company's external auditor, being responsible also for the selection process, pursuant to Article 16, paragraphs 2, 3, 5 and 17.5 of Regulation (EU) 537/2014 of 16 April, as well as his or her terms of employment, and regularly collecting information about the audit plan and its execution while also ensuring the external auditor's independence when carrying out its duties; (ii) Establish the pertinent relationships with the external auditors in order to receive information on any matters that might compromise their independence, for scrutiny by the Committee, and any other matters related to the financial audit process and, where appropriate, authorisation for services other than prohibited services, pursuant to Articles 5.4 and 6.2.b) of Regulation (EU) No 537/2014, of 16 April, and to Section 3 of Chapter IV of Title I of Spanish Audit Law 22/2015 of 20 July, on the independence regime, as well as any other communications provided for in audit legislation and standards. In any event, each year the external auditors will be required to furnish a statement of their independence with respect to the entity or entities related directly or indirectly to the Company, as well as detailed information on each of the additional services of any kind rendered and the related fees received from these entities by the external auditor or by any persons or entities related thereto, in accordance with Spanish audit legislation. (iii) Issue annually, prior to the issue of the auditor's report, a report expressing an opinion on whether the independence of the auditors or audit firms has been jeopardised. This report must contain a reasoned evaluation of each and every one of the aforementioned additional services rendered, as referred to in the previous point, taken on an individual basis and as a whole, other than statutory audit services and on the independence regime or on the audit regulations. In compliance with recommendation no. 6 of the CGG, the Company posts the report of the Audit Committee on the independence of the external auditor on its corporate website in due course ahead of the date of the General Shareholders' Meeting; (iv) Ensure that the remuneration of the external auditor for their work does not compromise their quality or independence, and also setting an indicative limit on the fees that the auditor may receive annually for non-audit services. (vi) Ensure that the company and the external auditor adhere to current regulations on the provision of non-audit services, the limits on the concentration of the auditor's business and, in general, other requirements designed to safeguard auditors' independence. As for relations with the auditors, Article 13 of the Audit Committee Regulations establishes that (i) any communications between the committee and the auditors will be fluent, ongoing and in accordance with the obligations under the governing regulations regarding the activity of the audit of accounts, without compromising the independence of the auditor or the effectiveness of the audit process and procedures; (ii) any communication with the auditor must be planned in a schedule of annual meetings, where most of these are not to be attended by the Company's management; and (iii) the Audit Committee shall regularly receive information on the audit process from the auditors and specifically on any differences that may arise between the auditors and the Company's management.

When the audit has been finalised the Committee will review, along with the external auditor, any significant findings brought to light from these tasks, as well as the content of its mandatory reports.

Likewise, and to ensure the independence of the external auditors, the Company has an internal Procedure for Engaging the Services of the Accounts Auditor. The entire CAF Group must follow and comply with this procedure.

According to this procedure, the Audit Committee must approve, prior to their arrangement, any non-audit services requested from the audit firm of the CAF Group or other entities in its network, so as to verify that the services would not compromise the auditor's independence.

Before any request is relayed to the Committee, the Company's Corporate Finance Department and Internal Audit function check that the services requested are not prohibited under Regulation (EU) No 537/2014 of 16 April 2014.

In this regard, it should be noted that, without prejudice to applicable legal provisions, the Committee has prudently, and to protect the Company's good name, set a limit on the fees to be received by the statutory auditor for non-audit services. This limit is more restrictive than that provided for in Article 4.2 of Regulation (EU) No 537/2014 and Article 41.1 of Spanish Audit Law 22/2015. More precisely, this limit is 50% of the average audit fee for the last three years, i.e. below the legal limit of 70%.

With reference to fiscal year 2023:

- The Audit Committee met with the external auditors, Ernst & Young, SL. (E&Y), twice in 2023, without E&Y reporting on issues that could put their independence at risk.

- On 23 February 2023, the external auditors, submitted to the Committee the external confirmation of its independence in relation to the financial information pertaining to 2022. In that document, the auditor confirmed that they had implemented internal policies and procedures designed to provide reasonable assurance that the audit firm and its staff had maintained independence to the extent required by applicable law and regulations.

- On 23 February 2023, the same Committee approved the report on the independence of the Company's auditors, concluding that no aspects had been identified that called into question their compliance with prevailing regulations for the auditing of accounts in terms of auditor independence. In accordance with the provisions of Recommendation No 6 CGG, the Company published this report on its corporate website well in advance of the date of the 2023 Ordinary General Shareholders' Meeting.

- On the same date the Committee issued its report on the evaluation of the external auditor, which, among other parameters, assessed its independence, reaching favourable conclusions.

- Finally, the Committee has encouraged the attendance of the external auditor at full meetings of the Board to report on issues of interest in their audit work. This took place at the meeting of the Board of Directors held on 19 December 2023.

Continued in Section H.

C.1.31 Indicate whether the company changed its external auditor during the year. If so, identify the incoming and outgoing auditors:

- Yes
 No

If there were any disagreements with the outgoing auditor, explain their content:

- Yes
 No

C.1.32 Indicate whether the audit firm performs any non-audit work for the company and/or its group and, if so, state the amount of fees it received for such work and express this amount as a percentage of the total fees invoiced to the company and/or its group for audit work:

- Yes
 No

	Company	Group Companies	Total
Amount invoiced for non-audit services (thousand euros)	72	80	152

	Company	Group Companies	Total
Amount invoiced for non-audit services/Amount invoiced for audit work (in %)	39.29	9.18	14.42

All non-audit services provided to the CAF Group by the external auditor and its organisation in the financial year under review were duly approved by the Audit Committee within the framework of the procedure described above. More precisely:

- On 19 December 2022, the Audit Committee verified that the services included in the proposal for non-audit services for the year 2023: (i) were reasonable; (ii) were permitted under the Audit Law; and (iii) were below the maximum limit provided for in Article 4.2 of Regulation (EU) No 537/2014 and Article 41.1 of the Spanish Audit Law 22/2015, as well as the more restrictive limit set by the Committee itself in the interests of prudence, at 50% of the average audit fee for the last three years.

- Subsequently, on 18 December 2023, Internal Audit presented a comparison to the Audit Committee of the approved budget for 2023 and the actual fees incurred for these services, verifying that the estimated amounts had not been exceeded and that no unapproved services had been arranged. The Audit Committee was requested to approve an increase in the amount of fees related to required tax certificates and the review of interim financial information of a subsidiary, which was unanimously agreed upon.

As the system does not allow decimals in the appropriate section, the Amount of non-audit work (thousands of euros) has been rounded to 152: the exact figure is 152.37 (thousands of euros).

C.1.33 Indicate whether the auditors' report on the financial statements for the preceding year contains a qualified opinion or reservations. If so, indicate the reasons given to shareholders at the general meeting by the chairman of the audit committee to explain the content and extent of the qualified opinion or reservations.

Yes

No

C.1.34 Indicate the number of consecutive years for which the current audit firm has been auditing the company's individual and/or consolidated financial statements. Also, indicate the number of years audited by the current audit firm as a percentage of the total number of years in which the financial statements have been audited:

	Individual	Consolidated
Number of consecutive years	3	3
	Individual	Consolidated
Number of years audited by the current audit firm/number of years in which the company has been audited (in %)	6.52	13.04

C.1.35 Indicate whether there is a procedure for directors to be sure of having the information necessary to prepare the meetings of the governing bodies with sufficient time:

Yes

No

Explanation of procedure

The Board approves, at its December meetings, the Board calendar for next year, so that the Directors know the dates of meetings early enough to prepare some of the subjects to be dealt with on them as a guiding plan is established on the subjects to be addressed in every Board Meeting. There are at least eight meetings per year, with at least one meeting held every quarter, with sufficient time in between to prepare and scrutinise the necessary information. Regular Board meetings must be announced

at least five days in advance, although in practice this is done earlier. The call also includes the meeting's agenda, and the documents that must be previously reviewed by the directors in sufficient time ahead of the meeting. In any case, the Directors have the recognised right to request all the information they reasonably require about the Company and its group in furtherance of their duties. Such right to information should be channelled via the Chairman of the Board who, with the assistance of the Secretary to this end, shall facilitate the information, identify the Company's appropriate interlocutors or decide on the suitable measures for the requested inspection or examination. The rights of Directors to receive information are set down in Article 20 of the Regulations of the Board of Directors.

C.1.36 Indicate whether the company has established rules obliging directors to inform the Board of any circumstances, whether or not related to their actions in the company itself, that might harm the company's standing and reputation, tendering their resignation where appropriate. If so, provide details:

Yes
 No

Explain the rules

Pursuant to Article 18 of the Regulations of the Board of Directors, directors must tender their resignation from their position of director in certain situations, especially if they are prosecuted for an alleged criminal offence or when they are subject to disciplinary proceedings for serious or very serious misconduct by the supervisory authorities. Similarly, directors shall inform the Board and, where appropriate, resign, when situations arise that affect them, whether or not related to their own actions at the Company, that could damage the Company's good name and reputation. This will apply in particular if they become embroiled in any criminal proceedings in which they are under investigation or otherwise party to the proceedings.

The Board of Directors, having been informed or having otherwise become apprised of any of the situations mentioned in the previous paragraph, will examine the case as soon as possible and, taking into account the specific circumstances, will decide, following a report from the Nomination and Remuneration Committee, the measures to be adopted. All of this will be disclosed in the Annual Corporate Governance Report, unless there are special justifying circumstances, which must be recorded in the minutes. The foregoing is without prejudice to the information that the Company must release, if required, at the time of the adoption of the corresponding measures. When a director resigns from their position before their tenure expires, they must sufficiently explain their reasons or, in the case of non-executive directors, their opinion on the reasons for removal by the General Shareholders' Meeting, in a letter sent to all members of the Board of Directors.

C.1.37 Indicate whether, apart from such special circumstances as may have arisen and been duly minuted the Board of Directors has been notified or has otherwise become aware of any situation affecting a director, whether or not related to his or her actions in the company itself, that might harm the company's standing and reputation:

Yes
 No

C.1.38 Detail any material agreements entered into by the company that come into force, are modified or are terminated in the event of a change in control of the company following a public takeover bid, and their effects.

There are no such agreements.

C.1.39 Identify individually as regards directors, and in aggregate form in other cases, and provide details of any agreements between the company and its directors, executives or employees containing indemnity or golden parachute clauses in the event of resignation or dismissal without due cause or termination of employment as a result of a takeover bid or any other type of transaction.

Number of beneficiaries

1

Type of beneficiary	Description of agreement
Executive Director	Termination benefit due to termination ordered by the Company for reasons not related with the Director

Indicate whether, beyond the cases established by legislation, these agreements have to be communicated and/or authorised by the governing bodies of the company or its group. If so, specify the procedures, the cases concerned and the nature of the bodies responsible for their approval or communication:

	Board of Directors	General Shareholders' Meeting
Body authorising the severance clauses	√	
	Yes	No
Are these clauses notified to the General Shareholders' Meeting?	√	

The content of these clauses are shown in the Annual Report on Director Remuneration, which is subject to advisory voting at the General Shareholders' Meeting.

C.2. Committees of the Board of Directors

C.2.1 Provide details of all committees of the Board of Directors, their members, and the proportion of executive, proprietary, independent and other external directors forming them:

AUDIT COMMITTEE		
Name	Position	Category
MS. BEGOÑA BELTRAN DE HEREDIA VILLA	CHAIRMAN	Independent
MS. CARMEN ALLO PÉREZ	MEMBER	Independent
MR. JUAN JOSÉ ARRIETA SUDUPE	MEMBER	Other external

% of executive directors	0.00
% of proprietary directors	0.00
% of independent directors	66.67
% of external directors	33.33

In accordance with article 529 quaterdecies 2 of the Corporate Enterprises Act and article 2.4 of the Regulations of the Committee, which require the mandatory replacement of the Chair of the Audit Committee every four years, on 4 October 2023, the Board of Directors unanimously agreed to appoint Ms Begoña Beltrán de Heredia Villa as Chair of the Committee, in place of the previous Chair, Ms Carmen Allo Pérez, who remains on the Committee as a member.

Explain the functions assigned to this committee, including where applicable those that are additional to those prescribed by law, and describe the rules and procedures for its organisation and functioning. For each of these functions, briefly describe its most important actions during the year and how it has exercised in practice each of the functions assigned to it by law, in the articles of incorporation or in other corporate resolutions.

Organisation:

The Audit Committee shall be made up of three (3) non-executive directors, appointed by the Company's Board of Directors. At least the majority of them shall be independent directors and one of them shall be appointed considering their knowledge and experience on accounting, auditing or both. As a whole, the members of the Committee, and especially its Chair, shall have the knowledge and experience in accounting, auditing and financial and non-financial risk management, as well as the relevant technical knowledge in relation to the business sector to which the Company belongs.

The Board of Directors shall also appoint the Chairman among members acting as independent directors of the Committee. The Chairman shall be replaced every four years but may be re-elected after stepping down for one year. The Board of Directors shall appoint a person to act as Secretary of the Committee, who need not be a director (Article 37 bis of the Company's Bylaws and Article 2 of the Audit Committee Regulations).

The functions and powers attributed to the Audit Committee are detailed in Article 37 bis of the Company's Bylaws and in Articles 3 and 10 to 13 of its specific Regulations. Both of these are available on the corporate website (www.caf.net) and have not undergone any changes in the year under review. The functions mentioned refer to the areas identified below and include all those attributed to the audit committees by law and those recommended by the Code of Good Governance of Listed Companies:

- a) Functions in relation to the General Meeting.
- b) Functions in relation to internal control systems.
- c) Duties relating to internal audit.
- d) Functions relating to the external auditor.
- e) Other functions.

Functioning:

The operating rules of the Audit Committee are detailed in articles 5 to 9 of its specific Regulations.

The Audit Committee shall meet whenever the Chairman deems it to be appropriate so that it may perform its functions, and at least four times a year. As a minimum, the Committee shall meet when the annual or interim financial information is published.

In these cases, the meeting shall be attended by the internal auditor and, if a review report is published, it shall be attended by the auditor with respect to those matters on the agenda in relation to which they are invited. At least a part of these meetings with the internal auditor or financial auditor must take place without the presence of company management, so that the specific matters that arose in the reviews performed may be discussed with them exclusively.

Likewise, the Committee will meet whenever required to do so by the Board of Directors (Article 5 of the Audit Committee Regulations). The call notice shall be issued, at least five days in advance, by the Committee Secretary, in accordance with the Chair's instructions, to each of the members by email or by any other channel that provides proof of receipt, unless the meeting is called on an exceptional basis due to an emergency by the Chair. The call notice shall include the meeting's agenda items. Without prejudice to the foregoing, the Audit Committee may also deliberate on and adopt resolutions regarding other matters not included on the agenda. Exceptionally, when circumstances so require, Committee meetings may be held by conference call, video call or any other means of remote communication provided that it guarantees the identities and participation of the attendants in real time. In this case, the meeting shall be understood to have been held at the registered office. Likewise, the President of the Committee may authorise the attendance of one or more Directors at the meeting through the use of remote connection systems that guarantee the identity and participation of the Directors, who for all purposes will be deemed to be attendees at the Committee meeting.

In all cases, the Chairman of the Committee shall, acting through the Secretary, channel and provide the necessary information and documentation to the other members of the Committee sufficiently in advance so that they are able to analyse it prior to the meeting in question (Article 6 of the Audit Committee Regulations). Committee meetings shall be held at the place indicated in the call notice except in the case of meetings held by conference call, video call or any other means of remote communication (Article 7 of the Audit Committee Regulations). The Audit Committee shall be validly convened where more than half of its members attend, either in person or by proxy. Proxy may only be granted to another director who is a member of the Committee. The positions of Chairman and Secretary of the Board shall be held by those appointed to these positions. In the event of incapacity or absence, the Chairman shall be substituted by the longest-serving Committee member and, in the event that various members have served for the same length of time, by the oldest Committee member.

Continued in Section H.

Identify the directors who are members of the audit committee and have been appointed taking into account their knowledge and experience in accounting or audit matters, or both, and state the date on which the Chairman of this committee was appointed.

Name of directors with experience	MS. BEGOÑA BELTRÁN DE HEREDIA VILLA / MS. CARMEN ALLO PÉREZ / MR. JUAN JOSÉ ARRIETA SUDUPE
Date of appointment of the chairperson	04/10/2023

NOMINATION AND REMUNERATION COMMITTEE		
Name	Position	Category
MR. JULIÁN GRACIA PALACÍN	CHAIRMAN	Independent

NOMINATION AND REMUNERATION COMMITTEE		
Name	Position	Category
MR. LUIS MIGUEL ARCONADA ECHARRI	MEMBER	Other external
MR. IGNACIO CAMARERO GARCÍA	MEMBER	Independent

% of executive directors	0.00
% of proprietary directors	0.00
% of independent directors	66.67
% of external directors	33.33

Explain the functions assigned to this committee, including where applicable those that are additional to those prescribed by law, and describe the rules and procedures for its organisation and functioning. For each of these functions, briefly describe its most important actions during the year and how it has exercised in practice each of the functions assigned to it by law, in the articles of incorporation or in other corporate resolutions.

Organisation:

In accordance with Article 37 ter of the Bylaws, Article 12 of the Board Regulations and Article 4 of the Committee Regulations, the Committee shall be composed of three non-executive Directors, two of which shall be independent. The members of the Committee are appointed ensuring they have the knowledge, skills and experience appropriate to the duties they are called upon to discharge, particularly in areas such as corporate governance, human resources, selection of directors and managers, senior executive functions and design of remuneration policies and plans. The Chairman of the Committee shall be elected by the Board of Directors among Committee members who are Independent Directors.

The Board shall appoint its Secretary, who shall not necessarily hold the office of Director. Appointment, renewal, re-election and removal shall correspond to the Board of Directors, as provided for in the law and the Company's Bylaws. Also, Committee members who are re-elected as directors in accordance with a resolution of the General Shareholders' Meeting will continue to discharge their functions on the Committee, without the need for new appointment, unless the Board of Directors resolves otherwise (Articles 5 and 6 of the Regulations of the Nomination and Remuneration Committee).

Functions:

The functions and powers attributed to the Nomination and Remuneration Committee are detailed in Article 37 ter of the Company's Bylaws and in Article 3 of its specific Regulations. These are both available on the corporate website (www.caf.net) and have not undergone any changes during the period under review. The functions mentioned refer to the areas identified below and include all those attributed to nominations and remuneration committees by law and those recommended by the Code of Good Governance of Listed Companies:

- a) In relation to nominations and remuneration:
- b) In relation to the Corporate Governance and Sustainability System:
- c) In relation to other matters.

Functioning:

The rules on the functioning of this committee are provided for in Article 12 of the Regulations of the Board of Directors and in Chapter V of the Regulations of the Nomination and Remuneration Committee, and can be summarised as follows:

The Nomination and Remuneration Committee meets on a periodic basis depending on need and, at least, three times a year. In particular, it shall meet when required by the Board of Directors. In addition, the Chairman of the Board of Directors or the Chief Executive Officer may request the Committee to hold informative meetings on an extraordinary basis.

The call notice shall be issued, at least five days in advance, by the Committee Secretary, in accordance with the Chair's instructions, to each of the members by email or by any other channel that provides proof of receipt, unless the meeting is called on an exceptional basis due to an emergency by the Chair. The call notice shall include the meeting's agenda items. The Chairman of the Committee, himself or through the Secretary, shall channel and provide the necessary information and documentation to the other members of the Committee sufficiently in advance so that they are able to analyse it prior to the meeting in question. Exceptionally, when circumstances so require, Committee meetings may be held by conference call, video call or any other means of remote communication provided that this guarantees the identities and participation of the attendants in real time. In this case, the meeting shall be understood to have been held at the registered office. Also, the Chair of the Committee may authorise the attendance of one or more directors at the meeting through remote connection systems that duly guarantee the identity and participation of the directors, who for all purposes will be deemed to be attendees at the Committee meeting.

Continued in Section H.

C.2.2 Complete the following table with information regarding the number of female directors who were members of Board committees at the close of the past four years:

	Number of female directors							
	2023		2022		2021		2020	
	Number	%	Number	%	Number	%	Number	%
AUDIT COMMITTEE	2	66.66	1	33.33	1	33.33	1	33.33
NOMINATION AND REMUNERATION COMMITTEE	0	0.00	0	0.00	1	33.33	1	33.33

The inclusion of Begoña Beltrán de Heredia Villa in the Audit Committee on 24 February 2023, replacing Mr. Ignacio Camarero García, has increased the number of women on the Audit Committee to two out of three members.

C.2.3 Indicate, where applicable, the existence of any regulations governing board committees, where these regulations are to be found, and any amendments made to them during the year. Also indicate whether any annual reports on the activities of each committee have been voluntarily prepared.

AUDIT COMMITTEE: An up-to-date version of the Regulations is available on CAF's website (www.caf.net), in the subsection on Corporate Governance, in the Shareholders and Investors section. The Audit Committee Regulations have not undergone any changes during the year under review.

Also in relation to this Committee, an annual report has been prepared on its activities in 2023, which will be published in accordance with Recommendation 6 of the CNMV's Unified Code of Good Governance for Publicly Listed Companies.

NOMINATION AND REMUNERATION COMMITTEE: The up to date version of the resolution is available in the CAF website (www.caf.net), in the subsection of Corporate Governance, under section Information for Shareholders and Investors. The Regulations of the Nomination and Remuneration Committee have not undergone any changes during the year under review.

Also in relation to this Committee, an annual report has been prepared on its activities in 2023, which will be published in accordance with Recommendation 6 of the CNMV's Code of Good Governance for listed companies.

D. RELATED-PARTY AND INTRAGROUP TRANSACTIONS

- D.1.** Explain, where appropriate, the procedure and competent bodies for the approval of operations with related parties and intragroup, indicating the criteria and general internal rules of the entity that regulate the abstention obligations of the affected directors or shareholders and detailing the procedures
- Internal reporting and periodic control procedures established by the company in relation to those related-party transactions whose approval has been delegated by the board of directors.

Pursuant to the provisions of its Regulations, the Board of Directors is responsible, on a non-delegable basis, for approving, subject to a prior report from the Audit Committee, transactions of the Company or companies in its group that qualify as related party transactions, unless such approval falls within the remit of the General Shareholders' Meeting and without prejudice to the possible delegation by the Board of such powers in the situations and under the terms prescribed by law and in the aforementioned Regulations. (Article 5 of the Regulations of the Board of Directors).

Regarding the approval of related party transactions and the abstention obligations of the affected directors and shareholders, the Board Regulations explicitly state that the power to approve related party transactions whose amount or value is 10% or more of the Company's total assets according to the latest annual balance sheet approved by the Company shall be vested in the General Shareholders' Meeting. When the General Meeting is called to decide on a related party transaction, the shareholder concerned shall be deprived of the right to vote, except where the motion has been approved by the Board of Directors without the majority of independent directors voting against. However, where applicable, the rule of the reversal of the burden of proof provided for in the Capital Companies Act shall apply. The Board of Directors shall have the power to approve all other related party transactions and this power may not be delegated. In accordance with the Capital Companies Act, the affected director, or the director representing or related to the affected shareholder, must abstain from taking part in the deliberations and voting on the corresponding motion. However, directors who represent or are related to the parent company on the governing body of the subsidiary listed company should not abstain. However, if they do not abstain and if their vote was decisive in passing the resolution, the rule of reversal of the burden of proof shall apply on substantially the same terms as those provided for in the Capital Companies Act for the approval of related party transactions by the General Shareholders' Meeting. The approval of a related party transaction by the General Meeting or by the Board shall be subject to a prior report by the Audit Committee. In its report, the Committee must assess whether the transaction is fair and reasonable in the eyes of the Company and, if applicable, of the shareholders other than the related party, and give an account of the assumptions on which the assessment is based and the methods used. The Directors involved may not take part in the preparation of the report.

Notwithstanding the foregoing, the Board of Directors may delegate the approval of the following related party transactions:

- transactions between companies forming part of the same group that are carried out in the ordinary course of business and under market conditions;
- transactions entered into under contracts whose standard terms and conditions are applied en masse to a large number of customers; are at prices or rates established generally by the party acting as supplier of the goods or services in question; and whose amount does not exceed 0.5 per cent of the Company's revenues.

In such cases, the approval of any related party transactions that may have been delegated will not require a prior report from the Audit Committee. However, the Board of Directors shall establish an internal reporting and periodic control procedure for such transactions, in which the Audit Committee shall be involved and shall verify the fairness and transparency of such transactions and, as the case may be, compliance with the legal criteria applicable to the above exceptions (Article 29 Regulations of the Board of Directors).

In furtherance of the foregoing, on 16 December 2021 the Board of Directors, following a report from the Audit Committee, unanimously resolved to delegate, jointly and severally, to the Company's Chief Executive Officer and to the Chief Financial and Strategy Officer, the approval of the transactions described in Sections a) and b) above.

At the same meeting, the Board approved the CAF Group's Related Party Transactions Manual (the "Manual"), which sets out the basic rules governing the management of the Group's related party transactions. In particular, the Manual addresses:

(i) the procedure for approving related party transactions, in accordance with the following key steps:

- Submission of a related party transaction proposal to the Chief Financial and Strategy Officer, accompanied by the corresponding documentary justification.
- Analysis the type of transaction proposed and identification of the body responsible for its approval.

• In the case of a potential related party transaction subject to approval by the Board or the Committee: relaying the justified proposal to the Audit Committee so that it may issue its report on the matter.

Relaying the proposal and the Committee's report to the Board for approval, or referring the matter to the General Meeting for a decision by shareholders, assuming the meeting is competent to decide on the matter.

• In the case of delegable related party transactions: the delegated person shall assess and determine whether the objective requirements for approval of the transaction have been met. No report of the Audit Committee will be required in such cases. However, the reasons for approval or rejection of the transaction must be duly documented for the purpose of reporting to the Audit Committee as part of the periodic reporting and control procedure described in the following section.

Continued in Section H.

D.2. Give individual details of operations that are significant due to their amount or of importance due to their subject matter carried out between the company or its subsidiaries and shareholders holding 10% or more of the voting rights or who are represented on the board of directors of the company, indicating which has been the competent body for its approval and if any affected shareholder or director has abstained. In the event that the board of directors has responsibility, indicate if the proposed resolution has been approved by the board without a vote against by the majority of the independent directors:

	Name or company name of the shareholder or any of its dependent companies	% Ownership interest	Name or company name of the company or entity within its group	Amount (thousand euros)	Approving body	Identity of the significant shareholder or director who has abstained	The proposal to the board, if applicable, has been approved by the board without a vote against by the majority of independent directors
(1)	BILBAO BIZKAIA KUTXA FUNDACIÓN BANCARIA	14.06	Kutxabank, SA	95	(See Observations below)	(See Observations below)	NO

	Name or company name of the shareholder or Of any of its subsidiary companies	Nature of the relationship	Type of transaction and other information required for its evaluation
(1)	BILBAO BIZKAIA KUTXA FUNDACIÓN BANCARIA	Contractual	Liquidity contract. Registered advisor contract and Dealer Agreement as part of the renewal of the commercial paper issuance programme on the Spanish Alternative Fixed Income Market (MARF), entered into by the Company with its significant shareholder Kutxabank, S.A., a dependent company of Bilbao Bizkaia Kutxa Fundación Bancaria, and with Norbolsa Sociedad de Valores, SA, belonging to the same group, during the 2023 financial year. All these contracts have been approved by the competent body, in each case, according to the breakdown included in the Observations section.

The breakdown of the transactions included in the above table is as follows:

- Liquidity contract, dated 5 April 2022, signed between CAF, S.A. and Norbolsa, Sociedad de Valores, SA, belonging to the Kutxabank Group, as Financial Intermediary, pursuant to Circular 1/2017, of 26 April, of the Spanish National Securities Market Commission, on liquidity contracts, for an amount of EUR 30 thousand. This was approved by the CEO, by delegation, on 25 February 2022. This contract was disclosed through Other material disclosure number 17,144, of 30 June, which included reports in favour by the Audit Committee, in accordance with the provisions of article 529 unvicies of the Consolidated Text of the Corporate Enterprises Act.

Extended for a period of one year in April 2023.

- Contracts entered into with Norbolsa, Sociedad de Valores, S.A, belonging to the Kutxabank Group, within the framework of the renewal of the promissory note issuance program in MARF, dated December 19, 2023:

- Registered Advisor agreement for the amount of EUR 50 thousand.
- Dealer agreement for the amount of EUR 15 thousand.

Both transactions form part of the ordinary business of the company providing the service and were contracted under normal market conditions and rates. They were approved by delegation by the Economic-Financial and Strategy Director.

In addition, Note 10 to the consolidated financial statements contains a breakdown of the Group's outstanding balances with Kutxabank, including transactions carried out in previous years.

During the reported financial year there have been no related-party transactions whose approval is the responsibility of the General Meeting.

D.3. Give individual details of the operations that are significant due to their amount or relevant due to their subject matter carried out by the company or its subsidiaries with the administrators or managers of the company, including those operations carried out with entities that the administrator or manager controls or controls jointly, indicating the competent body for its approval and if any affected shareholder or director has abstained. In the event that the board of directors has responsibility, indicate if the proposed resolution has been approved by the board without a vote against by the majority of the independent directors:

Name or company name of the administrators or managers or their controlled or jointly controlled entities	Name or corporate name of the company or dependent entity	Relationship	Amount (thousand euros)	Approving body	Identity of the significant shareholder or director who has abstained	The proposal to the board, if applicable, has been approved by the board without a vote against by the majority of independent directors
No data						

Name or company name of the administrators or managers or their controlled or jointly controlled entities set	Nature of the operation and other information necessary for its evaluation
No data	

D.4. Report individually on intra-group transactions that are significant due to their amount or relevant due to their subject matter that have been undertaken by the company with its parent company or with other entities belonging to the parent's group, including subsidiaries of the listed company, except where no other related party of the listed company has interests in these subsidiaries or they are fully owned, directly or indirectly, by the listed company.

In any case, report any intragroup transaction conducted with entities established in countries or territories considered as tax havens:

Name of entity within the group	Brief description of the operation and other information necessary for its evaluation	Amount (thousand euros)
Metro CAF Mauritius, Ltd.	Partial assignment of the scope of the train supply agreement	7,521

The company Metro CAF Mauritius, Ltd., which is 100% owned directly by the Company, was incorporated in the Republic of Mauritius (which is currently considered a tax haven, which is why it is reported in this section)

Exclusively in relation to a contract for the supply of trams to that country. The work assigned to the subsidiary for the most part corresponds to the installation of track systems and warranty services.

- D.5.** Give individual details of the operations that are significant due to their amount or relevant due to their subject matter carried out by the company or its subsidiaries with other related parties pursuant to the international accounting standards adopted by the EU, which have not been reported in previous sections.

Name of entity within the group	Brief description of the operation and other information necessary for its evaluation	Amount (thousand euros)
No data		

The CAF Group holds non-controlling or jointly controlled interests in companies engaged in concessions for the operation of railway operating systems, the supply of fleet and subsequent maintenance, as well as the leasing of railway equipment. The CAF Group's operations with these companies involve supply of the fleet, maintenance and leasing of railway equipment and material. The CAF Group's operations with these companies involve supply of the fleet, performance of turnkey projects and maintenance of railway equipment and material. It also has various financial loans in place that are consistent with the typical financing structure for these types of concession or leasing companies. These transactions are part of the ordinary business of the CAF Group and are carried out under normal market conditions. Information on CAF's stakes in these companies is included in Notes 2.f and 9.a to the 2023 consolidated financial statements. Note 10 to the consolidated financial statements includes information on the balances and transactions carried out in 2023 with these companies that were not eliminated as part of the consolidation process.

- D.6.** Give details of the mechanisms in place to detect, determine and resolve potential conflicts of interest between the company and/or its group and its directors, senior management, significant shareholders or other related parties.

Article 229 of the Spanish Corporate Enterprises Act and Articles 24 and 25 of the Regulations of the Board of Directors require directors to communicate to the Board of Directors any conflict, whether direct or indirect, they may encounter between their interests and those of the Company. Furthermore, in the event of a conflict, the affected Administrator must refrain from intervening in the deliberation and voting of the decisions and resolutions causing such conflicts. Any conflict of interest should be mentioned in the Notes to the Financial Statements. The Board Regulations also regulate in detail the obligations of non-competition and avoidance of conflicts of interest, and establish a series of prohibited conducts for directors, as well as the consequences that might arise in the event of non-compliance. Article 18 of the Regulations of the Board of Directors expressly states that directors shall tender their resignation to the Board and then effectively resign, if the Board sees fit, if they encounter a conflict of interest and breach the duties of disclosure and abstention or where they breach the non-compete obligation. All this without prejudice to the regime applicable to related-party transactions that has been explained in section D.1 above.

- D.7.** Indicate whether the company is controlled by another entity in the meaning of Article 42 of the Commercial Code, whether listed or not, and whether it has, directly or through any of its subsidiaries, business relationships with said entity or any of its subsidiaries (other than the listed company) or carries out activities related to those of any of them.

Yes
 No

E. RISK MANAGEMENT AND CONTROL SYSTEMS

E.1. Explain the scope of the company's financial and non-financial risk management and control system, including tax risk.

CAF Group's Comprehensive Risk Control and Management System works in a continuous manner and is managed at corporate level for all businesses and geographic areas in which the Group operates.

The undertaking of the Board of Directors' of CAF in establishing the mechanisms and basic principles for adequate control and risk management is reflected in the General Risk Control and Management Policy, whose essential principles rest upon the previously mentioned Comprehensive Risk Control and Management System. This policy covers part of the Group's internal regulations and can be found in the Corporate Policies section at www.caf.net.

The General Risk Control and Management Policy covers all the companies comprising the CAF Group in all jurisdictions where CAF operates, being applicable to all Group employees. In those non-CAF Group companies, the Company seeks to ensure that the principles, guidelines and risk limits are consistent with those established through this General Risk Control and Management Policy.

The purpose of the aforementioned Policy is to establish the basic principles and guidelines for the control and management of risks of any nature affecting the Company and the CAF Group, through the identification of the main risks and by employing appropriate internal control and information systems, while conducting periodic monitoring on the performance of these mechanisms.

It should be noted that through the General Risk Control and Management Policy, CAF Group is committed to developing all its capabilities so that all types of risks are properly identified, measured, managed, prioritised and controlled. In this regard, the Audit Committee is tasked with ensuring, on an ongoing basis, compliance with the General Risk Control and Management Policy and that the integrated system in place operates properly.

In practice, the Comprehensive Risk Control and Management System is based on a range of strategic and operational actions in order to manage risks and meet the objectives set by the Board of Directors. The diversity and complexity of the activities carried out by the Group carry a variety of risks and the Company defines basic guidelines and instructions to ensure standard operating procedures at each of the divisions so as to ensure an adequate level of internal control.

The Comprehensive Risk Control and Management System of the CAF Group is an interlinked system of rules, processes, procedures, controls and information systems where the global exposure is determined after assuming all the risks that the Company is exposed to and it takes into consideration their impacts on mitigation. This system allows the consolidation of the risk exposures of the business divisions and areas of the Group and their valuation, as well as the preparation of the corresponding management information for decision making in terms of risk and expected profitability, which is subject to a continuous improvement process that enables it to be strengthened over time.

To respond to the need for global and homogeneous risk management, CAF Group assumes a corporate risk control and assessment model under the following basic assumptions:

- Defining maximum risk limits that can be assumed for each business according to its characteristics and expected profitability.
- Establishing procedures for the identification, analysis, evaluation, treatment, monitoring, control and reporting of the various risks.
- Coordination and communication so that the corporate procedures and the different businesses are consistent with this General Risk Control and Management Policy and the Group's Comprehensive Risk Control and Management System.

Continued in Section H.

E.2. Identify the bodies within the company responsible for preparing and executing the Financial and Non-financial Risk Management and Control System, including tax risk.

The Company's Board of Directors is responsible for establishing the General Risk Control and Management Policy, including tax risks, as well as supervising the internal information and control systems.

In addition, as provided for in its Regulations, the Audit Committee is the body responsible for supervising and evaluating the financial and non-financial risk management and control systems related to the Company and, where appropriate, the Group, including operational, technological, legal, social, environmental, political and reputational risks or those related to corruption, as well as supervising the management of the internal control and the Company risks.

The Executive Committee is the company's most senior executive body and as such it is responsible for ensuring the effective implementation of the General Risk Control and Management Policy and understanding the main aspects regarding its operation and control.

The Risk Management Function under the direct supervision of the Audit Committee is responsible for the following tasks:

- To ensure the proper functioning of the comprehensive risk control and management system and, in particular, that all major risks affecting the Company are adequately identified, managed and valued,
- Actively participating in drawing up the risk strategy and in important decisions regarding risk management and
- Ensure that the comprehensive risk control and management system adequately mitigates risks within the framework of the policy defined by the Board of Directors.

Moreover, CAF has several persons responsible for Regulatory compliance and, in particular a Corporate Fiscal Area, whose role includes: (i) applying the Tax Policy determined and approved by the Board of Directors; and (ii) ensuring compliance with the principles of action in tax matters set out in the Tax Policy approved by the Board of Directors, which expressly include the prevention and reduction, as far as possible, of tax risks.

In addition, the remit of CAF's Internal Audit function includes, among others, the assurance of risks to which the Company is exposed and, for that purpose, it is involved in the examination and assessment of control systems and procedures and risk mitigation processes.

E.3. Indicate the main financial and non-financial risks, including tax risks, as well as those deriving from corruption (with the scope of these risks as set out in Royal Decree Law 18/2017), to the extent that these may affect the achievement of business objectives.

The most important risks facing the Group may be classified into the following categories:

Strategic risks: these being risks stemming from the uncertainty of the macroeconomic and geopolitical environment, along with the inherent characteristics of the sector and markets where the Group operates, and the decisions adopted on strategic and technological plans.

Financial risks: arising from market fluctuations (financial and commodities markets), contractual relations with third parties (customers, debtors) and counterparties related to investments in financial assets and financial liabilities (banks, investors). The subcategories of risks that are included are as follows:

Market risk, which includes the following risks:

Interest rate risk: risk of variations in interest rates that might give rise to changes in the Group's profit or loss and the value of its assets and liabilities.

Foreign currency risk: risk arising from changes in the exchange rates of currencies with an effect on future transactions and the valuation of assets and liabilities denominated in currency.

Commodity price risk: risk arising from changes in prices and market variables relating to commodities required in the businesses' supply chain.

Credit risk: it is the risk of insolvency or bankruptcy or possible non-payment of quantifiable monetary obligations by the counterparts to which the Group has effectively granted net credit and are pending liquidation or collection.

Liquidity and financing risk: in relation to liabilities, it is the risk linked to the impossibility of carrying out transactions or to non-compliance with obligations arising from operating or financial activities due to lack of funds or access to financial markets, whether derived from a decrease in the company's credit quality (rating) or other causes. In relation to assets, it is the risk of being unable to find at any given time parties to purchase an asset at the arm's length price or to obtain an arm's length price.

For more information on the financial risks, see the section on "Financial Risk Management" of the Notes to the Financial Statements.

Legal Risks: arising from the preparation and performance of various types of agreements and obligations (commercial, administrative, intellectual property, etc.) and the possible contingencies arising therefrom. Risks relating to legal proceedings, administrative procedures and claims are also included.

Operating Risks: inherent to all Group activities, products, systems and processes that lead to financial losses and damage in the Company image due to human/technological error, inadequate/defective internal processes or the intervention of external agents.

Corporate Governance Risks: arising from potential non-compliance with the Group's corporate governance system, which governs the design, integration and operation of the governance bodies and their relations with the Group's stakeholders and is rooted in the Group's commitment to ethical principles, best practices and transparency as the Group seeks to defend its interests and create sustainable value.

Compliance and Regulatory Risks: arising from the breach of applicable national and international regulations and laws irrespective of the activity in question, included in the following large blocks: (i) Commercial and Competition (market abuse, corporate obligations and securities market regulations, antitrust and unfair competition), (ii) Criminal (prevention of crimes, including those arising from corruption), (iii) Employment, (iv) Tax and (v) Administrative (including personal data protection regulations, environmental laws, etc.).

The Non-Financial Information Statement-Sustainability Report for the year ending in 2023 delves into the different types of risks listed previously. In particular, there was an emphasis on the risks relating to human rights, society, the environment, people and the fight against corruption and bribery.

E.4. Indicate whether the entity has risk tolerance levels, including for tax risk.

The risk tolerance level established at corporate level is understood at CAF as the willingness to assume a certain risk level, insofar as it allows value creation and business development, achieving an adequate balance between growth, performance and risk.

The CAF Group presents an overall prudent risk profile with a low tolerance level, in which the objective of guaranteeing the continuity over time of its activity and the sustainable growth, and therefore of its value contribution to its shareholders and to the company in general, prevails.

In order to achieve this risk profile, the Group is based on:

- A prudent policy in relation to bid submissions in tender processes, applying predetermined Risk-Reward thresholds in the decision-making process.
- A suitable risk management infrastructure in terms of governance and availability of material and human resources.
- Search for positioning in high growth segments, in geographies that are classified as strategic and in products in relation to which CAF has existing expertise and experience that enable value generation for the Company, maintaining in all cases the desired profitability and cash generation levels.

The level of risk is defined as the product of probability and impact. Both probability of occurrence and impact are assessed on a five-level scale, and uniform criteria are used to determine each level in each of the axes. The possible results of the combination of both are:

Very low and low level risks may be accepted and a Control or Action Plan may not be needed in order to manage them.

Moderate-level risks should be carefully analysed in order to determine whether or not they are acceptable and, if appropriate, to establish a Control or Action Plan that brings the risk down to a low and therefore acceptable level.

High and very high level risks will require adequate administration and management and a formal Action Plan must be drawn up and then monitored according to its criticality, either by the Risk Management Function or directly by the Executive Committee and the Audit Committee.

Additionally, the risk assessment considers the different types of risks to which the Group may be exposed. Risk tolerance thresholds are generally defined, although largely in relation to Operational Business Risks. If these thresholds are exceeded, new or existing Controls or Actions Plans would be triggered. As for Operational Business Risks, tolerance is defined on the basis of the main figures of the businesses/projects.

With regard to other risks such as financial and strategic risks, a level of tolerance is proposed in terms of their economic impact at corporate level. Notably, there is a principle of zero tolerance towards the commission of illegal acts and fraud.

With regard to tax risks, the Corporate Tax Policy expressly covers the basic principles regarding tax matters for the Group, including, to the fullest extent possible, the prevention and reduction of tax risks while carrying on its activities and maintaining a prudent risk profile at all times. The management of fiscal risks is carried out within the Comprehensive Risk Control and Management System.

E.5. Indicate which financial and non-financial risks, including tax risks, have materialised during the year.

During 2023 no material or extraordinary risks materialised, beyond those included in the Directors' Report and the Notes to the Financial Statements.

The main risks that may affect the achievement of business goals are managed actively by the organisation, while minimising any adverse risks faced by the Group. In general terms, the Group's business and regional diversification assists in reducing any material impacts on the Company's equity due to risk exposure.

The exchange rate risk to which the Company is exposed due to its international operations is managed in accordance with the Market Risk Policy approved by the Board of Directors, which provides for different strategies aimed at reducing said risk, such as, for example, the establishment of financial or natural hedges, the constant monitoring of exchange rate fluctuations and other complementary measures.

The Israel-Palestine and Ukraine-Russia conflicts represent a risk of uncertainty in the markets in which the Group operates, affecting various aspects such as the execution of long-term contracts and their monitoring, possible embargoes or sanctions on companies operating in those markets, and possible additional disruptions along the supply chain. The current conflict is affecting the pace of execution of several projects in Israel. Even so, the Group maintains continuous communications with its clients, working collaboratively to address the problems arising from this situation.

Although an improvement in the trend of prices and interest rates is observed, the supply chain continues to be part of the focus in business. That is why actions such as the signing of framework contracts with key suppliers of equipment and supplies continue to be implemented, ensuring price indexation for the medium term. In parallel, actions continue to be developed to alleviate the increase in prices and shortages of components.

The contingencies managed in the realm of Compliance are part of the overall risks supervised within the system. Details of the material aspects relating to 2023 are set out in Note 26 to the Consolidated Financial Statements and in the Non-Financial Information Statement – Sustainability Report.

E.6. Explain the response and oversight plans for the company's main risks, including tax risks, as well as the procedures followed by the company in order to ensure that the Board of Directors responds to any new challenges that arise.

CAF's Comprehensive Risk Management System is based on preparing Controls and Action Plans through the appropriate corrective measures, using the META strategy.

Based on the criteria established by the CAF Group and the META analysis methodology, 4 possible strategies for risk management have been defined:

- Mitigate: The risk is accepted but Action Plans are implemented to reduce it.
- Avoid: It is considered that the conditions are not acceptable by the CAF group, so the risk must be eliminated (Zero Tolerance).
- Transfer: It is considered that there are measures that allow transferring the risk to a third party.
- Assume: It is considered that there are no measures to help reduce the risk, so the risk is accepted in its entirety.

In the case of non-manageable risks that raise the risk profile above the tolerance level, contingency plans to remediate the project in progress or in a previous stage are evaluated in order to decide on whether or not to submit the corresponding bid.

The Risk Management Department, under the direct supervision of the Audit Committee, is in charge of ensuring the proper functioning of the System. In particular, it ensures that all relevant risks that affect the Company are properly identified, managed and evaluated, and that these risks are suitably mitigated within the framework of the Policy approved by the Board of Directors.

At different intervals during the year, the Risk Management Department reviews the level of risk and compliance with the unique risk management methodology. On a monthly basis, the Risk Management Department meets with the different business units to form a picture of the business risk situation. And on a quarterly basis, it looks at the situation risks managed at the corporate level. Lastly, every six months, this same department prepares a global risk report on the Group for the Audit Committee.

In 2023, the Audit Committee received updated risk reports from the head of the Risk Management department at its May and November meetings, with the head of the area attending the first meeting in person. The presentation included a breakdown of the level of the Group's main risks (see Section E.3), differentiating between risks managed at i) corporate and ii) business unit level.

In November, the head of the Tax Function, as the person in charge of the control and management of Group tax compliance risks, also presented to the Committee its annual report on compliance with the principles of action in tax matters established by the Board in the Tax Policy, describing the fiscal developments and their impact on the Group.

The head of Internal Audit reported periodically to the Committee during this financial year on the degree of compliance and suitability of the Group's internal control and on the monitoring of the main financial and tax risks. The matters dealt with by the Audit Committee are reported at the next meeting of the Board of Directors.

F. INTERNAL RISK MANAGEMENT AND CONTROL SYSTEMS IN RELATION TO THE FINANCIAL REPORTING PROCESS

Describe the mechanisms forming your company's Internal risk management and Control systems relating to the process of publishing Financial Reporting (ICFR) of the company.

F.1. The entity's control environment

Report on at least the following, describing their principal features:

- F.1.1 The bodies and/or departments that are responsible for: (i) the existence and maintenance of an adequate and effective ICFR system; (ii) its implementation; and (iii) its supervision.

CAF's Board of Directors is the body responsible for having and maintaining a proper and effective Financial Information Internal Control System. The Audit Committee, further to the powers delegated by the Board of Directors, is the body responsible for supervising, inter alia, the process of preparation and presentation and the integrity of the regulated financial and non-financial reporting, and the information systems and the effectiveness of the Company's internal control, in particular ICFR. It also monitors the risk management systems or the systems and mechanisms linked to the Company's internal codes of conduct, as well as the internal audit services, and liaises with the auditors or audit firms on any significant weaknesses in the internal control system detected during the audit. These functions are described in the Regulations of the Audit Committee.

The Internal Audit Department is mandated by the Audit Committee to effectively supervise the Financial Information Internal Control System through its single and independent oversight role, in line with the professional quality regulations and standards, which shall contribute to good corporate governance and ensure that the financial information has been prepared in a reliable manner.

The Economic-Financial and Strategy Management is the area responsible for the design, implementation and maintenance over time of an adequate and effective internal control system over financial information.

- F.1.2 Indicate whether the following exist, especially in relation to the drawing up of financial information:

- Departments and/or mechanisms in charge of: (i) the design and review of the organisational structure; (ii) clear definition of lines of responsibility and authority with an appropriate distribution of tasks and functions; and (iii) ensuring that adequate procedures exist for their proper dissemination throughout the entity.

The Executive Director and the head of Human Resources are tasked with designing and reviewing the organisational structure and defining the lines of responsibility and authority for each business unit and subsidiary.

With regard to ICFR, the main tasks and controls to be carried out and supervised, and those persons responsible for them, are clearly defined in the processes determined as critical for the generation of financial information. Therefore, the lines of responsibility and authority are clearly defined in all cases. The breakdown of functions of the tasks considered incompatible is also documented for these processes.

- Code of conduct, the body approving this, degree of dissemination and instruction, principles and values covered (stating whether there is specific mention of record keeping and preparation of financial information), body charged with analysing breaches and proposing corrective actions and sanctions.

At its meeting in December 2023, the Board of Directors of CAF approved the review of the corporate Code of Conduct (the initial version of which dates from 27 July 2011), reaffirming the commitments made in the initial approval of the Code and updating its content to align it with current best practices in business ethics.

The Code of Conduct is, therefore, a declaration at the highest level and a guarantee of the CAF Group's leadership in, and commitment to, ethics, sustainability and good governance. The Code provides the basis for policies and standards of internal action.

The general principles of the CAF Code of Conduct are mandatory rules of conduct and ethical standards based on scrupulous respect for the law, human rights, public freedoms and fundamental rights, the principles of equal treatment non-discrimination, protection from the exploitation of child labour and other principles contained in the international instruments it cites. In addition to the above, they are the minimum basis that must govern any business behavior or action of CAF and its value chain.

With respect to financial information, the Code of Conduct includes a specific commitment to complete transparency, paying particular attention to ensuring that the information is prepared in a truthful manner and is recorded and disclosed to the market as required by applicable legislation. Likewise, the CAF Group seeks to faithfully and transparently reflect the reality of the Group, reporting in an integrated manner on all aspects of sustainability required by applicable regulations.

This enables shareholders, investors, advisors, analysts and other stakeholders to form objective opinions about the Group in line with best practices, applying the provisions of CAF's General Communication Policy.

The CAF Group complies fully with legal obligations in relation to regular public information, always respecting applicable regulations on inside and other material information, in accordance with regulations on securities market and investment services.

The CAF Group Code of Conduct has been available on the corporate website (www.caf.net) since its approval, in an easily identifiable section.

Ongoing training initiatives to raise awareness and promote Compliance standards continued in 2023.

Although the Code of Conduct and the Crime Prevention Manual have been communicated to all employees, specific training was launched in the year in accordance with plans to meet the needs of different recipients within the Group. In 2023, 90% of the people included in the training plan in this subject have completed it. Since the start of the plan, more than 8,000 people have been trained (of which, 1,045 in 2023 and 623 in 2022). Anti-corruption training is included in this training plan.

Similarly, there is a system in place for training new employees. These programmes are included in the on-boarding plans for new employees. Training materials are constantly revised and updated.

Additionally, 100% of the CAF Group's project partners, in all the regions in which it operates, are informed of the existence and obligation of compliance on their part with the General Principles of the CAF Code of Conduct.

In furtherance of the above, the Corporate Compliance System (of which the Code of Conduct is its basic standard as indicated above) is intended for the prevention, detection and early management of compliance risks.

The Compliance Function, which has autonomous powers of supervision and control, is the CAF Group's body responsible for the supervision and operation of the corporate Compliance System as a whole, the direct management of some areas (such as business ethics and due diligence in general, human rights and international sanctions, anti-corruption, competition, criminal compliance, market abuse and protection of personal data, although the latter is partially outsourced to a Data Protection Officer).

In addition, this function is also entrusted with the supervision of other areas managed by other managers. It also coordinates with other corporate functions with internal control and risk management responsibilities.

In particular, the Compliance Function will be the internal body responsible for monitoring, supervising and controlling the application of the Code of Conduct, periodically evaluating its effectiveness and adopting appropriate measures to resolve any deficiencies.

The members of the Compliance Function are appointed, replaced and dismissed by the Board of Directors or by the Chief Executive Officer, and they report their activity to the CAF Board of Directors, either directly or through a report to the relevant Board Committee, depending on the nature, scope and content of the report.

In addition, the Compliance Function has a corporate department to which it delegates certain powers to ensure the correct management of recurring compliance matters and coordination with the Compliance Officers appointed in the business units, subsidiaries or headquarters of the CAF Group or in geographical areas of those jurisdictions where this is required by local legislation, or where it is advisable given the size or characteristics of the subsidiary or headquarters.

For more details on the Corporate Compliance System, you can consult section 7.2 of the Non-Financial Information Statement - Sustainability Report included in the management report.

- Whistleblowing channel, allowing for the disclosure to the Audit Committee of irregularities of a financial and accounting nature, in addition to possible breaches of the code of conduct

and irregular activities within the organisation. Such disclosures may be made on a confidential or anonymous basis. The rights of the whistleblower and the reported party are respected in all cases.

The CAF Group has implemented an Internal Information System that brings together all its reporting channels. This IT tool is the preferred channel for reporting actions and omissions that constitute serious or very serious criminal or administrative offences (including breaches of European Union law), as well as breaches of the Code of Conduct and other rules in the CAF Group's Internal Regulatory System.

This System allows communications to be made both nominally and anonymously and guarantees the protection measures established by law for informants, related third parties and people affected by the communication.

The main regulations governing the Internal Information System are the Internal Information System Policy and the Corporate Procedure for Management of the Internal Information System, which were approved by the Board of Directors at its meeting on 5 May 2023, after consultation with the legal representatives of the workforce.

Among the System documentation is the detail of the existing information channels for each legal entity of the CAF Group and the person responsible for receiving communications, as well as the applicable Privacy Policy.

Both the Internal Information System and the System documentation remain publicly accessible on the corporate website.

The reporting channels were continuously monitored in 2023 and reviewed regularly to ensure they were working effectively. The Internal Information System has, so far, registered 13 cases.

All complaints received have been the subject of internal investigation.

The Audit Committee is responsible for supervision of the Internal Codes of Conduct and the Internal Information System. The Compliance Function approves at least one annual activity report, which includes information on the various areas of Compliance and significant risks.

All of this is detailed in greater detail in section 7.2.5 of the Non-Financial Information Statement-Sustainability Report included in the Management Report.

Training and periodic refresher programmes for personnel involved in the preparation and revision of financial information, as well as in the assessment of the ICFR system, covering at least accounting standards, auditing, internal control and risk management.

The Group has a corporate training budget and a training plans are designed at least every two years. Training needs are detected and activities for each department are scheduled as part of this plan.

Staff performance assessments are held every year and an individual development and training plan is set out for every employee included in the Training Plan. In addition, refresher courses taught by external specialists are held at least on an annual basis so as to ensure staff remain up-to-date on regulatory changes that can affect the preparation of the financial statements and webinars presented by experts on the matter are attended.

It is important to note that the recommendations issued by regulatory bodies such as ESMA and CNMV are also reviewed annually when drawing up the financial statements, with a focus on regulatory developments and other key economic circumstances and events.

The main indicators in relation to CAF, S.A.'s economic and financial training programmes in support of the businesses in 2023 are:

- Number of participants in these training actions: 2,383.
- Number of training hours received: 8,053 hours.

It should be noted that in the 2023 financial year, a significant number of training hours for workers related to the new ERP being implemented.

Apart from general training, the main training activities focus on technical updating in relation to economic and financial aspects (such as legislation, tax and risks).

F.2. Assessment of risks in financial reporting

Report on at least the following:

F.2.1 The main characteristics of the risk identification process, including risks of error and fraud, as regards:

- Whether the process exists and is documented.

The basic mechanisms and principles for adequate risk control and management are reflected in the General Risk Control and Management Policy, on whose basic principles the Comprehensive Risk Control and Management System is based.

The Comprehensive Risk Control and Management System assumes a centralised risk control and management model that covers all areas of its activity and integrates their vision into the management of the Organisation. This model establishes that every member of the organisation is involved in the process with the aim of integrating it into the company's culture.

CAF adopts a robust three-line system to organise this global management and ensure its consistency, in line with the best practices and recommendations in the international ISO 31000 and COSO ERM standards.

Consistently with section E, the first line is built around risk management in the day-to-day activity of the company and each of its businesses.

The second line comprises the assurance functions that control and supervise risk. There is a complementary assurance function for the specific case of the ICFR. This is aligned with the premises of the Comprehensive Risk Control and Management System and undertaken by the Economic-Financial and Strategy Department. This is independent of the business functions, promoting strict segregation of duties between the area that assumes the risk and the area responsible for supervising it.

This area defines the critical processes associated with each of the accounts and significant breakdowns. Risks that could generate errors or fraud in the financial information are identified based on the potential impact of an error on the financial statements and the likelihood of the risk occurring.

The third line is the independent review of the first two lines and is carried out by the Internal Audit Function. Its remit includes assessing the effectiveness of the management, control and governance processes for the risk appetite and that they are being implemented correctly.

- Whether the process covers all the objectives of financial reporting, (existence and occurrence; completeness; valuation; presentation; disclosure and comparability; and rights and obligations), whether it is updated and if so how often.

At the beginning of each year, supported by projected financial information, the main control objectives and risks of error are analysed, estimating the likelihood and impact this would have on the financial information, This analysis includes the review of the routine financial reporting processes. During the year, the identified risk areas are followed up and updated, taking into account new significant events that have taken place during the period. In addition, the internal control system includes regular control activities focused on identifying new risk areas, such as meetings of CAF's Corporate Finance Department with the heads of business units and review meetings for the reported financial information.

- The existence of a process for identifying the scope of consolidation, taking into account, among other factors, the possible existence of complex corporate structures or special purpose vehicles.

At least quarterly, the Corporate Economic-Administrative Department receives from the Corporate Legal Department the corporate organisation chart of the Group, identifying the variations in the perimeter that exist in the period. All variations in the perimeter are analyzed by the Corporate Economic-Administrative Department.

- Whether the process takes into account the effects of other types of risk (operational, technological, financial, legal, tax, reputational, environmental, etc.) to the extent that they affect the financial statements.

The process takes into account all risks identifiable insofar as they affect the financial statements.

The governing body within the company that supervises the process.

The Audit Committee is the body responsible for overseeing the regulated financial and related non-financial information preparation process and presentation, which includes the risk identification process.

F.3. Control activities

Report on whether the company has at least the following, describing their main characteristics:

F.3.1 Review and authorisation procedures for financial information and a description of the ICFR, to be disclosed to the securities markets, indicating those responsible, as well as documentation describing the flow of activity and controls (including those relating to the risk of fraud) of the various types of transactions that may materially affect the financial statements, including the procedure for the accounting close and the specific review of significant judgements, estimates, valuations and projections.

Certification of financial statements: The financial statements are certified by the CEO together with the Economic-Financial and Strategy Director. Prior to that, the information used to draw up the statements will have been validated by the senior employees involved in preparing the statements and control activities will have been carried out to minimise the risks of any error that may affect the financial reporting process.

The main financial reporting generation processes significantly affecting financial statements are documented and programmed. The financial reporting processes that are covered include the following:

Consolidation and Reporting
Accounting Close
Remuneration of employed personnel Treasury
Management
Recognition of Income, Billing and Customers (for each type of activity) Inventories and purchases (for each type of activity)
Investments
Taxes
Provisions
Information systems

The risks of error that may affect the reliability of the financial information (including risks of error in relevant judgements, estimates, assessments and projections) have been identified for each of these processes, as have the control activities to mitigate those risks. A person is designated to implement and oversee each control activity, ensure that it is carried out in due course and gather all evidence needed to carry out the activity.

This system is updated on a continual basis and is adapted according to the risks identified.

F.3.2 Internal IT control policies and procedures (access security, control of changes, system operation, operational continuity and segregation of duties, among others) which support significant processes within the company relating to the preparation and publication of financial information.

The Management of Information and Communication Technologies (ICT) is a corporate process that falls under the CAF Group's Management Model. Its mission is to provide and manage services, supporting the Group's information technology and communication needs in any of the areas of business activity, enhancing the use of these technologies and providing an efficient and effective management over the available resources, ensuring confidentiality, integrity, availability and assurances over the information.

The objectives of this process are to: Comply with
the Corporate ICT development plan

Ensure the availability of information systems (availability)

Guarantee the security (confidentiality and integrity) of Information Systems

Promote the standardisation of systems

Improve the level of satisfaction of users of ICT systems

Develop the ICT corporate framework

The ICFR includes control activities that monitor the proper performance of the processes of Information Systems, in relation to:

Information Technology management

User management

Configuration management

Physical security management

Change management

Operational management and system control

Continuity management

Third-party management

Further highlights include the Information Security Management System (ISMS) that has been in place since 2017 in accordance with ISO 27001. The system has been certified since 2018 and was renewed in 2023 for the information systems managed by the Corporate Digital Department that support CAF's corporate processes. As a result of the implementation, a Security Committee has been created and a Security Manager designated, and the suppliers and personnel affected are required to read the Security Policy and expressly accept certain Terms and Conditions and a Best Practices Manual.

F.3.3 Internal control policies and procedures for overseeing the management of activities subcontracted to third parties, as well as of those aspects of assessment, calculation or valuation entrusted to independent experts, which may materially affect financial statements.

There is an Accounting and Financial Policies Manual applicable to all CAF, S.A. subsidiaries, which includes an approval and supervision policy for activities subcontracted to third parties in preparing the financial statements.

Likewise, according to the existing delegation of authority matrix, the hiring of independent experts to carry out significant calculations or valuations must be approved by the Corporate Economic-Administrative Department, to guarantee the suitability of the expert.

The main activities identified as having been subcontracted to third parties include the preparation of the payroll and tax returns of certain subsidiaries (areas considered to be low-risk and subsidiaries that cannot materially affect the Group's financial statements) and the subcontracting of services in the IT department (the effectiveness of which is monitored regularly). Furthermore, during the fiscal year 2023, the valuation of acquired assets and liabilities was contracted to independent third parties, according to IFRS 3 of business combinations. In these cases, the Company's policy is to resort to firms of renowned background and independence.

F.4. Information and communication

Report on whether the company has at least the following, describing their main characteristics:

- F.4.1 A specifically assigned function for defining and updating accounting policies (accounting policy area or department) and resolving doubts or conflicts arising from their interpretation, maintaining a free flow of information to those responsible for operations in the organisation, as well as an up-to-date accounting policy manual distributed to the business units through which the company operates.

The Corporate Economic-Administrative Department is responsible for preparing the consolidated financial statements and those of the parent company. Its tasks include the resolution of accounting queries for the rest of the Group companies with which the Company has a direct and fluid relationship through the designated persons in charge of control at each subsidiary and updating the Accounting and Financial Policies Manual. The Manual is available on CAF's internal portal.

- F.4.2 Mechanisms for capturing and preparing financial information in standardised formats for application and use by all units of the entity or group, and support its main financial statements and notes, as well as disclosures concerning ICFR system

Every year a schedule is drawn up of the information required to prepare the financial information for the following fiscal year.

The financial information of each subsidiary is reported directly to CAF, S.A.'s Finance Department, through an online tool with consistent reporting formats. The tool is used to gather the information supporting the consolidated financial statements, as well as the consolidated information contained in the notes to the financial statements, and to aggregate and consolidate the information reported.

The Corporate Economic-Administrative Department is responsible for establishing the formats in the web application (chart of accounts, information packages). Those who have been designated for each subsidiary and are charge of control supervise the process used to harmonise the information of each subsidiary with the Group standards.

F.5. Supervision of the functioning of the system

Report on at least the following, describing their principal features:

- F.5.1 The activities of the audit committee in overseeing ICFR as well as whether there is an internal audit function one of the responsibilities of which is to provide support to the committee in its task of supervising the internal control system, including ICFR. In addition describe the scope of ICFR assessment made during the year and the procedure through which the person responsible for performing the assessment communicates its results, whether the company has an action plan detailing possible corrective measures, and whether their impact on financial reporting has been considered.

In accordance with the provisions of its own Regulations, the Audit Committee is responsible for supervising the preparation process and the integrity of the financial information, ensuring its compliance with the legal provisions, the accurate determination of the consolidation scope, as well as overseeing the proper internal control risk management systems, including ICFR.

The Audit Committee ensures the staff involved in the ICFR:

- Act with integrity and are independent in the performance of their work, thus ensuring that their conclusions are objective and impartial.
- Are competent and possess the necessary technical expertise to perform their work diligently.

The CAF Group has an Internal Audit Area whose role includes assisting the Audit Committee in its task of supervising the design and operation of the ICFR. Every year, the head of Internal Audit presents the internal audit activities to the Audit Committee for its approval,

which includes ICFR oversight tasks. The content of the Annual Work Plan is reviewed and updated on an ongoing basis. Based on this plan, the head of Internal Audit reports regularly to the Audit Committee on its conclusions, any weaknesses detected, recommendations for improvement and action plans to implement corrective measures. This report can be presented either in person at the Audit Committee meetings or by sending it to the Committee.

In the 2023 reporting period the Annual Work Plan submitted and subsequently implemented by the Internal Audit Area covers the following matters related to the ICFR:

- Updating the financial information risk map in a process coordinated by the Financial Department. To this end, it is analyzed whether changes in the organisation, systems, businesses and processes should include variations in the identification and evaluation of the main risks to financial information.
- Analytical review of the financial information submitted to the CNMV on a quarterly basis, together with the review of the execution of control activities in the accounting close and consolidation and reporting processes, including a review of the main judgements and estimates.
- Review of processes and subsidiaries according to a risk-based rotation plan. This review shall include relevant financial information risks and their key controls.
- Quarterly follow-up on the status of the action plans proposed to tackle identified shortfalls and recommendations for further improvement.
- Annual report on ICFR indicators.

F.5.2 Whether there is a discussion procedure whereby the auditor (as defined in the Spanish Technical Audit Standards), the internal auditor and other experts can report to senior management and the audit committee or directors of the company any significant weaknesses in internal control identified during the review of the annual financial statements or any others that have been entrusted to them. Likewise, whether there is an action plan that tries to correct or mitigate the shortfalls observed.

The Audit Committee meets prior to the issuance of financial information to the markets with the Internal Audit Manager and the Management responsible for preparing the financial information to comment on any relevant aspects and, if appropriate, discuss significant control weaknesses identified. During fiscal year 2023, the head of Internal Audit has attended five meetings of the Audit Committee, reporting on the evolution of the annual work plan and the existing action plans to implement recommendations for improving internal control.

The external auditor meets the Audit Committee to present the conclusions of the audit work on the financial statements and to report any significant internal control weaknesses detected during the course of the audit, assessing their possible effects on the financial information. In this regard, there were no points that needed to be communicated.

In 2023, the external auditors appeared twice before the Audit Committee and met with the Board in the plenary session held on 19 December 2023.

F.6. Other relevant information

F.7. External auditor's report

Report:

F.7.1 Whether the ICFR information sent to the markets has been subjected to review by the external auditor, in which case the entity should include the corresponding report as an attachment. If not, reasons why should be given.

The external auditor's report regarding the financial information internal control system (ICFR) is attached hereto as an annex.

G. DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

Specify the company's degree of compliance with recommendations of the Good Governance Code for listed companies.

In the event that a recommendation is not followed or only partially followed, a detailed explanation of the reasons must be included so that shareholders, investors and the market in general have enough information to assess the company's conduct. General explanations are not acceptable.

1. That the articles of incorporation of listed companies should not limit the maximum number of votes that may be cast by one shareholder or contain other restrictions that hinder the takeover of control of the company through the acquisition of its shares on the market.

Complies [] Explain []

2. That when the listed company is controlled by another entity in the meaning of Article 42 of the Commercial Code, whether listed or not, and has, directly or through its subsidiaries, business relations with said entity or any of its subsidiaries (other than the listed company) or carries out activities related to those of any of them it should make accurate public disclosures on:

- a) The respective areas of activity and possible business relationships between the listed company or its subsidiaries and the parent company or its subsidiaries.
- b) The mechanisms in place to resolve any conflicts of interest that may arise.

Complies [] Complies partially [] Explain [] Not applicable []

3. That, during the ordinary General Shareholders' Meeting, as a complement to the distribution of the written annual corporate governance report, the chairman of the Board of Directors should inform shareholders orally, in sufficient detail, of the most significant aspects of the company's corporate governance, and in particular:

- a) Changes that have occurred since the last General Shareholders' Meeting.
- b) Specific reasons why the company has not followed one or more of the recommendations of the Code of Corporate Governance and the alternative rules applied, if any.

Complies [] Complies partially [] Explain []

4. That the company should define and promote a policy on communication and contact with shareholders and institutional investors, within the framework of their involvement in the company, and with proxy advisors that complies in all aspects with rules against market abuse and gives equal treatment to similarly situated shareholders. And that the company should publish this policy on its website, including information on how it has been put into practice and identifying the contact persons or those responsible for implementing it.

And that, without prejudice to the legal obligations regarding dissemination of inside information and other types of regulated information, the company should also have a general policy regarding the communication of economic-financial, non-financial and corporate information through such channels as it may consider appropriate (communication media, social networks or other channels) that helps to maximise the dissemination and quality of information available to the market, investors and other stakeholders.

Complies [X] Complies partially [] Explain []

5. That the Board of Directors should not submit to the General Shareholders' Meeting any proposal for delegation of powers allowing the issue of shares or convertible securities with the exclusion of preemptive rights in an amount exceeding 20% of the capital at the time of delegation.

And that whenever the Board of Directors approves any issue of shares or convertible securities with the exclusion of preemptive rights, the company should immediately publish the reports referred to by company law on its website.

Complies [X] Complies partially [] Explain []

6. That listed companies that prepare the reports listed below, whether under a legal obligation or voluntarily, should publish them on their website with sufficient time before the General Shareholders' Meeting, even if their publication is not mandatory:

- a) Report on the auditor's independence.
- b) Reports on the functioning of the audit and nomination and remuneration committees.
- c) Report by the audit committee on related party transactions.

Complies [X] Complies partially [] Explain []

7. That the company should transmit in real time, through its website, the proceedings of the General Shareholders' Meetings.

And that the company should have mechanisms in place allowing the delegation and casting of votes by means of data transmission and even, in the case of large-caps and to the extent that it is proportionate, attendance and active participation in the General Meeting to be conducted by such remote means.

Complies [X] Complies partially [] Explain []

8. That the audit committee should ensure that the financial statements submitted to the General Shareholders' Meeting are prepared in accordance with accounting regulations. And that in those cases where the auditor has included a qualification or reservation in its audit report, the chairman of the Audit Committee should clearly explain to the general meeting the opinion of the Audit Committee on its content and scope, making a summary of this opinion available to shareholders at the time when the meeting is called, together with the other Board proposals and reports.

Complies [X] Complies partially [] Explain []

9. That the company should permanently publish on its website the requirements and procedures for certification of share ownership, the right of attendance at the General Shareholders' Meetings, and the exercise of the right to vote or to issue a proxy.

And that such requirements and procedures promote attendance and the exercise of shareholder rights in a non-discriminatory fashion.

Complies [X] Complies partially [] Explain []

10. That when a duly authenticated shareholder has exercised his or her right to complete the agenda or to make new proposals for resolutions in advance of the General Shareholders' Meeting, the company:

- a) Should immediately distribute such complementary points and new proposals for resolutions.
- b) Should publish the attendance, proxy and remote voting card specimen with the necessary changes such that the new agenda items and alternative proposals can be voted on in the same terms as those proposed by the Board of Directors.
- c) Should submit all these points or alternative proposals to a vote and apply the same voting rules to them as to those formulated by the Board of Directors including, in particular, assumptions or default positions regarding votes for or against.
- d) That after the General Shareholders' Meeting, a breakdown of the voting on said additions or alternative proposals be communicated.

Complies [] Complies partially [] Explain [] Not applicable [X]

11. That if the company intends to pay premiums for attending the General Shareholders' Meeting, it should establish in advance a general policy on such premiums and this policy should be stable.

Complies [] Complies partially [] Explain [] Not applicable [X]

12. That the Board of Directors should perform its functions with a unity of purpose and independence of criterion, treating all similarly situated shareholders equally and being guided by the best interests of the company, which is understood to mean the pursuit of a profitable and sustainable business in the long term, promoting its continuity and maximising the economic value of the business.

And that in pursuit of the company's interest, in addition to complying with applicable law and rules and conducting itself on the basis of good faith, ethics and a respect for commonly accepted best practices, it should seek to reconcile its own company interests, when appropriate, with the interests of its employees, suppliers, clients and other stakeholders that may be affected, as well as the impact of its corporate activities on the communities in which it operates and on the environment.

Complies [X] Complies partially [] Explain []

13. That the Board of Directors should be of an appropriate size to perform its duties effectively and in a collegial manner, which makes it advisable for it to have between five and fifteen members.

Complies [X] Explain []

14. That the Board of Directors should approve a policy aimed at favouring an appropriate composition of the Board and that:

- a) Is concrete and verifiable;
- b) Ensures that proposals for appointment or re-election are based upon a prior analysis of the skills required by the Board of Directors; and
- c) Favours diversity of knowledge, experience, age and gender. For these purposes, it is considered that the measures that encourage the company to have a significant number of female senior executives favour gender diversity.

That the result of the prior analysis of the skills required by the Board of Directors be contained in the supporting report from the nomination committee published upon calling the General Shareholders' Meeting to which the ratification, appointment or re-election of each director is submitted.

The nomination committee will annually verify compliance with this policy and explain its findings in the annual corporate governance report.

Complies [X] Complies partially [] Explain []

15. That proprietary and independent directors should constitute a substantial majority of the Board of Directors and that the number of executive directors be kept to a minimum, taking into account the complexity of the corporate group and the percentage of equity participation of executive directors.

And that the number of female directors should represent at least 40% of the members of the Board of Directors before the end of 2022 and thereafter, and no less 30% prior to that date.

Complies []

Complies partially [X]

Explain []

The number of external directors constitutes a large majority on the Board of Directors. Likewise, the number of executive directors is considered to be the required minimum, taking into account the complexity of the group and the percentage of equity participation of these directors in the Company's capital. In line with commitments acquired in the previous year, on 24 February 2023, the Board of Directors, at the proposal of the Nomination and Remuneration Committee, unanimously agreed to appoint a new Independent Director by co-option to fill the vacancy on the Board. As a result of this appointment, which was ratified by agreement of the Ordinary General Meeting of Shareholders on June 10, 2023, the percentage of female directors, which had been temporarily reduced to 30% at the end of the 2022 financial year, has once again been at 36.36%, close to the 40% provided for in this Recommendation. The Company maintains its purpose of monitoring the new gender balance requirements that may be implemented in Spanish regulations, as well as the best practices and recommendations on good governance in this matter.

16. That the number of proprietary directors as a percentage of the total number of non-executive directors not be greater than the proportion of the company's share capital represented by those directors and the rest of the capital.

This criterion may be relaxed:

- a) In large-cap companies where very few shareholdings are legally considered significant.
- b) In the case of companies where a plurality of shareholders is represented on the Board of Directors without ties among them.

Complies [X]

Explain []

17. That the number of independent directors should represent at least half of the total number of directors.

That, however, when the company does not have a high level of market capitalisation or in the event that it is a large-cap company with one shareholder or a group of shareholders acting in concert who together control more than 30% of the company's share capital, the number of independent directors should represent at least one third of the total number of directors.

Complies [X]

Explain []

18. That companies should publish the following information on its directors on their website, and keep it up to date:

- a) Professional profile and biography.
- b) Any other Boards to which the directors belong, regardless of whether or not the companies are listed, as well as any other remunerated activities engaged in, regardless of type.
- c) Category of directorship, indicating, in the case of individuals who represent significant shareholders, the shareholder that they represent or to which they are connected.
- d) Date of their first appointment as a director of the company's Board of Directors, and any subsequent re-elections.
- e) Company shares and share options that they own.

Complies [X] Complies partially [] Explain []

19. That the annual corporate governance report, after verification by the nomination committee, should explain the reasons for the appointment of any proprietary directors at the proposal of shareholders whose holding is less than 3%. It should also explain, if applicable, why formal requests from shareholders for presence on the Board were not honoured, when their shareholding was equal to or exceeded that of other shareholders whose proposal for proprietary directors was honoured.

Complies [] Complies partially [] Explain [] Not applicable [X]

20. That proprietary directors representing significant shareholders should resign from the Board when the shareholder they represent disposes of its entire shareholding. They should also resign, in a proportional fashion, in the event that said shareholder reduces its percentage interest to a level that requires a decrease in the number of proprietary directors.

Complies [X] Complies partially [] Explain [] Not applicable []

21. That the Board of Directors should not propose the dismissal of any independent director before the completion of the director's term provided for in the articles of incorporation unless the Board of Directors finds just cause and a prior report has been prepared by the nomination committee. Specifically, just cause is considered to exist if the director takes on new duties or commits to new obligations that would interfere with his or her ability to dedicate the time necessary for attention to the duties inherent to his or her post as a director, fails to complete the tasks inherent to his or her post, or is affected by any of the circumstances which would cause the loss of independent status in accordance with applicable law.

The dismissal of independent directors may also be proposed as a result of a public takeover bid, merger or other similar corporate transaction entailing a change in the shareholder structure of the company, provided that such changes in the structure of the Board are the result of application of the proportionate representation criterion provided in Recommendation 16.

Complies Explain

22. That companies should establish rules requiring that directors inform the Board of Directors and, where appropriate, resign from their posts, when circumstances arise which affect them, whether or not related to their actions in the company itself, and which may harm the company's standing and reputation, and in particular requiring them to inform the Board of any criminal proceedings in which they appear as suspects or defendants, as well as of how the legal proceedings subsequently unfold.

And that, if the Board is informed or becomes aware in any other manner of any of the circumstances mentioned above, it must investigate the case as quickly as possible and, depending on the specific circumstances, decide, based on a report from the nomination and remuneration committee, whether or not any measure must be adopted, such as the opening of an internal investigation, asking the director to resign or proposing that he or she be dismissed. And that these events must be reported in the annual corporate governance report, unless there are any special reasons not to do so, which must also be noted in the minutes.

Without prejudice to the information that the company must disseminate, if appropriate, at the time of adopting the corresponding measures.

Complies Complies partially Explain

23. That all directors clearly express their opposition when they consider any proposal submitted to the Board of Directors to be against the company's interests. This particularly applies to independent directors and directors who are unaffected by a potential conflict of interest if the decision could be detrimental to any shareholders not represented on the Board of Directors.

Furthermore, when the Board of Directors makes significant or repeated decisions about which the director has serious reservations, the director should draw the appropriate conclusions and, in the event the director decides to resign, explain the reasons for this decision in the letter referred to in the next recommendation.

This recommendation also applies to the secretary of the Board of Directors, even if he or she is not a director.

Complies Complies partially Explain Not applicable

24. That whenever a director leaves before the completion of his or her term of office, due to resignation or resolution of the General Shareholders' Meeting, the director should explain the reasons for this decision, or, in the case of non-executive directors, their opinion of the reasons for the cessation, in a letter addressed to all members of the Board of Directors.

And that, without prejudice to all this being reported in the annual corporate governance report, insofar as it is relevant to investors, the company must publish the cessation as quickly as possible, adequately referring to the reasons or circumstances adduced by the director.

Complies [X] Complies partially [] Explain [] Not applicable []

25. That the nomination committee should make sure that non-executive directors have sufficient time available in order to properly perform their duties.

And that the Board regulations establish the maximum number of company Boards on which directors may sit.

Complies [X] Complies partially [] Explain []

26. That the Board of Directors meet frequently enough to be able to effectively perform its duties, and at least eight times per year, following a schedule of dates and agendas established at the beginning of the year and allowing each director individually to propose other items that do not originally appear on the agenda.

Complies [X] Complies partially [] Explain []

27. That director absences occur only when absolutely necessary and be quantified in the annual corporate governance report. And when absences do occur, that the director appoint a proxy with instructions.

Complies [X] Complies partially [] Explain []

28. That when directors or the secretary express concern regarding a proposal or, in the case of directors, regarding the direction in which the company is headed and said concerns are not resolved by the Board of Directors, such concerns should be included in the minutes at the request of the director expressing them.

Complies [X] Complies partially [] Explain [] Not applicable []

29. That the company should establish adequate means for directors to obtain appropriate advice in order to properly fulfil their duties including, should circumstances warrant, external advice at the company's expense.

Complies [X] Complies partially [] Explain []

30. That, without regard to the knowledge necessary for directors to complete their duties, companies make refresher courses available to them when circumstances make this advisable.

Complies Explain Not applicable

31. That the agenda for meetings should clearly indicate those matters on which the Board of Directors is to make a decision or adopt a resolution so that the directors may study or gather all relevant information ahead of time.

When, in exceptional circumstances, the chairman wishes to bring urgent matters for decision or resolution before the Board of Directors which do not appear on the agenda, prior express agreement of a majority of the directors shall be necessary, and said consent shall be duly recorded in the minutes.

Complies Complies partially Explain

32. That directors be periodically informed of changes in shareholding and of the opinions of significant shareholders, investors and rating agencies of the company and its group.

Complies Complies partially Explain

33. That the president, as responsible for the effective functioning of the board of directors, in addition to exercising the functions that are legally and statutorily attributed to him, prepare and submit to the board of directors a program of dates and matters to be discussed; organize and coordinate the periodic evaluation of the board, as well as, where appropriate, that of the company's chief executive; be responsible for the direction of the Board and the effectiveness of its work; ensuring that sufficient time is devoted to considering strategic issues, and approve and supervise refresher courses for each director when circumstances warrant.

Complies Complies partially Explain

34. That when there is a coordinating director, the articles of incorporation or Board regulations should confer upon him or her the following powers in addition to those conferred by law: to chair the Board of Directors in the absence of the chairman and deputy chairmen, should there be any; to reflect the concerns of non-executive directors; to liaise with investors and shareholders in order to understand their points of view and respond to their concerns, in particular as those concerns relate to corporate governance of the company; and to coordinate a succession plan for the chairman.

Complies Complies partially Explain Not applicable

35. That the secretary of the Board of Directors should pay special attention to ensure that the activities and decisions of the Board of Directors take into account such recommendations regarding good governance contained in this Good Governance Code as may be applicable to the company.

Complies Explain

36. That the Board of Directors meet in plenary session once a year and adopt, where appropriate, an action plan to correct any deficiencies detected in the following:

- a) The quality and efficiency of the Board of Directors' work.
- b) The workings and composition of its committees.
- c) Diversity in the composition and skills of the Board of Directors.
- d) Performance of the chairman of the Board of Directors and of the chief executive officer of the company.
- e) Performance and input of each director, paying special attention to those in charge of the various Board committees.

In order to perform its evaluation of the various committees, the Board of Directors will take a report from the committees themselves as a starting point and for the evaluation of the Board, a report from the nomination committee.

Every three years, the Board of Directors will rely for its evaluation upon the assistance of an external advisor, whose independence shall be verified by the nomination committee.

Business relationships between the external adviser or any member of the adviser's group and the company or any company within its group must be specified in the annual corporate governance report.

The process and the areas evaluated must be described in the annual corporate governance report.

Complies Complies partially Explain

37. That if there is an executive committee, it must contain at least two non-executive directors, at least one of whom must be independent, and its secretary must be the secretary of the Board.

Complies Complies partially Explain Not applicable

38. That the Board of Directors must always be aware of the matters discussed and decisions taken by the executive committee and that all members of the Board of Directors receive a copy of the minutes of meetings of the executive committee.

Complies Complies partially Explain Not applicable

39. That the members of the audit committee, in particular its chairman, be appointed in consideration of their knowledge and experience in accountancy, audit and risk management issues, both financial and non-financial.

Complies Complies partially Explain

40. That under the supervision of the audit committee, there should be a unit in charge of the internal audit function, which ensures that information and internal control systems operate correctly, and which reports to the non-executive chairman of the Board or of the audit committee.

Complies [X]

Complies partially []

Explain []

41. That the person in charge of the unit performing the internal audit function should present an annual work plan to the audit committee, for approval by that committee or by the Board, reporting directly on its execution, including any incidents or limitations of scope, the results and monitoring of its recommendations, and present an activity report at the end of each year.

Complies [X]

Complies partially []

Explain []

Not applicable []

42. That in addition to the provisions of applicable law, the audit committee should be responsible for the following functions:
1. With regard to information systems and internal control:
 - a) Supervising and evaluating the process of preparation and the completeness of the financial and non-financial information, as well as the control and management systems for financial and non-financial risk relating to the company and, if applicable, the group - including operational, technological, legal, social, environmental, political and reputational risk, or risk related to corruption - reviewing compliance with regulatory requirements, the appropriate delimitation of the scope of consolidation and the correct application of accounting criteria.
 - b) Ensuring the independence of the unit charged with the internal audit function; proposing the selection, appointment and dismissal of the head of internal audit; proposing the budget for this service; approving or proposing its orientation and annual work plans for approval by the Board, making sure that its activity is focused primarily on material risks (including reputational risk); receiving periodic information on its activities; and verifying that senior management takes into account the conclusions and recommendations of its reports.
 - c) Establish and supervise a mechanism that allows employees and other people related to the company, such as directors, shareholders, suppliers, contractors or subcontractors, to report irregularities of potential significance, including financial and accounting ones, or of any other nature, related to the company that they notice within the company or its group. This mechanism must guarantee confidentiality and in any case provide for cases in which the communications can be made anonymously, respecting the rights of the whistleblower and the person reported.
 - d) Generally ensuring that internal control policies and systems are effectively applied in practice.
 2. With regard to the external auditor:
 - a) In the event that the external auditor resigns, examining the circumstances leading to such resignation.
 - b) Ensuring that the remuneration paid to the external auditor for its work does not compromise the quality of the work or the auditor's independence.
 - c) Making sure that the company informs the CNMV of the change of auditor, along with a statement on any differences that arose with the outgoing auditor and, if applicable, the contents thereof.
 - d) Ensuring that the external auditor holds an annual meeting with the Board of Directors in plenary session in order to make a report regarding the tasks performed and the development of the company's accounting situation and risks.
 - e) Ensuring that the company and the external auditor comply with applicable rules regarding the provision of services other than auditing, limits on the concentration of the auditor's business, and, in general, all other rules regarding auditors' independence.

Complies [X]

Complies partially []

Explain []

43. That the audit committee be able to require the presence of any employee or manager of the company, even stipulating that he or she appear without the presence of any other member of management.

Complies [X] Complies partially [] Explain []

44. That the audit committee be kept abreast of any corporate and structural changes planned by the company in order to perform an analysis and draw up a prior report to the Board of Directors on the economic conditions and accounting implications and, in particular, any exchange ratio involved.

Complies [X] Complies partially [] Explain [] Not applicable []

45. That the risk management and control policy identify or determine, as a minimum:

- a) The various types of financial and non-financial risks (including operational, technological, legal, social, environmental, political and reputational risks and risks relating to corruption) which the company faces, including among the financial or economic risks contingent liabilities and other off-balance sheet risks.
- b) A risk control and management model based on different levels, which will include a specialised risk committee when sector regulations so require or the company considers it to be appropriate.
- c) The level of risk that the company considers to be acceptable.
- d) Measures in place to mitigate the impact of the risks identified in the event that they should materialised.
- e) Internal control and information systems to be used in order to control and manage the aforementioned risks, including contingent liabilities or off-balance sheet risks.

Complies [X] Complies partially [] Explain []

46. That under the direct supervision of the audit committee or, if applicable, of a specialised committee of the Board of Directors, an internal risk control and management function should exist, performed by an internal unit or department of the company which is expressly charged with the following responsibilities:

- a) Ensuring the proper functioning of the risk management and control systems and, in particular, that they adequately identify, manage and quantify all material risks affecting the company.
- b) Actively participating in drawing up the risk strategy and in important decisions regarding risk management.
- c) Ensuring that the risk management and control systems adequately mitigate risks as defined by the policy laid down by the Board of Directors.

Complies [X] Complies partially [] Explain []

47. That in designating the members of the nomination and remuneration committee – or of the nomination committee and the remuneration committee if they are separate – care be taken to ensure that they have the knowledge, aptitudes and experience appropriate to the functions that they are called upon to perform and that the majority of said members are independent directors.

Complies [X] Complies partially [] Explain []

48. That large-cap companies have separate nomination and remuneration committees.

Complies [] Explain [] Not applicable [X]

49. That the nomination committee consult with the chairman of the Board of Directors and the chief executive of the company, especially in relation to matters concerning executive directors.

And that any director be able to ask the nomination committee to consider potential candidates that he or she considers suitable to fill a vacancy on the Board of Directors.

Complies [X] Complies partially [] Explain []

50. That the remuneration committee exercise its functions independently and that, in addition to the functions assigned to it by law, it should be responsible for the following:

- a) Proposing the basic conditions of employment for senior management to the Board of Directors.
- b) Verifying compliance with the company's remuneration policy.
- c) Periodically reviewing the remuneration policy applied to directors and senior managers, including share-based remuneration systems and their application, as well as ensuring that their individual remuneration is proportional to that received by the company's other directors and senior managers.
- d) Making sure that potential conflicts of interest do not undermine the independence of external advice given to the committee.
- e) Verifying the information on remuneration of directors and senior managers contained in the various corporate documents, including the annual report on director remuneration.

Complies [X] Complies partially [] Explain []

51. That the remuneration committee should consult with the chairman and the chief executive of the company, especially on matters relating to executive directors and senior management.

Complies [X] Complies partially [] Explain []

52. That the rules regarding the composition and workings of the supervision and control committees should appear in the regulations of the Board of Directors and that they should be consistent with those applying to legally mandatory committees in accordance with the foregoing recommendations, including:
- a) That they be composed exclusively of non-executive directors, with a majority of independent directors.
 - b) That their chairpersons be independent directors.
 - c) That the Board of Directors selects members of these committees taking into account their knowledge, skills and experience and the duties of each committee; discusses their proposals and reports; and requires them to render account of their activities and of the work performed in the first plenary session of the Board of Directors held after each committee meeting.
 - d) That the committees be allowed to avail themselves of outside advice when they consider it necessary to perform their duties.
 - e) That their meetings be recorded and their minutes be made available to all directors.
- Complies [X] Complies partially [] Explain [] Not applicable []

53. That verification of compliance with the company's policies and rules on environmental, social and corporate governance matters, and with the internal codes of conduct be assigned to one or divided among more than one committee of the Board of Directors, which may be the audit committee, the nomination committee, a specialised committee on sustainability or corporate social responsibility or such other specialised committee that the board of directors, in exercise of its powers of self-organisation, has decided to create. And that such committee be composed exclusively of non-executive directors, with a majority of these being independent directors, and that the minimum functions indicated in the next recommendation be specifically assigned to it.
- Complies [X] Complies partially [] Explain []

54. The minimum functions referred to in the foregoing recommendation are the following:

- a) Monitoring of compliance with the company's internal codes of conduct and corporate governance rules, also ensuring that the corporate culture is aligned with its purpose and values.
- b) Monitoring the application of the general policy on communication of economic and financial information, non-financial and corporate information and communication with shareholders and investors, proxy advisors and other stakeholders. The manner in which the entity communicates and handles relations with small and medium-sized shareholders must also be monitored.
- c) The periodic evaluation and review of the company's corporate governance system, and environmental and social policy, with a view to ensuring that they fulfil their purposes of promoting the interests of society and take account, as appropriate, of the legitimate interests of other stakeholders.
- d) Supervision of the company's environmental and social practices to ensure that they are in alignment with the established strategy and policy.
- e) Supervision and evaluation of the way in which relations with the various stakeholders are handled.

Complies [X]

Complies partially []

Explain []

55. That environmental and social sustainability policies identify and include at least the following:

- a) The principles, commitments, objectives and strategy relating to shareholders, employees, clients, suppliers, social issues, the environment, diversity, tax responsibility, respect for human rights, and the prevention of corruption and other unlawful conduct
- b) Means or systems for monitoring compliance with these policies, their associated risks, and management.
- c) Mechanisms for supervising non-financial risk, including that relating to ethical aspects and aspects of business conduct.
- d) Channels of communication, participation and dialogue with stakeholders.
- e) Responsible communication practices that impede the manipulation of data and protect integrity and honour.

Complies [X]

Complies partially []

Explain []

56. That director remuneration be sufficient in order to attract and retain directors who meet the desired professional profile and to adequately compensate them for the dedication, qualifications and responsibility demanded of their posts, while not being so excessive as to compromise the independent judgement of non-executive directors.

Complies [X]

Explain []

57. That only executive directors should receive variable remuneration linked to corporate results and personal performance, as well as remuneration in the form of shares, options or rights to shares or instruments referenced to the share price and long-term savings plans such as pension plans, retirement schemes or other provident schemes.

Consideration may be given to delivering shares to non-executive directors as remuneration providing this is conditional upon their holding them until they cease to be directors. The foregoing shall not apply to shares that the director may need to sell in order to meet the costs related to their acquisition.

Complies [X] Complies partially [] Explain []

58. That as regards variable remuneration, remuneration policies should incorporate the necessary limits and technical safeguards to ensure that such remuneration is in line with the professional performance of its beneficiaries and not based solely on general developments in the markets or in the sector in which the company operates, or other similar circumstances.

And, in particular, that variable remuneration components:

- a) Are linked to pre-determined and measurable performance criteria and that such criteria take into account the risk incurred to achieve a given result.
- b) Promote the sustainability of the company and include non-financial criteria that are geared towards creating long term value, such as compliance with the company's rules and internal operating procedures and with its risk management and control policies.
- c) They are based on balancing the attainment of short-, medium- and long-term objectives, so as to allow remuneration of continuous performance over a period long enough to be able to assess its contribution to the sustainable creation of value, such that the elements used to measure performance are not associated only with one-off, occasional or extraordinary events.

Complies [X] Complies partially [] Explain [] Not applicable []

59. That the payment of variable remuneration components be subject to sufficient verification that previously established performance or other conditions have effectively been met. Entities must include in their annual report on director remuneration the criteria for the time required and methods used for this verification depending on the nature and characteristics of each variable component.

That, additionally, companies consider the inclusion of a reduction ('malus') clause for the deferral of the payment of a portion of variable remuneration components that would imply their total or partial loss if an event were to occur prior to the payment date that would make this advisable.

Complies [X] Complies partially [] Explain [] Not applicable []

60. That remuneration related to company results should take into account any reservations that might appear in the external auditor's report and that would diminish said results.

Complies [] Complies partially [] Explain [] Not applicable []

61. That a material portion of executive directors' variable remuneration be linked to the delivery of shares or financial instruments referenced to the share price.

Complies [] Complies partially [] Explain [] Not applicable []

The Company's Remuneration Policy does not provide for the possibility of establishing a variable remuneration system that is linked to the delivery of shares or financial instruments pegged to their value.

62. That once shares or options or financial instruments have been allocated under remuneration schemes, executive directors be prohibited from transferring ownership or exercising options or rights until a term of at least three years has elapsed.

An exception is made in cases where the director has, at the time of the transfer or exercise of options or rights, a net economic exposure to changes in the share price for a market value equivalent to at least twice the amount of his or her fixed annual remuneration through the ownership of shares, options or other financial instruments.

The foregoing shall not apply to shares that the director may need to sell in order to meet the costs related to their acquisition or, following a favourable assessment by the nomination and remuneration committee, to deal with such extraordinary situations as may arise and so require.

Complies [] Complies partially [] Explain [] Not applicable []

63. That contractual arrangements should include a clause allowing the company to demand reimbursement of the variable remuneration components in the event that payment was not in accordance with the performance conditions or when payment was made based on data subsequently shown to have been inaccurate.

Complies [] Complies partially [] Explain [] Not applicable []

64. That payments for contract termination should not exceed an amount equivalent to two years of total annual remuneration and should not be paid until the company has been able to verify that the director has fulfilled all previously established criteria or conditions for payment.

For the purposes of this recommendation, payments for contractual termination will be considered to include any payments the accrual of which or the obligation to pay which arises as a consequence of or on the occasion of the termination of the contractual relationship between the director and the company, including amounts not previously vested of long-term savings schemes and amounts paid by virtue of post-contractual non-competition agreements.

Complies [] Complies partially [] Explain [] Not applicable []



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H. OTHER INFORMATION OF INTEREST

1. If there is any significant aspect regarding corporate governance in the company or other companies in the group that has not been included in other sections of this report, but which it is necessary to include in order to provide a more comprehensive and reasoned picture of the structure and governance practices in the company or its group, describe them briefly below.
2. This section may also be used to provide any other information, explanation or clarification relating to previous sections of the report, so long as it is relevant and not repetitive.

Specifically, indicate whether the company is subject to any corporate governance legislation other than that of Spain and, if so, include any information required under this legislation that differs from the data required in this report.

3. The company may also indicate whether it has voluntarily subscribed to other ethical or best practice codes, whether international, sector-based, or other. If applicable, name the code in question and the date on which the company subscribed to it. Specific mention must be made as to whether the company adheres to the Code of Good Tax Practices of 20 July 2010:

The Company adhered to the UN Global Compact on 4 December 2020.

C1.16 (continued)

The directors shall hold office for a term of four years. Directors may be re-elected for office one or more times for periods of equal duration. The appointments of the directors shall be effective as soon as they are accepted (Article 29 of the Company's Bylaws). Renewal of the Board of Directors shall take place on the expiry of each director's tenure (Article 30 of the Company's Bylaws). The General Meeting has the power to dismiss members of the Board of Directors (Article 13.1 of the Company's Bylaws). Dismissals of Directors will take place in accordance with prevailing legislation (Article 18.1 of the Regulations of the Board of Directors). The Board Regulations establish the cases in which Directors must make their position available to the Board of Directors and formalize, if it deems appropriate, the corresponding resignation (see section C.1.19 of this Report). The directors shall inform the Board and, where applicable, resign, when situations affecting them arise, that may or may not be related to the duties they discharge within the Company, that may harm its good name and reputation and, in particular, in the event of any criminal case in which they appear as the investigated party, and the progress of any trial. The Board of Directors, having been informed or having otherwise become apprised of any of the situations mentioned in the previous paragraph, will examine the case as soon as possible and, taking into account the specific circumstances, will decide, following a report from the Nomination and Remuneration Committee, the measures to be adopted. All of this will be disclosed in the Annual Corporate Governance Report, unless there are special justifying circumstances, which must be recorded in the minutes. The foregoing is without prejudice to the information that the Company must release, if required, at the time the corresponding measures are implemented. The Board of Directors shall not propose the removal of independent directors before the expiry of their tenure as mandated by the Company's Bylaws, except where just cause is found by the Board of Directors, based on a proposal from the Nomination and Remuneration Committee. When a director resigns from their position before their tenure expires, they must sufficiently explain their reasons or, in the case of non-executive directors, their opinion on the reasons for removal by the General Shareholders' Meeting, in a letter sent to all members of the Board of Directors. (Article 18 of the Regulations of the Board of Directors).

C1.30 (continued)

Mechanisms to preserve the independence of financial analysts, investment banks and rating agencies:
The principles underpinning the Company's relationship with analysts, investment banks and rating agencies are set out in the General Policy on Communication of Economic-Financial, Non-Financial and Corporate Information and Contact with Shareholders, Institutional Investors and Proxy Advisors and are those of transparency, equal treatment and non-discrimination, truthfulness, and reliability of the information provided.
The "Investor Relations" Department, attached to the Company's Financial and Strategy Department, is responsible for channelling communication between the Company and shareholders, investors, asset managers, financial intermediaries and analysts who cover the analysis of CAF as a listed company, respecting in all cases the general principles established in the aforementioned Policy, which guarantees its objective, equitable and non-discriminatory treatment.

C.2.1 (continued)

AUDIT COMMITTEE

In the event of incapacity or absence, the Secretary shall be substituted by the youngest Committee member. Committee meetings may also be held without prior notice if all the members of the Committee are in attendance, in person or by proxy, and agree unanimously to hold the meeting (Article 8 of the Audit Committee Regulations). The Audit Committee shall adopt the resolutions by absolute majority of the directors attending the meeting in person or by proxy. The Secretary shall issue minutes of each meeting which, following approval thereof either at the end of the meeting or in the following meeting, shall be signed by the Chair and the Secretary. The minutes of the Committee meetings shall be made available to all members of the Board of Directors (Article 9 of the Audit Committee Regulations).

The most relevant activities carried out by this Committee in 2023 are described in the Operating Report to be published at the time of the call for the General Shareholders' Meeting on the corporate website (www.caf.net). The most noteworthy include:

i. Financial and non-financial reporting and internal control mechanism activities

- Examination, prior to the presentation to the Board of Directors for formulation, of the financial statements and the individual and consolidated management reports of CAF, S.A. and the CAF Group, respectively, corresponding to 2022. Oversight of the integrity of non-financial information, particularly that in the Management Report, of which the Annual Corporate Governance Report, the Annual Remuneration Report and the Non-Financial Information Report form part.
- Examination, prior to its presentation to the Board of Directors for approval, of the semi-annual interim financial information and information on results for the first and third quarters.
- Review of the remaining information to make it available to the market or supervisory bodies during the reported year.

ii. Related-party transaction activities.

Report from the Economic-Financial Directorate on related-party operations executed during fiscal year 2023.

iii. Activities relating to the Sustainability Policy and the terms of its implementation in the year

The Nomination and Remuneration Committee is responsible for supervision of the Company's Sustainability Policy and its environmental and social practices, with the Audit Committee being responsible for verification of the information in this area that the Company publishes as part of the Management Report that accompanies the individual and consolidated annual financial statements of CAF, S.A. and CAF Group.

The Committee has performed the functions related to the Internal Information System (complaint channels) and the Group's internal codes of conduct, and the application of the Company's General Communication Policy, which are reported in the following point.

iv. Activities regarding internal control and risk management

- Ongoing evaluation of the ICFR system and analysis of the recommendations and improvement plans proposed by Internal Audit.
- Supervision of the Risk Management Unit. In performing this function, the Committee received a report from the Risk Management Unit on the main risks and contingencies of the Company and its Group, with the head of this unit attending the Committee.
- Supervision of the activities of the Company's internal Tax Department, which is tasked with the control and management of the Group's tax risks, with the head of the area attending to report on current inspections, transactions carried out, changes in the risk matrix, monitoring of compliance with the Tax Policy and any developments in tax matters relevant to the Company.
- Proposed General Policy for the Internal Information System, the procedure for its management, and the appointment of its head, for submission to the Board of Directors.
- Supervision of compliance with internal codes of conduct and the Internal Information System.

v. Internal audit-related activities:

The Audit Committee analysed and oversaw, on a direct and ongoing basis, the actions taken by the company's internal audit area. Additionally, it has carried out the following actions:

- Review of the Annual Report on Internal Audit Activities corresponding to fiscal year 2022, which includes the monitoring of internal control recommendations made by Internal Audit through different reports.
- Approval of the Internal Audit Work Plan corresponding to the 2023 financial year.
- Monitoring the execution of the Internal Audit Work Plan throughout the year.
- Evaluation of the functioning of Internal Audit and the performance of the head of this area.

vi. External auditor-related activities:

- Analysis of the external auditor's reports relating to the individual and consolidated annual accounts of the Company, for the financial year 2022.
- Analysis of the limited review report on the 2023 semi-annual financial statements.
- Request for written confirmation of independence issued by the auditor, and preparation of the Report on the auditor's independence, in relation to the audit of the 2022 annual accounts.
- Approval of the proposal for non-audit services for the 2024 and its budget. Verification of the fees incurred for services contracted in 2023, according to the approved budget.
- Evaluation of the external auditor's conduct.

vii. Analysis of corporate operations

Analysis of ongoing strategic corporate operations, for prior report to the Board of Directors.

viii. Activities regarding financing:

Analysis of the proposed renewal of the annual commercial paper issuance programme on the Spanish Alternative Fixed Income Market (MARF), registered for the first time in December 2020, and proposed to the Board of Directors for its approval.

ix. Audit Committee action plan monitoring activities:

The Committee has verified compliance with the 2023 action plans, established in the Report on the annual evaluation of its performance, approved at its session on December 19, 2022.

The Committee monitored key issues relating to cybersecurity and their possible implications for the Board of Directors, including the publication of the CNMV's 2023 Code of Good Governance on Cybersecurity, and promoted the presentation of these issues to the full Board.

x. Other activities

- Approval of the report relating to the operation of the Audit Committee for the 2022 financial year.
- Supervision of the application of the General Communication Policy.
- Supervision of the activity of the Shareholder and Investor Relations Area during the year and its Activity Plan for 2023.

- Approval of an annual audit plan for 2024, which includes the annual schedule for Committee meetings with the external auditors.

NOMINATION AND REMUNERATION COMMITTEE:

The Committee shall be deemed to be convened when more than half of its members attend and pass its resolutions by absolute majority, either in person or by proxy. Proxy may only be granted to another director who is a member of the Committee. The positions of Chairman and Secretary of the Board shall be held by those appointed to these positions. In the event of incapacity or absence, the Chairman shall be substituted by the longest-serving Committee member and, in the event that various members have served for the same length of time, by the oldest Committee member. In the event of incapacity or absence, the Secretary shall be substituted by the youngest Committee member. Committee meetings may also be held without prior notice if all the members of the Committee are present and agree unanimously to hold the meeting. The resolutions adopted shall be recorded by the Secretary in the related minutes, which shall be approved by the same meeting or at the immediately following meeting, and shall be signed by the Chair and the Secretary. The minutes of the Committee meetings shall be made available to all the Board members.

The main activities performed by the Committee in 2023 included:

a. Appointment activities

- Submission to the Board of the proposal for the appointment by co-option of Ms Begoña Beltrán de Heredia Vila as an Independent Director and her membership of the Audit Committee.
- Presentation to the Board, for submission to the General Meeting: (i) the previous report on the proposal for the re-election of Mr Martínez Ojinaga as Executive Director, as well as (ii) the proposal for the ratification of the appointment by co-option of Ms Begoña Beltrán de Heredia Vila and her appointment as Independent Director.
- Review of the competency matrix of the Board of Directors.

b. Remuneration activities

- Submission of the proposed Directors' Remuneration Report for 2022 to the Board of Directors.
- Verification of compliance with the predetermined economic-financial and non-financial parameters for the accrual of the variable remuneration corresponding to 2022.
- Proposal to the Board for directors' remuneration for 2023.
- Proposal to the Board of the variable remuneration plan for the Executive Directors and the Executive Committee for the financial year 2023.
- Submission to the Board of Directors of the proposal for provisions to the Long-Term Savings System for the financial year 2023.
- Proposal of a Long-Term Incentive Plan to the Board.

c. Corporate Governance and Sustainability activities

- Review of the Non-Financial Information Statement/Sustainability Report, corresponding to fiscal year 2022, for approval by the Board of Directors.
- Review of the Modern Slavery Declaration reports for 2022.
- Supervision of effective compliance with corporate governance rules and evaluation of the Corporate Governance System during 2023.
- Supervision of the Sustainability Policy as well as the Company's practices in environmental and social matters in fiscal year 2023.
- Annual assessment of compliance with the Diversity and Director Selection Policy in 2023.

d. Other activities

- Approval of the Report on the Functioning of the Nomination and Remuneration Committee in 2022.
- Proposed appointment of the external advisor for 2023, following verification of their independence.
- Supervision of the renewal process of the insurance policy for Directors and Executives.
- Approval of the Committee's 2024 Activities Plan.

e. Nomination and Remuneration Committee action plan monitoring activities

The Committee continuously monitored the action plans for the year in 2023, verifying that they had been implemented satisfactorily.

D.1 (continued)

(ii) the internal procedure for reporting and regular monitoring of delegable related party transactions, as described below: The Chief Financial and Strategy Officer of the Company shall submit to the Audit Committee, through that committee's Secretary, a periodic report summarising the related party transactions whose approval has been delegated by the Board of Directors and which have been approved during the reporting period. This report must be issued as often as required to ensure the Company complies with its legal obligations relating to related-party transactions

The report shall include at least the following:

- The number of transactions by type and related party;
- The following information in respect of each related party transaction: type of transaction, amount or consideration of the transaction and market price ranges for similar transactions, related party to which the transaction relates and other relevant terms of the transaction;
- Extent to which each transaction meets the requirements for approval by delegation.
- A summary of the rationale for approving each transaction, focusing on the fairness and transparency of the transactions.

The Chief Financial and Strategy Officer of the Company shall establish the necessary resources and mechanisms to ensure a permanent supply of up to date information:

- A register of proposed related party transactions.
- A record of completed related party transactions, which shall necessarily include the status of the applicable thresholds for approval and publication of related party transactions.

The Secretary of the Board shall provide the Chief Financial and Strategy Officer with a list of persons related to the directors who are to be considered related parties of the Company for the purpose of applying the rules and regulations on related party transactions. (Article 8 of the Manual on Related Party Transactions).

Intragroup transactions which, due to their characteristics, qualify as related party transactions are managed in accordance with the terms of the Manual. For the approval of intragroup transactions, from the perspective of the subsidiaries referred to in Article 231 bis of the Spanish Corporate Enterprises Act, the provisions of the article above shall apply.

E.1 (continued)

The Comprehensive Risk Management System adopted by CAF is aligned with international standards, ISO 31000 and COSO ERM (Committee of Sponsoring Organisations of the Treadway Commission – Enterprise Risk Management), regarding the use of an effective methodology for integrated risk analysis and management and the Three Lines Model, on assigning responsibilities in the risk management and control area.

The main aspects of the Three Lines Model are set out below:

Determining the General Risk Control and Management Policy and supervising the internal information and control systems are two of the functions and competencies of our Board of Directors, with the Audit Committee being delegated the responsibility of supervising and evaluating the Group's risk control and management systems, as well as supervising the Company's internal risk control and management function.

Responsibility for all activities aimed at achieving the Organisation's objectives, including those related to risk and opportunity management, falls to the Company's Management, which promotes a culture sensitive to respect for risk appetite.

Every activity undertaken involves uncertainties. These can be risks that can hinder us achieving our objectives, or opportunities we can exploit to maximise them. For this reason, the functions that carry out activities at CAF, both in the provision of products and services and in support areas, always keep in mind the importance of anticipating and identifying uncertainty events, evaluating them and, if appropriate, managing them.

With an entire organisation focused on risk and opportunity management, the work of the second line is crucial in three aspects:

- 1) Ensure the correct evaluation and quantification of risks: it challenges the assessments of the first line and supports it in quantification based on its knowledge and experience, and its independence.
- 2) Provide management with information on risks in understandable and common language that enables risk-based decision-making.
- 3) Ensure that the company's global risk level remains within the appetite established by the Board of Directors, maintaining sufficient independence for its proper functioning and reporting directly to the Audit Committee.

In general, the role of second line of assurance is assigned to the Risk Management Department. It is integrated into the Finance and Strategy Department under the direct supervision of the Audit Committee. This department is responsible for ensuring the proper functioning of the Comprehensive Risk Control and Management System, maintaining risk at levels consistent with the established appetite. However, the Group has various complementary second lines of assurance based on specific areas of expertise and internal control systems.

In the specific case of compliance risks of a fiscal nature, the role of the second line is played by the Corporate Tax Function, which controls the level of fiscal risk both for each business and geography and at the corporate level.

The third line is made up of the Internal Audit team. From the objectivity, authority and credibility conferred by its independence from Management, it evaluates the suitability and effectiveness of risk management and governance. Its systematic analysis and reporting of its findings to both Management and the Audit Committee promotes and facilitates continuous improvement.

Developments in 2023 included:

Progress continued on updating the Group's risk catalogue, improving the methodology and management dynamics associated with each type of risk. In 2023, the focus was on deepening risk management in relation to employment by Human Resources, with work to improve the maturity of mitigation measures and controls for environmental and occupational health and safety (OHS) risks for employees.

Additionally, progress has continued in refining the management of risks and opportunities derived from climate change within the framework of the Comprehensive Risk Management System. Specifically, the level of detail of the analysis has continued to increase.

This Annual Corporate Governance Report was approved by the Board of Directors of the company in its meeting held on:



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[27/02/2024]

Indicate whether any director voted against or abstained in relation to the approval of this Report.

- Yes
- No