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REPORT OF THE APPOINTMENTS AND REMUNERATIONS COMMITTEE CONCERNING THE PROPOSALS FOR THE RE-ELECTION OF MR. ANDRÉS ARIZKORRETA GARCÍA, MR. LUIS MIGUEL ARCONADA ECHARRI AND MR. JUAN JOSÉ ARRIETA SUDUPE, AS DIRECTORS OF THE COMPANY, AS WELL AS ON THE SETTING OF THE NUMBER OF DIRECTORS, INCLUDED IN ITEMS 4.1, 4.2, 4.3 AND 4.4 OF THE AGENDA OF THE GENERAL SHAREHOLDERS' MEETING, RESPECTIVELY

1.- INTRODUCTION

The Board of Directors of CONSTRUCCIONES Y AUXILIAR DE FERROCARRILES, S.A. ("CAF" or the "Company") is considering proposing to the General Meeting the re-election of Mr. Andrés Arizkorreta García, Mr. Luis Miguel Arconada Echarri and Mr. Juan José Arrieta Sudupe as Directors of the Company, as well as setting the number of members of the Board of Directors at eleven.

In accordance with the provisions of section 6 of article 529 decies of the Revised Text of the Capital Companies Act (the "CCA"), and article 15 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 must be preceded by a report from the Appointments and Remuneration Committee.

2.- REPORT PURPOSE

This report is issued in compliance with the legal obligation established in section 6 of article 529 decies of the CCA and in article 15 of the Regulations of the Board of Directors, and its purpose is to report favourably on the proposals of the Board mentioned in the previous point.

3.- ASPECTS CONSIDERED BY THE APPOINTMENTS AND REMUNERATION COMMITTEE IN RELATION TO PROPOSALS FOR THE RE-ELECTION OF BOARD MEMBERS

In view of the forthcoming expiration of the terms of office of Mr. Andrés Arizkorreta García, Mr. Luis Miguel Arconada Echarri and Mr. Juan José Arrieta Sudupe, upon completion of the four-year term since their respective appointments, by virtue of the corresponding resolutions of the Ordinary General Meeting held on June 2, 2018, the Appointments and Remuneration Committee issues this preliminary report, favorably assessing the re-election of said Directors. In doing so, it has taken into consideration, among other things, the following factors:

- a) Re-election of Mr. Andrés Arizkorreta García as member of the Board of Directors, with the category of "Other External Directors", for the statutory term of four years:

Mr. Andrés Arizkorreta García holds a degree in Economics and Business Administration from the University of Deusto. He was first appointed to CAF's Board of Directors in 1991 and has been re-elected to the position ever since. From 2006 until September 1, 2021, he has been Chief Executive Officer, combining this position with that of Chairman of the Board since December 2015. As of September 1, 2021, he holds the position of non-executive Chairman of the Board of Directors and belongs to the category of "Other

External Directors". He is Vice President of the Circle of Basque Businessmen (Círculo de Empresarios Vascos). He also holds the position of independent director and member of the Appointments, Remuneration and Sustainability Committee of Viscofan, S.A.

The Appointments and Remunerations Committee has found that Mr. Arizkorreta:

- i) Continues to meet the legal requirements, as well as those of the Regulations of the Board of Directors and the Company's Director Selection and Diversity Policy, for his appointment as a Director.
- ii) He has not been and he is not currently subject to any legal prohibition or incompatibility, nor any of the circumstances in which he must tend his resignation to the Board, according to Article 18 of the Company's Regulations of the Board of Directors.
- iii) Since his appointment, he has satisfactorily performed the duties assigned to him on the Board of Directors, with the appropriate dedication and commitment to his role. He also has the time and capacity to continue to fulfill his duties as Board member and Chairman of the Board in an equally satisfactory manner.
- iv) He has the skills and knowledge appropriate for the current needs of the Board, as foreseen in its skills matrix.

Among other things, his long experience in the service of the Company is highly valued, having held the highest management responsibilities for fifteen years, and contributing with a deep knowledge of the Company and its Group. Also noteworthy is his knowledge of the dynamics of the sector and the markets in which the Company operates, as well as his ability to maintain, as Chairman of the Board, institutional and business relationships of great value to the Company.

- v) He meets the legal and statutory conditions foreseen for the category of "Other External".
- vi) According to the information provided by the candidate Director, no potential conflicts of interest have been identified that could negatively affect his ability to perform his duties properly.

The re-election of Mr. Andrés Arizkorreta as director, in case of approval, will entail his continuity as non-executive Chairman of the Board of Directors, in accordance with article 146 of the Mercantile Registry Regulations.

- b) Re-election of Mr. Luis Miguel Arconada Echarri as member of the Board of Directors, with the category of "Other External Directors", for the statutory term of four years:

Mr. Luis Miguel Arconada has extensive experience and knowledge in the field of business, through various business initiatives that he has promoted or in which he has participated. Likewise, he has enjoyed prestige in different areas of social and economic life since his successful period in the world of sport. He was first appointed to the Board of Directors of CAF in 1992 and has been re-elected to the position ever since. He is a member of the CAF Appointments and Remuneration Committee. He has the category of "Other External Directors", as a result of a continuous period of twelve years as a member of the Board of Directors.

The Appointments and Remuneration Committee has found that Mr. Arconada:

- i) Continues to meet the legal requirements, as well as those of the Regulations of the Board of Directors and the Company's Director Selection and Diversity Policy, for his appointment as a Director.
- ii) He has not been and he is not currently subject to any legal prohibition or incompatibility, nor any of the circumstances in which he must tend his resignation to the Board, according to Article 18 of the Company's Regulations of the Board of Directors.
- iii) Since his appointment, he has performed the position of Director satisfactorily, with the appropriate dedication and commitment to his role. He also has the time and capacity to continue to fulfill his duties as Director and as a member of the Appointments and Remuneration Committee in an equally satisfactory manner.
- iv) He has the appropriate skills and knowledge to meet the current requirements of the Board, in accordance with its skills matrix.

In particular, his business experience is highlighted, as well as his profound knowledge of the Company and its sector, and his high relational skills, amply demonstrated during his years in office. Furthermore, Mr. Arconada's personal profile is particularly valued, with high leadership capabilities, professional judgement and commitment to the company, combining good repute, reliability and solid values, which are ideal for his position as Director and, in particular, to be a member of the Appointments and Remunerations Committee.

- v) The legal and statutory conditions for being included in the category of "Other External Directors" continue to apply.
 - vi) According to the information provided by the candidate Director, no potential conflicts of interest have been identified that could negatively affect his ability to perform his duties properly.
- c) Re-election of Mr. Juan José Arrieta Sudupe as member of the Board of Directors, with the category of "Other External Directors", for the statutory term of four years:

Mr. Juan José Arrieta Sudupe holds a degree in Economics and Business Administration from the University of Deusto. He has extensive experience in the management of financial institutions and prestigious business schools. He is currently a member of the Strategic Council of the Technological Center of the University of Navarra (CEIT) as well as Lecturer at the Deusto Business School. He is a voting member of the Company's Audit Committee. He has the category of "Other External Directors" since June 7, 2020, as a result of the passage of a continuous period of twelve years as a member of the Board of Directors.

The Appointments and Remuneration Committee has noted that Mr. Arrieta:

- i) Continues to meet the legal requirements, as well as those of the Regulations of the Board of Directors and the Company's Director Selection and Diversity Policy, for his appointment as a Director.

- ii) He has not been and he is not currently subject to any legal prohibition or incompatibility, nor any of the circumstances in which he must tend his resignation to the Board, according to Article 18 of the Company's Regulations of the Board of Directors.
- iii) Since his appointment, he has performed the position of Director satisfactorily, with the appropriate dedication and commitment to his role. He also has the time and capacity to continue to fulfill his duties as Director and as a member of the Audit Committee in an equally satisfactory manner.
- iv) He has the appropriate skills and knowledge to meet the current requirements of the Board, in accordance with its skills matrix.

In particular, his solid technical background, with extensive knowledge of economics, finance, accounting and risk control and management, as well as his rigour and analytical skills, all of which are of great value to the Company, both as a Director and as a member of the Audit Committee, are particularly appreciated. His extensive knowledge of the Company and its Group is also appreciated.

- v) The legal and statutory conditions for being included in the category of "Other External Directors" continue to apply.
- vi) According to the information provided by the candidate Director, no potential conflicts of interest have been identified that could negatively affect his ability to perform his duties properly.

It is noted that all of the above candidates have ratified their compliance with the obligations of the office of Director, as well as with the rules and policies of the Company.

4.- CONCLUSIONS OF THE APPOINTMENTS AND REMUNERATION COMMITTEE IN RELATION TO THE RE-ELECTION OF DIRECTORS

In the light of the above, the Committee considers justified and reports favorably regarding:

- a) The re-election of Mr. Andrés Arizkorreta García as Director of the Company, with the category of "Other External", for the statutory term of four years.
- b) The re-election of Mr. Luis Miguel Arconada Echarri as Director of the Company, with the category of "Other External", for the statutory term of four years.
- c) The re-election of Mr. Juan José Arrieta Sudupe as Director of the Company, with the category of "Other External", for the statutory term of four years.

5.- OTHER CONSIDERATIONS

The Board of Directors is also considering to propose to the General Meeting to set the number of directors at eleven. In the event that the General Meeting approves this resolution, as well as the re-election of the directors mentioned in the preceding paragraphs, a vacancy would be created on the Board of Directors, to be filled by co-option by the Board itself before the next General Meeting, which must ratify the appointment, if any, approved by the Board.

In order to maintain an appropriate balance on the Board of Directors as a whole, the intention is that the new member to be co-opted to fill this vacancy should be an independent director.

The Appointments and Remunerations Committee considers it appropriate to maintain the current size of the Board, reporting favorably on the proposal to set the number of members of the Board at eleven, with the creation of the consequent vacancy to be filled by co-option through the appointment of a new member with the category of independent.

In Beasain, on May 6, 2022