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BOARD OF DIRECTORS REPORT SUPPORTING THE PROPOSAL FOR THE RE-ELECTION OF MR. JAVIER MARTÍNEZ OJINAGA AS A DIRECTOR OF THE COMPANY, INCLUDED IN ITEM 5.1 OF THE AGENDA OF THE ANNUAL GENERAL MEETING.

1. PURPOSE OF THE REPORT

In accordance with the provisions of Article 529 *decies* of the Revised Text of the Capital Companies Act (the “LSC”) 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 corresponds to the Board itself. This proposal must 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 itself. The proposal for the appointment or re-election of any non-independent director must 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 Mr. Javier Martínez Ojinaga as Executive Director of the Company, for a period of four years; and (ii) assess the competence, experience, and merits of the proposed candidate.

It is also noted that, for the purposes of Article 518(e) of the LSC, this report contains full information on the identity, curriculum vitae, and category of the candidate proposed for re-election.

2. JUSTIFICATION OF THE PROPOSAL FOR THE RE-ELECTION OF JAVIER MARTÍNEZ OJINAGA

In relation to the proposal regarding the re-election of the aforementioned Director, CAF’s Board of Directors reports the following:

In view of the next expiration of the mandate of Mr. Javier Martínez Ojinaga, having completed the four-year term of his office, by virtue of the corresponding resolution of the Annual General Meeting of June 15, 2019, the Board of Directors has agreed to propose the Shareholders’ Annual General Meeting the re-election of said Director. In doing so, it has taken the following factors into consideration, among others:

Mr. Javier Martínez Ojinaga is a lawyer and economist from the University of Deusto. He holds an MBA from the University of Glasgow. He has followed his professional career in leading companies in the electricity sector, as well as in project management and interim management. He is President of CIC Nanogune and a member of the Governing Council of the Association for the Advancement of Management (APD). His first appointment as a CAF director took place on June 13, 2015, and he was subsequently re-elected to the position on June 15, 2019. Since September 1, 2021, he has held the position of Chief Executive Officer of the Company.

The Board finds that Mr. Martínez Ojinaga:

- i. Continues to meet the legal requirements, as well as those of the Regulations of the Board of Directors and the Company's Diversity and Director Selection Policy, for appointment as a Director.
- ii. Has not been nor is currently subject to any legal prohibition or incompatibility, nor do any of the circumstances in which he must tend his resignation to the Board apply, in accordance with Article 18 of the Company's Regulations of the Board of Directors.
- iii. Since his first appointment, he has performed his duties as a member of the Board, in addition to the responsibilities attributed to him within the Board at different times, both as Chair of the Audit Committee and as Chief Executive Officer, with the necessary commitment and dedication. He also maintains the availability of time to continue to fulfill these obligations.
- iv. He has the appropriate knowledge, competence and skills in accordance with the Board's skills matrix.
- v. With respect to his category, he meets the requirements established in Article 529 *duodecies*(1) of the LSC to be classed as an executive director.
- vi. According to the information provided by the candidate, no potential conflicts of interest have been identified that could negatively affect his ability to perform his duties properly.

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

In line with the above, in accordance with the provisions of the Regulations of the Board of Directors and the Company's Diversity and Director Selection Policy, , the Board of Directors believes that Mr. Javier Martínez Ojinaga meets the necessary suitability and solvency requirements to continue in the role of Director, in accordance with the provisions of the law and of the internal regulations.

Likewise, the Board has issued a favorable assessment of the performance of Mr. Martínez Ojinaga as a member of the Audit Committee, and especially his performance as Chief Executive Officer, position from which he is leading the new Strategic Cycle of the Company . It is also noted that Mr. Martínez Ojinaga's re-election counts on the support of the significant shareholders of the Company.

In addition, the Board considers that the continuity of Mr. Javier Martínez Ojinaga as executive director will contribute to maintaining the diversity and balance already existing in the composition of the Board of Directors, in view of his knowledge of the business and the operation of the Company and his Group acquired since his appointment as CEO.

The results of the analysis performed regarding the appropriateness of his re-election to the position are also recorded in the minutes of the Board meeting at which this matter was discussed.

On its end, the Appointments and Remunerations Committee has issued the related

preliminary report in relation to such proposal, at a meeting held prior to this Board meeting.

The aforementioned previous report from the Committee is made available to the shareholders together with the present document from the Board.

3. CONCLUSION AND PROPOSED RESOLUTION REGARDING THE RE-ELECTION OF THE BOARD MEMBER

In view of the foregoing, the Board considers the following proposed resolution to be justified and submits it to the Annual General Meeting for decision under item 5.1 of the agenda:

"Five: Re-election and ratification of Board Members:

5.1. Re-elect Mr. Javier Martínez Ojinaga as an Executive Director for the statutory period of four years.

(...)"

In San Sebastian, May 5, 2023.