

REPORT AND PROPOSAL OF THE APPOINTMENTS AND REMUNERATION COMMITTEE IN RELATION TO THE RE-ELECTION OF MRS. MARISA PONCELA GARCÍA AS A DIRECTOR OF TALGO, S.A. WITH THE CATEGORY OF EXTERNAL INDEPENDENT DIRECTOR.

This report is prepared by the Appointments and Remuneration Committee of TALGO, S.A. (“**Talgo**” or the “**Company**”) in accordance with the provisions of article 529 decies of the Capital Companies Act in relation to the proposed re-election as director of Ms. Marisa Poncela García.

Pursuant to the provisions of Article 10.2 of the Regulations of the Board of Directors of the Company:

“The proposed appointments and re-elections of Directors that the Board of Directors presents for consideration by the General Shareholders’ Meeting and the appointment decisions of the Board of Directors, in its legally assigned powers of co-option, must be preceded by:

- (i) the corresponding proposal by the Appointment and Remuneration Committee in the case of Independent Directors, which must be accompanied by an explanatory statement evaluating the competence, experience and merits of the proposed candidate; or*
- (ii) the report of the Appointment and Remuneration Committee in the case of the remaining Directors, which must assign the new Director to one of the categories defined in these Regulations.”*

In addition, Article 26 of the same Regulations, when listing the competences of the Appointments and Remuneration Committee, establishes in section (ii) letter (c):

“To submit to the Board of Directors proposals for the appointment of Independent Directors for appointment by co-optation or for submission to the decision of the General Shareholders’ Meeting, as well as proposals for the re-election or removal of such Directors by the General Shareholders’ Meeting.”

And in letter (p) of the same section (ii):

“On the occasion of the appointment, ratification or re-election of Directors, it shall prepare a report describing the result of the prior analysis of the needs of the board of directors, which shall be published when convening the general meeting of shareholders to which the ratification, appointment or re-election of each director is submitted.”

Pursuant to the provisions of the Law and the Corporate Governance System, the proposal for the re-election as director of Ms. Marisa Poncela García, who must be assigned to the category of independent director, is submitted to the General Shareholders’ Meeting at the proposal of the Appointments Committee.

This framework report assesses the competence, experience and merits of the proposed candidate for the position of director under the terms of article 529 decies of the Capital Companies Act.

The Appointments and Remuneration Committee considers it advisable for the Board of Directors to have members with proven experience in the financial sector, in the field of technological innovation, in matters related to international marketing and the development of new markets abroad and in business management. In this sense, this Committee reports favorably on the profile of Ms. Poncela García and values very positively her skills and experience, which are in line with the needs of the Company that have been previously analyzed, as well as her knowledge of the railway sector.

In preparing this proposal for re-election, the Committee has taken into account the suitability of the candidate's professional profile to the particularities of the business carried out by the Company and the sector in which it operates, its international nature and, especially, her level of performance to date. In this regard, the Committee considers that all of its members adequately combine sufficient skills and competencies in the following areas: a) knowledge of the sector in which the Company operates; b) experience and knowledge in economic-financial and industrial aspects, in human team management and in regulatory and normative frameworks; c) international experience and knowledge of the most relevant geographic markets for the Company and d) experience and knowledge in management, leadership and business strategy.

The curriculum vitae and track record of Ms. Poncela García, whose re-election will be submitted to the next Board of Directors, accredits her competence as a director, her merits to hold the position of director, her extensive experience in markets relevant to the Company and its group and her in-depth knowledge in various industrial, financial and business fields, which guarantees the contribution of plural points of view to the discussion of matters in the Board of Directors. As a whole, the proposal for the re-election of directors submitted to the Board of Directors contributes to maintaining a high percentage of independent directors and consolidates the high level of quality in its composition.

Finally, the Appointments Committee has verified that Ms. Marisa Poncela García meets the requirements of honorability, suitability, solvency, competence, experience, qualifications, training, availability and commitment to the functions of the position, and that she is not involved, directly or indirectly, in any of the causes of incompatibility, prohibition, conflict or opposition of interests with the corporate interest.