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## **JUSTIFICATION REPORT BY THE BOARD OF DIRECTORS REGARDING THE PROPOSAL FOR THE RE-ELECTION OF MS. MARTA BAZTARRICA LIZARBE AS EXECUTIVE DIRECTOR OF THE COMPANY, INCLUDED IN ITEM 6.2 OF THE AGENDA OF THE GENERAL SHAREHOLDERS' MEETING**

### **1. PURPOSE OF THE REPORT**

In accordance with the provisions of Article 529 decies of the Revised Text of the Capital Companies Act and Article 15.2 of the Regulations for 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. This proposal shall 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. 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 Ms. Marta Baztarrica Lizarbe as Executive Director of the Company for a period of four years and (ii) assess the competence, experience, and merits of the proposed candidate.

### **2. JUSTIFICATION OF THE PROPOSAL FOR THE RE-ELECTION OF MS. MARTA BAZTARRICA LIZARBE**

In view of the expiry of office of Ms. Marta Baztarrica Lizarbe, as the four-year term since her re-election has elapsed by virtue of the resolution of the Shareholders in their Ordinary General Meeting of June 13, 2020, after assessing its current needs and composition, as well as the competence, experience and merits of the candidate, the Board issues its report justifying the proposal for her re-election as executive director, for the statutory term of four years. In doing so, it has taken the following factors into consideration, among other things:

Ms. Marta Baztarrica Lizarbe has a degree in Law and in Economic and Business Sciences from the Universidad Pontificia Comillas (ICADE E-3) and holds an Executive Master's Degree in Business Management, as well as several postgraduate courses. She has built her professional career at CAF and holds the position of the Group's Legal and Compliance Director. She is the Secretary of the Board of Directors of CAF and of its Committees.

Her initial appointment as a Director took place on January 22, 2016 by co-opted appointment and was ratified by the Shareholders in their General Meeting of June 11 of the same year. She holds 17,040 shares in CAF.

The Committee has found that Ms. Baztarrica:

- (i) Continues to meet the legal requirements and the Regulations of the Board of Directors and the Company's Diversity and Director Selection Policy for her appointment as a board member.
- (ii) Has not been nor is currently subject to any legal prohibition or incompatibility, nor

do any of the circumstances in which she must tend her resignation to the Board apply, in accordance with Article 18 of the Company's Regulations of the Board of Directors.

- (iii) Since her appointment, she has satisfactorily performed the roles of board member and secretary of the Board of Directors and its Committees. She also has the time and capacity required to continue to fulfill her obligations in an equally satisfactory manner.
- (iv) She has the knowledge and experience required of candidates for board member positions.

In particular, it is worth highlighting her legal and business background, her professional career at CAF as the Group's Legal and Compliance Director, and her knowledge of Corporate Governance and Compliance, which demonstrate her ability to perform her duties as a board member and secretary of the Board and its Committees.

- (v) She continues to meet the legal and statutory conditions to be included in the category of Executive Director.
- (vi) According to the information provided by the candidate, no potential conflicts of interest are identified that could adversely affect her ability to perform her duties properly.

Additionally, the Board considers that the continuation of Ms. Baztarrica as a board member will contribute to strengthening the diversity and balance in its composition, provide added value, as a result of her knowledge and experience in areas of significance for the Company, and allow the consolidation of the number of female directors, to comply with the proportion recommended by the Good Governance Code of Listed Companies, as she is also a female executive, in line with best practices.

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

Pursuant to the provisions of the Regulations for the Board of Directors and the Company's Diversity and Director Selection Policy, the Appointment and Remuneration Committee has issued the mandatory prior report, favorably assessing the re-election of the proposed candidate and her continuation as Secretary of the Board and its Committees.

In said report, the Committee confirms that, in accordance with the provisions of the law and internal regulations, Ms. Marta Baztarrica meets the requirements to continue in the position of director, assigned to the category of executive director, taking into account the duties of this nature that she will continue to perform in the Company.

The Committee favorably values Ms. Baztarrica's performance of her duties as Board Member and Secretary of the Board and its Committees to date, as well as her knowledge of the Company and her training and experience in the legal, Corporate Governance, and Compliance fields, which add value to the Board in areas of expertise that are required in accordance with its skills matrix, particularly in the field of Sustainability.

Finally, it should be noted that the continuation of Ms. Marta Baztarrica will contribute to meeting the objectives for gender balance within the Board, assumed by the Company in accordance with the best practices and good governance recommendations and in compliance with the Diversity Policy and the Director Selection Policy.

It is indicated that, if approved, the re-election of Ms. Baztarrica as director will imply her continuity as secretary of the Board of Directors and its Committees.

The aforementioned prior report of the Committee is made available to the shareholders together with this report by the Board.

### **3. CONCLUSION AND PROPOSED RESOLUTION**

In view of the foregoing, the Board considers the following proposed resolution to be justified and submits it to the Shareholders in their General Meeting for decision in a separate vote under item **6.2** of the agenda:

*"Six: Re-election of Board Members and establishing of the number of Board Members:*

*(...)*

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

*(...)"*

In San Sebastian, May 9, 2024.