



REGULATIONS FOR THE AUDIT COMMITTEE
OF THE BOARD OF DIRECTORS OF THE
COMPANY CONSTRUCCIONES Y AUXILIAR DE
FERROCARRILES, S.A. (CAF)

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CHAPTER I. NATURE

Article 1. Nature and purpose

1. The Audit Committee (hereinafter, the "**Committee**"), created in accordance with the provisions of Article 37 bis of the articles of association, is a body that reports and makes proposals to the Board of Directors of CONSTRUCCIONES Y AUXILIAR DE FERROCARRILES, S.A. (hereafter referred to as "**CAF**" or the "**Company**"), which shall be governed by the provisions of the Law, the Articles of Association, the rules contained in these Regulations and anything not provided for herein, the Regulations of the Board of Directors shall be applied in addition, provided that this is in accordance with the nature of this Committee.
2. These Regulations will be periodically reviewed and may be modified by agreement of the Company's Board of Directors either on its own initiative or as proposed by the Committee.
3. The purpose of these Regulations is to determine the operating principles and internal operating system for CAF's Audit Committee, favoring its independence.

CHAPTER II. COMPOSITION

Article 2. Composition

1. The Committee shall be made up of three (3) non-executive Directors to be appointed by the Company's Board of Directors. The majority of them, at least, shall be independent Directors and one of them shall be appointed taking into account their knowledge and experience in accounting, auditing, or both.
2. As a whole, the members of the Committee, and in particular its Chairman, shall have knowledge and experience in accounting, auditing and risk management, both financial and non-financial, as well as the relevant technical knowledge in relation to the sector of activity to which the Company belongs.
3. The members of the Committee shall be appointed for a period of four years, without detriment to their possible re-election. The renewal, re-election and dismissal thereof shall be the responsibility of the Board of Directors, in accordance with the provisions of the Law and the Company's Articles of Association.
4. The Board of Directors shall also appoint a Chairman from among the independent Directors that make up the Committee. The same person may not hold the position of Chairman position for more than four years but may be reappointed one year after he or she ceased to hold said position.
5. The Board of Directors shall appoint the person who will perform the duties of Secretary of the Board; this person does not have to be a board member.
6. Members of the Committee who are re-elected as Directors of the Company by agreement of the shareholders during a General Shareholders' Meeting shall continue to carry out their roles on the Committee, without the need to be re-appointed, unless the Board of Directors should agree otherwise.

7. The members of the Committee shall cease their roles:
 - a. If they cease to be directors of CAF.
 - b. By agreement of CAF's Board of Directors.
 - c. If they resign
 - d. If they fail to meet the requirements of these Regulations or legal provisions.

CHAPTER III. DUTIES SCOPE OF APPLICATION

Article 3. Duties

The Committee is responsible for assisting the Board of Directors of the Company in supervising the matters established by law, in the Articles of Association and in these Regulations, notwithstanding the other tasks assigned to it by the Board of Directors.

To this end, the Committee shall be responsible for the following:

- a. In relation to the General Meeting:
 - i. Informing the General Shareholders' Meeting about any matters raised that are under the Committee's responsibility, and in particular, regarding the results of the audit, explaining how this contributed to the integrity of the financial information and the role played by the Committee in this process.
 - ii. To ensure that the annual accounts presented by the Board of Directors to the General Shareholders' Meeting are prepared in accordance with accounting regulations. In the event that the auditor has included a qualification in his audit report, the Chairman of the Committee will clearly explain the Committee's opinion on its content and scope at the General Meeting. A summary of this opinion will also be made available to shareholders at the time of publication of the notice of the meeting, along with the other proposals and reports of the Board.
- b. In relation to the internal control systems:
 - i. To supervise and evaluate the preparation process, presentation, and the integrity of the financial and nonfinancial information in relation to the Company and, if applicable, the group, reviewing compliance with regulatory requirements, the appropriate delimitation of the consolidation perimeter and the correct application of the accounting criteria, and submit recommendations or proposals to the Board of Directors, aimed at safeguarding their integrity.

- ii. To supervise the effectiveness of the Company's internal control and in particular of the Internal Control System for Financial Information (SCIIF).
- iii. Supervise and evaluate the control and management systems for financial and non-financial risks relating to the Company and, where applicable, to the group, including operational, technological, legal, social, environmental, political and reputational risks or risks related to corruption.

For the purposes of sections i. to iii. above, the Committee may, if appropriate, submit recommendations or proposals to the Board of Directors and the corresponding period of time for their follow-up.

- iv. Supervising the Company's internal risk control and management system.
 - v. Ensure in general that the policies and systems established for internal control are effectively implemented in practice.
 - vi. To supervise compliance with the Company's internal codes of conduct.
 - vii. Establish and supervise a mechanism that allows employees and other people related to the Company and its Group such as directors, shareholders, suppliers, contractors or subcontractors to communicate potentially significant irregularities, including financial and accounting irregularities, or any other kind of irregularity related to the company that they may notice within the Company or its Group. This mechanism should guarantee confidentiality and, in any case, provide for cases in which communications can be made anonymously, respecting the rights of the whistleblower and the accused. Once the information provided through said mechanism has been analyzed, the Committee, should it deem it to be necessary, must propose the appropriate actions to improve its functioning and reduce the risk of irregularities in the future.
 - viii. Supervise the application of the general policy regarding the communication of economic-financial, non-financial and corporate information, as well as communication with shareholders and investors, voting advisors and other stakeholders. Also, monitor the way in which the Company communicates and relates with small and medium-sized shareholders.
 - ix. Checking that the financial information published on the Company's corporate website is constantly updated and that it matches that approved or prepared by the Board of Directors and published on the website of the Spanish Securities Market Commission. If the Committee should be unsatisfied with any aspect following this review, it must notify the Board of Directors of its opinion.
- c. Regarding the internal audit:
- i. To supervise the internal audit of the company. For these purposes, if applicable, the Committee will be able to submit recommendations or proposals to the Board of Directors indicating the corresponding period for follow-up.

- ii. Ensure the independence of the unit that assumes the internal audit function, which will functionally depend on the Chairman of the Committee or the non-executive Chairman of the Board.
 - iii. Propose the selection, appointment and dismissal of the head of the internal audit service.
 - iv. Propose the budget for that service.
 - v. Approve the orientation and annual work plan of internal audit, ensuring that its activity is mainly focused on relevant risks (including reputational risks).
 - vi. Receive regular information on the implementation of the annual plan and other activities carried out, including possible incidences and limitations to the scope presented in its development, the results and follow-up of its recommendations, and an activity report at the end of each year.
 - vii. Verify that senior management takes into account the conclusions and recommendations of its reports.
 - viii. Assess the functioning of the internal audit and the performance of its head.
- d. In relation to the external auditor:
- i. Submitting proposals for the selection, appointing, re-election and dismissal of the accounts auditor to the Board of Directors, being responsible for the selection process, in accordance with the provisions of articles 16, sections 2, 3, and 5, and 17.5 of (EU) Regulation no. 537/2014, of April 16, in addition to the contracting conditions.
 - ii. Collect regularly from him information on the audit plan and its implementation.
 - iii. Discuss with the auditor significant weaknesses in the internal control system detected in the course of the audit, all without infringing its independence. For these purposes, if applicable, the Committee will be able to submit recommendations or proposals to the Board of Directors indicating the corresponding period for follow-up.
 - iv. Preserve their independence in the performance of their duties and, in particular, to that end:
 - Establishing an appropriate relationship with the external auditor to receive information on any matters that might imply a threat to his or her independence, for examination thereof by the Committee, and any other threat in relation to the accounts audit operating process and, where appropriate, the authorization of the services other than those prohibited, under the terms set out in articles 5, section 4, and 6.2.b) of (EU) Regulation no. 537/2014, of April 16, and in the provisions of section 3 of chapter IV of heading I of Law 22/2015, of July 20, on Accounts Auditing, regarding the system of independence, in addition to other communications set out in the accounts auditing legislation and the audit regulations.
 - In any case, it must receive an annual declaration from external auditors regarding their independence in relation to the entity or entities directly or indirectly linked thereto, as well as the detailed and broken

down information on any additional services of any kind rendered and the corresponding fees received from these entities by the external auditor or by the persons or entities linked to this party as established in the legislation that regulates the accounts auditing activity.

- Annually issuing a report that expresses an opinion as to whether or not the independence of the accounts auditor or the auditing companies is compromised, prior to the issuing of the audit report. This report shall contain, as applicable, the reasoned appraisal of provision of each of the additional services referred to in the preceding paragraph, considered individually and as a whole, other than legal auditing and in relation to their independence or the legislation that regulates the accounts auditing activity.
 - Ensure that the remuneration of the external auditor for its work does not compromise its quality or independence, and establish an indicative limit on the fees that the auditor may receive annually for non-audit services.
- v. Ensuring that the external auditor holds an annual meeting with the Board of Directors in a plenary session to inform it of the work carried out and regarding the evolution of the Company's accounting and risk situation.
- vi. Ensuring that the Company and the external auditor respect the regulations in force regarding the provision of services other than auditing, the limits on the concentration of the auditor's business, and in general, all other regulations regarding the independence of auditors.
- vii. In the event of the resignation of the external auditor, examining the circumstances that lead to this.
- viii. Ensure that the Company notifies via the CNMV of the change of auditor and accompanies this with a declaration regarding the possible existence of disagreements with the exiting auditor and, if such disagreements exist, the content thereof.
- ix. Make a final assessment of the auditor's performance and how it has contributed to the quality of the audit and the integrity of the financial information

The provisions of sections i., ii., and iv. above are notwithstanding the regulations governing the auditing of accounts.

e. Other functions:

- i. Reporting to the Board of Directors in advance on all matters provided for by Law, these Articles of Association, and the Regulations of the Board, and in particular, on the following:
- the financial information and the management report, which shall include, where appropriate, the statutory non-financial information that the Company has to periodically make public; and

- the creation or acquisition of equity interests in special-purpose entities or entities registered in countries or territories that are considered to be tax havens.
- ii. To report on those Related-Party Transactions that must be approved by the General Meeting or the Board of Directors and to supervise the internal procedure the Company has established for those transactions whose approval has been delegated in accordance with the applicable regulations.
- iii. Keeping itself informed regarding operations involving structural and corporate modifications the Company plans to carry out in order to analyze and report to the Board of Directors regarding their financial conditions and the accounting impact of the operations, and particularly, if applicable, regarding the proposed equation of exchange.
- iv. Proposing the modification of the Regulations for the Board of Directors to said Board, whenever the Committee should deem this to be necessary, including the corresponding reasoning with its proposal.
- v. Approving an annual work plan that takes into account the annual schedule for Committee sessions, among other matters, with the goal of facilitating efficient compliance with the goals sought.
- vi. Presenting an annual assessment report to the Board of Directors regarding its own performance, within the framework of the annual assessment of the Board of Directors and its Committees.
- vii. Issuing a report on the functioning and activities of the Committee during the previous financial year.
- viii. Any other duty attributed thereto by Law, the company's bylaws, the Regulations of the Board of Directors or the Board of Directors itself.

Article 4. Scope of application

The duties of the Committee shall be fulfilled by this party, with respect both to CAF and the subsidiary companies thereof that make up its group, in accordance with the provisions of article 42 of the Commercial Code.

CHAPTER IV. OPERATING REGULATIONS

Article 5. Meetings

1. The Committee shall meet whenever the Chairman should deem convenient for the purpose of fulfilling its duties, and at least four times a year.
2. The Committee must meet at least on the occasion of each date of publication of annual or intermediate financial information and, in these cases, with the presence of the internal auditor and, if a review report is being issued, the accounts auditor, for the points on the agenda for which they are invited.

At least part of these meetings with the internal auditor or accounts auditor must take place in the presence of the Company's management, so that the specific matters arising from the reviews carried can be discussed with them.

3. Additionally, the Committee shall meet when requested to do so by the Board of Directors.

Article 6. Convening of Meetings

1. The convening notice for meetings shall be sent to each member of the Committee at least five days in advance by the Secretary of the Committee, following the instructions of its Chairman, via email or by any other means which provides evidence of receipt, except in special cases of urgency at the discretion of the Chairman.
2. The Convening Notice shall include the agenda for the session. Notwithstanding the above, the Committee may also deliberate and adopt agreements regarding matters not included on said agenda.
3. Exceptionally, when circumstances so require, meetings of the Committee may be convened by multiple telephone call, videoconference or any other means of remote communication provided that the identity and participation of those attending in real time is duly guaranteed. In this case, the meeting will be understood to have taken place at the registered office.

The Chairman of the Committee may also authorize one or more Directors to attend the meeting by using remote connection systems that duly guarantee the identity and participation of the directors, who will be considered for all purposes to be attending the Committee meeting.

4. In any case, the Chairman of the Committee will provide the necessary information and documentation to the other members of the Committee through the Secretary and sufficiently in advance for them to analyze this prior to its meetings.

Article 7. Venue for meetings

Committee meetings shall take place in the location indicated in the notice, except in the case indicated in the first paragraph of article 6.3.

Article 8. Validity

1. For any meeting of the Committee to be valid, more than half its members must be present or represented. Representation may only be bestowed on other Directors forming part of the Committee.
2. The roles of Chairman and Secretary of the Committee shall be fulfilled by those appointed therefor. In the event that the Chairman is unable to attend or is absent, he or she shall be replaced by the most-senior member of the Committee and, in the event of several equally senior members, by the oldest of these. In the event that the Secretary is unable to attend or is absent, he or she shall be replaced by the youngest member of the Committee.
3. Additionally, Committee meetings may take place without prior notification when all the members are present or represented and unanimously agree to hold a meeting.

Article 9. Agreements

1. Resolutions shall be adopted by absolute majority of the Directors in attendance or represented at the meeting.
2. Minutes shall be taken at each session by the Secretary which, once approved either at the end of said session or during the following session shall be signed by the Chairman and the Secretary.
3. The Committee meeting minutes shall be available to all members of the Board of Directors.

CHAPTER V. POWERS OF THE COMMITTEE

Article 10. Powers of information and advice

1. In order to adequately perform its duties, the Committee shall have full powers to access all types of information, documentation, or registers it should deem necessary to this end.
2. The Committee may request that the Board of Directors contract external advisory services for particularly relevant matters when it believes that these cannot be provided adequately or with the necessary independence by experts or technicians of the Company itself or other group companies.
3. Additionally, the Committee may request the personal collaboration or a report from any member of the Company's management and/or that of other companies of its group, other Directors, executive or otherwise, employees, or experts, whenever it should deem this necessary or convenient to fulfill its duties; likewise, it may request the presence of any of these people at its meetings, upon invitation by the Committee Chairman, and only to address the specific points on the agenda for which they are invited. Similarly, it should be avoided that such presence becomes a regular practice, so that they only attend when necessary.

CHAPTER VI. COMMITTEE RELATIONS

Article 11. Relations with Shareholders

1. The report on the operations and activities of the Committee during the previous financial year shall be sent out to the shareholders and other stakeholders with the convening notice for each Annual General Meeting.
2. Additionally, during the General Meeting, Shareholders may ask the Audit Committee questions, so that the members thereof can inform those present regarding matters under the Committee's responsibility.

Article 12. Relations with the Board of Directors

The Chairman of the Committee shall periodically inform the Board of Directors regarding its activities and shall provide advice and propose any measures it should deem convenient to implement within the scope of its duties.

Article 13. Relations with the accounts auditors and internal auditors

1. Communication between the Committee and the accounts auditors shall be free-flowing, continuous, and in accordance with the obligations established in the legislation regulating the accounts auditing activity, without compromising the independence of the auditor or the efficiency of the audit or audit procedures performed.

2. Communication with the accounts auditor must be included on an annual meeting schedule, most of these meetings without the presence of the Company's management.
3. The Audit Committee shall regularly gather information on the accounts auditing process from the accounts auditors, in particular regarding any discrepancies that might arise between the accounts auditors and the Company's Management. At the end of the audit, the Committee and the external auditor shall jointly review the latter's significant findings, in addition to the content of its mandatory reports.
4. Supervision of the internal audit shall be supported by constant interaction with the internal auditor, based on an established annual plan.

In addition to the other contact occurring in the course of its work, the Committee must inform the internal auditor of the conclusions of the assessment of the internal audit process operations and performance of the person responsible therefor.

CHAPTER VII. COMPLIANCE. INTERPRETATION

Article 14. Compliance and dissemination

1. The members of the Board of Directors, members of the Committee, and directors of CAF and the companies of its group have the obligation to be familiar with and comply with these Regulations.
2. Likewise, the Committee must adopt the necessary measures for the knowledge and dissemination of these Regulations within the Company and companies of its group, for which purpose they shall be published on the Company's corporate website. In any case, the Committee shall have the obligation to ensure compliance with these Regulations.

Article 15. Interpretation

Any discrepancy that should arise in relation to the interpretation of these Regulations shall be resolved through an agreement adopted by the Committee, which must be ratified by CAF's Board of Directors.