

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

### **PROPOSALS BY THE BOARD OF DIRECTORS TO THE ORDINARY GENERAL SHAREHOLDERS' MEETING TO BE HELD ON 7 OR 8 JUNE 2014, ON THE FIRST AND SECOND CALL RESPECTIVELY**

#### **One:**

To approve the annual accounts (balance sheet, profit and loss account, changes in the Shareholder's Equity statement for the financial year, cash flow statement, and annual report) and the management report for the company and for its consolidated group, for the financial year of 2013, and also to approve the corporate management of the group.

#### **Two:**

To decide on the appropriation of earnings for the company Construcciones y Auxiliar de Ferrocarriles, S.A. corresponding to the financial year of 2013, as follows:

Voluntary reserves .....	47,814 thousands of euros
Allocation of Reserves for Productive Investment	10,000 thousands of euros
Dividends .....	35,995 thousands of euros
TOTAL .....	93,809 thousands of euros

Consequently, the proposal is to distribute a gross dividend of 10.5 Euros per share, to be paid on 7 July 2014 with the appropriate tax deductions.

#### **Three:**

To re-elect DELOITTE, S.L., a company with registered offices in Madrid, Plaza Pablo Ruiz Picasso, 1, Torre Picasso, with Tax Identification Number (N.I.F.) B-79104469 and registration no. S0692 in the Official Register of Account Auditors, for one year as the auditor of the individual annual accounts of Construcciones y Auxiliar de Ferrocarriles, S.A. and of the consolidated annual accounts of Construcciones y Auxiliar de Ferrocarriles, S.A. and subsidiaries. In other words for the individual and consolidated annual accounts for the financial year ending on 31 December 2014.

#### **Four:**

To submit the Remuneration Report approved by the CAF Board of Directors, to advisory vote.

#### **Five:**

To delegate in the Board of Directors of the Company, in accordance with articles 297.1.b) and 511 of the Corporations Law, article 319 of the Mercantile Registry Regulations and other applicable standards, for a term of five (5) years from the date of adoption of this resolution, the power to issue, on one or more occasions, either directly or through the group companies, any fixed income securities or similar debt instruments (including but not limited to bonds, promissory notes or warrants) of an ordinary nature, as well as fixed income securities or other types of securities (including warrants) that are convertible into shares of the Company and/or exchangeable for shares in the Company or in other companies of the Company's group, both simple or guaranteed.

This delegation expressly confers the power to set the criteria for the determination of the basis for and forms of conversion, exchange or exercise in the case of convertible and/or exchangeable debentures or similar securities, as well as to increase share capital by the amount required to cover corresponding applications for conversion or exercising. Notwithstanding, the power to increase share capital can only be exercised insofar as the Board, adding the capital increase agreed upon for issuance of convertible debentures and the remaining capital increases that may be resolved under the delegation granted by the General Shareholders' Assembly held on 8 June 2013, does not exceed the limit of half the share capital on the date of said authorisation. That is, a total of 1,714,037 new shares.

This delegation also expressly includes the power to exclude shareholders' pre-emptive rights in the event of the issuance of convertible debentures and equivalent securities, in accordance with article 511 of the Corporations Law and other applicable standards.

The Company's board of directors is also empowered to guarantee, on behalf of the Company, and within the aforementioned limits, new issues of securities (ordinary, convertible or exchangeable) which, during the period this resolution remains in force, can be performed by companies belonging to the group.

Where appropriate, the Company will request listing for trading on official or unofficial, regulated or unregulated, Spanish or non-Spanish secondary markets for securities that can be issued in virtue of this delegation, empowering the board of directors to execute any necessary procedures and actions for admission to listing before the competent bodies for these securities markets.

**Six:**

To empower the company's Board of Directors to put into effect the aforementioned resolutions with the broadest powers in law, and also to clarify, remedy or supplement the aforementioned resolutions based on any oral or written instructions given by the Registrar of Companies, and to jointly and severally or indiscriminately empower Mr. José María Baztarrica Garijo and Mr. Alfredo Bayano Sarrate, Chairman and Secretary of the Board respectively, to appear before the Notary in order to execute the corresponding public deed, taking all necessary steps to enter in the Companies' Registry (including partial) all those resolutions adopted by this Annual General Meeting and which are required to be entered in the Registry.