



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 website (www.caf.net). In the event of any discrepancy between the English version and the Spanish original document, the latter will prevail.

BOARD OF DIRECTORS REPORT IN RELATION TO THE PROPOSAL FOR THE RATIFICATION AND APPOINTMENT OF MS. BEGOÑA BELTRÁN DE HEREDIA VILLA AS AN INDEPENDENT DIRECTOR, INCLUDED IN ITEM 5.2 OF THE AGENDA OF THE ANNUAL GENERAL MEETING

1. INTRODUCTION

The Appointment and Remuneration Committee of CONSTRUCCIONES Y AUXILIAR DE FERROCARRILES, S.A., (“CAF” or the “Company”) has proposed the ratification of the appointment through co-optation and designation of Ms. Begoña Beltrán de Heredia Villa as an Independent Director for the Company.

In accordance with the provisions of Article 529 *decies*(4) and Article 529 *quindecies*(3) of the Revised Text of the Capital Companies Act (the “LSC”), and Articles 15 of the Regulations of the Board of Directors and 3 of the Regulations of the Appointment and Remuneration Committee, said Committee is responsible for proposing the appointment or re-election of the members of the Board of Directors classed as independent directors.

In accordance with Article 529(5) of the LSC, that proposal must be accompanied by a report from the Board of Directors assessing the competence, experience, and merits of the proposed candidate, which will be added to the minutes of the general meeting or of the Board itself.

This report is issued under the aforementioned article, and its purpose is (i) to endorse and report favorably on the proposal of the Appointment and Remuneration Committee for the ratification of the appointment through co-optation and designation of Ms. Begoña Beltrán de Heredia Villa as an Independent Director for the Company, for the statutory term of four years; and (ii) assess the competence, experience, and merits of the proposed candidate.

The above-mentioned Committee proposal is made available to the shareholders together with this Board report.

It is also noted that, for the purposes of Article 518(e) of the LSC, this report contains complete information on the identity, curriculum vitae, and category to which the proposed candidate for the position of board member belongs.

2. JUSTIFICATION FOR THE REPORT

2.1. Appointment and Remuneration Committee Proposal

For the purposes of this report, the Board of Directors has assessed the corresponding proposal of the Appointment and Remuneration Committee, which the Board endorses in its entirety.

As indicated in said document, on February 24, 2023, and as proposed by this Committee, the Board of Directors unanimously approved the appointment by co-optation of Ms. Begoña Beltrán de Heredia Villa as an Independent Director, a position that should be

ratified at the next Annual General Meeting. On that same date, she was appointed as a member of the Audit Committee.

The purpose of Ms. Beltrán de Heredia's appointment by co-optation was to fill the vacancy that arose following the resolutions adopted by the Company's Annual General Meeting of June 11, 2022.

In view of the forthcoming Annual General Meeting, the Committee has agreed to propose to the Board, for submission to the Shareholders in their General Meeting, the ratification of the appointment by co-optation of Ms. Begoña Beltrán de Heredia Villa, and her appointment as an Independent Director for the statutory term of four years.

Said proposal is based on the following considerations regarding the assessment of Ms. Beltrán de Heredia's background and professional profile, contained in the proposal for appointment by co-optation submitted to the Board on February 23, 2023, which the Committee ratifies in its entirety:

Ms Beltrán de Heredia Villa has a degree in Economic and Business Sciences from the Deusto Business School.

She has extensive experience in auditing and in specialized advice on tax matters, mergers and acquisitions and due diligence processes, having completed her professional career in first class audit companies and firms such as Arthur Andersen and Garrigues.

She was an independent director for Solarpack Corporación Tecnológica S.A. from August 2018 to December 2021. She also served as a member of the Audit and Compliance Committee and of the Appointment and Remuneration Committee of said entity, chairing both Committees at different times.

The evaluation process performed by the Appointment and Remuneration Committee was based on the prior analysis of the needs of this Board, as well as the skills, knowledge, and competences that the Committee has considered most appropriate for the position of board member, in accordance with its skills matrix. The Committee has also assessed the suitability of the candidate in accordance with the criteria established in the regulations in force and the best practices of good governance in relation to dedication and independence.

As a result of said assessment, the Committee finds that Ms. Beltrán de Heredia:

- i. Complies with the legal requirements, as well as with the Regulations of the Board of Directors and the Company's Diversity and Director Selection Policy, in order to be appointed 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. Based on the information provided by the candidate, no potential conflicts of interest are identified that could adversely affect her ability to perform her duties properly or her current or future independence.
- iv. Since her appointment by co-optation, she has performed the role of Board Member

satisfactorily, with the appropriate dedication and commitment to her role.

- v. She also has adequate knowledge of the duties that would correspond to her as a member of the Company's board, the required capacity, and the availability of sufficient time to adequately perform the inherent duties.
- vi. She has the appropriate skills, knowledge, and experience to meet the current requirements of the Board, in accordance with that indicated in its skills matrix, and that of the Company, and also benefits from professionally-recognized prestige.
- vii. She meets the legal and statutory requirements to be included in the category of Independent Director.

The results of the analysis performed regarding the appropriateness of her ratification and appointment as an Independent Director are also recorded in the minutes of the Appointment and Remuneration Committee meeting at which this matter was discussed.

Finally, it is noted that Ms. Beltrán de Heredia has given her consent to the obligations of the office of Board Member, as well as with the Company's rules and policies.

In light of the above, the Committee has proposed Ms. Begoña Beltrán de Heredia as a suitable candidate and proposes the ratification of her appointment by co-optation and her designation as an Independent Director, for the statutory term of four years, in addition to her continuation as a member of the Audit Committee.

2.2. Justification of the Proposal

Taking into account the reasons stated by the Appointment and Remuneration Committee, which the Board endorses, the Board of Directors considers that:

The experience and CV of Ms. Begoña Beltrán de Heredia certify both her competence and merits and the requirements of suitability and solvency necessary to hold the position of board member, in accordance with the provisions of the law and the internal regulations.

In addition, the candidate's profile is appropriate to meet the current needs of the Company and its activity. In particular, the Board highly values her professional background as a specialized advisor in tax and auditing matters, among other areas, as well as her previous experience as an independent director of a listed company and chair of its committees.

It should also be noted that the candidate does not have personal or professional circumstances that would prevent her from being classified as an Independent Director.

In view of the foregoing, the Board believes that the ratification and appointment of Ms. Beltrán de Heredia as a board member, if approved by the Annual General Meeting, will contribute to strengthening the knowledge and skills within the Board and favor diversity in its composition, and will complement the specialization within the Audit Committee, which gives her the ideal profile to continue being a member of the Board and of said Committee.

Additionally, the ratification and appointment will allow the percentage of independent directors and female members of the Board to be strengthened, thus in line with the recommendation of the Good Governance Code of listed companies.

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 Annual General Meeting for decision under item 5.2 of the agenda:

"Five: Re-election and ratification of Board Members:

(...)

5.2. Ratify the appointment by co-optation of Ms. Begoña Beltrán de Heredia Villa, performed by the Board of Directors on February 24, 2023, and appoint her as an Independent Director, for the statutory term of four years."

In San Sebastian, May 5, 2023.