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OPERATING REPORT OF THE AUDIT COMMITTEE OF CONSTRUCCIONES Y AUXILIAR DE FERROCARRILES, S.A. (CAF) FOR THE FINANCIAL YEAR 2019

1. Report purpose

In accordance with the provisions of Article 3(s) of the Regulations of the Audit Committee (hereinafter the "**Audit Committee**" or the "**Committee**") of CONSTRUCCIONES Y AUXILIAR DE FERROCARRILES, S.A. (hereinafter, "**CAF**" or the "**Company**"), this Committee is responsible for issuing, on an annual basis, a report on the operation and activities of the Committee during the previous year.

The purpose of this report is to inform shareholders and other interested parties of the activities carried out by the Committee during the year ended December 31, 2019, for which purpose it will be published in accordance with Recommendation 6 of the CNMV's Code of Good Governance for Listed Companies (hereinafter the "**Code of Good Governance** ") and will contain at least the aspects defined in Technical Guide 3/2017 on Audit Committees of Public Interest Entities of the CNMV.

2. Regulations for the Audit Committee

The Audit Committee has a basic regulation in article 37 bis of the CAF Bylaws, which includes the minimum composition of the Committee, which must be three directors, all of whom are non-executive, and the majority of whom must be independent. This article also provides for the minimum functions assigned to it by the Bylaws, although these functions are complemented by those assigned to it by the regulations, which we will refer to below.

CAF's Bylaws also state that the Chairman of the Committee shall be appointed from among the independent members of the Board for a maximum term of four years, and may be re-elected after one year has elapsed since their removal, and that resolutions shall be adopted by an absolute majority of the directors present. As with the functions, this basic Bylaw regulation on the composition and operating rules of the Audit Committee is also supplemented by regulations.

The Audit Committee has its own Rules, which determine in detail the most relevant aspects of the Committee, including its nature, composition, functions and scope of application, operating rules, powers and relations with third parties.

The Rules of the Audit Committee strictly comply with both the legally established attribution of functions and the functions specifically assigned to this committee by Recommendation 42 of the Code of Good Governance.

3. Composition of the Audit Committee during the year

At December 31, 2019, the composition of the Audit Committee is as shown in the table below:

<i>Person</i>	<i>Position</i>	<i>Category</i>	<i>Seniority</i>
Ms. Carmen Allo Pérez	Chairwoman	Independent	Appointed Director on 06/11/2016. Member of the Committee since 02/27/2019 She has been Chairwoman of the Committee since October 8, 2019.
Mr. Javier Martínez Ojinaga	Member	Independent	Appointed Director on 06/13/2015. Member of the Committee since 10/28/2015.
Mr. Juan José Arrieta Sudupe	Member	Independent	Appointed Director on 6/7/2008. Member of the Committee since 10/20/2010.

In compliance with the provisions of article 529 quaterdecies 2 of the Capital Companies Act, which regulates the mandatory replacement of the Chairman of the Audit Committee every four years, the Board of Directors of the Company, in a meeting held on October 8, of this year, unanimously agreed to appoint Ms. Carmen Allo Pérez Chairwoman of the Audit Committee, replacing Mr. Javier Martínez Ojinaga, who continues as a member of the Committee.

The members of the Committee, as members of the Board, have experience and knowledge in management, economic, financial and business fields. As a whole, they have the relevant technical knowledge in relation to the sector of activity to which the Company belongs, as well as in aspects of internal control and risk management and of the business.

All the members, and especially the Chairwoman of the Committee, have been appointed on the basis of their knowledge and experience in the field of accounting and auditing.

This complies with the provisions of article 529 quaterdecies of the Revised Text of the Capital Companies Act, approved by Royal Legislative Decree 1/2010 of July 2 (hereafter, the "Capital Companies Act"), internal regulations and Recommendation 39 of the Code of Good Governance, regarding the composition of the Audit Committee. The guidelines set out in points 13 and 14 of Technical Guide 3/2017 of the CNMV on the subject are also followed.

The appointment and dismissal of Committee members is made by the Board of Directors. They are appointed for a period of four years, subject to renewal, and are expected to be removed (i) by resignation, (ii) when they cease to be directors, (iii) by resolution of the Board, or (iv) due to failure to comply with the requirements of the Regulations or the legal provisions.

In the "Shareholders and Investors" section of CAF's corporate website you can find both the information regarding the composition of the Audit Committee (<http://www.caf.net/es/accionistas-inversores/gobierno-corporativo/comisiones-consejo.php>) and the public information corresponding to each of the directors (<https://www.caf.net/pdf/Informacion-Publica-Consejeros-Octubre-2019.pdf>).

The professional profiles of the current members of the Committee are as follows:

- Ms. Carmen Allo Pérez (Chairwoman) has a degree in Exact Sciences and a Master's in Business Administration. She has extensive experience in the financial sector.
- Mr. Javier Martínez Ojinaga (Member) is an economist. He has developed his professional career in leading companies in the electricity sector as well as in project management and interim management. He has extensive experience in accounting and auditing.
- Mr. Juan José Arrieta Sudupe (Member) has a PhD of Economic and Business Sciences. He has extensive experience in the management of financial institutions and prestigious business schools.

4. Functions and tasks performed throughout the year by the Audit Committee, changes thereto and reference to the regulations governing it

The functions and powers attributed to the Audit Committee are detailed in articles 37 bis of the Bylaws and in articles 3 and 10 of its specific Rules.

In accordance with the aforementioned article 3, the Audit Committee has been assigned the following minimum powers:

- a) Informing the General Meeting of Shareholders regarding any matters raised that are under the Committee's responsibility, and in particular, regarding the results of the audit, explaining how this contributed to the integrity of the financial information and the role played by the Committee in this process.
- b) Supervising the effectiveness of the Company's internal control, internal auditing and risk management systems, and discussing any significant shortcomings in the internal control system that may have been detected during the audit with the accounts auditor, all without compromising its independence. For these purposes, if applicable, they will be able to submit recommendations or proposals to the Board of Directors indicating the corresponding period for follow-up.
- c) Supervising the process for the preparation and submission of the mandatory financial information and related non-financial information and making

recommendations or submitting proposals to the Board of Directors, aimed at safeguarding the integrity thereof.

- d) In relation to the information and internal control systems:
- i. To supervise the preparation process and the integrity of the financial information in relation to the Company and, if applicable, the group, reviewing compliance with regulatory requirements, the appropriate delimitation of the consolidation perimeter and the correct application of the accounting criteria.
 - ii. Checking that the financial information published on the Company's corporate website is constantly updated and that it matches that approved or prepared by the Board of Directors and published on the website of the Spanish Securities Market Commission. If the Committee should be unsatisfied with any aspect following this review, it must notify the Board of Directors of its opinion.
 - iii. Ensuring the independence of the unit taking on the role of internal auditing; proposing the selection, appointment, re-election and dismissal of the person responsible for the internal audit service; proposing the budget for this service; approving the focus and its work plans, ensuring that its activity is mainly focused on the Company's relevant risks; receiving periodic information on its activities; and verifying that senior management takes into account the conclusions and recommendations in its reports. As part of the supervision process, the Committee must assess the functioning of the internal audit service and the performance of the person responsible.
 - iv. Establishing and supervising a mechanism to allow employees to confidentially and, if possible and if considered appropriate, anonymously communicate irregularities of potential importance, especially financial and accounting ones, detected within the company. Once the information provided through said mechanism has been analyzed, the Committee, should it deem it to be necessary, must propose the appropriate actions to improve its functioning and reduce the risk of irregularities in the future.
- e) Submitting proposals for the selection, appointing, re-election and dismissal of the accounts auditor to the Board of Directors, being responsible for the selection process, in accordance with the provisions of articles 16, sections 2, 3, and 5, and 17.5 of (EU) Regulation no. 537/2014, of April 16, in addition to the contracting conditions thereof and regularly collecting information from this person regarding the audit schedule and the execution thereof, in addition to preserving its independence in the fulfillment of its role. The Committee must perform a final assessment of the work of the auditor and how this person has contributed to the quality and integrity of the financial information.
- f) Establishing an appropriate relationship with the external auditor to receive information on any matters that might imply a threat to his or her independence, for examination thereof by the Committee, and any other threat

in relation to the accounts audit operating process and, where appropriate, the authorization of the services other than those prohibited, under the terms set out in articles 5, section 4, and 6.2.b) of (EU) Regulation no. 537/2014, of April 16, and in the provisions of section 3 of chapter IV of heading I of Law 22/2015, of July 20, on Accounts Auditing, regarding the system of independence, in addition to other communications set out in the accounts auditing legislation and the audit regulations. In any case, it must receive an annual declaration from external auditors regarding their independence in relation to the entity or entities directly or indirectly linked thereto, as well as the detailed and broken down information on any additional services of any kind rendered and the corresponding fees received from these entities by the external auditor or by the persons or entities linked to this party as established in the legislation that regulates the accounts auditing activity.

- g) Annually issuing a report that expresses an opinion as to whether or not the independence of the accounts auditor or the auditing companies is compromised, prior to the issuing of the audit report. This report shall contain, as applicable, the reasoned appraisal of provision of each of the additional services referred to in the previous section, considered individually and as a whole, other than legal auditing and in relation to their independence or the legislation that regulates the accounts auditing activity.
- h) In relation to the external auditor:
 - i. In the event of the resignation of the external auditor, examining the circumstances that lead to this.
 - ii. Ensuring that the remuneration of the external auditor for his or her work does not compromise his or her performance or independence.
 - iii. Ensuring that the Company notifies the CNMV of the change of auditor as a relevant fact and accompanies this with a declaration regarding the possible existence of disagreements with the exiting auditor and, if such disagreements exist, the content thereof.
 - iv. Ensuring that the external auditor holds an annual meeting with the Board of Directors in a plenary session to inform it of the work carried out and regarding the evolution of the Company's accounting and risk situation.
 - v. Ensuring that the Company and the external auditor respect the regulations in force regarding the provision of services other than auditing, the limits on the concentration of the auditor's business, and in general, all other regulations regarding the independence of auditors.
- i) Supervising the Company's internal risk control and management system.

- j) Reporting to the Board of Directors in advance on all matters provided for by law, these Bylaws, and the Regulations of the Board, and in particular, on the following:
 - i. the financial information the Company has to periodically make public;
 - ii. the creation or acquisition of equity interests in special-purpose entities or entities registered in countries or territories that are considered to be tax havens; and
 - iii. transactions with linked parties.
- k) Proposing the modification of the Rules for the Board of Directors to said Board, whenever the Committee should deem this to be necessary, including the corresponding reasoning with its proposal.
- l) Supervising the communication strategy and relations with shareholders and investors, including small and medium-sized shareholders.
- m) Assessing everything in relation to the Company's non-financial risks, including operating, technological, legal, social, environmental, political, and reputational risks.
- n) Being informed regarding operations involving structural and corporate modifications the Company plans to carry out in order to analyze and report to the Board of Directors regarding their financial conditions and the accounting impact of the operations, and particularly, if applicable, regarding the proposed equation of exchange.
- o) Approving an annual work plan that takes into account the annual schedule for Committee sessions, among other matters, with the goal of facilitating efficient compliance with the goals sought.
- p) Issuing a report regarding any transactions made between the Company or group companies and directors, under the terms of the Capital Companies Act, or with shareholders who, either individually or in partnership with others, have a significant shareholding, including shareholders represented on the Board of Directors of the company or other companies forming part of the same group or with linked parties. The issuing of this report with respect to operations that simultaneously have the following three characteristics shall not be necessary:
 - i. they take place in virtue of contracts with standardized conditions and are applied across the board to a large number of clients;
 - ii. they are made at rates or prices established generally by the party supplying the goods or services in question; and
 - iii. their value does not exceed one per cent of the Company's annual revenue.

- q) In accordance with that established in the Company's Internal Rules of Conduct in relation to Securities Markets:
 - i. Issuing a report on the possible authorization of transactions with Affected Securities and Instruments during the restricted periods following a request made by the Control and Supervision Body, and
 - ii. Assessing, together with the Control and Monitoring Body, if the market research carried out implies the communication of privileged information.
- r) Presenting an annual assessment report to the Board of Directors regarding its own performance, within the framework of the annual assessment of the Board of Directors and its Committees.
- s) Issuing a report on the functioning and activities of the Committee during the previous financial year.
- t) Any other duty attributed thereto by law, the company's bylaws, the Regulations of the Board of Directors or the Board of Directors itself.

The provisions of letters f), g), and h) shall be understood notwithstanding the legislation regulating accounts auditing.

Similarly, article 10 of the Rules of the Committee assigns the Committee the following powers:

- 1.- In order to adequately perform its duties, the Committee shall have full powers to access all types of information, documentation, or registers it should deem necessary to this end.
- 2.- The Committee may request that the Board of Directors contracts external advisory services for particularly relevant matters when it believes that these cannot be provided adequately or with the necessary independence by experts or technicians of the Company itself or other group companies.
- 3.- Additionally, the Committee may request the personal collaboration or a report from any member of the Company's management and/or that of other companies of its group, other directors, executive or otherwise, employees, or experts, whenever it should deem this necessary or convenient to fulfill its duties; likewise, it may request the presence of any of these people at its meetings, although only to address the specific points on the agenda for which they are invited.

During the 2019 financial year these articles have not been modified.

The following sections detail the main activities carried out by the Committee in the exercise of its powers during the 2019 financial year.

5. Meetings held during the year and number of Committee member attendees and other attendees

<i>Meeting date</i>	<i>Number of Committee member attendees</i>	<i>Other attendees</i>
01/03/2019	3	<ul style="list-style-type: none"> • Chairman and CEO. • Economic-Financial and Strategy Director. • Corporate Director of Business and Technology.
01/30/2019	3	<ul style="list-style-type: none"> • Head of Internal Audit.
02/27/2019	3	<ul style="list-style-type: none"> • Head of Internal Audit. • Economic-Financial and Strategy Director. • External Auditors: Partner in charge of DELOITTE and its team.
04/08/2019	3	<ul style="list-style-type: none"> • Chairman and CEO. • Economic-Financial and Strategy Director. • Corporate Director of Business and Technology.
05/07/2019	3	<ul style="list-style-type: none"> • Head of Internal Audit. • Economic Director. • Risk Management Unit Director.
06/05/2019	3	<ul style="list-style-type: none"> • Economic-Financial and Strategy Director. • Chief Financial Officer.
07/30/2019	3	<ul style="list-style-type: none"> • Head of Internal Audit. • Economic-Financial and Strategy Director. • External Auditors: Partner in charge of DELOITTE and its team.

10/16/2019	3	<ul style="list-style-type: none"> • Economic-Financial and Strategy Director • Economic Director.
11/11/2019	3	<ul style="list-style-type: none"> • Economic-Financial and Strategy Director. • Economic Director. • Representatives of the auditing firms PwC, EY and KPMG.
11/12/2019	3	<ul style="list-style-type: none"> • Economic-Financial and Strategy Director • Economic Director. • Head of Internal Audit. • Risk Management Unit Director.
11/18/2019	3	<ul style="list-style-type: none"> • Chairman and CEO. • Economic-Financial and Strategy Director. • Chief Financial Officer.
12/17/2019	3	<ul style="list-style-type: none"> • Head of Internal Audit.

6. Number of meetings held with the internal auditor and the external auditor

During the 2019 financial year, 6 meetings were held with the internal auditor and 2 meetings with the external auditor.

7. Significant activities carried out during the period

In 2019, the Audit Committee met twelve times. The Board of Directors has been informed in due time of everything discussed and agreed at each meeting.

A calendar of the meetings held by the Audit Committee during the 2019 financial year is attached as an Annex, with a description of the matters included on the corresponding agendas.

The main activities that have been carried out by the Committee, in the course of these sessions, can be grouped in the following areas:

i. Financial and non-financial reporting activities and associated internal control mechanisms

- Examination, prior to their presentation to the Board of Directors for their formulation, of the individual and consolidated Annual Accounts and Directors' Reports of CAF, S.A. and the CAF Group, respectively, for the 2018 financial year. The Management Report includes the Statement of Non-Financial Information, which contains information on non-financial indicators relating to environmental activity, social issues, Human Resources, Respect for Human Rights, and the Fight against Corruption and Bribery.
- Examination, prior to their submission to the Board of Directors for approval, of the individual and consolidated quarterly and half-yearly financial statements.
- Review of the remaining information to be made available to the market or to the supervisory bodies during the year.

ii. Related party activities

Review of the related-party transactions carried out by the Company and planned for the coming year, verifying whether they should be submitted to the Board for approval.

iii. Activities in the area of the corporate social responsibility policy and terms of implementation in the year

The activities in the area of corporate social responsibility are attributed by the Board to the Appointment and Remuneration Committee, notwithstanding the verification by the Audit Committee of the information on this matter included in the Management Report accompanying the individual and consolidated Annual Accounts of CAF, S.A. and CAF Group, respectively.

iv. Risk management and control activities

- Continuous evaluation of the internal control system of financial information (IFICS) and analysis of the recommendations and plans for improvement of the same, proposed by the Internal Audit.

- Supervision of the Risk Management Unit. Participation of its Head in the Committee meetings, to inform about the main risks and contingencies of the Company and its Group. In this context:
 - Monitoring the Unit's Plan of Activities.
 - Periodic supervision of the assurance map.
 - Supervision of the risk management models implemented by the Company in the different Businesses and Projects.
- Assessing everything in relation to the company's non-financial risks, including operating, technological, legal, social, environmental, political, and reputational risks.

v. Activities related to internal audit

The Committee has directly and continuously analyzed and supervised the actions carried out by the Internal Audit Department of the Company.

In addition to the above, the Committee has carried out the following actions:

- Supervision of compliance with the Internal Audit Work Plan for the 2018 financial year.
- Approval of the Internal Audit Work Plan for 2019, which includes:
 - a) The review of financial information (quarterly and half-yearly financial statements, annual accounts and management report) and monitoring of the main financial and fiscal risks.
 - b) Risk-based process rotation plan.
 - c) Subsidiary rotation plan based on materiality.
 - d) Improving the efficiency and quality of Internal Audit.
 - e) Follow-up of the recommendations issued.
- Monitoring the execution of the Internal Audit Work Plan throughout the year.
- Evaluation of the functioning of Internal Audit and the performance of its head.

vi. Activities related to the external auditor

- Preparation of the proposal for renewal of the external auditor for submission to the General Meeting of Shareholders.
- Analysis of the external auditor's reports on the Company's individual and consolidated financial statements for year 2018.

- Analysis of the limited review report on the 2019 half-yearly financial statements.
- Request for written confirmation of independence issued by the auditor, and preparation of the auditor's independence report, in connection with the audit of the 2018 annual accounts.
- Setting limits and criteria for the approval of non-audit services and approval of the budget for non-audit services for the year 2020.
- Analysis, together with the external auditor, of the main incidents detected during the audit, verifying that they have been resolved, as well as the treatment of the risks found.
- Evaluation of the external auditor's performance.

vii. Activities on financing

- Analysis of the evolution of the debt and financing alternatives. Proposal to the Board of Directors.
- Analysis for the second one-year renewal of the *Euro-Commercial Paper Programme (ECP)*, and proposal to the Board of Directors for its approval.

viii. Follow-up activities to the Committee's own action plans

Throughout this year, the Committee has continuously monitored the following action plans for 2019, proposed in the Report on the annual assessment of its performance, approved at its meeting on December 18, 2018:

- i. *“Strengthening the performance of the Committee during the 2018 financial year, by complying with the guidelines included in Technical Guide 3/2017 of the CNMV and the best corporate governance practices. In particular:*
 - *Reinforcing the fluidity and continuity of communication relations with the external auditor, taking into account the set of criteria established by the Technical Guide in this area and, in particular, in relation to the final assessment of its performance.*
 - *Reinforcing the supervision of internal audit through continuous interaction with it and an annual plan defined on the basis of the most significant risks. Likewise, evaluating the functioning of the internal audit and the performance of its Head, in line with the conclusions of the quality improvement questionnaire of this area, currently in progress.”*
- ii. *“Defining a procedure for the selection of a new external auditor, within the framework of the mandatory rotation of the current auditor, in accordance with the law, in the EU Regulation 537/2014, of April 16, and in the Technical Guide.”*

- iii. *"Reviewing in advance, and proposing for the Board's approval when necessary or appropriate, the updating of the General Risk Control and Management Policy, as well as any other policy drawn up within the framework of the Company's risk control and management"*.

It is noted that all of them have been fulfilled satisfactorily.

ix. Other activities

- Analysis of possible corporate operations that the Company plans to carry out.
- Supervision of the recruitment process and proposal for the appointment of new auditors for the CAF Group for the financial years 2021, 2022 and 2023.
- Analysis prior to the acquisition of EuroMaint.
- Approval of the report on the operation of the Audit Committee for the 2018 financial year.
- Supervision of the actions of the Company's internal tax function, responsible for the control and management of tax risks in the Group, with periodic reports on the situation of the different phases of development of this function, monitoring of compliance with the tax policy and the most relevant new developments in tax matters for the Company.
- Supervision of the communication strategy and relations with shareholders and investors, including small and medium-sized shareholders.
- Proposal to the Board of Directors to modify the General Risk Management and Control Policy.
- Proposal to the Board of Directors to modify the Internal Code of Conduct in the Stock Market.
- Approval of an annual work plan for the year 2020 which includes the annual schedule of meetings of the Committee with the external auditors.
- Preparation of the Report on the Annual Evaluation of its performance, within the framework of the evaluation of the Board of Directors, in accordance with the provisions of Recommendation 36 of the Code of Good Governance of Listed Companies.

x. Nature and scope of communications, where appropriate, with regulators

The Board of Directors of CAF has established that communications with the National Securities Market Commission will be carried out through the Secretariat of the Board. In turn, responsibility for relations with the Markets and Stock Exchanges on which the Company is listed lies with a specific department within the Company ("Investor Relations"), which reports to the Economic, Financial and Strategy Department.

In any case, the members of the Audit Committee are completely free and independent to establish direct communications with the regulators, if they consider it necessary for the adequate performance of their functions, as well as to supervise those carried out by the aforementioned bodies.

8. Evaluation of the functioning and performance of the audit committee and methods of assessing its effectiveness

The Audit Committee has issued the required prior report on the evaluation of its operation and performance in 2019, for the consideration of the Company's Board of Directors, in compliance with the provisions of article 529 nonies of the Capital Companies Act, article 5 of the Rules of the Board of Directors and Recommendation 36 of the Code of Good Governance.

The areas under evaluation have essentially been the following:

- a) Quality and efficiency of performance.
- b) Functioning and composition.

From a methodological point of view, a series of aspects of its operation have been analyzed to check its conformity with legal standards and good governance recommendations.

As a result of the analysis carried out, it has been concluded that:

- i. The annual evaluation of the Committee's performance shows a positive result, fulfilling in an appropriate manner the development of the functions entrusted to it, notwithstanding which, some Action Plans are proposed to advance in the continuous improvement of its practices.
- ii. It has disposed the necessary resources to carry out its tasks.
- iii. The Directors who are members of the Committee have satisfactorily fulfilled their responsibilities.
- iv. The results of the evaluation have not led to significant changes in their internal organization and procedures.

9. Information on the Audit Committee's opinion on the Auditor's independence

On February 27, 2019, the Audit Committee drew up the report referred to in article 529 quaterdecies, section 4(f) of the Capital Companies Act, for the year ended 31 December 2018.

This report assessed the non-audit services provided by the external auditor, analyzing their nature and amount. Similarly, the statement of independence sent by the external auditor was reviewed, along with the information on the services provided to CAF and its subsidiaries, and the corresponding fees received.

In the light of the above, it has been ruled out that legally prohibited services have been provided and it has been verified that the amount of these services is lower than the limit set by the applicable regulations.

In accordance with the above, it was concluded that the Audit Committee has not identified any aspects that would call into question compliance with current regulations applicable to the accounts auditing activity in terms of auditor independence.

10. Information on which, if any, practical guides on audit committees are being followed and to what extent

Since the publication of the CNMV's Technical Guide 3/2017 on this subject, the Audit Committee has followed these guidelines as a guide to action in the performance of its functions.

11. Conclusions

As a result of the above, the Audit Committee considers that its organization and operation during the 2019 financial year are in line with the provisions of the law, the Bylaws and its own Rules.

In addition, all the recommendations of the Code of Good Governance concerning audit committees, contained in Section III.3.4.2 and other related sections, to which CAF attaches particular importance, have been complied with.

The Commission also believes that, through the work carried out throughout this year, it has faithfully fulfilled the functions entrusted to it.

Notwithstanding this positive assessment, the Committee reaffirms its willingness to continue improving the efficiency of its operation and compliance with its goals, in line with best practices in the area of Corporate Governance.

This report was issued by the Audit Committee on January 29, 2020.

Approval by the Board of Directors and Dissemination:

This report was approved by the Board of Directors of CAF at its meeting on February 27, 2020.

In accordance with Recommendation 6 of the CNMV's Code of Good Governance for Listed Companies, this document will be published on the Company's website (www.caf.net) sufficiently in advance of the Ordinary General Meeting.

ANNEX

Calendar of meetings held in 2019

Date	Issues addressed
January 3, 2019	<ul style="list-style-type: none">○ Consolidation of the sector: information and analysis on non-binding offers.
January 30, 2019	<ul style="list-style-type: none">○ Annual report of activities of Internal Audit 2018.○ Report of improvements in the IFICS.○ 2019 Internal Audit Activity Plan.○ Report on the functioning of the Committee for the year 2018.○ Miscellaneous.
February 27, 2019	<ul style="list-style-type: none">○ Presentation by the external auditors of the conclusions of the audit for the year 2018.○ Review of the annual accounts and management report for the year 2018.○ Approval of the Report on the Independence of the External Auditor.○ Evaluation of the External Auditor's performance.○ Evaluation of the functioning of Internal Audit and the performance of its head.○ Miscellaneous.
April 8, 2019	<ul style="list-style-type: none">○ Information and analysis on possible corporate operations.

May 7, 2019

- Quarterly interim statement.
- Proposal for the re-election of auditors.
- Monitoring of the main financial and fiscal risks.
- Financial Information Risk Map.
- Evolution of the 2019 internal audit plan.
- Risk Management Unit Report.
- Report on the communication strategy and relationship with shareholders and investors.
- Miscellaneous.

June 5, 2019

- Evolution of the funding profile and policy.

July 30, 2019

- Presentation by the external auditors of their conclusions following the review of the half-yearly accounts.
- Review of the financial information for the first half of the year for proposal to the Board.
- Approval of the procedure for selecting the next auditor.
- Monitoring of the main financial and fiscal risks.
- Evolution of the 2019 internal audit plan.
- Miscellaneous.

October 16, 2019

- Presentation by the Economic and Financial Management of the proposals received in the process of selecting new auditors.
- Miscellaneous.

November 11, 2019

- Presentation by the audit firms of their final proposals in the process of selecting new auditors.
- Presentation by the Economic Directorate of its report on the conclusions of the selection process for new auditors.
- Finance Department report on the evolution of the debt and financing alternatives. Proposal to this effect.
- Miscellaneous.

November 12, 2019

- Quarterly Interim Statement for the third quarter of 2019.
- Monitoring of the main financial and fiscal risks.
- Risk Management and Control Unit Report.
- Proposal to modify the General Risk Management and Control Policy.
- Evolution of the 2019 Internal Audit Plan.
- Miscellaneous.

November 18, 2019

- Analysis of financing alternatives and proposal.

December 17, 2019

- Evolution of the 2019 Internal Audit Plan.
- Approval of the Non-Audit Services Budget for the year 2020.
- Proposal for the appointment of new external auditors.
- Proposal for the renewal of the short-term Euro-Commercial Paper Programme.
- Proposal to modify the Internal Rules of Conduct in the field of Securities Market.
- Report on related-party transactions.
- Report on the Tax Function.
- Committee Performance Assessments.
- Approval of the Plan of Activities for 2020.
- Miscellaneous.