

REPORT AND PROPOSAL OF THE APPOINTMENTS AND REMUNERATION COMMITTEE IN RELATION TO THE RATIFICATION AND RE-ELECTION OF MARÍA JOSÉ ZUECO PEÑA AS DIRECTOR OF TALGO, S.A. WITH THE CATEGORY OF EXTERNAL INDEPENDENT DIRECTOR.

This report is issued 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 Spanish Companies Act in relation to the proposed ratification and re-election as director of Ms. María José Zueco Peña.

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.”*

And in point 5 of the same article 10:

“The appointment by co-option of directors shall respect the rules for the appointment of directors established by law, in the Articles of Association and in these Regulations of the Board of Directors. If a vacancy arises after the General Meeting has been called and before it is held, the Board of Directors may appoint a director until the next General Meeting is held”

Likewise, article 26 of the same Regulations, when listing the powers of the Appointments and Remuneration Committee, establishes in section (ii) letter (c):

“Propose appointments of Independent Directors to the Board of Directors for appointment by co-option or for the decision of the General Shareholders' Meeting, and propose re-elections or removals of Independent Directors to the General Shareholders' Meeting.”

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

“On the appointment, ratification or re-election of Directors, draw up a report describing the result of the previous analysis of the needs of the Board of Directors, which will be published with the call for the General Shareholders' Meeting that will decide on the ratification, appointment or re-election of each director.”

Pursuant to the provisions of the Law and the Corporate Governance System, the proposal for ratification and re-election as director of Ms María José Zueco Peña, who must be assigned to the category of independent director, is submitted to the shareholders at the General Shareholders' Meeting upon a 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 legal sector and, particularly, in the commercial, contractual and corporate fields in order to reinforce the guarantees of compliance with the rules on Corporate Governance in connection with the development of the industrial activity in the railway sector and business management. In this sense, this Committee reports favourably on the profile of Ms. Zueco Peña and values very positively her deep knowledge of the company, her skills and experience, because they fit the needs of the Company that have been previously analysed, as well as her knowledge of the railway sector.

In drawing up this appointment proposal, 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 legal, economic-financial and industrial aspects, in contractual negotiation processes, management of human teams and in regulatory 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.

Ms. Zueco Peña's curriculum vitae and track record 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 legal 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 appointment of director submitted to the General Shareholders' Meeting 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. María José Zueco Peña meets the requirements of honorability, suitability, solvency, competence, experience, qualifications, education, 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.