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CONSTRUCCIONES Y AUXILIAR DE FERROCARRILES, S.A. (CAF)

PROPOSALS BY THE BOARD OF DIRECTORS TO THE SHAREHOLDERS IN THEIR ANNUAL GENERAL MEETING TO BE HELD ON JUNE 15 OR 16, 2024, IN ITS FIRST AND SECOND CALL RESPECTIVELY

One:

Approval of the annual accounts (balance sheet, income statement, statement of recognized income and expenses, statement of changes in equity, cash flow statement, and annual report) and the management report of the Company and its consolidated group, corresponding to the 2023 fiscal year.

Two:

Approval of the Board of Directors' management of the company during the fiscal year ending on December 31, 2023.

Three:

Approval of the Consolidated Statement of Non-financial Information and Sustainability Report for the 2023 fiscal year.

Four:

Resolution regarding the distribution of profit of the company Construcciones y Auxiliar de Ferrocarriles, S.A., corresponding to the 2023 fiscal year, as follows:

Balance of the profit and loss account..... €48,447,000

Distribution:

To dividends..... €38,052,000

To Voluntary Reserves.....€10,395,000

In accordance with this proposal, the amount of the total gross dividend per share, corresponding to the 2023 fiscal year, will be €1.11 per share, which will be distributed among the shares with dividend rights on July 8, 2024, with the applicable legal withholdings.

Five:

Appointment of the firm "Ernst & Young, S.L." with its registered office at Calle Raimundo Fernández Villaverde 65, Madrid, a company registered in the Madrid Commercial Register in General Volume 9,364, no. 8,130 of Section 3 of the Companies Book, Folio 68, Sheet no. 87, 690-1, Entry 1, holding tax identification number B-78970506, and registered in the ROAC under number S0530, as auditors of the individual financial statements of Construcciones y Auxiliar de Ferrocarriles, S.A. and of the consolidated financial statements of Construcciones y Auxiliar de Ferrocarriles, S.A. and its Subsidiaries, i.e. for the individual and consolidated financial statements for the years ending December 31, 2024, 2025 and 2026.

Six: Re-election of Board Members and fixing 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.

6.2. Re-elect Ms. Marta Baztarrica Lizarbe as Executive Director, for the statutory period of four years.

6.3. Re-elect Ms. Carmen Allo Pérez as an Independent Director, for the statutory period of four years.

6.4. Re-elect Mr. Manuel Domínguez de la Maza as a Proprietary Director for the statutory period of four years.

6.5. Fix the number of Board Members at eleven (11) members.

Seven: Amendment of Article 39 of the Company's Bylaws¹

To amend Article 39 of the Bylaws in order to update its content regarding the Remuneration of the Board of Directors, such that the aforementioned article shall henceforth read as follows:

"Art. 39. Remuneration of the Board of Directors

1. The remuneration for the duties to be carried out by the members of the Board of Directors in their capacity as such, as members of the collegiate body or its committees, shall comply with the approved remuneration policy and comprise one or more of the following amounts:

- a) a fixed allowance as a member of the Board of Directors*
- b) a fixed allowance as a member of a committee*
- c) per diem for attendance of meetings of the Board of Directors or their committees*
- d) a fixed allowance for the performance of certain duties or responsibilities*
- e) a benefit consisting of a life insurance policy*
- f) the savings or pension systems that, where appropriate, are considered relevant.*

¹ The comparison between the previous version and the proposed amendment of the article of the Bylaws can be consulted in the corresponding justification report by the Board of Directors.

The board member remuneration policy shall set the remuneration of board members in their capacity as such and shall include at least the maximum amount of the annual remuneration to be paid to all board members in that capacity, as well as any other fees as may be required by the applicable regulations.

The individual setting of the remuneration of each board member in their capacity as such for the aforementioned amounts shall fall to the Board of Directors, in accordance with the terms envisaged in Article 529p of the Capital Companies Act.

2. Likewise, those board members who, in accordance with the provisions of Section 1 of Article 529k of the Capital Companies Act, have the status of executive directors, may receive, in addition to the amounts provided for in Section 1 above, remuneration for the discharge of their executive duties, consisting in one or more of the following amounts:

- a) a fixed annual remuneration*
- b) variable remuneration with indicators or parameters linked to their performance and that of the Company or its group, which may include the delivery of shares or stock options or remuneration indexed to the value of the shares, whether of the Company or of companies in its group, subject to the requirements established in the legislation in force at any given time*
- c) a benefit consisting of a life insurance policy*
- d) a long-term savings system*
- e) severance pay, provided that the termination was not due to a failure to comply with their duties as a director*
- f) compensation for the assuming of post-contractual non-compete and exclusivity obligations.*

Remuneration consisting of the delivery of shares or stock options or linked to the value of the shares shall require a resolution by the Shareholders in a General Meeting. This agreement shall include the maximum number of shares that may be allocated each year to this remuneration system, the exercise price or the system for calculating the exercise price of stock options, the value of the shares to be taken as a reference, if any, and the term of the plan.

In any case, the remuneration for the positions of managing directors and other board members to whom executive duties are assigned under other titles shall be governed by the provisions of Articles 249 and 529q of the Capital Companies Act and must comply with the board member remuneration policy, which shall at least determine the amount of the fixed annual remuneration corresponding to the board members for the discharge of executive duties, as well as any other amounts required by the applicable regulations.

The individual setting of the remuneration of each board member for the discharge of executive duties shall fall to the Board of Directors, in accordance with the terms set out in Article 529q of the Capital Companies Act.

3. All members of the Board of Directors shall be entitled to be compensated for any duly justified travel and accommodation expenses they may incur as a result of the exercise of their position as directors.

4. All of the foregoing is understood without prejudice to the payment of fees or salaries that may be credited to the Company, by virtue of the provision of professional services or an employment relationship, as the case may be, stemming from a contractual relationship other than that arising from the position of board member. This provision of services and the corresponding fees shall be subject to the legal regime that might be applicable thereto.”

Eight:

Approve the Board Members' Remuneration Policy applicable to the financial years 2024, 2025 and 2026.

Nine:

Submission of the Annual Report on Board Members' Remuneration corresponding to the 2023 fiscal year, approved by CAF's Board of Directors during its session on February 27, 2024, to a consultative vote.

Ten:

Granting of powers to the Company's Board of Directors to execute the above agreements with all the necessary scope in law, as well as to clarify, correct, or complement the above agreements in accordance with the verbal or written classification of the Commercial Registrar and to jointly and severally empower Mr. Andrés Arizkorreta García and Ms. Marta Baztarrica Lizarbe, Chair and Secretary of the Board, respectively, to appear before a Notary Public in order to execute the corresponding public deed, performing all actions required to achieve the recording of the agreements adopted during this Meeting which are eligible for recording in the Commercial Register, even partially.