DIRECTORS' REMUNERATION POLICY OF CONSTRUCCIONES Y AUXILIAR DE FERROCARRILES, S.A. (CAF)

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1. PURPOSE AND REGULATORY FRAMEWORK

1.1. PURPOSE AND LEGAL FRAMEWORK

The Spanish Companies Act ("LSC") establishes, amongst other aspects, the requirement for listed companies to have a remuneration policy for their directors, which must be submitted for approval by a binding vote of the General Meeting of Shareholders for application over a maximum period of three financial years.

The Company's Board of Directors, at the proposal of the Appointments and Remuneration Committee, has agreed to submit for approval by the Ordinary General Meeting of Shareholders a new remuneration policy for the Company's directors, to be applied for the three financial years following the date of its approval, namely the financial years 2027, 2028 and 2029.

This proposed remuneration policy is accompanied by the corresponding report from the Appointments and Remuneration Committee, which is available to shareholders on the Company's website from the date of the notice convening the General Meeting of Shareholders for June 13 and 14, 2026, on first and second call respectively, in accordance with the provisions of section 4 of Article 529-novodecies of the LSC.

This proposed remuneration policy introduces changes to the previous policy to bring it into line with the highest standards of corporate governance and best market practices, including the provisions of the Code of Good Governance for Listed Companies, for which the views of CAF's significant shareholders and proxy advisors have also been taken into account.

1.2. STATUTORY AND REGULATORY FRAMEWORK

The regime applicable to the remuneration of CAF directors is set out in Article 39 of the Articles of Association and Article 22 of the Regulations of the Board of Directors.

In addition, Article 3 of the Regulations of the Appointments and Remuneration Committee assigns certain powers to that committee in relation to the remuneration of CAF directors.

Both the text of the Articles of Association and the respective Regulations of the Board of Directors and the Appointments and Remuneration Committee of CAF are available to shareholders and investors on the Company's website (www.cafmobility.com).

1.3. DECISION-MAKING PROCESS

This remuneration policy has been drawn up following a reasoned proposal by the Board of Directors dated May 7, 2026, having been the subject of a prior proposal and a specific report by the Appointments and Remuneration Committee, as provided for in Article 529-novodecies of the LSC and Article 3.14 of the Regulations of the CAF Appointments and Remuneration Committee.

Both the Board of Directors and the Appointments and Remuneration Committee have ensured that the remuneration policy is aligned with the principles and recommendations of the Code of Good Governance for Listed Companies in Spain regarding directors' remuneration.

The review of the remuneration policy is also entrusted to the Appointments and Remuneration Committee, in accordance with the provisions of Article 3.15 of its Regulations.

Similarly, the determination of the remuneration of each director, whether in their capacity as such or for the performance of executive functions, falls to the Company's Board of Directors, which shall base its decision on the relevant proposal from the Appointments and Remuneration Committee.

All of the above, in addition to the legal duties to avoid situations of conflict of interest, as set out in the Board Regulations, ensure that there are no conflicts of interest when defining, applying and reviewing the directors' remuneration policy.

The objective of minimising the occurrence of conflicts of interest when applying the remuneration policy is also achieved through various additional mechanisms:

1.3.1 The absence of guaranteed variable remuneration.

1.3.2 The application of "malus" and "clawback" clauses to the variable remuneration of executive directors.

1.3.3 The introduction of non-financial parameters in the variable components of remuneration that must be measured by reference to third-party opinions or assessments.

1.4. MAIN CHANGES TO THE DIRECTORS' REMUNERATION POLICY COMPARED WITH THE PREVIOUS POLICY

This section details the main changes that have been incorporated into this new remuneration policy compared to the previous policy.

These changes are, for the most part, the result of a deliberate process of dialogue with significant shareholders, as well as proxy advisors, with the aim of continuing to align shareholders' expectations with CAF's remuneration practices.

This policy has amended the rules governing the Long-Term Incentive Plan (as defined in section 3.2.3.(b)), given that the plan in force at the time of this policy's approval, as set out in the previous remuneration policy, expires on December 31, 2026. In relation to the new Long-Term Incentive Plan to be approved in the 2027 financial year, aligned with the new strategic plan and with a corresponding duration of four years, the main new feature introduced is the requirement that a significant portion of the long-term variable remuneration be paid through the grant of shares in the Company or in companies within its group, or other instruments linked to their value. This change requires, amongst other aspects, the establishment of reference values for the shares for the purposes of calculating the incentive payout, the setting of the maximum limit of the incentive and the percentage thereof to be paid through the delivery of shares, as well as the provision of a minimum holding period for the shares received, which shall be three (3) years or the minimum period established, where applicable, by the recommendations of the Code of Good Governance for Listed Companies in force at any given time, thereby reinforcing the alignment of the interests of executive directors with those of shareholders and stakeholders, as well as with long-term value creation.

In addition, a new metric relating to the relative performance of the share (relative TSR) will be incorporated into the Long-Term Incentive Plan, with the aim of strengthening the link between the evolution of long-term variable remuneration and the creation of sustained value for shareholders.

This policy also sets limits on remuneration components from a prudent perspective, avoiding sharp increases in remuneration between financial years. In particular:

(i) with regard to the remuneration of directors in their capacity as such, it introduces a limited adjustment to the amounts, which will remain unchanged for the duration of the Policy, and allocates remuneration for the performance of certain functions due to the greater commitment and responsibility they entail; and

(ii) in relation to the remuneration of executive directors, it provides for:

  (a) an increase in the CEO's fixed annual remuneration, which will serve as the maximum amount for the other executive directors, and which will remain unchanged throughout the term of the Policy; and

  (b) a review of the maximum limits on short-term variable remuneration, adopting a gradual approach in the case of the Chief Executive Officer, such that the maximum limit on such remuneration will be increased gradually over successive financial years until the end of the Policy's term.

  (c) the revision of the maximum limit on long-term variable remuneration, which will be paid in shares based on each executive director's shareholding in the Company, upon settlement of the Long-Term Incentive Plan, as a percentage of their salary.

Taken as a whole, the changes introduced strengthen the framework of the Remuneration Policy, consolidating its alignment with market practices and the expectations of shareholders, investors and proxy advisors.

2. GENERAL PRINCIPLES AND CRITERIA OF THE REMUNERATION POLICY

2.1. THE GENERAL REMUNERATION POLICY FOR CAF DIRECTORS IS BASED ON THE FOLLOWING CRITERIA:

2.1.1. General criteria

(a) in general, the aim is to adhere to market criteria, based on the remuneration set for directors of listed companies of a similar size, turnover or market capitalisation to CAF, in accordance with the public information provided by such companies, as well as compliance with the principles of moderation and prudence;

(b) the remuneration system is based on the fundamental principle of attracting and retaining the best professionals, rewarding them in accordance with their level of responsibility, dedication and professional track record, based on internal equity and external competitiveness;

(c) likewise, CAF regards the remuneration structure for its directors and senior management as a key factor in contributing to the company's business strategy and to its long-term interests, sustainability and value creation, in particular with a view to ensuring alignment with the company's performance and an appropriate distribution of profits to shareholders, in the interests of both shareholders and employees; and

(d) furthermore, CAF's remuneration system is adapted at all times to the provisions of applicable legal regulations and seeks to incorporate the standards and principles of generally accepted national and international best practices regarding remuneration and corporate governance at all times.

2.1.2. Criteria relating to external directors

(a) in the case of non-executive directors, remuneration must be sufficient to compensate for their commitment, qualifications and responsibilities;

(b) in the specific case of directors who are neither executive nor proprietary, this remuneration shall be set at a level that does not in any way compromise their independence of judgement; and

(c) the remuneration policy aims to promote the motivation and retention of the most suitable professionals.

2.1.3. Criteria relating to executive directors

With specific regard to executive directors, the remuneration policy for the performance of their executive duties, other than those of supervision and collective decision-making, is based on the following premises:

(a) to offer them remuneration that enables the Company to attract, retain and motivate the most suitable professionals, thereby facilitating the Company's ability to meet its strategic objectives within the increasingly competitive and globalised environment in which it operates; and

(b) to maintain a competitive overall remuneration level in relation to comparable entities in the sector.

3. REMUNERATION STRUCTURE

The Board of Directors of CAF, following a proposal from the Appointments and Remuneration Committee, has deemed it appropriate to propose a remuneration policy that takes into account the remuneration applied by comparable companies in terms of market capitalisation, turnover and size, using these as a benchmark when setting the remuneration of its members, whilst also taking into account the Company's commitment to creating value in the interests of employees and shareholders.

It has been considered that the remuneration comprising the items set out below for each category of director (i.e., non-executive directors and executive directors) is sufficiently attractive to retain and motivate directors, taking into account the Group's increasing complexity, the resulting greater responsibilities of the directors, and the developments in the business over recent financial years. For each of these components, maximum limits are established that are in line with comparable companies, and which may not be exceeded under any circumstances during the term of the policy.

It is not considered necessary, currently, to introduce any advances, guarantees or loans as remuneration items.

It is considered that the proposed remuneration scheme contributes to the business strategy and to the company's interests, sustainability and long-term value creation, an objective achieved through an appropriate balance between fixed and variable remuneration and, in the latter case, by setting parameters that address the viability and sustainability of the CAF Group in both the short and long term, whether due to the vesting period of the variable remuneration itself or because the achievement of these objectives, even though some are measured annually, has a medium- and long-term impact on the Group's sustainability.

Furthermore, this remuneration policy has been formulated taking into account (i) the principles applicable to the remuneration and employment of the Company's staff and, in particular, those of non-discrimination on grounds of sex, age, culture, religion or race when applying remuneration policies, remunerating its professionals in accordance with their level of performance, leadership and responsibility, thereby promoting the motivation and retention of the most suitable professionals; and (ii) the opinion of CAF's proxy advisors and significant shareholders.

Having set out the above, the remuneration system for directors is described below, with two distinct systems provided for: one for non-executive directors and another for executive directors.

3.1. REMUNERATION STRUCTURE FOR DIRECTORS IN THEIR CAPACITY AS SUCH:

Members of the Board of Directors shall be remunerated in their capacity as such through one or more of the items set out in Article 39 of the Articles of Association.

In the 2026 financial year, the Appointments and Remuneration Committee submitted the following proposal for the remuneration of non-executive directors to the Board of Directors, which was approved, for application up to and including the 2029 financial year:

3.1.1 a fixed allowance for membership of the Board of Directors, amounting to up to €85,000 per year per director, to provide appropriate remuneration for the responsibility and commitment required by the position, but without reaching levels that compromise the director's independence.

3.1.2 a fixed allowance for membership of committees, amounting to €25,000 euros per year per committee to which the director belongs, to remunerate membership of and dedication to the committees of the Board of Directors.

3.1.3 attendance fees for meetings held by the Board of Directors, amounting to €40,000 per year per director.

3.1.4 a fixed allowance for the performance of other duties or responsibilities, to remunerate certain roles held by some directors, in the following amounts: €100,000 per annum for the Chairman of the Board of Directors, €50,000 per annum for the Secretary of the Board of Directors, €10,000 per annum for each Chair of each of the Committees, and €25,000 per annum for the Secretary of each of the Committees.

In setting these remuneration levels, account has been taken of the level of commitment required, the complexity of the Company, the specific functions performed by each director and the responsibilities associated with those positions. Remuneration for the specific functions referred to in section 3.1.4 performed by executive directors shall be included in their salary and shall be covered by this remuneration category.

Furthermore, the Appointments and Remuneration Committee may propose other remuneration during the term of this Policy in accordance with the provisions of the Articles of Association in force at any given time.

The maximum amount of annual remuneration for all directors in their capacity as such, including all the items indicated above, is set at 2,420,000 euros, thereby maintaining the limit established in the previous policy. This amount is set as a maximum limit which need not be exhausted, but which is intended to cover any changes that may occur during the term of the policy in the composition of the Board or its committees, or in the remuneration considerations relating to the responsibilities and services provided by each director.

This maximum amount is set in view of a Board of Directors comprising a total of eleven directors. If, during the term of the policy, the number of directors increases or decreases, within the maximum and minimum numbers provided for in the Articles of Association, the aforementioned maximum amount shall be increased or decreased, as appropriate, on a proportional basis.

Given that this amount, as well as those included in the other paragraphs of this section 3.1, are maximum amounts, the determination of the remuneration corresponding to each director and the specification of the remuneration items referred to above shall be the responsibility of the Board of Directors, which shall take into account for this purpose the functions and responsibilities of each director, the performance of specific tasks or services distinct from the general duties of any director, membership of Board committees, and any other objective circumstance it deems relevant.

In determining the remuneration of each director in their capacity as such, the Company's Board of Directors shall base its decision on the relevant proposal from the Appointments and Remuneration Committee.

3.2. REMUNERATION STRUCTURE FOR EXECUTIVE DIRECTORS

3.2.1. Remuneration components

In accordance with the provisions of Article 39 of the Articles of Association, those directors who hold the status of executive directors in accordance with the provisions of Article 529-12(1) of the LSC may receive, in addition to the items set out in section 3.1 above, remuneration consisting of one or more of the following items:

(a) A fixed annual remuneration, on the terms described in section 3.2.2 below.

(b) A variable remuneration, both short-term and long-term, which shall be payable in accordance with indicators or parameters linked to their performance and that of the Company or its group, as described in section 3.2.3 below.

(c) A welfare benefit consisting of life insurance, on the terms set out in section 3.2.4 below.

(d) A defined-contribution long-term savings scheme, as set out in greater detail in section 3.2.5 below.

(e) Severance payments, provided that the termination was not due to a breach of the director's duties, as detailed in section 3.2.6 below.

(f) Compensation for the assumption of post-contractual exclusivity and non-competition obligations, in accordance with section 3.2.7 below.

3.2.2. Fixed annual remuneration

Executive directors shall receive a fixed annual remuneration in the form of a salary to compensate them, in accordance with their level of responsibility and professional track record, for the performance of executive duties.

Increases in the fixed remuneration of executive directors shall be made taking into account the evolution of CAF employees' salaries and any adjustments required in accordance with economic criteria such as the Consumer Price Index (CPI) or others resulting from the applicable collective agreement. On an exceptional basis, and subject to a review of levels of responsibility and/or repositioning based on data from medium-sized companies comparable to CAF in terms of turnover and size, increases exceeding the general rises may be granted, provided that these annual increases do not exceed the limit set out at the beginning of this paragraph nor result in an increase of more than 10% each year.

The Chief Executive Officer shall receive a fixed annual remuneration of 600,000 euros, which shall serve as the maximum amount for other executive directors. The Chief Executive Officer's fixed remuneration shall not be subject to any adjustment, review or increase throughout the term of this Policy.

3.2.3. Variable remuneration

In defining the components of the remuneration system, CAF always takes into account the long-term interests of CAF and, in particular, ensures that remuneration corresponds to the company's performance and that profits are distributed appropriately to shareholders.

To this end, those directors classified as executive directors in accordance with the provisions of Article 529-*duodecies* of the LSC shall receive variable remuneration (both short-term and long-term), which shall be accrued in accordance with indicators or parameters linked to their performance and that of the Company or its group, and which shall be governed by the terms described in this section.

(a) Annual Variable Remuneration

During the term of this Policy, the amount of the CEO's short-term variable remuneration shall follow a gradual and progressive trend from the start to the end of its term, in accordance with the following maximum limits per financial year:

(i) in the 2027 financial year, short-term variable remuneration may not exceed 60% of the fixed salary for 100% achievement of the targets;

(ii) in the 2028 financial year, the maximum limit shall be 70% of the fixed salary for 100% achievement of the targets; and

(iii) in the 2029 financial year, the maximum limit shall be 80% of the fixed salary for 100% achievement of the targets.

There shall be no additional incentive in the event of over-achievement of the targets in any of the financial years covered by the term of this policy.

The maximum limit on annual variable remuneration for the remaining executive directors shall be 60% of the fixed salary for 100% achievement of the targets.

The Board of Directors, upon the proposal of the Appointments and Remuneration Committee, shall establish each year the maximum amount to which the annual variable remuneration may rise, subject to the maximums indicated in the preceding paragraphs, ensuring that it maintains an appropriate balance with the fixed components, so that it constitutes an adequate incentive without undermining its complementary nature in relation to the fixed amounts.

Annual variable remuneration is linked to the achievement of specific economic and financial objectives and non-financial objectives, which are ambitious yet realistic and accurately reflect the Company's expectations; these shall be predetermined for each financial year by the Board of Directors on the basis of a proposal made by the Appointments and Remuneration Committee.

The economic and financial objectives shall account for at least 80% of the total short-term incentive and must be specific, quantifiable and aligned with the Company's interests and strategic objectives. Some examples of economic and financial parameters that could be included are achieving a specific level of contracts, sales, EBITDA or cash flow. Furthermore, subject to the approval of the General Meeting, parameters linked to the value of the shares may be included.

Non-financial objectives will account for a maximum of 20% of the total short-term incentive and will promote sustainability and long-term value creation for the Company. Examples of non-financial parameters that could be included are customer satisfaction levels, the organisational health index (employee satisfaction surveys), the outcome of the Ecovadis assessment, the reduction of CO2 emissions, or other ESG parameters and indicators that promote the Company's sustainability or corporate social responsibility.

Furthermore, minimum targets will be set for each of the parameters determined, below which the short-term variable remuneration associated with the parameter in question will not be accrued. If the set minimum targets are met, the variable remuneration will be accrued on a linear basis according to the degree to which the targets are achieved.

In addition, one or more parameters may be designated as key parameters, such that the achievement of the minimum targets associated with these parameters is an essential requirement for the accrual of annual variable remuneration in relation to the remaining parameters.

The Annual Report on Directors' Remuneration will provide information on the metrics and weightings defined for each financial year, as well as on the incentive accrued based on the degree to which the targets have been met.

With regard to the operation of the annual variable remuneration, as indicated at the beginning of this section, the Board of Directors, upon the proposal of the Appointments and Remuneration Committee, shall determine each year, at the start of each financial year, the maximum amount to which it may amount, within the aforementioned limits, the parameters on which it is based, their weighting, the inclusion, where applicable, of key parameters, and the targets to be achieved in relation to each parameter.

Once the financial year has ended, it is the responsibility of the Board of Directors, following a proposal from the Appointments and Remuneration Committee, to assess the degree of compliance with the aforementioned objectives and to determine the annual variable remuneration accrued.

The methods for assessing the degree of compliance shall be those deemed appropriate in each case to determine the extent to which the performance criteria have been met. Thus, compliance with the economic and financial parameters shall be measured on the basis of the annual accounts prepared each year by the Board. Non-financial parameters may be measured through satisfaction surveys, assessments carried out by independent third parties or other procedures deemed suitable for this purpose, in the opinion of the Board of Directors.

The actual achievement of each financial parameter may be consulted in the annual accounts published by the Company, whilst the achievement of the non-financial parameters may be consulted in the sustainability report. Furthermore, all of this will be reported in the Annual Report on Directors' Remuneration.

In any event, it should be noted that although the vesting period for the annual variable remuneration is one financial year, it contributes to the achievement of results and the Company's sustainable performance, both in the short and long term, given that (i) the achievement of the targets on which it is based is expected to have an impact on the Group's performance both in the short term (as is the case with parameters such as cash flow or sales) and in the long term (as is the case with parameters such as the level of new business and sustainability indicators), and (ii) given the nature of CAF's business, achieving the target in relation to several of the parameters, such as the level of new business or customer satisfaction, is the result of the prior commitment of resources and efforts over a significantly longer period of time.

For the annual variable remuneration to be payable, beneficiaries must remain with the company for the entire financial year; they will forfeit their entitlement to such remuneration if they leave the company during that period.

Annual variable remuneration may be paid in cash, in shares or in share options, or through instruments linked to the value of shares, whether of the Company or of companies within its group, or through a combination of the above. Furthermore, remuneration consisting of the grant of shares, share options or instruments linked to the value of shares shall require the approval of the General Meeting of Shareholders.

Where the annual variable remuneration is paid in shares, in options on shares or through instruments linked to the value of the shares, executive directors may not, whilst holding that position, transfer ownership of or exercise them until a period of at least three (3) years has elapsed, or such minimum period as may be established by the recommendations of the Code of Good Governance for Listed Companies in force at any given time.

An exception to the provisions of the preceding paragraph applies where the executive director maintains, at the time of the transfer or exercise, a net economic exposure to changes in the share price with a market value equivalent to at least twice their annual fixed remuneration through the ownership of shares, options or other financial instruments, or such amount as may be applicable in accordance with the regime established by the recommendations of the Code of Good Governance for Listed Companies in force at any given time.

Likewise, the foregoing shall not apply to shares that the executive director needs to dispose of to cover the costs associated with their acquisition or, subject to a favourable assessment by the Appointments and Remuneration Committee, to address unforeseen extraordinary circumstances that so require, or in those cases where the regime set out in the recommendations of the Code of Good Governance for Listed Companies in force at any given time applies.

Payment of the annual variable remuneration may be deferred from the end of the financial year. The Board of Directors may reduce and/or, where appropriate, claim the return of the incentive from the beneficiaries of the annual variable remuneration should any circumstance arise that makes this advisable, such as the identification of any error in its calculation or in the measurement of the degree to which objectives have been achieved, the inclusion of qualifications in the audit report or the need to restate the Company's financial statements, or the existence of serious breaches of their obligations by the recipients. The reduction and/or repayment of the incentive may be total, depending on the seriousness of the event giving rise to such reduction and/or repayment.

(b) Long-Term Incentive Plan

Executive directors and other members of the Group's management team currently participate in a long-term incentive plan that will end on December 31, 2026, coinciding with the end of the four-year Strategic Plan for 2023–2026. Upon approval of the new strategic plan for the period 2027–2030, and in full alignment with it, executive directors and other members of the group's management team shall be entitled to participate, during the term of this remuneration policy, in a new long-term incentive plan (the "**Long-Term Incentive Plan**"), which will run for four (4) years, covering the period from January 1, 2027 to December 31, 2030. The Long-

Term Incentive Plan will be approved by the Board of Directors, following a proposal from the Appointments and Remuneration Committee, in the 2027 financial year and submitted for approval by the general meeting of shareholders in that same financial year, including at that time a detailed definition of its structure, applicable metrics, objectives, performance criteria, vesting conditions and other relevant elements (which in any event shall comply with the provisions of this Policy).

The Appointments and Remuneration Committee will work to align its proposal for the Long-Term Incentive Plan with the highest market standards, drawing on specialist external advice, and will consult the content of the proposal with the main proxy advisors, as well as with significant shareholders of CAF, seeking their comments, which will be taken into consideration.

The maximum amount of the Long-Term Incentive Plan for the Chief Executive Officer shall be 100% of the annualised fixed salary as at January 1, 2027, which shall be achieved in the event of 100% fulfilment of the objectives of the Long-Term Incentive Plan, in accordance with the terms set out in said Long-Term Incentive Plan and in line with the provisions of this remuneration policy. This limit shall apply as the maximum for the remaining executive directors.

The Long-Term Incentive Plan will be linked to the achievement of specific financial and specific non-financial targets, which are ambitious yet realistic, accurately reflect the Company's expectations and are aligned with the strategic plan to be implemented during the same 2027–2030 period; these targets shall be predetermined by the Board of Directors on the basis of a proposal drawn up by the Appointments and Remuneration Committee.

The economic and financial objectives will account for at least 80% of the Long-Term Incentive Plan as a whole, and must be specific, quantifiable and aligned with the Company's interests and the strategic framework mentioned in the previous paragraph. The economic and financial parameters will include performance indicators (such as EBIT, BAI or EPS) and the relative total shareholder return (relative TSR) metric, which will measure the total return on the share compared with the performance of the shares of comparable companies (i.e., Alstom, Stadler Rail and Talgo) and benchmark indices (i.e., IBEX 35 and IBEX Medium CAP). r the inclusion of relative TSR will, in any event, be subject to the approval of the General Meeting of Shareholders.

Non-financial targets will account for a maximum of 20% of the overall Long-Term Incentive Plan and will promote sustainability and long-term value creation for the Company. An example of a non-financial parameter that may be included is the reduction of CO_2 emissions.

It is anticipated that the Long-Term Incentive Plan will comprise between two and five metrics.

Each metric will operate independently, with minimum targets set for each of the parameters determined, below which the long-term variable remuneration associated with the parameter in question will not be accrued.

In addition, one or more parameters may be designated as key parameters, such that the achievement of the minimum targets associated with these parameters is an essential requirement for the accrual of long-term variable remuneration in relation to the remaining parameters.

The Annual Report on Directors' Remuneration will provide information on the metrics and weightings defined for the Long-Term Incentive Plan.

With regard to the operation of the Long-Term Incentive Plan, as indicated at the beginning of this section, the Board of Directors, upon the proposal of the Appointments and Remuneration Committee, shall determine at the start of the Long-Term Incentive Plan the parameters on which it will be based, their weighting, the inclusion, where applicable, of key parameters, and the targets to be achieved in relation to each parameter, whilst in all cases complying with the provisions set out in this policy.

Once the Long-Term Incentive Plan has ended, it is the responsibility of the Board of Directors, following a proposal from the Appointments and Remuneration Committee, to assess the degree of achievement of the aforementioned objectives and to determine the long-term remuneration accrued.

The methods used to assess the degree of compliance shall be those deemed appropriate in each case to determine the extent to which the performance criteria have been met. Thus, compliance with the economic and financial parameters shall be measured on the basis of the annual accounts prepared each year by the Board, except in the case of parameters relating to share value, compliance with which shall be measured relative to a peer group comprising comparable companies and benchmark indices. Non-financial parameters may be measured through satisfaction surveys, assessments carried out by independent third parties, or other procedures deemed suitable for this purpose by the Board of Directors.

The actual achievement of each financial parameter may be consulted in the annual accounts for the 2030 financial year published by the Company (or, in the case of aggregated financial parameters, in the annual accounts for the financial years comprising the relevant aggregation period), or, in the case of parameters linked to the share price, in the Annual Report on Directors' Remuneration for the 2030 financial year, whilst the achievement of the non-financial parameters may be consulted in the Sustainability Report for the 2030 financial year. Furthermore, all this information may be consulted in the Annual Report on Directors' Remuneration for the 2030 financial year.

For the Long-Term Incentive Plan to vest, beneficiaries must remain with the company as at December 31, 2030. However, the right to receive the incentive may remain, prorated according to the time actually worked from the start date of the Long-Term Incentive Plan, should the employment relationship be terminated for any of the reasons provided for in the regulations of the Long-Term Incentive Plan, such as death, retirement or a declaration of permanent incapacity, amongst others.

In any event, it should be noted that the Long-Term Incentive Plan will contribute to the achievement of the Company's strategic objectives and its long-term sustainability, given that the achievement of the objectives on which it is based is expected to have an impact on the Group's long-term performance by incentivising decisions and actions whose impact materialises progressively over time and which require ongoing management consistent with the Company's strategy.

Remuneration under the Long-Term Incentive Plan may be paid in cash, in shares, in share options or through instruments linked to the value of shares, whether of the Company or of companies within its group, or through a combination of the above. Remuneration consisting of the grant of shares and, where applicable, share options or instruments linked to the value of the shares, shall require the approval of the General Meeting of Shareholders.

Remuneration arising from the Long-Term Incentive Plan shall be paid in full (100%) through the grant of Company shares, provided that the executive director does not, through the shares to which he is entitled pursuant to the settlement of the Long-Term Incentive Plan and the shares previously held by him, reach a level of shareholding in the Company equivalent to two (2) times his fixed salary. Once this level of shareholding has been reached, the amount of the incentive exceeding this threshold may be paid in cash. Notwithstanding the foregoing, the portion of the remuneration under the Long-Term Incentive Plan paid in shares must, in any event, represent at least fifty per cent (50%) of the total remuneration derived therefrom.

For the purposes of the remuneration under the Long-Term Incentive Plan paid through the grant of shares, the maximum limit on the number of shares assignable to beneficiaries shall be set provisionally at the time of approval of the Long-Term Incentive Plan, by dividing the maximum remuneration to be paid in shares, in accordance with the preceding paragraph, by the weighted average share price of the Company's shares at the close of the twenty (20) trading sessions preceding that date. The final calculation of the number of shares to be delivered to each beneficiary shall be determined upon completion of the Long-Term Incentive Plan, once the amount of the incentive actually accrued is known in accordance with the degree of achievement of the set objectives and the level of shareholding of each beneficiary in proportion to their fixed salary. In any event, the total number of shares to be delivered under the Long-Term Incentive Plan may not exceed 5% of the Company's share capital on the date of the plan's approval.

Where remuneration under the Long-Term Incentive Plan is paid in shares, in share options or through instruments linked to the value of the shares, executive directors may not, whilst holding that position, transfer ownership of or exercise them until a period of at least three (3) years has elapsed, or during the minimum period established, where applicable, by the recommendations of the Code of Good Governance for Listed Companies in force at any given time.

An exception to the provisions of the preceding paragraph applies where the executive director maintains, at the time of the transfer or exercise, a net economic exposure to changes in the share price with a market value equivalent to at least twice their annual fixed remuneration through the ownership of shares, options or other financial instruments, or such amount as may be applicable in accordance with the regime established by the recommendations of the Code of Good Governance for Listed Companies in force at any given time.

Furthermore, the foregoing shall not apply to shares that the executive director needs to dispose of to cover costs related to their acquisition or, subject to the favourable assessment of the Appointments and Remuneration Committee, to address unforeseen extraordinary circumstances that so require, or in those cases where the regime set out in the recommendations of the Code of Good Governance for Listed Companies in force at any given time applies.

Finally, the remuneration corresponding to the Long-Term Incentive Plan shall be paid once the relevant calculations have been made at the General Meeting following the end of the plan. Likewise, the Board of Directors may reduce and/or, where appropriate, claim from the beneficiaries of the remuneration derived from the Long-Term Incentive Plan the return of the incentive in the event that any circumstance arises that makes this advisable, such as the identification of any error in its calculation or in the measurement of the degree of achievement of the objectives, the inclusion of qualifications in the audit report or the need to restate the Company's financial statements, or the existence of serious breaches of their obligations by the beneficiaries of the plan. The reduction and/or repayment of the incentive may be total, depending on the seriousness of the event giving rise to such reduction and/or repayment.

3.2.4. Life insurance

Executive directors may be entitled to a welfare benefit consisting of life insurance on market terms, the premium for which may be adjusted annually by the insurance company based on various criteria, such as age.

3.2.5. Long-term savings scheme

Executive directors will participate in a long-term savings scheme, which will be a defined contribution scheme and will cover the following events: retirement, death, total permanent disability and severe disability. This is a well-established remuneration concept specific to the company for senior executives, although the current scheme, applicable from the 2022 financial year, is more favourable to the Company than the previous scheme, as it is a defined contribution scheme with capped costs, as opposed to the defined benefit scheme that existed previously. Furthermore, annual contributions are predefined and may not be increased during the term of the Policy.

The limit on ordinary contributions shall be set as a percentage of pensionable salary, in accordance with the terms set out for each beneficiary in the plan regulations, without in any case exceeding 30% of pensionable salary for executive directors, except in the case of the Chief Executive Officer, whose limit shall amount to 205,000 euros per annum. These limits remain unchanged from those applied in previous financial years and set out in the previous remuneration policy, and will not be revised upwards during the term of this remuneration policy, ensuring alignment with best market practices. The extraordinary contributions agreed on an exceptional basis to retroactively compensate for years of service with the company without participation in the previous long-term savings scheme will also remain unchanged; these will end in the 2027 financial year, in line with the planning already agreed by the Board of Directors, and will not apply to new executive directors.

It is hereby noted that the amount of contributions to the long-term savings scheme is not consolidated as fixed salary nor does it count towards the calculation of variable remuneration, nor for reviews of the fixed salary itself approved by collective agreement.

3.2.6. Severance payments

The Chief Executive Officer may be entitled to severance pay, provided that the termination is not due to a breach of his duties as a director. The purpose of such severance pay is to remunerate the services provided by the director and to offer protection, thereby encouraging the attraction and retention of high-level executive talent.

In any event, this severance payment, which shall apply solely to the Chief Executive Officer, may not exceed two years' worth of his fixed remuneration.

3.2.7. Compensation for contractual exclusivity and non-competition

Although there are currently post-contractual exclusivity and non-competition obligations for the chief executive officer, no additional remuneration is provided in respect of these obligations.

3.2.8. Individual determination of executive directors' remuneration

The Board of Directors is responsible for determining the remuneration of each executive director individually within the framework of this remuneration policy, following a proposal and report from the Appointments and Remuneration Committee.

In the event that a new executive director is appointed during the term of this policy, the new executive director shall have terms and conditions equivalent to those currently enjoyed by the other executive directors, and in no case may these be superior to those of the latter.

3.2.9. Remuneration structure

The remuneration structure for CAF's executive directors has evolved, moving from initially consisting solely of fixed remuneration, accompanied by a pension plan, to later incorporating a short-term variable remuneration component. Over time, a long-term variable remuneration plan was also introduced in response to demands from shareholders, institutional investors and proxy advisors; under this policy, it also incorporates a mandatory component linked to share-based remuneration. With each addition of these variable components, the remuneration mix for executive directors has changed, seeking an appropriate balance between fixed and variable components, so that remuneration is linked to the performance of executive directors and is aligned with the Company's objectives, values and interests.

The Company's intention is to give increasing weight to variable components over fixed ones, thereby seeking to align itself with the group of mid-cap listed companies that are comparable to CAF in terms of turnover and size.

3.2.10. Terms of contracts entered into in accordance with Article 249 of the LSC

In compliance with the provisions of Article 529-n, paragraph 3(g) of the LSC, the basic terms of the contracts entered into or to be entered into with those directors who perform executive functions in accordance with Article 249 of the LSC are set out below:

(a) The contract shall be of indefinite duration, and may provide for the need to give notice in the event of termination. Notwithstanding the foregoing, the contracts entered into do not include a notice period.

(b) In the event of termination of office at the Company's discretion and for reasons not attributable to the Chief Executive Officer, or by the director's own decision motivated by a serious and culpable breach by the Company of the obligations undertaken in the contract, or in the event of a substantial reduction or modification of the functions, powers or conditions of service not attributable to the Chief Executive Officer, the latter shall be entitled to receive compensation equivalent to two years' fixed remuneration.

(c) The contract may provide for the Chief Executive Officer to assume post-contractual exclusivity and non-competition obligations for an additional period of up to two years from the date of termination of office. Currently, the contract entered into with the Chief Executive Officer contains such obligations for a period of up to two years from the date of termination of office, but there is no additional remuneration for the assumption of these obligations.

4. PRINCIPLE OF FULL TRANSPARENCY

The Company's Board of Directors has drawn up this directors' remuneration policy in compliance with the commitment to uphold the principle of full transparency regarding all remuneration items received by directors, and to provide accurate, sufficient information, issued in good time and in line with the corporate governance recommendations for listed companies.

Furthermore, the Board of Directors prepares the annual report on directors' remuneration (the "IARC") each year, which is disclosed as Other Relevant Information immediately upon its approval and made available to shareholders at the time of the notice convening the ordinary general meeting. This IARC is put to a consultative vote at the General Meeting as a separate item on the agenda.

5. TERM

This remuneration policy shall apply for the three financial years following the date of its approval, that is, for the financial years 2027, 2028 and 2029, in accordance with Article 529-novodecies(1) of the LSC, subject to any amendments, adaptations or updates that may be approved from time to time by the Company's General Meeting of Shareholders.

If approved, this remuneration policy shall not replace or render void the Company's Directors' Remuneration Policy which was approved by the General Meeting of Shareholders on June 15, 2024, under item eight of the agenda, given that said policy will remain in force until December 31, 2026, with this policy coming into effect on January 1, 2027.

Date: 2026/06/13
Approved by the General Meeting of Shareholders