



ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED PUBLIC LIMITED COMPANIES

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ISSUER'S PARTICULARS

End date of financial year in question:

31/12/2025

Tax Identification
Number (CIF):

A20001020

Company name:

CONSTRUCCIONES Y AUXILIAR DE FERROCARRILES, SA

Registered office:

JOSE MIGUEL ITURRIOZ, 26 20200 BEASAIN (GUIPUZCOA)

A. THE COMPANY'S REMUNERATION POLICY FOR THE CURRENT FINANCIAL YEAR

A.1.1 Explain the policy in force applicable to the current year relating to the remuneration of directors. If relevant, certain information may be included in relation to the remuneration policy approved by the shareholders at the General Shareholders' Meeting, provided that the information included is clear, specific and precise.

The specific decisions for the current year should be described, both in relation to the remuneration of the directors in their capacity as such and for the discharge of executive functions by the Board in accordance with the provisions of the contracts signed with the executive directors and with the remuneration policy approved by the shareholders at the General Shareholders' Meeting.

In any case, the following matters must be reported, at minimum:

- a) Description of the company's procedures and bodies involved in determining, approving and applying the remuneration policy and the conditions thereof.
- b) Indicate and, where applicable, explain whether any comparable companies were taken into account to establish the company's remuneration policy.
- c) Information on whether any external advisor has participated and, if so, their identity.
- d) Procedures considered in the director remuneration policy in force to apply temporary exceptions to the policy, conditions in which these exceptions can be applied and components that can be subject to exemption according to the policy.

* CAF's remuneration policy for 2026 was approved by the General Shareholders' Meeting held on 15 June 2024, following a proposal made by the Board of Directors dated 9 May 2024 in view of the report and proposal issued by the Appointments and Remuneration Committee on 8 May 2024. It is worth noting that the remuneration policy approved by the Shareholders reflects a deliberate process of dialogue with shareholders and institutional investors, as well as proxy advisors, initiated as a result of the dissent observed with respect to the previous Remuneration Policy, which highlighted the need for a review thereof to more closely align the expectations of shareholders and institutional investors with CAF's remuneration practices. Consequently, the following changes and improvements were included:

1. The inclusion of the enhanced development of the characteristics of the variable remuneration system, both in the short and especially in the long term.
2. The introduction of the possibility of remunerating executive directors through shares, stock option rights or remuneration linked to the value of shares, be they of CAF or of its Group companies.
3. The option of combining the items included in point 2 above, together with cash compensation, to offer a more flexible remuneration package; and
4. The updating and establishment of limits on remuneration components in line with companies comparable to CAF in terms of turnover, market capitalisation or size, while also avoiding sharp increases in remuneration between financial years.

Likewise, as resolved by the General Meeting, the remuneration policy was applicable from the very date of its approval (i.e. 15 June 2024) and for the remainder of 2024 and remains in force for the two years following its approval (i.e. 2025 and 2026), without prejudice to any modifications, adaptations or updates that may be approved at any time by CAF's General Shareholders' Meeting.

* CAF's remuneration policy is based on the following principles and foundations:

1. General criteria

- in general, the aim is to meet market criteria, taking as a basis the remuneration established for directors of listed companies of a similar size, billing figures or stock market capitalisation to those of CAF, in accordance with the public information furnished by those companies, as well as compliance with the principles of moderation and prudence;

- the remuneration system is based on the fundamental principle of attracting and retaining the best professionals, rewarding them according to their level of responsibility and their professional career, based on internal fairness and external competitiveness;

- CAF also considers the remuneration system for its directors and executives to be a fundamental factor that contributes to the business strategy, interests, sustainability and creation of long-term value for the Company, in particular to ensure that it corresponds with its results and an appropriate distribution of profits to shareholders, in the interests of both such shareholders and its employees; and

- likewise, CAF's remuneration system complies with the applicable legislation at all times and seeks to incorporate the standards and principles of generally accepted national and international best practices in matters of remuneration and good corporate governance at any given time, such as the provisions of the Code of Good Governance for Listed Companies approved by the Spanish National Securities Market Commission (CNMV), which was most recently revised in June 2020.

2. External directors

- in the case of non-executive directors, the remuneration must be sufficient to compensate for their dedication, qualifications and responsibility;

- in the particular case of directors who are neither executive nor proprietary directors, this remuneration shall be set at a level that in no case compromises their independence of judgement; and

- the aim of the remuneration policy is to motivate and retain the most suitable professionals.

3. Executive directors

Specifically with regard to executive directors, the remuneration policy for the performance of their executive functions, other than supervision and collective decision-making, is based on the following premises:

- to offer remuneration that makes it possible to attract, retain and motivate the most suitable professionals in order to enable the Company to meet its strategic objectives within the increasingly competitive and internationalised framework in which it carries on its activities; and

- to have a competitive overall remuneration level in relation to comparable entities in the industry.

In this regard, the remuneration policy approved by the General Meeting provides for the inclusion of variable remuneration concepts, both annual and long-term, linked to (a) the achievement of specific, quantifiable economic-financial objectives aligned with the social interest and the strategic objectives of the Company and (b) the achievement of non-financial parameters that promote sustainability and the creation of long-term value for the Company.

Continued in Section D.

A.1.2 Relative importance of the variable remuneration items with respect to fixed items (remuneration mix) and the criteria and objectives considered in order to establish these and ensure a suitable balance between the fixed and variable remuneration items. Specifically, indicate the actions taken by the company in relation to the remuneration system to reduce exposure to excessive risks and to adjust it to the company's long-term objectives, values and interests, which will include, where appropriate, a reference to: measures envisaged to ensure that the remuneration policy takes account of the long-term performance of the company, measures adopted in relation to those categories of personnel whose professional activities have a material impact on the entity's risk profile and measures envisaged to avoid conflicts of interest.

Also, indicate whether the company has established a vesting period for certain variable remuneration items, cash, shares or other financial instruments, or a period of deferral for the payment of amounts or the delivery of accrued and vested financial instruments, or whether agreement has been reached regarding any clauses to reduce unvested remuneration or which oblige the director to return remuneration received, whenever such remuneration was based on information manifestly proved to be inaccurate after it was initially paid.

For the definition of the items and amounts that make up the remuneration system, CAF takes into account at all times the long-term interests of the Company and, in particular, guarantees correspondence with the evolution of the Company's results and an adequate distribution of profits to shareholders.

In the case of non-executive directors, remuneration shall be set at a level that will under no circumstances compromise their independence of judgement, as has been habitual practice in previous years.

Executive directors are covered by a long-term incentive plan approved in 2023 (as detailed in section B.7) for the period from 1 January 2023 to 31 December 2026. This plan, which, if applicable, will settle in financial year 2027, includes parameters linked to quantifiable business and financial objectives and non-financial objectives defined in the Strategic Plan in line with the corporate interest (aggregate EBIT operating profit for the period 2023-2026 and reduction of CO2 emissions (Scope 3) at year-end 2026, respectively).

Furthermore, it is expected that the short-term variable remuneration will be conserved in the executive directors' remuneration package in 2026. In such case, the parameters chosen to assess the degree of compliance with the objectives and determine the variable remuneration of the executive directors must be both (i) of an economic and financial nature (such as order intake, sales, cash flow or profit before taxes), which must represent at least 80% of the short-term variable remuneration and may, subject to the approval of the General Meeting, include parameters referenced to the value of the shares and (ii) of a non-financial nature (such as customer satisfaction, the organisational health index, the result of the EcoVadis evaluation, the CO2 emissions reduction indicator or other ESG indicators that promote

CAF's sustainability), which should represent a maximum of 20% of the short-term variable remuneration. The intention is that these parameters, to which minimum targets will be fixed and below which the variable remuneration associated with the parameter in question will not accrue in the short term, should address the viability and sustainability of the CAF Group in both the short and long term, selecting parameters that, although measured annually, have a medium and long-term impact on the Group's sustainability.

The degree of compliance with the established objectives will be verified by the Board of Directors once the final data obtained is known (at the end of the year for annual variable remuneration and during the year 2027 for long-term variable remuneration). Likewise, efforts will be made to ensure that the amount of said variable remuneration maintains an appropriate balance between the fixed and variable components, so it is related to the performance of the executive directors and is in line with the Company's objectives, values and interests and, in the case of annual variable remuneration, this constitutes an appropriate incentive without distorting its complementary nature of the fixed amounts.

In addition, the payment of the variable components (both short and long-term) is expected to be deferred until after the Annual General Meeting of the following year for annual variable remuneration, and in 2027 for long-term variable remuneration, after approval of the Annual Accounts and Sustainability Information. This deferral allows sufficient time to effectively verify compliance with the performance-related parameters, so that the Board of Directors can adequately measure the degree of achievement of the objectives and determine whether there is any circumstance that makes it advisable to reduce and/or, as the case may be, claim the return of the variable remuneration to be received by executive directors. Such circumstances include serious breaches of obligations by beneficiaries, the introduction of qualifications in the audit report, the need to restate the Company's financial statements, or the identification of any errors in the calculation or measurement of the degree of achievement of objectives.

Both the reduction and the refund of the incentive can be total depending on the severity of the causal event. Thus, the vesting deferral period, combined with malus and clawback clauses, and a system of demanding financial and non-financial metrics, ensures that variable pay only vests when there is full, objective and definitive validation of the performance achieved.

To accrue annual variable remuneration, beneficiaries must remain at the Company for the entire year, losing their right to said remuneration if they leave the Company during said year. For the accrual of the long-term incentive plan, beneficiaries must still be working for the Company at 31 December 2026 (although the right to receive the prorated incentive will continue to exist under the terms set forth in section B.7).

The long-term incentive plan will be remunerated in cash, while annual variable remuneration can be paid in cash, shares or in option rights thereon or through instruments linked to the value of the shares, be they of the Company or its Group companies or through a combination of the above items. Remuneration involving the delivery of shares, option rights thereon or instruments linked to share value must be approved by the General Shareholders' Meeting.

When the annual variable remuneration is paid in shares, in option rights thereon or through instruments linked to share value, while executive directors hold such position, they cannot transfer their ownership or exercise them until a period of at least three (3) years has elapsed. The following are excepted from the above: (i) if the executive director maintains, at the time of transmission or exercise, net economic exposure to share price fluctuations for a market value equivalent to an amount of at least two times their annual fixed remuneration through the ownership of shares, options or other financial instruments; and (ii) the shares that the executive director needs to sell to meet the costs related to their acquisition or, subject to a favourable assessment by the Appointments and Remuneration Committee, to deal with extraordinary situations that may arise that require it.

Section D continues

A.1.3 Amount and nature of the fixed components that are due to be accrued during the year by the directors in their capacity as such.

For the 2026 financial year, the components of directors' remuneration in their capacity as directors are expected to comprise fixed remuneration for membership of the Board, remuneration for membership of Committees, and allowances for attendance at Board meetings

and, in line with the provisions of section 3.1.4 of the remuneration policy, an additional fixed allowance for directors who perform other duties or responsibilities. The fixed components of directors' remuneration in their capacity as directors are expected to be reviewed during the 2026 financial year, as provided for in section 3.1 of the remuneration policy, considering that they were last reviewed in the 2023 financial year and have remained unchanged since then. See section B.5 of this report. Such a review will help to maintain a competitive remuneration structure in line with the responsibilities of the position, the complexity of the business and the required dedication.

In any case, the review will be in line with market criteria and will be aligned with the corresponding remuneration of comparable companies. Furthermore, the revised amounts will remain in force for at least three years and will be reflected in the new remuneration policy to be submitted to the Shareholders for approval during the current financial year.

No other benefits, such as advances or loans, are expected. Furthermore, the directors in their capacity as such do not participate in the Company's long-term savings system or in the variable remuneration plans, in accordance with the current Directors' Remuneration Policy, nor are they expected to do so in accordance with the new Remuneration Policy to be approved during the current financial year.

A.1.4 Amount and nature of fixed components that are due to be accrued during the year for the performance of senior management functions of executive directors.

The amounts of the fixed components that will be accrued during the year for the performance of senior management duties by the executive directors are not available, but are expected to be reviewed in accordance with the terms and limits set forth in the Remuneration Policy, in order to maintain a competitive level of remuneration compared to companies of comparable capitalisation and complexity to CAF. The collective bargaining agreement applicable to the 2026 financial year is currently under negotiation, with no substantial changes compared to previous years. Moreover, the CEO's remuneration has remained unchanged since his appointment in 2021 and its possible increase is limited to 10% per annum in accordance with the current Remuneration Policy.

There are no other benefits, such as advances or loans.

A.1.5 Amount and nature of any component of remuneration in kind that will accrue during the year, including, but not limited to, insurance premiums paid in favour of the director.

The Company has not agreed remuneration in kind with its directors, except for life insurance included among the remuneration items that may be applied to executive directors.

Although an estimate of the total amount of the insurance premiums to be paid in 2026 cannot currently be provided, no substantial changes are envisaged with respect to the amounts paid in 2025.

A.1.6 Amount and nature of the variable items, differentiating between short-term and long-term. Financial and non-financial parameters, with the latter including social, environmental and climate change parameters, selected to determine the variable remuneration in the current year; an explanation of to what extent such parameters relate to performance, both of the director and of the entity, and to the related risk profile; and the methodology and timeframe required, as well as the techniques envisaged, to be able to determine at year-end the effective degree of achievement of the parameters used in designing the variable remuneration, explaining the criteria and factors applied in terms of the time required and the methods used to check whether the performance or any other type of conditions to which the accrual and vesting of each variable remuneration item were linked have been met.

Indicate the monetary range of the various variable items based on the level of achievement of the established objectives and parameters, and whether there is any maximum monetary amount in absolute terms.

For the definition of the items and amounts that make up the remuneration system, CAF takes into account at all times the long-term interests of the Company and, in particular, guarantees correspondence with the evolution of the Company's results and an adequate distribution of profits to shareholders.

With regard to long-term variable remuneration, executive directors participate in a long-term incentive plan approved during fiscal year 2023, the terms of which are described in detail in section B.7, and which seeks to establish an incentive to achieve results and the Company's strategic objectives that reinforce its performance and long-term sustainability. Said remuneration will be settled, if applicable, in fiscal year 2027, once the annual accounts corresponding to the 2026 financial year have been approved by the General Meeting.

At the same time, with regard to the short-term variable remuneration, the inclusion of which is set to be maintained during the 2026 financial year, the intention is that the parameters chosen, to which minimum targets will be fixed and below which the variable remuneration associated with the parameter in question will not accrue in the short term, should address the viability and sustainability of the CAF Group in both the short and long term, selecting parameters that, although measured annually, have a medium and long-term impact on the Group's sustainability. These parameters must be both (i) of an economic-financial nature (such as order intake, sales, cash flow or EBIT), which must represent at least 80% of the short-term variable remuneration and may, subject to the approval of the General Meeting, include parameters linked to share value and (ii) of a non-financial nature (such as customer satisfaction, the organisational health index, the result of the EcoVadis assessment, the CO2 emissions reduction indicator or other ESG indicators that promote CAF's sustainability or corporate social responsibility), which must represent, at most, 20% of short-term variable remuneration.

In this regard, it is expected that these short-term variable components will be similar to those already included in previous years, both with respect to the link between the reference parameters and CAF's performance, and in the way they are verified and with respect to the possibility of the Company claiming the refund of any variable remuneration that may have been paid out as a result of inaccurate data. The objectives set in relation to the parameters are also expected to be ambitious and challenging for their beneficiaries.

The degree of compliance with the short-term objectives will be measured in keeping with the financial statements and management report at 31 December 2026, once authorised for issue by the Board of Directors during the first quarter of 2027 (with regard to the financial parameters) and on the basis of satisfaction surveys, evaluations carried out by independent third parties or similar methods (with regards to non-financial parameters). In any case, to accrue annual variable remuneration, beneficiaries must remain at the Company for the entire year, losing their right to said remuneration if they leave the Company during said year. For the accrual of the long-term incentive plan, beneficiaries must still be working for the Company at 31 December 2026 (although the right to receive the prorated incentive will continue to exist under the terms set forth in section B.7).

Likewise, when setting the annual variable remuneration of the Executive Directors, the short-term variable component will not be able to compromise the search for the best interest of the Group and its payment may be deferred over time from the end of the financial year. Likewise, the Board of Directors may reduce the amount of the incentive and/or, if applicable, require repayment by the beneficiaries of the variable remuneration if circumstances arise that make this advisable, such as the identification of any error in the calculation thereof or in the measurement of the degree of achievement of the objectives, the existence of serious breaches of their obligations, the existence of qualifications in the audit report or the need to restate the Company's financial statements. Said reduction and/or refund of the incentive may be total depending on the severity of the event that gives rise to said reduction and/or refund.

At today's date, the amount of the maximum limit of the annual variable remuneration of executive directors in 2026 is not available. In accordance with the remuneration policy in force, during the term of the policy, the annual variable remuneration shall in no case exceed 50% of the fixed salary for 100% compliance with the objectives, or 60% in the event of compliance of more than 100% in all economic and financial metrics, these limits being conservative compared to those applicable to mid-cap companies comparable to CAF in terms of turnover, complexity and size.

Therefore, the Company considers that the remuneration system is aligned with its objectives, values and long-term interests.

A.1.7 Main characteristics of the long-term savings schemes. Among other information, the contingencies covered by the scheme will be indicated, as well as whether it involves defined contributions or benefits, the annual contribution that must be made to the defined contribution schemes, the benefits to which the beneficiaries are entitled in the case of defined benefit systems, the vesting conditions of the economic rights of the directors and its compatibility with any type of payment or indemnity for early termination or dismissal, or resulting from termination of the contractual relationship between the company and the director under the envisaged terms and conditions.

It should be indicated whether the accrual or vesting of any of the long-term savings plans is linked to the achievement of certain objectives or parameters related to the short-term and long-term performance of the director in question.

The Company has a long-term savings scheme in place for executive directors as part of its defined contribution scheme, which is compatible with other types of compensation. This scheme covers retirement, death, full permanent disability and severe disability.

The accrual or consolidation of the rights derived from the long-term savings system occurs when one of these causative events occurs or in certain cases of termination of the employment or commercial relationship with the Company.

The limit on ordinary contributions is established as a percentage of pensionable salary, in the terms provided for each beneficiary in the plan regulations, without exceeding the limit of €205,000 per annum in any case in the case of the chief executive officer, in accordance with the Remuneration Policy in force, or 30% of pensionable salary for all other beneficiaries. At the same time, in the 2022 financial year, extraordinary contributions were approved to compensate for the years of seniority in the company without participation in the previous long-term savings system, to be endowed annually, in the same amount each year, over a period of six years thereafter, and which will come to a definitive end in the 2027 financial year. These amounts compensate for the levels of fixed and variable remuneration of executive directors, which are low in

comparison with the market. Likewise, the amount of contributions to the long-term savings system is not consolidated as a fixed salary nor does it count towards the calculation of variable remuneration, nor towards the revisions of the fixed salary itself approved by collective agreement.

The new long-term savings system approved in 2022, which did not benefit the current executive directors, involves significantly more moderate contributions than those under the previous system. Additionally, the current system is a defined contribution and not a defined benefit like the previous one, which generates greater certainty for the Company regarding the cost and disbursement to be made in the future.

On the occasion of the approval of the remuneration policy currently in force and to ensure that the remuneration structure was as competitive as possible and in line with best market practices, a comprehensive analysis was carried out of mid-cap companies that are comparable to CAF in terms of turnover and size, with the support of specialised external advisors. This analysis enabled a more precise contextualised assessment of remuneration in relation to the previous mid-cap companies, concluding that CAF's remuneration components were generally below the average of this group of comparable companies, which suggests that, to date, CAF has adopted a very prudent approach to its remuneration structure.

A.1.8 Any other type of payment or indemnity for early termination or dismissal, or arising from termination of the contract between the Company and the director under the terms and conditions envisaged, whether the relationship is terminated by the Company or the director, and any type of agreements entered into, such as exclusivity, post-contractual non-compete and minimum-stay or loyalty agreements, that grant the director the right to receive any remuneration.

There are no termination benefits agreed upon or paid by the Company in the event of termination of the functions as director, except as indicated in the following section in relation to the CEO.

A.1.9 Indicate the conditions that must be respected in the contracts of those exercising senior management functions as executive directors. Amongst other matters, information will be provided on the duration, the limits on the amounts of termination benefits, minimum-stay clauses, notice periods, as well as payment in lieu of the aforementioned notice period, and any other clauses relating to hiring bonuses, as well as indemnities or golden parachute clauses for early termination or termination of the contractual relationship between the Company and the executive director. Include, among others, non-compete, exclusivity, minimum-stay or loyalty and post-contractual non-compete clauses or agreements, unless they have been explained in the preceding section.

Pursuant to the system set out in Article 249 of the Spanish Corporate Enterprises Act in relation to directors who perform executive functions following the delegation of powers by the Board or by any other nature, the Company entered into a commercial contract with the current CEO, who was appointed on 29 April 2021, effective 1 September 2021, for an indefinite duration and subject to the content indicated in said article.

This contract establishes compensation equivalent to two years of their fixed remuneration in the event of the termination of the CEO's contract (i) at the discretion of the Company and without any cause attributable to the director, or (ii) at the discretion of the CEO, if the decision was motivated by a serious, malicious breach on the part of the Company of the obligations assumed under the contract or in the event that there is a significant loss or amendment of their functions, powers or conditions without any cause attributable to the CEO.

Likewise, the contract imposes obligations on the CEO in terms of non-competition and exclusivity for two years from their departure. These obligations do not accrue additional remuneration.

The Company has another executive director (the Director and Secretary of the Board) without delegation of authority, whose relationship with the Company is by virtue of an employment contract and with whom no clauses or agreements of any type other than those provided under the standard employment regime have been established.

A.1.10 The nature and estimated amount of any other supplementary remuneration earned by the directors in the current year as consideration for services rendered other than those inherent to their position.

No supplementary remuneration is expected to be accrued to directors as consideration for services rendered other than those inherent to their position.

A.1.11 Other remuneration items such as any arising from the company granting advances, loans, guarantees and other remuneration to the directors.

The directors are not expected to receive any remuneration in the form of advances, loans or guarantees.

A.1.12 The nature and estimated amount of any other envisaged supplementary remuneration not included in the items above, whether settled by the entity or another group entity, that will be earned by the directors in the current year.

No additional items of remuneration are expected to exist in the current year.

A.2. Explain any significant change in the remuneration policy in force in the year arising from:

- a) A new policy or a change to the policy already approved by the General Shareholders' Meeting.
- b) Significant changes in the specific decisions established by the Board for the current year to which the remuneration policy in force refers, with respect to those applied in the previous year.
- c) Proposals that the Board of Directors may have resolved to present to the General Shareholders' Meeting, to which this annual report will be submitted and which are to be applied in the current year.

Since the current remuneration policy expires on 31 December 2026, the Board of Directors intends to submit a new directors' remuneration policy to be applied in 2027, 2028 and 2029 to the approval of the Company's Shareholders in their next Annual General Meeting. Although the details are not known, said proposal is expected to:

- Deepen the connection between performance and remuneration, with defined, measurable financial and non-financial parameters in line with the Company's long-term strategy and sustainability.
- Incorporate governance safeguards into the variable remuneration of executive directors (including malus and clawback clauses, and the possibility of partial or full settlement in shares with share retention periods) to maintain alignment with shareholder interests.
- Define the items comprising both the remuneration of directors in their capacity as such, and that of executive directors, as well as the maximum limits thereof, in accordance with market standards, best practices and the recommendations of the Proxy Advisors.

It is also envisaged that the draft new policy will include the essential features of a new long-term variable remuneration plan for the period 2027–2030, in line with the next strategic cycle as the current plan, approved for the period 2023–2026, will expire at the end of this year. The new plan will contain both financial and non-financial, relevant and verifiable metrics, with an appropriate weighting and in line with best practices, and may incorporate, subject to the approval of the Shareholders, parameters linked to the value of the shares, as well as the payment, at least partially, of the variable remuneration accrued, through the delivery of shares or instruments referenced to their value, which will be held without the possibility of being sold for a sufficient period of time.

A.3. Identify the direct link to the document that contains the company's current remuneration policy, which should be available on the company's website.

https://admin.cafmobility.com/uploads/SGC_0007_Politica_Remuneraciones_Consejeros_ES_4182ee1a6c.pdf

A.4. Taking into consideration the information provided in Section B.4, explain the manner in which the shareholders' votes were taken into account at the General Meeting at which the annual remuneration report for the previous year was submitted for an advisory vote.

The 2024 Annual Remuneration Report was approved by a large majority (99.62% of votes in favour), improving upon the results of the Report of the 2023 financial year, which was approved by a majority of 91.1%. The current remuneration policy was approved by the shareholders in the 2024 general meeting with 97.51% of the capital present or represented voting in favour. This positive evolution in the levels of support reflects the Company's efforts to respond to the concerns expressed by shareholders, incorporating improvements both in the structure of its directors' remuneration and in the level of transparency of public information, in line with the recommendations of advisors and proxy advisors, and best market practices. This Report maintains this same focus on continuous improvement, going into the quality of the breakdown and alignment with shareholder expectations in more depth.

B. GLOBAL SUMMARY OF HOW THE REMUNERATION POLICY WAS APPLIED IN THE LAST FINANCIAL YEAR

B.1.1 Explain the process by which the remuneration policy was applied and the individual remuneration reflected in Section C of this report determined. This information shall include the role played by the remuneration committee, the decisions taken by the board of directors and, where applicable, the identity and role of external advisors whose services have been used in the process of implementing the remuneration policy during the financial year ended.

This remuneration policy was approved by the Ordinary General Meeting of Shareholders held on 15 June 2024, following a proposal by the Board of Directors dated 9 May 2024, which in turn formulated said proposal in light of the report and the proposal issued by the Appointments and Remuneration Committee on 8 May 2024.

Furthermore, the Board establishes the various items of the Directors' remuneration package on the basis of the proposal made the Appointment and Remuneration Committee in each case, in accordance with the responsibilities assumed by each director and the functions they perform.

In particular, the agreements adopted during the 2025 financial year and up to the date of approval of this report regarding the remuneration package for directors for the 2025 financial year are as follows:

- (i) Within the first quarter of 2025, the appointments and remuneration committee agreed to propose the approval of the annual variable remuneration plan for executive directors and the specification of the application parameters, their objectives and weighting to the board of directors.
- (ii) The Board of Directors then unanimously agreed on the proposal made by the Appointments and Remuneration Committee described above.
- (iii) On 12 November 2025, the Appointments and Remuneration Committee resolved to submit a proposal to the Board of Directors for contributions to the long-term savings scheme for executive directors, the aggregate amount of which is included in table a) iii) of section C.1 of this report.
- (iv) On 13 November 2025, the Board of Directors approved the proposal made by the Appointments and Remuneration Committee described above.
- (v) On 27 February 2026, the Board of Directors approved the final remuneration for executive directors for 2025, following the formulation of the 2025 annual financial statements and having assessed the levels of compliance with the parameters that had been proposed by the Appointments and Remuneration Committee and approved by the Board.

B.1.2 Explain any deviation in the procedure established for applying the remuneration policy during the year.

There have been no deviations from the procedure established for applying the remuneration policy during the year.

B.1.3 Indicate whether any temporary exception to the remuneration policy has been applied and, in such cases, explain the exceptional circumstances resulting in the application of these exceptions, the specific components of the remuneration policy affected and the reasons that the company believes that

these exceptions have been necessary to serve the long-term interests and sustainability of the company as a whole or to ensure its feasibility. Also quantify the impact of applying these exemptions on the remuneration of each director during the year.

No temporary exceptions to the remuneration policy were applied in 2025.

B.2. Explain the different actions taken by the company in relation to the remuneration system and how they have contributed to reducing exposure to excessive risks and adjusting it to the objectives, values and long-term interests of the company, including a reference to the measures that have been adopted to guarantee that the remuneration accrued has taken into account the long-term results of the company and reached an adequate balance between the fixed and variable components of the remuneration, what measures have been adopted in relation to those categories of personnel whose activities professionals have a material repercussion on the entity's risk profile, and what measures have been adopted to avoid conflicts of interest, if any.

CAF's remuneration policy is primarily focused on market criteria and compliance with the principles of moderation and prudence.

For the definition of the items and amounts that make up the remuneration system, CAF takes into account at all times the long-term interests of the Company and, in particular, guarantees correspondence with the evolution of the Company's results and an adequate distribution of profits to shareholders.

As an example of this, in 2025 the directors did not receive any advances, guarantees or loans; nor did they receive any additional remuneration for belonging to the Boards of Directors or senior management of other Group companies.

With regard to executive directors, with the aim of aligning their interests with those of the Company and ensuring that their remuneration reflects the company's long-term results, during the 2025 financial year variable components have been included in their remuneration, linked to professional performance criteria, as described in greater detail in section B.7 below.

In this regard and starting in 2023, the Board of Directors decided to implement a long-term incentive plan applicable to executive directors, which will last from 1 January 2023 to 31 December 2026 and includes parameters linked to the achievement of economic-financial and non-financial objectives defined in the Strategic Plan, quantifiable and aligned with the corporate interest (Aggregate EBIT Operating Result for the period 2023–2026 and Reduction of CO2 Emissions (Scope 3) at the end of the 2026 financial year).

It has also been agreed, as in previous years, to link the short-term variable remuneration of directors to parameters linked to the achievement of specific, quantifiable economic-financial objectives aligned with the Company's corporate interest and strategic objectives in different areas (order intake, sales, EBIT) and to an adequate operational management (cash flow), as well as to non-financial parameters (customer satisfaction organisational health index, results of the EcoVadis evaluation and emissions reductions (Scopes 1 & 2)), suitable for the creation of long-term value.

It should be noted that, although the short-term variable remuneration is accrued annually, its contribution to the Company's results and sustainable performance extends beyond the financial year, as part of the objectives on which it is based, such as the level of order intake or various sustainability indicators such as customer satisfaction, the organisational health index and the results of the EcoVadis assessment, also produces medium and long-term effects. This is because the achievement of these objectives often depends on processes and efforts accumulated over periods significantly longer than one year.

For example, the award of a contract comes from tenders that typically run for more than a year, so that, although measured on an annual basis, it reflects the prior commitment of resources over a significantly longer period of time. Likewise, the manufacturing, supply or maintenance contracts signed by CAF have multi-year durations, so that reaching the contracting objectives in one financial year contributes directly to the future stability of the Group, regardless of whether they are measured on an annual basis.

The same is true of the customer satisfaction index, the result of which is derived from long-term relationships and may favour contract extensions or increase the likelihood of future awards, thus strengthening the Group's sustainability in the medium and long term.

The payment of variable remuneration is deferred over a period of time that ensures sufficient time for the Board of Directors to verify the degree of achievement of objectives, ensuring that variable remuneration only vests when there is full, objective and definitive validation of the performance achieved.

It is also envisaged that, in the event of any error in the calculation of the variable remuneration or in the measurement of the degree of achievement of the objectives, the executive directors would be required to reimburse any excess that they had received.

In addition, to approve the current remuneration policy, a group comparing 18 companies with a parent company located in Spain and a size in terms of invoicing, employees, assets and market capitalisation comparable to that of CAF was analysed. From the analysis

of the data from this sample, obtained after a study commissioned by a renowned external specialist consultancy firm, it was concluded that CAF's remuneration components were generally below the average for this group of comparable companies.

With regard to directors who are neither executive nor proprietary, their remuneration is set at a level that does not in any case compromise their independence of judgment.

As a result of all the foregoing, the Company considers that exposure to excessive risks is reduced and that the remuneration system in place reflects the Company's long-term objectives, values and interests.

B.3. Explain how the remuneration accrued and consolidated in the year complies with the provisions of the current remuneration policy and, in particular, how it contributes to the sustainable and long-term performance of the company.

Also report on the relationship between the remuneration obtained by the directors and the results or other measures of performance, in the short and long term, of the entity, explaining, where appropriate, how the variations in the performance of the company may have influenced the variation in the remuneration of directors,

Including those accrued whose payment has been deferred, and how they contribute to the company's short and long-term results.

The remuneration accrued during the 2025 financial year fully complies with the provisions of the directors' remuneration policy approved by CAF's Shareholders in their Ordinary General Meeting held on 15 June 2024, which came into force on the same day for the remainder of the 2024 financial year and the 2025 and 2026 financial years. Compliance with said policy is explained below:

(i) The remuneration accrued by directors in their capacity as such consisted solely of fixed remuneration for membership on the Board, per diems for the attendance at Board meetings, remuneration for belonging to the Committees and an additional fixed assignment for those directors that perform other functions or responsibilities, while not exceeding the maximum figure established in section 3.1 of the current remuneration policy.

(ii) In addition to the items mentioned in paragraph (i) above, the fixed remuneration of executive directors included the items provided for in Section 3.2 of said policy, without the quantitative limits set out therein having been exceeded.

(iii) The variable remuneration of executive directors is linked to achieving financial and non-financial objectives that promote sustainability and long-term value creation for the Company, as set down in section 3.2.2 of the remuneration policy.

To ensure a link between directors' remuneration and the Company's results and other measures of performance, the remuneration structure for executive directors incorporates variable components (long and short term) linked to variations in the Company's performance. In the year under review, the increase in the variable remuneration of the Chief Executive Officer was due to the full achievement of the financial and non-financial objectives established, in a context of extraordinary results characterised by very strong levels of order intake, revenue, EBIT and net profit, and the award of strategic projects of particular relevance to the Group, reinforcing the alignment between performance and compensation.

In 2023, the Board of Directors approved a long-term incentive plan linked to the 2023-2026 Strategic Plan, which was approved in November 2022 and runs from 1 January 2023 to 31 December 2026, covering the entire strategic cycle. Through this plan, the achievement of the Company's results and strategic objectives is encouraged and the remuneration of executive directors is aligned with the interests of the Company and its shareholders. Therefore, achievement of the objectives in the incentive plan, measured through a financial (aggregate EBIT operating profit for 2023-2026) and a non-financial (reduction of Scope 3 CO2 emissions at the end of 2026) parameter, linked to achievement of the Strategic Plan, has a positive impact on the Group's long-term performance. This is particularly true when it is considered that the incentives under this plan will not be settled and paid until achievement of the objectives for 31 December 2026 has been verified.

Although the accrual period for short-term variable remuneration is one year, it contributes to obtaining results and the sustainable performance of the Company, both in the short and long term, given that (i) the achievement of the objectives on which it is based has an impact on the Group's performance both in the short term (as occurs with the level of cash flow or sales) and in the long term (as occurs with the level of contracting and sustainability indicators, such as customer satisfaction, the organisational health index and the results of the EcoVadis assessment), and (ii) due to the nature of CAF's business, attaining the objectives reflected in various parameters, such as the level of contracting or customer satisfaction, is a consequence of the dedication of resources and efforts over a significantly longer period of time.

For example, a contract awarded is the result of a tender process that, for the most part, lasts for more than one year. This means that even though the measurement of the objectives and the accrual of short-term variable remuneration related to the volume of contracting are components that are verified annually, achieving the objective is the result of the dedication of resources and efforts over a considerably longer period of time.

Furthermore, most contracts signed by CAF tend to last more than three years, in the case of manufacturing and supply contracts, or even 15 years, in the case of maintenance contracts. This means that the achievement of the

order intake volume target for a given year necessarily contributes to the medium and long-term sustainability of the Group, regardless of whether the target is measured on an annual basis, as signing a new contract involves a minimum two-year workload for the factories, thus generating positive effects for the Group in the future.

The case is similar when it comes to the level of customer satisfaction. This parameter is assessed by conducting surveys amongst Group customers. Given the long duration of CAF contracts, the assessment of customer satisfaction necessarily refers to the customer's continued relationship with CAF for a period of much more than one year. Therefore, although the objective is measured once per year, its achievement is the result of efforts extending over several years.

Continued in Section D.

B.4. Report on the outcome of the advisory vote of the general meeting on the annual report on remuneration for the previous year, indicating the number of abstentions and "no" votes cast, blank votes and "yes" votes cast:

	Number	% of total
Votes cast	27,429,226	80.02
	Number	% of votes cast
"No" votes	96,283	0.35
"Yes" votes	27,327,066	99.63
Blank votes	550	0.00
Abstentions	5,327	0.02

Observations

Percentages have been rounded to two decimal places.

The 2024 annual remuneration report was approved by a large majority of the votes cast.

B.5. Explain how the fixed items earned and vested in the year by the directors in their capacity as such were determined, their relative proportion for each director and how they have changed with respect to the previous year.

The remuneration of the directors in their capacity as such comprises the following items: fixed remuneration for membership of the Board of Directors, per diems for the attendance of Board of Directors meetings, additional fixed remuneration for members of Committees and fixed remuneration for the Chairman, the Secretary of the Board and the chairs of the Committees, in light of their special duties and responsibilities. Fixed components represent 100% of the remuneration for all directors in their capacity as such.

The amount of the current fixed remuneration items of directors in their capacity as such was approved in 2023 and will be valid until 2025, amounting to:

- Fixed allocation for membership of the Board of Directors: EUR 75,000 per year per director.
- Fixed allocation for membership in the Committees: EUR 25,000 per year per Committee.
- Allowances for attendance at meetings of the Board of Directors: EUR 40,000 per year per director.
- Fixed remuneration according to special functions and responsibilities:
 - Additional remuneration for the Chairman of the Board: EUR 100,000 per year.
 - Additional remuneration for the Secretary of the Board: EUR 50,000 per year.
 - Additional remuneration to the Chairmen of the Committees: EUR 10,000 per year each.

- B.6.** Explain how the salaries earned and vested in the last financial year by each of the executive directors for the performance of their management duties were determined and how they have changed with respect to the previous year.

As indicated in Section A.1.9, the Company has signed a commercial contract for an indefinite term with the Chief Executive Officer, as approved by the Board of Directors. The other executive director, who has not been delegated powers by the Board, has an ordinary employment contract.

The salaries of the executive directors for 2025 are included in their respective contracts, with the amounts that appear in table a) i) of Section C.1 of this report. In the case of the Chief Executive Officer, his fixed salary has not changed. In the case of the Director and Secretary of the Board, her fixed salary has been adjusted in accordance with her employment contract, in line with the salary increases due to the application of the collective bargaining agreement of the parent company's employees. It should be noted that the change in average employee remuneration for the 2025 financial year compared to the previous year shown in table C.2. corresponds to the remuneration data for the entire Group workforce, which includes subsidiaries outside Spain, and therefore does not reflect the wage increase applied in the listed company by application of its respective collective bargaining agreement.

There are no other benefits, such as advances or loans.

- B.7.** Explain the nature and main features of the variable items of the remuneration systems earned and vested in the last financial year.

In particular:

- a) Identify each of the remuneration plans determining the variable remuneration earned by each of the directors in the last financial year, including information on the scope of the plan, its approval date, implementation date, vesting conditions, if any, accrual periods and periods of validity, criteria used to assess performance and how this has affected the establishment of the variable amount earned, as well as the measurement criteria used and the time required in order to be in a position to adequately measure all the stipulated conditions and criteria. Provide a detailed description of the criteria and factors applied with respect to the time required and the methods for verifying effective compliance with the performance or other conditions to which the earning and vesting of each variable remuneration item was linked.
- b) In the case of stock option plans and other financial instruments, the general features of each plan will include information on the conditions both for acquiring unconditional ownership (vesting) thereof, and for being able to exercise those options or financial instruments, including the price and period for the exercise thereof.
- c) Each of the directors, and their category (executive directors, non-executive proprietary directors, non-executive independent directors or other non-executive directors), who are beneficiaries of remuneration systems or plans that include variable remuneration.
- d) Where applicable, information shall be provided on the accrual periods or the periods of deferral of payment applied and/or the periods of retention/non-disposal of shares or other financial instruments, if any.

Explain the short-term variable items of the remuneration systems:

In the first quarter of 2025, the appointments and remuneration committee submitted its proposed annual variable remuneration plan for executive directors to the board of directors, which included the fixing of the specific parameters to which the short-term variable remuneration for the financial year 2025 should be linked, as well as its weighting and targets. This proposal was subsequently approved by the Board. The

following parameters were defined, with an equal weighting for each executive director in the total variable remuneration: contracting volume, sales volume, profit before taxes (EBIT), cash flow, level of customer satisfaction, organisational health index, the results of the EcoVadis assessment and reduction of scope 1 and 2 CO2 emissions, at the level of the consolidated Group in all cases.

The contracting volume, sales volume, profit before tax (EBIT) parameters and cash flow are linked to the achievement of specific business and financial objectives. The other parameters – customer satisfaction, the organisational health index, the results of the EcoVadis assessment and reduction of scope 1 and 2 CO2 emissions – are non-financial criteria that foster the creation of long-term value for the Company.

In relation to the 'Organisational Health Index' parameter, it should be clarified that this is an organisational metric based on anonymous employee surveys on their perception of the company. This index assesses the organisation's ability to align around a common direction, execute with excellence, adapt to change and renew itself sustainably, across nine dimensions (management, leadership, work environment, accountability, coordination and control, motivation, capabilities, innovation and external orientation). Its measurement exclusively reflects employees' perception of these management practices and corporate culture, without any relation at all to occupational safety indicators.

A series of objectives were established for each parameter which, if achieved, enabled 100% of the short-term variable remuneration to be obtained, up to a maximum limit. Likewise, minimum objectives were set, which allowed 50% of the short-term variable remuneration to be obtained and below which the short-term variable remuneration associated with the parameter in question would not be accrued. In the event that the minimum objectives were achieved but not the fixed objectives, short-term variable remuneration of between 50% and 100% would be earned, calculated on a straight-line basis depending on the degree of achievement of the objectives.

The objectives linked to financial metrics are sensitive. Their publication could harm CAF's interests. However, it is worth highlighting that these objectives were ambitious and challenging for their beneficiaries. On the one hand, the EBIT target increased to double digits compared to its value in the previous year. The objective was also to achieve a contracting figure higher than the sales figure, as well as the generation of positive cash flow. In addition, it should be noted that all financial targets set for the year 2025, i.e. Order Intake, Sales, EBITDA and Cash Flow, were more ambitious than the targets set in the previous year for the same parameters. In particular, for the EBIT parameter, a particularly relevant indicator in relation to the situation and evolution of the Company, a growth target of more than 15% over the actual achievement obtained at the close of the 2024 financial year was established for the 2025 financial year. The "EBIT" parameter was also given the status of a key parameter so that any short-term variable remuneration could accrue in relation to the other parameters.

In accordance with this scheme, the Appointments and Remuneration Committee proposed that the Chief Executive Officer's short-term variable remuneration should be able to reach 45% of his fixed salary, increased by an additional 20% of that amount in the event of compliance of more than 100% in all the established economic-financial metrics, which would be equivalent to 54% of his fixed salary in the event of full compliance with all the objectives, and in accordance with the limits set out in the remuneration policy. For the Director and Secretary of the Board, the Commission proposed that a limit of EUR 110 thousand be set. These limits were approved by the Board of Directors.

The measurement of the degree of compliance with the objectives is based on the annual financial statements and management report at 31 December 2025, once formulated by the Board of Directors during the first quarter of 2026 (with regard to the "contracting", "sales", "EBIT" and "cash flow" parameters), customer surveys (with regard to the "customer satisfaction" parameter), a questionnaire for people in the organisation (with regard to the "organisational health index" parameter), the rating that the independent entity EcoVadis attributes to CAF (regarding the "results of the EcoVadis assessment" parameter), and the calculation of the Group's Scope 1 and 2 carbon footprint for the year. This calculation is subsequently verified by an external entity for the "scope 1&2 CO2 emissions reduction indicator" parameter. The short-term variable remuneration has an annual accrual period based on the calendar year. However, as explained in greater detail in Section B.3, achieving the objectives for several parameters ("contracting" and "customer satisfaction", among others) is due to the dedication of resources and efforts over a much longer period of time.

The payment of short-term variable remuneration, if accrued, is made in cash and, in accordance with best practice, is spread over a minimum period of six months from the end of the financial year, so that the Board of Directors has sufficient time to verify the degree of compliance with the objectives and whether there are any circumstances that make it advisable to reduce the variable remuneration to be received by the executive directors. Although the variable remuneration is paid in cash, it must be taken into account that the executive directors are the owners, in total, of 29,540 CAF shares (12,500 in the case of the CEO and 17,040 in the case of the Director and Secretary of the Board), the value of which is equivalent to a significant percentage of their respective salaries. The executive directors have owned these shares since they were acquired in 2022.

It is also envisaged that, in the event of any error in the calculation of the variable remuneration or in the measurement of the degree of attainment of the objectives, the Board of Directors can request the executive directors to reimburse any excess that they had received. This ensures that variable remuneration is only consolidated when there is full, objective, definitive validation of the performance achieved.

The degree of achievement of the various parameters was assessed by the Board of Directors, at the proposal of the Appointments and Remuneration Committee, at its meeting held on 27 February 2026, the date on which the Board authorised the 2025 financial statements and management report for issue, and the level of achievement of the financial parameters was effectively verified. After said evaluation, full fulfilment of the objectives has been confirmed, resulting in the accrual and consolidation of 100% of the maximum short-term variable remuneration. Subsequently, the Board has calculated the amounts to be received by the executive directors in the form of short-term variable remuneration for 2025, as detailed in section C.1, having also found that, at the moment, no events have occurred that would make the reduction of this remuneration advisable.

Below is a table showing the weighting of each financial parameter, the value obtained for each parameter, the degree of achievement of each objective and the amount of the annual variable remuneration accrued in relation to each of them.

Parameter // Weighting // Value obtained // Degree of achievement // % of total variable remuneration accrued EBIT
 // 30% // 216 // 100% // 30%
 Cash flow // 25% // 97 // 100% // 25%
 Sales // 15% // 4,487 // 100% // 15%
 Backlog // 15% // 6,027 // 100% // 15%

It should be noted that EBIT parameter achieved EUR 216 M, which represents an increase of 34% over the value obtained at the close of the 2024 financial year. The cash flow parameter, without considering M&A operations (as the target was defined) was EUR 97 M, an increase of almost 35% (with M&A operations, EUR 88 M, an increase of 22%). Sales were 7% higher than in the previous year, and Order Intake increased by 28%.

The data on the actual achievement of each financial parameter in 2025 can also be consulted in the annual accounts published by CAF.

The table below shows the objective for each non-financial parameter, the value obtained, the degree of achievement of each objective, and the amount of annual variable remuneration accrued in relation to each.

Parameter // Weighting // Objective (100%) // Value obtained // Degree of compliance // % of total variable remuneration earned Customer satisfaction (1-10) // 3.75% // 7.9 // 8.1 // 100% // 3.75%
 Organisational Health Index (1-10) // 3.75% // 6.8 // 6.8 // 100% // 3.75%
 EcoVadis evaluation (1-100) // 3.75% // 76 // 80 // 100% // 3.75%
 Scope 1&2 CO2 Emissions Reduction (%) // 3.75% // 30% // 30.3% // 100% // 3.75%

The values obtained for each of these non-financial parameters are available in the sustainability report.

At the current remuneration level, the CEO-to-worker compensation ratio, which compares the CEO's remuneration with the average remuneration earned by the rest of the CAF Group's workforce, yields a value of 18.2, which is in the second quartile of mid-cap listed companies, according to publicly available information.

Explain the long-term variable items of the remuneration systems:

In 2023, the Appointments and Remuneration Committee worked on the design of a long-term incentive plan that in line with the highest market standards, relying on specialised external advice. Before formulating its proposal to the Board of Directors, the Appointments and Remuneration Committee consulted the content thereof with CAF's main proxy advisors, significant shareholders and institutional investors, with their comments being taken into consideration.

At its meeting held on 19 December 2023, the Board of Directors approved the proposal made by the Appointments and Remuneration Committee to implement a long-term incentive plan linked to the achievement of the 2023-2026 Strategic Plan approved in November 2022 and communicated to the market in December of that year.

The duration of the long-term incentive plan runs from 1 January 2023 to 31 December 2026, covering the entire Strategic Plan cycle, and is aimed at executive directors and other members of the Group's management team.

Achievement of the long-term incentive plan will be evaluated based on a business-financial (aggregate EBIT operating profit for 2023-2026) and non-financial (scope 3 CO2 emission reductions at the end of 2026) metric, with a weighting of 85% and 15%, respectively, in the total incentive.

The aggregate EBIT operating profit metric was chosen as it is considered a core element of the Strategic Plan, on which the management team is fully focused, and is a key parameter for the long-term growth of the CAF group.

For its part, the CO2 Emissions Reduction metric (Scope 3) was introduced in response to the suggestions received from the main proxy advisors to incorporate non-financial parameters in the long-term incentive plan. Of the possible non-financial metrics, the one chosen is considered to be especially relevant as it constitutes one of the main sustainability objectives established in the Strategic Plan and respond to the important decarbonisation commitments assumed by the Company towards its stakeholders. In addition, this scope 3 reduction metric differs from the metric used in the short-term variable remuneration system, which related to Scope 1&2 reductions.

For the weighting between both metrics, the suggestions received by external advisors, proxy advisors, shareholders and investors were also taken into account.

Regarding the Aggregate Operating Result EBIT metric for the period 2023-2026, an objective of EUR 981.6 million was set, which is aligned with the aspirations for 2026 established in the Strategic Plan and represents a demanding and challenging objective for the management team.

The incentive corresponding to this metric accrues as follows:

(i) Below an aggregate EBIT amount of EUR 785.28 million, no incentive is accrued associated with this metric;

(ii) Between 50% and 100% of the incentive will accrue, proportionally, if aggregate EBIT is between EUR 785.28 million and EUR 981.6 million;

(iii) Between 100% and 124% of the incentive will accrue, proportionally, if aggregate EBIT is between EUR 981.6 million and EUR 1,109.21 million; and

(iv) Above an aggregate EBIT of EUR 1,109.21 million, 124% of the incentive accrues.

A reduction target of 50% by the end of 2026 was set for the scope 3 CO₂ emissions reduction metric. This is a substantial tightening – by 25% – of the 40% reduction target set in the Strategic Plan. It should also be noted that the Reduction of CO₂ Emissions in Scope 3, unlike that referred to in Scopes 1&2, is not cumulative from year to year. In other words, the result in one year does not guarantee that it will be repeated in the next year, as this metric depends on the product mix sold each year, which may have a greater or lesser weight of diesel (more CO₂ intensive) or electric products, depending on the contracts awarded and their execution during the year. An ambitious objective was therefore set for this metric, as a sign of CAF's commitment to sustainable mobility, which is one of the main axes of the new Strategic Plan.

The incentive corresponding to this metric accrues as follows:

(i) No incentive will accrue for this metric if the level of scope 3 CO₂ emissions reductions is less than 32%;

(ii) 50% to 100% of the incentive will accrue, proportionally, if the level of scope 3 CO₂ emissions reductions is between 32% and 50%; and

(iii) Above a CO₂ Emissions reduction level (Scope 3) of 50%, 100% of the incentive is accrued.

Each metric operates independently, establishing a minimum aggregate EBIT Operating Profit amount below which no incentive associated with this metric accrues and a minimum CO₂ emissions reduction level (Scope 3), below which no incentive associated with this other metric accrues. Likewise, a minimum aggregate EBIT operating profit of EUR 687.12 million was set as a key indicator. No incentive will accrue below this level, even if the targets for the other metric are attained.

Similarly, for over 100% of the incentive corresponding to the aggregate EBIT Operating Profit metric to accrue, the EBIT margin on Sales (as accounted for under IFRS) for 2026 must be higher than the weighted average of a comparison group comprising Alstom, Stadler and Talgo, the weighting of which will be based on the sales volume of each of these companies in 2026. In any case, it is expressly stated that the incentive corresponding to the aggregate EBIT Operating Profit metric will never exceed 124% of the incentive associated with this metric. For its part, the incentive corresponding to the CO₂ Emissions Reduction metric (Scope 3) will never exceed 100% of the incentive associated with this metric.

The Board of Directors set the maximum amount of the incentive that may accrue upon completion of the plan, which amounts, assuming 100% compliance with the objectives, to an annualised 50% of the executive directors' fixed salary for 2023 (without prejudice to the possibility of paying a higher incentive in the event of over-compliance as provided for in this section). In order to establish this amount, a comparison group of 18 companies was analysed, with their parent company located in Spain and a size in terms of turnover, employees, assets and market capitalisation comparable to that of CAF. Analysis of the data from this sample, obtained from a study commissioned with a specialised external consultancy firm of acknowledged prestige, concluded that the amount of the long-term incentive was in line with that of comparable companies.

As regards the methods for assessing the degree of compliance, the aggregate EBIT Operating Profit parameter will be measured on the basis of the financial statements and management report prepared each year by the Board. The measurement of the CO₂ Emissions Reduction parameter (Scope 3) will be carried out through internal measurements validated by an independent external certifier.

For the incentive to accrue under the plan, the beneficiaries must still be working for the Company at 31 December 2026. However, the right to receive the incentive prorated based on the time actually worked from the start date of the long-term incentive plan will continue to exist if the termination of employment occurs for any of the reasons stated in the Plan Regulations, such as death, retirement or declaration of permanent disability, among others.

If the plan objectives are met, the incentive will be paid in cash once the 2026 results are approved at the General Shareholders' Meeting held in 2027. However, the Board of Directors may reduce the amount of the incentive or, if applicable, require repayment by the beneficiaries of the plan if any circumstances arise that makes this advisable.

Identification of any error in its calculation or in the measurement of the degree of achievement of the objectives, the introduction of qualifications in the audit report or the need to reformulate the financial statements of the Company, or the existence of serious breaches of its obligations on the part of the beneficiaries. The reduction and/or refund of the incentive may be total depending on the severity of the event that gives rise to said reduction and/or refund.

B.8. Indicate whether certain variable items earned were reduced or claimed back where, in the first case, the payment of unvested amounts was deferred, or, in the second case, the items had vested and been paid on the basis of information the inaccuracy of which was subsequently

manifestly demonstrated. Describe the amounts that were reduced or reimbursed under reduction (malus) or reimbursement (clawback) clauses, why they were enforced and the years to which they relate.

To date, no variable component has been paid out nor has any variable component accrued and vested in 2025 been reduced or claimed back.

However, as approved by the Board of Directors at its meeting held on 27 February 2026, it has been ascertained that no event has occurred that would make it advisable, for the time being, to reduce the amount accrued as variable remuneration, although the Company may claim reimbursement of the variable remuneration paid to the executive directors in the event that the degree of achievement of the objectives has been determined on the basis of data the inaccuracy of which is subsequently manifestly demonstrated.

B.9. Explain the main features of long-term savings schemes, the equivalent annual amount or cost of which is shown in the tables in Section C, including retirement and any other survivor's benefits, partially or totally financed by the company, whether internally or externally, indicating the type of plan, whether it is a defined-contribution or a defined-benefit plan, the conditions that it covers, the conditions for vesting the economic rights in favour of the directors and its compatibility with any type of compensation for early termination or termination of the contractual relationship between the company and the director.

As indicated in Section A.1.7, the Company has a long-term savings scheme in place for executive directors as part of its defined contribution scheme, which is compatible with other types of compensation. This scheme covers retirement, death, full permanent disability and severe disability.

The accrual or consolidation of the rights derived from the long-term savings system occurs when one of these causative events occurs or in certain cases of termination of the employment or commercial relationship with the Company.

The aggregate amount of the provision made in fiscal year 2025 in favour of each of the executive directors is shown in table a) iii) of section C.1 of this report and is within the limits established in section 3.2.1 of the CAF remuneration policy. This amount comprises the ordinary annual contributions agreed by the Board of Directors in accordance with the terms of this new long-term savings scheme and its Regulations, approved in December 2022, calculated as a percentage of pensionable salary, which includes the fixed remuneration for special duties and responsibilities as set out in section B.5, with the maximum €205,000 per annum in the case of the CEO or 30% of the pensionable salary for the rest of the beneficiaries, and the extraordinary contributions approved in the 2022 financial year, to be endowed annually, in the same amount each year, over a period of six years from then, and which will come to a definitive end in the 2027 financial year.

The new long-term savings system approved in 2022 differed substantially from the old system in force up until then and of which the current executive directors were not beneficiaries. Unlike the previous system, the contributions of the current model are significantly more moderate and are articulated under a defined contribution system, instead of the defined benefit system that was previously in place. This creates greater certainty for the Company as to the cost and disbursement to be made in the future. The amounts to be contributed in each financial year are predetermined in the initial agreement approving the long-term savings system, and in its Regulations, approved in 2022.

It is important to note that the amount of contributions to the long-term savings system is not consolidated as a fixed salary, nor does it count towards the calculation of variable remuneration, nor towards the revisions of the fixed salary itself approved by collective agreement.

Finally, the sum of the annual contributions to the long-term savings system, the fixed remuneration and the variable remuneration of executive directors is in line with companies comparable to CAF. Within the framework of the approval of the remuneration policy currently in force and to ensure that the remuneration structure was as competitive as possible and in line with best market practices, a comprehensive analysis was carried out of mid-cap companies that are comparable to CAF in terms of turnover and size, with the support of specialised external advisors. This analysis showed that CAF's remuneration components were generally below the average of this group of comparable companies.

This confirms that CAF has maintained a prudent and responsible approach to its remuneration structure.

B.10. Explain any termination benefits or other payments arising from early retirement, whether prompted by the company or the director, or from termination of contract, in the terms provided therein, earned and/or received by the directors in the last financial year.

No directors earned or received any termination benefits or payment arising from early retirement or termination of contract in 2025.

B.11. Indicate whether there have been any significant amendments to the contracts of executive directors exercising senior management functions. Additionally, explain the main conditions of the new contracts entered into with executive directors in the year, except as described in Section A.1.

In 2025, there were no significant changes to the contracts of the executive directors performing senior management functions, the main terms of which are described in Sections A.1.8 and A.1.9.

B.12. Explain any supplementary remuneration accrued to directors as consideration for services rendered other than those inherent to their position.

No supplementary remuneration has accrued to directors as consideration for services rendered other than those inherent to their position.

B.13. Explain any remuneration arising from the grant of advances, loans and guarantees, with an indication of the interest rates, main conditions and amounts repaid, as well as any obligations assumed on their behalf by way of guarantees.

The directors have not received any remuneration in the form of advances, loans or guarantees.

B.14. Detail the remuneration in kind accrued by the directors in the year and provide a brief description of the nature of the various salary items.

The Company has not agreed to pay any remuneration in kind to its directors, except for life insurance for executive directors.

B.15. Explain the remuneration accrued by directors by virtue of payments made by the listed company to a third party in which the director provides services, when such payments are intended to remunerate the director's services in the company.

No remuneration has been accrued by any directors by virtue of the payments made by the Company to a third entity at which the director provides services.

B.16. Explain and provide details of the amounts accrued during the year in relation to any kind of compensation other than those listed above, of whatever nature and provenance within the group, including all provisions, regardless of their form, especially when it may be a related-party transaction or when its issuance would detract from a true and fair view of the total remuneration accrued by the director, providing an explanation of the amount awarded or pending payment, the nature of the consideration received and the reasons for them not being considered as director remuneration, where appropriate, for their performance of said role or as a consideration for their performance of their executive functions and whether it has been considered appropriate or not to include the amounts accrued in the "other items" heading in section C.

There are no additional remuneration items.

C. ITEMISED INDIVIDUAL REMUNERATION ACCRUED BY EACH DIRECTOR

Name	Type	2025 accrual period
MR ANDRÉS ARIZKORRETA GARCÍA	Chairman Other external	From 01/01/2025 to 31/12/2025
MR JAVIER MARTÍNEZ OJINAGA	Executive director	From 01/01/2025 to 31/12/2025
MR MANUEL DOMÍNGUEZ DE LA MAZA	Proprietary director	From 01/01/2025 to 31/12/2025
MR JUAN JOSÉ ARRIETA SUDUPE	Other external director	From 01/01/2025 to 31/12/2025
MR LUIS MIGUEL ARCONADA ECHARRI	Other external director	From 01/01/2025 to 31/12/2025
MS IDOIA ZENARRUTZABEITIA BELDARRAIN	Proprietary director	From 01/01/2025 to 31/12/2025
MS MARTA BAZTARRICA LIZARBE	Executive director	From 01/01/2025 to 31/12/2025
MS CARMEN ALLO PÉREZ	Independent director	From 01/01/2025 to 31/12/2025
MR JULIÁN GRACIA PALACÍN	Independent director	From 01/01/2025 to 31/12/2025
MS BEGOÑA BELTRÁN DE HEREDIA VILLA	Independent director	From 01/01/2025 to 31/12/2025

C.1. Complete the following tables regarding the individual remuneration of each of the director (including remuneration received for performing executive duties) accrued in the year.

a) Remuneration from the reporting company:

i) Remuneration accruing in cash (in thousands of euros)

Name	Fixed remuneration	Per diems	Remuneration for belonging to Board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Termination benefits	Other items	Total 2025	Total 2024
MR ANDRÉS ARIZKORRETA GARCÍA	175	40							215	215

ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED PUBLIC LIMITED COMPANIES

Name	Fixed remuneration	Per diems	Remuneration for belonging to Board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Termination benefits	Other items	Total 2025	Total 2024
MR JAVIER MARTÍNEZ OJINAGA	75	40		510	275				900	773
MR MANUEL DOMÍNGUEZ DE LA MAZA	75	40							115	115
MR JUAN JOSÉ ARRIETA SUDUPE	75	40	25						140	140
MR LUIS MIGUEL ARCONADA ECHARRI	75	40	25						140	140
MS IDOIA ZENARRUTZABEITIA BELDARRAIN	75	40							115	115
MS MARTA BAZTARRICA LIZARBE	125	40		288	110				563	538
MS CARMEN ALLO PÉREZ	75	40	50						165	141
MR JULIÁN GRACIA PALACÍN	85	40	25						150	150
MS BEGOÑA BELTRÁN DE HEREDIA VILLA	85	40	25						150	150

Observations

The fixed remuneration includes, in addition to the amount for membership on the Board of Directors, the specific remuneration corresponding to each director for the performance of certain positions on it or on its committees.

ii) Table of changes in share-based remuneration schemes and gross profit from vested shares or financial instruments.

Name	Name of the plan	Financial instruments at the beginning of 2025		Financial instruments granted during the 2025 financial year.		Financial instruments vested in the year				Matured instruments not exercised	Financial instruments at the end of 2025	
		No. of instruments	Equivalent no. of shares	No. of instruments	Equivalent no. of shares	No. of instruments	Equivalent no. of (vested) shares	Price of vested shares	Gross earnings on vested shares or financial instruments (thousands of euros)	No. of instruments	No. of instruments	Equivalent no. of shares
No data												

Observations

There were no remuneration systems based on shares or financial instruments.

iii) Long-term saving schemes.

Name	Remuneration from vesting of rights to savings schemes
MR JAVIER MARTÍNEZ OJINAGA	
MS MARTA BAZTARRICA LIZARBE	

Name	Company's contribution for the year (thousands of euros)				Amount of accumulated funds (thousands of euros)			
	Savings schemes with vested economic rights		Savings schemes with unvested economic rights		Savings schemes with vested economic rights		Savings schemes with unvested economic rights	
	2025	2024	2025	2024	2025	2024	2025	2024
MR JAVIER MARTÍNEZ OJINAGA			204	204			1,016	812
MS MARTA BAZTARRICA LIZARBE			241	222			890	649

Observations

iv) Other items

Name	Concept	Remuneration amount
MR JAVIER MARTÍNEZ OJINAGA	Life insurance premiums	16
MS MARTA BAZTARRICA LIZARBE	Life insurance premiums	2

Observations

b) Remuneration accrued by directors of the listed company for sitting on the boards of other Group companies:

i) Remuneration accruing in cash (in thousands of euros)

Name	Fixed remuneration	Per diems	Remuneration for membership on committees of the Board of Directors	Salary	Short-term variable remuneration	Long-term variable remuneration	Termination benefits	Other items	Total 2025	Total 2024
No data										

Observations

ii) Table of changes in share-based remuneration schemes and gross profit from vested shares or financial instruments.

Name	Name of the plan	Financial instruments at the beginning of 2025		Financial instruments granted during the 2025 financial year.		Financial instruments vested in the year				Matured instruments not exercised	Financial instruments at the end of 2025	
		No. of instruments	Equivalent no. of shares	No. of instruments	Equivalent no. of shares	No. of instruments	Equivalent no. of (vested) shares	Price of vested shares	Gross earnings on vested shares or financial instruments (thousands of euros)	No. of instruments	No. of instruments	Equivalent no. of shares
No data												

Observations

iii) Long-term saving schemes.

Name	Remuneration from vesting of rights to savings schemes
No data	

Name	Company's contribution for the year (thousands of euros)				Amount of accumulated funds (thousands of euros)			
	Savings schemes with vested economic rights		Savings schemes with unvested economic rights		Savings schemes with vested economic rights		Savings schemes with unvested economic rights	
	2025	2024	2025	2024	2025	2024	2025	2024
No data								

Observations

[]

iv) Other items

Name	Concept	Remuneration amount
No data		

Observations

[]

ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED PUBLIC LIMITED COMPANIES

c) Summary of remuneration (in thousands of euros):

The summary must include the amounts corresponding to all the remuneration items included in this report that have accrued to each director, in thousands of euros.

Name	Remuneration accruing in the Company					Remuneration accruing in Group companies					Total 2025 - Company + Group
	Total cash remuneration	Gross profit from shares or financial instruments consolidated	Remuneration from savings schemes	Other items of remuneration	Total 2025 - Company	Total cash remuneration	Gross profit from shares or financial instruments consolidated	Remuneration from savings schemes	Other items of remuneration	Total 2025 - Group	
MR ANDRÉS ARIZKORRETA GARCÍA	215				215						215
MR JAVIER MARTÍNEZ OJINAGA	900			16	916						916
MR MANUEL DOMÍNGUEZ DE LA MAZA	115				115						115
MR JUAN JOSÉ ARRIETA SUDUPE	140				140						140
MR LUIS MIGUEL ARCONADA ECHARRI	140				140						140
MS IDOIA ZENARRUTZABEITIA BELDARRAIN	115				115						115
MS MARTA BAZTARRICA LIZARBE	563			2	565						565
MS CARMEN ALLO PEREZ	165				165						165

ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED PUBLIC LIMITED COMPANIES

Name	Remuneration accruing in the Company					Remuneration accruing in Group companies					Total 2025 - Company + Group
	Total cash remuneration	Gross profit from shares or financial instruments consolidated	Remuneration from savings schemes	Other items of remuneration	Total 2025 - Company	Total cash remuneration	Gross profit from shares or financial instruments consolidated	Remuneration from savings schemes	Other items of remuneration	Total 2025 - Group	
MR JULIÁN GRACIA PALACÍN	150				150						150
MS BEGOÑA BELTRAN DE HEREDIA VILLA	150				150						150
TOTAL	2,653			18	2,671						2,671

Observations

C.2. State the evolution over the past five years of the amount and percentage variation in the remuneration accrued by each of the directors at the listed company that have served in the position during the year, the company's consolidated results and the average remuneration against an equivalent full-time base of company and subsidiary employees not considered directors of the listed company.

	Total amounts accrued and % annual variation								
	2025	% Variation 2025/2024	2024	% Variation 2024/2023	2023	% Variation 2023/2022	2022	% Variation 2022/2021	2021
Executive directors									
MR JAVIER MARTÍNEZ OJINAGA	916	16.24	788	-9.00	866	19.12	727	120.30	330
MS MARTA BAZTARRICA LIZARBE	565	4.63	540	2.08	529	21.89	434	27.65	340

Total amounts accrued and % annual variation									
	2025	% Variation 2025/2024	2024	% Variation 2024/2023	2023	% Variation 2023/2022	2022	% Variation 2022/2021	2021
External directors									
MR ANDRÉS ARIZKORRETA GARCÍA	215	0.00	215	0.00	215	7.50	200	-96.48	5,683
MR JULIÁN GRACIA PALACÍN	150	0.00	150	0.00	150	30.43	115	0.00	115
MS CARMEN ALLO PÉREZ	165	17.02	141	-4.73	148	28.70	115	0.00	115
MR JUAN JOSÉ ARRIETA SUDUPE	140	0.00	140	0.00	140	21.74	115	0.00	115
MR LUIS MIGUEL ARCONADA ECHARRI	140	0.00	140	0.00	140	21.74	115	0.00	115
MS IDOIA ZENARRUTZABEITIA BELDARRAIN	115	0.00	115	0.00	115	21.05	95	0.00	95
MR MANUEL DOMÍNGUEZ DE LA MAZA	115	0.00	115	0.00	115	15.00	100	0.00	100
MS BEGOÑA BELTRÁN DE HEREDIA VILLA	150	0.00	150	25.00	120	-	0	-	0
Consolidated results of the company									
	215,639	34.25	160,630	14.20	140,658	54.37	91,115	-29.82	129,832
Average employee remuneration									
	51	0.00	51	8.51	47	6.82	44	7.32	41

Observations

Main changes 2025/2024:

- The 16.24% increase in Mr Javier Martínez Ojinaga's total remuneration relates to the setting of a maximum limit on the short-term variable remuneration to be received by the CEO in 2025, which was higher than that set for the 2024 financial year, and to a greater degree of achievement of the objectives established for the 2024 financial year.
- The increase of 4.62% in Ms Marta Baztarrica Lizarbe's remuneration relates to the increase in her fixed annual remuneration as a result of the application of CAF's collective bargaining agreement and short-term variable remuneration, due to the fixing of a higher maximum limit and achieving of a greater degree of attainment of the established objectives, compared to 2024.
- The increase of 17.02% Ms Carmen Allo Pérez's remuneration is due to the accrual of the full remuneration for membership of the Appointments and Remuneration Committee, compared to the 2024 financial year, in which she did not hold this position for the entire financial year.
- The change in average employee remuneration in the 2025 financial year compared to the previous year is explained by the sharp increase in the workforce during the 2025 financial year in a subsidiary outside Spain, reducing the average employee remuneration at Group level in the 2025 financial year, despite salary increases in the listed company and the subsidiary due to the application of their respective collective bargaining agreements.

The explanations regarding the main variations for the period 2024/2023 are detailed in the annual report on the remuneration of the directors for the year ended 31 December 2024, the explanations regarding the main variations for the period 2023/2022 are detailed in the annual report on the remuneration of the directors for the year ended 31 December 2023 and the explanations regarding the main variations for the period 2022/2021 are detailed in the annual report on the remuneration of the directors for the year ended 31 December 2022.

D. OTHER INFORMATION OF INTEREST

If there are any significant issues relating to directors' remuneration that it has not been possible to include in the foregoing sections of this report, but which it is necessary to include in order to provide more comprehensive and reasoned information on the remuneration structure and practices of the company with regard to its directors, list them briefly.

A.1.1 (continued)

In the case of annual variable remuneration, it is the responsibility of the Board of Directors, following the proposal by the Appointments and Remuneration Committee, to determine the amount of annual variable remuneration (subject to the maximums indicated in section 3.2.1(b) of the Remuneration Policy), the parameters on which this is based, its weighting, the inclusion, where appropriate, of key parameters and the objectives to be achieved in relation to each parameter and, once the financial year has ended, the evaluation of compliance therewith.

In the case of the long-term incentive plan approved in 2023 (as described in more detail in section B.7 above), the Board of Directors, upon the proposal of the Appointments and Remuneration Committee, was responsible for its design and approval. This process included, amongst other aspects, the definition of parameters, weightings, key parameters and objectives to be attained for each of them. The Appointments and Remuneration and Committee endeavoured to align the plan with the highest market standards, drawing on external expertise. In addition, the content of the plan was discussed with key proxy advisors, as well as with CAF's significant shareholders and institutional investors, whose comments were considered.

In addition, in drawing up the current policy, a comparison group of 18 companies with a dimension comparable to CAF in terms of turnover, employees, assets and market capitalisation was analysed. From the analysis of the data from this sample, obtained after a study commissioned by a renowned external specialist consultancy firm, it was concluded that CAF's remuneration components were generally below the average for this group of comparable companies.

* The Board determines the various items of the Directors' remuneration package on the basis of the proposal made in each case by the Appointments and Remuneration Committee, in accordance with the responsibility assumed by each director and the functions they perform.

* The remuneration policy was determined with the support of specialised external advisors to ensure that the remuneration structure is as competitive as possible and in line with best market practices.

* The current directors' remuneration policy does not contemplate the possibility of applying temporary exceptions to the policy; therefore, it does not include details of the procedures for applying these exceptions or the conditions under which they can be used.

A.1.2 (continued)

It should be noted that the executive directors as a whole own 29,540 CAF shares (12,500 in the case of the CEO and 17,040 in the case of the Director and Secretary of the Board), the value of which is equivalent to a significant percentage of their respective salaries. The executive directors have owned these shares since they were acquired in 2022.

As a result, the Company considers that the exposure to excessive risks is reduced and that the remuneration mix shows an adequate balance between fixed and variable components such that the remuneration is related to the performance of the executive directors and is appropriate to the objectives, values and interests of the Company.

B.3 (continued)

Furthermore, it should be noted that high customer satisfaction may result in contracts being extended (involving the manufacture and supply of additional train units) or a greater probability of being successful in future tender processes organised by the customer. All this means that the achievement of the objective set in relation to the level of customer satisfaction contributes significantly to improving the future prospects of the Group and, therefore, its sustainability in the medium and long term.

This annual remuneration report was approved by the Company's Board of Directors at its meeting held on:

27/02/2026



ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED PUBLIC LIMITED COMPANIES

Indicate whether any director voted against or abstained in relation to the approval of this Report.

- Yes
- No



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

Dear Shareholders:

On behalf of the Appointments and Remuneration Committee of CONSTRUCCIONES Y AUXILIAR DE FERROCARRILES, S.A. (CAF), I am pleased to present the **Annual Report on Directors' Remuneration** which will be submitted to a consultative vote at the 2026 Annual General Shareholders' Meeting.

This new Report reaffirms our commitment to transparency, accountability and the defence of our shareholders' interests, in line with best corporate governance practices. This commitment has materialised through a number of initiatives and advances that deserve to be highlighted, and to which I will refer below.

Significant milestones in 2025

2025 has been particularly relevant for CAF. It was a year in which the company maintained its commitment to sustainability, innovation and the creation of value for shareholders.

CAF ended the year with record numbers amongst its main figures: order intake exceeded EUR 6 billion, an increase of 28% compared to the previous year. Sales, as well as the rest of the figures, have also exceeded the forecasts of the Management Plan, achieving an EBIT of EUR 246 million and Net Attributable Profit of EUR 146 million, which is 42% higher than that obtained in the financial year 2024.

In addition, CAF maintained a solid dividend policy and very contained leverage, which strengthens its financial position and its capacity to face new challenges.

The extraordinary business performance achieved in 2025 has led to milestones of particular significance. Amongst them, the award of the macro contract for the supply of the new fleet of AM30 trains to the Belgian operator SNCB stands out. With an initial scope of 180 trains and EUR 1.7 billion, extendible to 380 additional units, this is the largest contract in the company's history. Two new large-scale technological projects are also worth mentioning. On the one hand, the development of lot 2 of the new Line 10 of the Naples Metro, which covers the design and implementation of the OPTIO system, aimed at enabling the operation of the network at the highest level of automation (GoA4), and will constitute CAF's first reference in the field of automatic metro operation. CAF has also been awarded the contract for the comprehensive modernisation of the Helsinki Metro, which includes the complete renovation of the signalling and train control systems through the implementation of a semi-automatic operation system (GoA2), reaffirming the company's commitment to the railway signalling segment.

In parallel to these developments in the rail business, the bus business also achieved significant commercial successes in 2025, such as the award to Solaris of its first contract in Canada, which consolidates the Group's presence in North America in the electric bus segment.

Finally, in terms of sustainability, CAF continued to make progress with implementing its Sustainability Master Plan in 2025, with a good position in the rankings of the main rating agencies.

All these results reinforce CAF's solidity and projection towards profitable growth and its positioning as an international benchmark in comprehensive sustainable mobility solutions. At the same time, they highlight the need to maintain incentive systems in line with strategic and management objectives, both financial

and non-financial, and that effectively contribute to the creation of value for our stakeholders.

Results of the 2025 General Shareholders' Meeting

At the Annual General Shareholders' Meeting held on 14 June 2025, the Annual Report on Directors' Remuneration for 2024, presented by CAF's Board of Directors, received broad support from our shareholders. Specifically, the Report was approved with more than 99% of the share capital present or represented voting in favour, a significant improvement over the previous year and reflecting shareholder confidence in the Company's remuneration practices.

This progress is due, amongst other factors, to the proactive approach maintained by the company in its interaction with shareholders and investors, promoting a stable framework for dialogue and participation. In this regard, meetings with stakeholders and proxy advisors were held on an ongoing basis throughout the year, and their recommendations were progressively integrated into the decision-making process, thus reinforcing our commitment to continuous improvement and transparency.

Implementation of the Remuneration Policy in 2025

Our Directors' Remuneration Policy was approved by the Shareholders in their Annual General Meeting held on 15 June 2024 for the remainder of that financial year and the 2025 and 2026 financial years, following a proposal by the Board of Directors based, in turn, on the report and proposal issued by the Appointments and Remuneration Committee. This policy is based primarily on market criteria and the application of the principles of moderation and prudence, seeking to ensure that it corresponds to the evolution of the company's results and an appropriate distribution of profit to shareholders.

The remuneration accrued during the 2025 financial year is fully compliant with the current Policy. It includes fixed remuneration for Board and Committee membership, attendance fees and additional allowances for specific functions, which have not been increased compared to 2024. In the case of executive directors, in addition to the aforementioned fixed remuneration, the remuneration corresponding to the items set forth in the Policy has been accrued, always within the limits established therein. This report provides a comprehensive overview of the figures and elements of the directors' remuneration package for the past year.

Within our governance framework, the Board of Directors is responsible for determining the remuneration of each director on the basis of a proposal from the Appointments and Remuneration Committee.

At the meeting of 27 February 2026, with the formulation of the annual accounts by the Board of Directors and the obtaining of the results of the surveys and measurements of the ESG indicators, the Board verified the degree of compliance with the previously established short-term variable remuneration parameters, resulting in 100% compliance in all metrics. This confirms the Company's extraordinary performance during the year. Further details on the parameters and results can be found in the corresponding section of this report.

In addition, CAF is currently implementing the Long-Term Incentive Plan (LTIP) linked to the 2023–2026 Strategic Plan, which will end on 31 December of this year and which will be payable, if applicable, in 2027. I would like to remind you that this Plan includes a non-financial metric (CO2 Emissions Reduction, Scope 3), with a weight of 15% of the total incentive, especially relevant as it is one of the main sustainability objectives

set out in the Strategic Plan and reflects the important decarbonisation commitments made by the Company to its stakeholders.

New Remuneration Policy to be submitted to the Board in 2026

In view of the approaching end of the validity period of the current Directors' Remuneration Policy, the Committee is working on a proposal for a new Policy to be applied until 2029, which will be presented to the Board of Directors for submission to the Shareholders in their General Meeting to be held in June. Said proposal is expected to:

- Deepen the connection between performance and remuneration, with defined, measurable financial and non-financial parameters in line with the Company's long-term strategy and sustainability.
- Incorporate governance safeguards into the variable remuneration of executive directors (including *malus* and *clawback* clauses, and the possibility of partial or full settlement in shares with share retention periods) to maintain alignment with shareholder interests.
- Define the items comprising both the remuneration of directors in their capacity as such, and that of executive directors, in terms similar to the current Policy in force, as well as the maximum limits thereof, in accordance with market standards, best practices and the recommendations of the *Proxy Advisors*.

It is envisaged that the proposed new Policy will also include the key features of a new Long Term Incentive Plan (LTIP), aligned with the next strategic cycle, 2027–2030, to be approved in 2027 for a period of four years.

This new LTIP will contain both financial and non-financial, relevant and verifiable metrics, with an appropriate weighting and in line with best practices, and may incorporate, subject to the approval of the Shareholders in their General Meeting, parameters linked to the value of the shares, as well as the payment, at least partial, of the variable remuneration accrued, through the delivery of shares or instruments referenced to their value.

Commitment, transparency and next steps

CAF approaches 2026 with the challenge and commitment focused on meeting the objectives set out in the current Strategic Plan, which reaches the end of its term this year, with a firm determination to continue growing profitably, and to create economic and social value in the medium and long term.

In this context, CAF will continue to promote a simple, predictable and verifiable remuneration framework that rewards sustainable performance, in line with market expectations and best governance practices.

I would like to conclude by expressing my sincere thanks to our shareholders for their continued support and cooperation throughout the year. Our commitment is to continue fostering an open and constructive relationship and to work to effectively address their concerns and expectations.

Sincerely,



Julián Gracia Palacín

Chairman of the Appointments and Remuneration Committee