



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

## **JUSTIFICATION REPORT BY THE BOARD OF DIRECTORS REGARDING THE PROPOSAL FOR THE RE-ELECTION OF MS. IDOIA ZENARRUTZABEITIA BELDARRAIN AS A PROPRIETARY DIRECTOR OF THE COMPANY, INCLUDED IN ITEM 6.1 OF THE AGENDA OF THE GENERAL SHAREHOLDERS' MEETING**

### **1. PURPOSE OF THE REPORT**

Pursuant to the provisions of Article 529 decies of the Revised Text of the Capital Companies Act and Article 15.2 of the Regulations of the Board of Directors, the proposal for the appointment or re-election of the members of the Board of Directors who are not independent corresponds to the Board. This proposal shall be accompanied by a report from the Board of Directors assessing the competence, experience and merits of the proposed candidate, which will be attached to the minutes of the general meeting or that of the Board. The proposal for the appointment or re-election of any non-independent director shall also be preceded by a report from the Appointment and Remuneration Committee.

This report is issued by the Board of Directors of CONSTRUCCIONES Y AUXILIAR DE FERROCARRILES, S.A. ("CAF" or the "Company") in order to (i) justify the proposal for the re-election of Ms. Idoia Zenarrutzabeitia Beldarrain as a proprietary director for a period of four years and (ii) assess the competence, experience, and merits of the proposed candidate.

### **2. JUSTIFICATION OF THE PROPOSAL FOR THE RE-ELECTION OF IDOIA ZENARRUTZABEITIA BELDARRAIN**

Ms. Idoia Zenarrutzabeitia holds the position of proprietary director of the Company, representing the significant shareholder Kutxabank, S.A., holder of a direct stake as reported to the CNMV of 14.06% of the share capital.

In view of the forthcoming expiry of Ms. Zenarrutzabeitia's term of office, as the four-year term since her appointment by resolution of the Ordinary General Meeting of June 13, 2020, has elapsed, the aforementioned shareholder has expressed its willingness to the Board to propose the re-election of Ms. Zenarrutzabeitia in representation of its shareholding.

In this context, the Board of Directors, after assessing its current needs and composition, as well as the competence, experience, and merits of the candidate, issues its report justifying the proposal to re-elect Ms. Zenarrutzabeitia as a proprietary director of the Company for the statutory term of four years. In its analysis, the Board has taken into consideration the following factors, among others:

Ms. Idoia Zenarrutzabeitia has a degree in Law, specializing in economic law, from the University of Deusto. She has an extensive career in politics, where she has held the position of Vice-President of the Basque Government, as well as those of Minister of Finance and Public Administration, and Member of the Basque Parliament, among others. She has also been a Director of the National Energy Commission and subsequently of the National Markets and Competition Commission until 2017. She is currently a member of the Board of Trustees of several Voluntary Social Welfare Entities of the Bilbao Bizkaia Kutxa

Banking Foundation.

The Board has found that Ms. Zenarrutzabeitia:

- i) Continues to meet the legal requirements and the Regulations of the Board of Directors and the Company's Diversity and Director Selection Policy for her appointment as a board member.
- ii) Has not been nor is currently subject to any legal prohibition or incompatibility, nor do any of the circumstances in which she must tend his resignation to the Board apply, in accordance with Article 18 of the Company's Regulations for the Board of Directors.
- iii) Since her appointment, she has satisfactorily performed the duties entrusted to her on the Board. She also has the time and capacity required to continue to fulfill her obligations as a board member in an equally satisfactory manner.
- iv) She has the knowledge and experience required of candidates for board member positions.  
  
In particular, her extensive technical knowledge in the public and regulatory sector is valued. She also has experience in the exercise of management responsibilities, as well as in the field of institutional relations, skills that are considered very valuable for the Board, in accordance with the assessment of the profiles required therefor.
- v) She continues to meet the legal and statutory conditions required to be included in the category of proprietary director, having been appointed by the significant shareholder Kutxabank, S.A. to represent it on the Board.
- vi) According to the information provided by the candidate, no potential conflicts of interest are identified that could adversely affect her ability to perform her duties properly.

Additionally, the Board of Directors considers that the continuity of Ms. Idoia Zenarrutzabeitia Beldarrain as proprietary director will contribute to strengthen the diversity and balance in its current composition and provide added value as a result of her knowledge and experience in areas of significance for the Company, and will allow the consolidation of the number of female board members, in order to comply with the proportion recommended by the Good Governance Code of Listed Companies.

It is noted that the candidate has ratified her agreement with the obligations of the office of board member, as well as with the Company's rules and policies.

For its part, in accordance with the provisions of the Regulations of the Board of Directors and the Company's Diversity and Director Selection Policy, the Appointment and Remuneration Committee has issued the mandatory prior report, favorably assessing the re-election of the proposed candidate.

The Committee has found that Ms. Zenarrutzabeitia meets the requirements to continue in the position of director, with the category of proprietary director, in accordance with the provisions of the law and internal regulations.

In particular, the Committee favorably values the performance of her duties as a board member to date, as well as her extensive knowledge and experience in the areas of the public sector and institutional relations, among others, which add value to the Board, in accordance with its skills matrix.

It should also be noted that Ms. Zenarrutzabeitia's continuance will contribute to meeting the objectives for gender balance within the Board, assumed by the Company in accordance with the best practices and recommendations of good governance and in accordance with the Diversity Policy and the Policy for the Selection of Board Members.

The aforementioned prior report of the Committee is made available to the shareholders together with this report by the Board.

### **3. CONCLUSION AND PROPOSED RESOLUTION**

In view of the foregoing, the Board considers the following proposal for resolution to be justified and submits this to the Shareholders in their General Meeting for decision in a separate vote under **Item 6.1** of the agenda:

*"Six: Re-election of Board Members and establishing of the number of Board Members:*

**6.1.** *Re-elect Ms. Idoia Zenarrutzabeitia Beldarrain as a Proprietary Director for the statutory period of four years.*

*(...)"*

In San Sebastian, May 9, 2024.