

The following English translation is provided by the Company for information purposes only, based on the original and official document in Spanish available on the Company's web site (www.caf.net). In the event of any discrepancy between the English version and the Spanish original document, the latter will prevail.

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

Notice of Ordinary General Meeting

As agreed by the Board of Directors of Construcciones y Auxiliar de Ferrocarriles, S.A. ("CAF" or the "**Company**"), Notice is hereby given to the Shareholders that the Board has called the Annual General Meeting to be held at the registered office, in Beasain, Gipuzkoa, on 10 June 2017, at 12:00 p.m., on first call, and if required, on second call, on the following day at the same time and venue, with a view to deliberating and resolving on the matters included in the following

AGENDA

First: Examination and, if appropriate, approval of the Financial Statements and Management Report of Construcciones y Auxiliar de Ferrocarriles, S.A., and the Financial Statements and Management Report of the consolidated group of companies for financial year 2016, as well as the management by the Board of Directors.

Second: Approval of the proposed distribution of earnings for financial year 2016, with a gross dividend payment of 0,58 euro per share.

Third: Re-election of auditors.

Fourth: Amendment of the Company by-laws:

4.1. Amendment of articles 13 and 20 of the Company by-laws for adaptation to the current version of article 406 of the Corporate Enterprises Act.

4.2. Amendment of article 34 of the Company by-laws in order to homogenize their content with article 5.3 of the Regulations of the Board of Directors.

Fifth: Amendment of articles 4, 10 and 16 of the General Shareholders' Meeting Regulations, in order to adapt them to the Company by-laws amendments which are submitted to the General Meeting's consideration under item 4.1 of the agenda, should these be finally approved.

Sixth: Approval of Directors' Remuneration Policy.

Seventh: Appointment of Mr. Julián Gracia Palacín as Independent Director.

Eighth: Delegation to the Board of Directors, pursuant to the provisions of articles 297.1.b) and 511 of the Corporate Enterprises Act, article 319 of the Company Registry Regulations and other applicable regulations, with express power of substitution, for a term of five (5) years from the approval of the present resolution, of the power to issue, on one or more occasions, either directly or through Group companies, debentures and other fixed-income bonds or other types of securities (including warrants) convertible into shares of the Company or other Group companies, expressly including the power to waive pre-emptive rights of subscription, although the latter power of excluding pre-emptive rights of subscription is limited to a maximum amount of 20% of the share capital at the time of authorisation. Consequent revocation of the delegation of powers granted to the Board of Directors by virtue of an agreement of the General Shareholders' Meeting held on 7 June, 2014.

Ninth: Consultive vote regarding the Annual Report on Directors' for financial year 2016.

Tenth: Delegation of powers to the Board of Directors to formalize and implement the aforementioned resolutions.

Eleventh: Reading and approval, if appropriate, of the Minutes of the meeting.

Right to Information

The Shareholders may exercise their right to information as of the notice of the Meeting, according to provisions in articles 197 and 520 of the Corporate Enterprises Act.

Pursuant to articles 272, 287 and 529 *novodecies* and related provisions of the Corporate Enterprises Act, it is hereby stated that, from publication of this call notice, the shareholders have the right to examine and obtain, immediately and free of charge, at the registered office, or to request free deliverance or remittance (on telephone number 943.18.92.62 or on the email address accionistas@caf.net) of the following documentation that must be submitted to the General Shareholders' Meeting:

- Relating to the First and Second Items on the Agenda: The Financial Statements (balance sheet, income statement, statement of changes in over the net worth for the financial year, cash flow statement, and the respective notes), the proposal for the distribution of earnings of the Company, as well as the management report and the audit report, relating to financial year 2016. Shareholders of companies belonging to the CAF Group may also obtain the documents of the Consolidated Financial Statements, as well as the management report and the audit report of the Group.
- Relating to the Fourth and Fifth Items on the Agenda: The explanatory report from the Board of Directors relating to the amendments to the Company by-laws and of the Regulations of the General Shareholders' Meeting of the Company, as well as the complete text of the proposed amendments.
- Relating to the Sixth Item on the Agenda: The motivated proposal made by the Board of Directors and the explanatory report issued by the Nomination and Remuneration Committee, for approval of the Remuneration Policy.

- Relating to the Eighth Item on the Agenda: The report from the Board of Directors relating to the proposed delegation to the Board, included in this item of the Agenda, as well as the complete text of the said proposal.

All the above documents, as well as all other information relating to the General Shareholders' Meeting, may also be consulted on the Company website (www.caf.net), fully and uninterrupted until the General Meeting is held and, more specifically:

- The present call notice.
- The full text of the proposals submitted to the General Shareholders' Meeting for approval in relation to each of the Items on the Agenda.
- Relating to the Seventh Item on the Agenda: The information regarding the board member whose appointment is proposed to the General Shareholders' Meeting, his identity, "Curriculum Vitae" and category, the appointment proposal of the Nomination and Remuneration Committee and the explanatory report of the Board of Directors assessing the capacity, experience and merits of the proposed candidate.
- Regarding the Ninth Item on the Agenda: The Annual Report on Directors' Remuneration regarding financial year 2016, which is submitted to consultive vote.
- The information relating to the total number of shares and voting rights on the date of the notice of the meeting.
- The Annual Report on Corporate Governance for financial year 2016.
- The Auditor Independence Report for financial year 2016.
- The Corporate Social Responsibility Report for financial year 2016.
- The attendance card model and the voting delegation form.

Until the fifth day prior to the date established for the General Meeting, the shareholders may request the information or clarifications they deem necessary concerning the items on the agenda or raise the questions they may deem appropriate in writing. The shareholders can also request either in writing and within the same deadline, or verbally during the Meeting itself, any clarification they deem necessary from the directors concerning any information available to the public that the Company may have supplied to the Spanish National Securities Market Commission since the last general meeting, and in relation to the auditors' report. To this regard, all requests for information must be addressed to the Shareholders and Investors Service Office, at the registered office, via fax (on the number 943.18.92.26), or via email addressed to accionistas@caf.net. In order to safeguard the appropriate shareholder identification guarantees, shareholders must specify their name and surnames in their information request which must be accompanied with a copy of the documentation proving the shareholder status. If the request is placed by a legal person, the request must also be accompanied by the documentation which certifies powers of the natural person exercising the right to information as representative.

Right to attend the General Meeting

Regarding the right to attend, Shareholders are reminded that, pursuant to the provisions of articles 7 and 21 of the Company by-laws, only those persons holding at least one thousand (1,000) shares will have the right to attend, in an accredited manner as stipulated by Law. Shareholders holding fewer shares may group their shares or delegate their rights to be represented by another shareholder to jointly reach one thousand (1,000) or more shares.

Also in accordance with the Company by-laws and the General Shareholders Meeting Regulations, only shareholders with shares recorded in their names in the accounting record of book entries at least five (5) days prior to the Meeting will be entitled to attend the Meeting.

In order to attend the Meeting, Shareholders will need to obtain the appropriate attendance card issued by the organization where the shares are deposited or by obtaining one of those made available to Shareholders by the Company itself, which will be published on the corporate website (www.caf.net). It is also possible to use a certificate issued by any of the organizations which take part in the company *Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal (Iberclear)*.

The attendance card made available to Shareholders by the Company contains the applicable standards and instructions for use.

Right to representation

Those shareholders unable to attend the Meeting, or those who so require, may be represented by another person, even if that person is not a shareholder, in the terms and with the exceptions given by the Corporate Enterprises Act, in articles 21 and 22 of the Company by-laws, articles 9 and 12 of the General Shareholders' Meeting Regulations, as well as in the regulations and instructions contained in the voting delegation form provided by the Company.

Representation must be arranged using the voting by proxy form issued by the organization where the shares are deposited or the one made available to shareholders by the Company itself, which will be published on the corporate website (www.caf.net).

The voting by proxy form made available to shareholders by the Company contains the applicable regulations and instructions for use. The entire set of rules relating to attendance and representation are available to the shareholders at the Company website (www.caf.net).

Right to add items to the agenda and to submit resolution proposals

Shareholders who represent at least three percent (3%) of the share capital, may request the publication of a supplementary notice of the Ordinary General Meeting which shall include one or more additional agenda items, assuming that they are accompanied by a justification and, as the case may be, justification for any proposed agreements. This right must be exercised with due notification, addressed to the attention of the Secretary of the Board of Directors, which must be received at the registered office within five (5) days of the date this notice is published.

The supplementary notice of meeting will be published at least fifteen (15) days prior to the date established for the Ordinary General Meeting on first call.

Shareholders representing the above mentioned percentage are also entitled, within the same period above, and via a communication delivered at the registered office, to submit resolution proposals on the items already included or that should be included in the Agenda Items of the General Meeting called.

Shareholders' Forum

An Electronic Shareholders' Forum is available on the corporate website (www.caf.net) which can be accessed, with all applicable guarantees, by individual shareholders and any voluntary associations that may be incorporated with the purpose of facilitating the communication between them prior to the General Shareholders' Meeting. The Electronic Shareholder's Forum regulation is available to shareholders at the Company website (www.caf.net).

General information

- It is expected that the Meeting will be held on first call.
- For clarifications about the examination, delivery, free shipping of the documentation, additional information, as well as any other issue related to this notice and the General Meeting, Shareholders can refer to the Shareholders and Investors Service Office on:
 1. Tel. No.: +34 943.18.92.62, on business hours.
 2. Fax: 943.18.92.26
 3. E-mail address: accionistas@caf.net

Beasain, 05 May 2017.

**Ms. Marta Baztarrica Lizarbe
Director and Secretary of the Board.**