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CONSTRUCCIONES Y AUXILIAR DE FERROCARRILES, S.A.

NOTICE OF SIGNIFICANT EVENT

Pursuant to the provisions of article 17 of Regulation (EU) No 596/2014, of 16 April 2014, on Market Abuse, and article 228 of the consolidated text of the Securities Market Act, approved by Legislative Royal Decree 4/2015, of October 23, and supplementary regulations, the company Construcciones y Auxiliar de Ferrocarriles, S.A., (“CAF” or “**the Company**”), hereby reports the following Notice of Significant Event:

The Company's Board of Directors, at the session held today, has adopted the following agreements regarding the composition of its Committees:

Nomination and Remuneration Committee:

Appointment of Ms. Ane Agirre Romarate as new member of the Nomination and Remuneration Committee, replacing Ms. Carmen Allo Pérez. Accordingly, the composition of this Committee is as follows:

Chairman: Mr. Juan José Arrieta Sudupe (Independent)
Members: Mr. Luis Miguel Arconada Echarri (Other External)
Ms. Ane Agirre Romarate (Independent)

Audit Committee:

Appointment of Ms. Carmen Allo Pérez as new member of the Audit Committee, replacing Mr. Alejandro Legarda Zaragüeta. Accordingly, the composition of this Committee is as follows:

Chairman: Mr. Javier Martínez Ojinaga (Independent)
Members: Mr. Juan José Arrieta Sudupe (Independent)
Ms. Carmen Allo Pérez (Independent)

In Beasain, February 27, 2018.