

**PROPOSAL AND SUPPORTING REPORT ISSUED BY THE APPOINTMENTS AND REMUNERATION COMMITTEE IN RELATION TO THE REDUCTION OF THE NUMBER OF MEMBERS OF THE BOARD OF DIRECTORS AND ITS SETTING AT EIGHT MEMBERS.**

This proposal and supporting report is issued by the Appointments and Remuneration Committee of TALGO, S.A. (“**Talgo**” or the “**Company**”) in accordance with the provisions of:

**A)** Article 242.1 of the Spanish Companies Act:

*“1. The Board of Directors shall be composed of a minimum of three members. The bylaws shall set the number of members of the board of directors or, alternatively, the maximum and minimum number, in which case it shall be for the General Meeting of shareholders to determine the specific number of its members.”*

**B)** Article 529 quindecies, section 3, letters (c) and (d) of the Spanish Companies Act, which provides, in relation to changes in the composition of the Board of Directors:

*“3. Without prejudice to any other duties assigned to it by law, the bylaws or, in accordance therewith, the regulations of the board of directors, the appointments and remuneration committee shall, as a minimum, have the following:*

*(c) To submit to the board of directors proposals for the appointment of independent directors for their appointment by co-optation or for their submission to the decision of the general meeting of shareholders, as well as proposals for the re-election or removal of such directors by the general meeting of shareholders.*

*(d) To report on proposals for the appointment of the remaining directors for their appointment by co-option or for their submission to the decision of the general meeting of shareholders, as well as proposals for their re-election or removal by the general meeting of shareholders.”*

**C)** Article 24 of the Company’s Bylaws, which provides:

*“The Company shall be managed and governed by a Board of Directors composed of a minimum of five (5) and a maximum of fifteen (15) members, who shall be appointed or ratified by the General Shareholders’ Meeting in accordance with the Law. The determination of the exact number of members of the Board of Directors within the aforementioned minimum and maximum shall correspond to the General Shareholders’ Meeting. (...)”.*

**D)** Likewise, Article 7 of the Regulations of the Board of Directors of the Company provides:

*“The Board of Directors shall be composed of a minimum of five (5) and a maximum of fifteen (15) members, who shall be appointed or ratified by the General Shareholders’ Meeting in accordance with the law and the requirements set forth in the Bylaws and in these Regulations.”*

On the basis of the provisions set out above and taking as reference the report issued in July 2021 by the consulting firm KPMG, in which—having regard to the recommendations of the CNMV set out in the Good Governance Code of Listed Companies—the size of Talgo’s Board of Directors was analysed, among other aspects, in comparison with other companies of a similar nature and with companies forming part of the IBEX 35 with a market capitalization similar to that of Talgo, this Appointments and Remuneration Committee issued a proposal and supporting report on the advisability of reducing the size of Talgo’s Board of Directors and setting it at ten (10) members. The Board of Directors submitted this reduction for approval to the General Shareholders’ Meeting held on 29 March 2022, which approved it.

The Committee has considered it appropriate to review again the size of Talgo’s Board of Directors in light of the experience gained since 2022, of Talgo’s corporate context and of the evolution of its shareholding structure, on the understanding that a slightly lower number of directors will help to improve the effectiveness of the governing body, without affecting or diminishing the plurality of perspectives and the appropriate representation of the different stakeholders.

Thus, at present, this Committee considers that the recent evolution of the Company and the current structure of its share capital make it advisable to adjust again the size of Talgo’s Board of Directors, setting it at eight (8) members.

This size of the governing body will allow the Company to maintain the diversity of skills and experience required for the effective performance of the Board of Directors, while strengthening its decision-making agility and optimising its functioning, in line with the CNMV recommendations and with usual practice at comparable listed companies.

The reduction is carried out while preserving the balance between independent, proprietary and executive directors, and will be implemented by making use of existing vacancies or those arising from the expiry of terms of office, without impairing the stability of the body or the continuity of management.

In short, this Committee considers that a number of eight (8) members represents an appropriate and efficient size, aligned with best corporate governance practices, reinforcing the Board of Directors of Talgo’s ability to supervise and to adopt collective decisions.

Since there are currently four (4) vacancies on the Board of Directors, no director needs to be removed in order for the above proposal to become effective.

Madrid, 6 November 2025