

PROPOSAL AND JUSTIFICATION REPORT ISSUED BY THE REMUNERATION AND APPOINTMENTS COMMITTEE IN RELATION TO THE REDUCTION OF THE NUMBER OF MEMBERS OF THE BOARD OF DIRECTORS, ITS ESTABLISHMENT AT TEN MEMBERS AND, CONSEQUENTLY, THE REMOVAL OF SOME OF THE DIRECTORS.

This proposal and justifying report is formulated by the Appointments and Remuneration Committee of TALGO, S.A. (“**Talgo**” or the “**Company**”) in accordance with the provisions of article 529 quidecies section 3 letters c) and d) of the Spanish Corporation Law in relation to the modification of the composition of the Board of Directors:

“3. Without prejudice to the other functions attributed to it by law, the Bylaws or, in accordance therewith, the Regulations of the Board of Directors, the Appointments and Remuneration Committee shall have, as a minimum, the following functions:

c) Submit to the board of directors proposals for the appointment of independent directors for their designation by co-option or for 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) Report on proposals for the appointment of the remaining directors for their designation by co-option or for 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.”

Article 24 of the Company's Bylaws states:

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

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

“The Board of Directors shall consist of a minimum of ten (10) and a maximum of fifteen (15) members, who shall be appointed or ratified by the General Meeting of Shareholders subject to the law and the requirements set forth in the Bylaws and these Regulations.”

Article 14.2 of the Regulations states that:

“The Board of Directors shall not propose the removal of any Independent Director before the expiry of the term of his or her appointment, unless there is just cause as determined by the Board of Directors, following a report from the Remuneration and Appointments Committee.”

On the basis of the aforementioned regulations and taking as a reference the report issued in July 2021 by the consultancy firm KPMG, which analysed, in the light of the CNMV's recommendations set out in the Good Governance Code for Listed Companies, among other aspects, the size of Talgo's Board of Directors in comparison with other companies with similar characteristics and with companies that belong to the IBEX 35 and have a market capitalisation similar to Talgo:

On the basis of the aforementioned regulations and taking as a reference the report issued in July 2021 by the consultancy firm KPMG, which analysed, in the light of the CNMV's recommendations set out in the Good Governance Code for Listed Companies, among other aspects, the size of Talgo's Board of Directors in comparison with other companies with similar characteristics and with companies that belong to the IBEX 35 and have a market capitalisation similar to Talgo:

The Remuneration and Appointments Committee considers it appropriate and, therefore, proposes to the Board of Directors so that it, in turn, submits to the next General Shareholders' Meeting to be held: the reduction of the size of Talgo's Board of Directors and setting it at ten (10) members, a number that is within the minimum and maximum limits of Board members established both in the Bylaws and in the Regulations of the Board of Directors of the Company, so that the amendment of any of said rules would not be necessary.

Likewise, and in order to enable the above proposal to become effective and to maintain an appropriate composition of the board of directors, in accordance with the recommendations of the CNMV established in the Code of Good Governance of Listed Companies, it proposes to the Board of Directors that it, in turn, submit to the next General Shareholders' Meeting to be held: the removal of the following directors:

- (i) Mr. Ramón Hermosilla Gimeno: director with the category of "other external".
- (ii) Mr. Ignacio Mataix Entero, director with the category of "external independent".
- (iii) Mr. Albertus Meerstadt, director with the category of "external independent".
- (iv) Mr. Segundo Vallejo Abad, director with the category of "other external".
- (v) Mr. Juan José Nárdiz Amurrio, director with the category of "external independent".

This Committee wishes to acknowledge the work carried out by these members during their time in office and to thank all of them for their good work, hard work and dedication.