

ITEM ONE OF THE AGENDA

Approval of the individual and consolidated annual accounts of the Company corresponding to the financial year 2018.

To approve the individual annual accounts of TALGO, S.A. (balance sheet, profit and loss account, statement of changes in equity, cash flow statement and accompanying notes) and the consolidated annual accounts of the Company (consolidated statements of financial position, consolidated profit and loss statement, consolidated statements of overall profit and loss, consolidated statements of changes in equity, consolidated cash flow statement and consolidated accompanying notes) for the financial year ended 31 December 2018, which were formulated by the Board of Directors at its meeting held on 28 February 2019.

ITEM TWO OF THE AGENDA

Approval of the individual management reports of the company and of the management reports of the company consolidated with its subsidiaries for financial year 2018.

To approve the individual management report of TALGO, S.A. and the management report of TALGO, S.A. consolidated with its subsidiaries for the financial year ended 31 December 2018, which were formulated by the Board of Directors at its meeting held on 28 February 2019.

ITEM THREE OF THE AGENDA

Approval of the statement of non-financial information corresponding to financial year 2018.

To approve the statement of non-financial information of the consolidated group of Talgo, S.A., for the financial year 2018, in accordance with the provisions of Law 11/2018, of December 28, 2018 amending the Commercial Code, the revised Capital Companies Law approved by Legislative Royal Decree 1/2010, of July 2, 2010 and Audit Law 22/2015, of July 20, 2015, as regards non-financial information and diversity

The statement on the non-financial information of the consolidated group of Talgo, S.A., whose approval is proposed in this act, corresponds to the information contained in the management report of the consolidated group of Talgo, S.A., corresponding to the financial year ended 31 December 2018, formulated by the Board of Directors at its meeting held on 28 February, 2019.

The state of non-financial information contained in the aforementioned report has been subject to verification by Deloitte, S.L. and is available on the company's corporate website, in the section corresponding to the General Shareholders' Meeting.

ITEM FOUR OF THE AGENDA

Approval of the management and activities of the Board of Directors during financial year 2018.

To approve the management of the Company and the activities of the Board of Directors of TALGO, S.A. during the financial year ended 31 December 2018.

ITEM FIVE OF THE AGENDA

Approval of the proposed application of results for financial year 2018.

To approve the proposed application of the results formulated by the Board of Directors at its meeting held on 28 February, 2019 which is described below:

To apply the benefits obtained in the year ended 31 December 2018 in the parent Company Talgo. S.A. for the amount of 13,614 thousands of euros as follows:

- 1,372 thousands of euros to results of previous financial years
- 12,242 thousands of euros to reserves.

ITEM SIX OF THE AGENDA

Consultative vote regarding the annual directors' remuneration Report corresponding to financial year 2018.

To approve, on a consultative basis, the annual director remuneration Report corresponding to financial year 2018, whose full text was made available to the shareholders together with the rest of the documentation related to the General Shareholders' Meeting from the date of publication of its call.

ITEM SEVEN OF THE AGENDA

Approval of the remuneration policy of the Directors in accordance with the provisions of article 529 novodecies of the Corporate Enterprises Act (Ley de Sociedades de Capital).

To approve, in accordance with the provisions of article 529 novodecies of the Corporate Enterprises Act (Ley de Sociedades de Capital), the remuneration policy of the Directors of Talgo, S.A. for the financial years 2019, 2020 and 2021, according to the proposal of the Board of Directors, accompanied by the report of the Remuneration and Appointment Committee.

ITEM EIGHT OF THE AGENDA

Approval, if appropriate, the director's retribution for the members to the Board of Directors for the financial year 2019.

To approve the maintenance for the financial year 2019 of the same criteria for the determination of the remuneration of the members' to the Board of Directors and the amount of the same.

ITEM NINE OF THE AGENDA

Share capital reduction for a maximum nominal amount of 3,905,007.25 euros through the redemption of a maximum of 12,973,446 own shares, each with a nominal value of 0.301 euros, representing a maximum of 9.50% of the Company's current share capital. Delegation of powers to the Board of Directors, with express power of substitution, to set the other related reduction terms in those cases that are not provided by the General Shareholders' Meeting, including, among others, the power to redraft article 5 of the Company's Bylaws

relating to the share capital and to request the delisting and cancellation of the accounting records of the shares that are redeemed.

The General Shareholders' Meeting of Talgo, S.A. (the "**Company**") resolves to reduce the share capital through the redemption of own shares, in accordance with the terms and conditions set forth below.

For the purposes of this resolution, all words beginning with a capital letter that are not expressly defined herein shall have the same meaning as that assigned to them in the Board of Directors' report giving rise to this resolution.

1. Share capital reduction

It is resolved to reduce the Company's share capital by a maximum nominal amount of 3,905,007.25 euros, through the redemption of a maximum of 12,973,446 shares, each with a nominal value of 0.301 euros, representing a maximum of 9.50% of the share capital taking into account the number of shares currently outstanding.

To this effect, the Board of Directors of the Company, under the authorisation for the derivative acquisition of own shares granted by the Company's Ordinary General Shareholders' Meeting held on 10 May 2018 under item seven of its agenda, approved on 15 November 2018 the establishment of a share buy-back programme for a maximum pecuniary amount of 100,000,000 euros (the "**Buy-back Programme**"). This Buy-back Programme was agreed in accordance with article 5 of the *Regulation (EU) no. 596/2014 of the European Parliament and of the Council dated 16 April 2014 on market abuse (Market Abuse Regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council, and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC* (the "**Market Abuse Regulation**") and the *Commission Delegated Regulation (EU) 2016/1052 dated 8 March 2016 supplementing Regulation (EU) no. 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the conditions applicable to buy-back programmes and stabilisation measures* (the "**Commission Delegated Regulation**"), and it was communicated to the market through the corresponding regulatory announcement (no. 271608).

Pursuant to article 340.3 of *texto refundido de la Ley de Sociedades de Capital, aprobado por el Real Decreto Legislativo 1/2010, de 2 de julio* (the "**Spanish Companies Act**"), if the Company does not acquire the maximum number of 12,973,446 shares within the period provided for in section 5 below, it shall be understood that the share capital is reduced by the nominal amount corresponding to the number of shares effectively acquired during the aforementioned period. In this regard, the definitive amount of the share capital reduction shall be determined by the Board of Directors, with express powers of substitution in the Chairman of the Board of Directors and in the Chief Executive Officer of the Company, on the basis of the definitive number of shares acquired within the maximum number of shares referred to above.

2. Purpose of the share capital reduction

The purpose of the share capital reduction is to redeem own shares, so as to assist in the shareholder's remuneration policy by increasing the earnings per share.

3. Procedure for the acquisition of the shares

The acquisition of the shares to be redeemed has been carried out and will be carried out under: (i) articles 146 and 509 of the Spanish Companies Act; (ii) articles 338 to 342 of the same Act, to

the extent that they are applicable; (iii) article 12.2 of *Real Decreto 1066/2007, de 27 de julio, sobre el régimen de las ofertas públicas de adquisición de valores* and article 5 of the Market Abuse Regulation, in accordance with which it is not necessary to launch a takeover bid for the Company's shares acquired in execution of the Buy-back Programme; and (iv) articles 2, 3 and 4 of the Commission Delegated Regulation.

The acquisition of shares under the Buy-back Programme is carried out in accordance with the terms and conditions set forth in the authorisation for the derivative acquisition of own shares granted by the Company's Ordinary General Shareholders' Meeting held on 10 May 2018 under item seven of its agenda and subject to the price and volume conditions established in article 3 of the Commission Delegated Regulation. In this regard, in the acquisition of shares under the Buy-back Programme, the Company: (i) shall not purchase any share at a price higher than the higher of: (a) the price of the last independent trade, or (b) the highest current independent purchase bid on the trading venue where the purchase is carried out; and (ii) it will not buy on any trading date more than 25% of the average daily volume of the Company's shares on the trading venue on which the purchase is carried out.

4. Procedure for the share capital reduction and reserves against which it is carried out

The share capital reduction shall not entail a refund of contributions to shareholders given that, at the time of execution of the reduction, the Company will be the owner of the shares to be redeemed.

On the other hand, the share capital reduction shall be charged against freely available reserves. A reserve will be provisioned for an amount equal to the nominal value of the redeemed shares, which shall only be available pursuant to the same requirements demanded for the share capital reduction. Consequently, in accordance with the terms of article 335 c) of the Spanish Companies Act, there will be no right of opposition for the creditors included in article 334 of the Spanish Companies Act.

5. Execution period of the share capital reduction

In accordance with the provisions of article 342 of the Spanish Companies Act, the own shares acquired by the Company must be redeemed no later than the month following the termination of the Buy-back Programme (19 May 2020). Therefore, the share capital reduction will be executed, at the latest, within the month following the date of termination of the Buy-back Programme.

However, in accordance with the Buy-back Programme, it may be early terminated if the Company had acquired shares under such programme for a price that reached the maximum pecuniary amount or the maximum number of shares, or if there was another circumstance that renders it appropriate. In the event of early termination, the share capital reduction will be carried out within the month following the Buy-back Programme's early termination date.

Therefore, the Board of Directors, with express powers of substitution in the Chairman of the Board of Directors and in the Chief Executive Officer of the Company, will execute the share capital reduction when the first of the following circumstances occurs: (i) the Company becomes the holder of 12,973,446 shares, representing 9.50% of the share capital with voting rights of the Company; or (ii) the termination (ordinary or early) of the Buy-back Programme.

6. Delegation of powers

It is resolved to delegate to the Board of Directors, with express powers of substitution in the Chairman of the Board of Directors and in the Chief Executive Officer of the Company, so that any of them, indistinctly by means of their sole signature, may carry out all the necessary or advisable actions for the execution of this agreement and, in particular, with an indicative and not limitative character, to:

- (i) Extend and develop this agreement, establishing the terms and conditions of the share capital reduction in all circumstances not provided for, in particular, but not exclusively, establishing the date on which the share capital reduction must take effect.
- (ii) Declare the share capital reduction executed setting, for these purposes, the definitive number of shares to be redeemed and, therefore, the amount by which the Company's share capital must be reduced in accordance with the rules set forth in this agreement.
- (iii) Redraft the article of the Company's Bylaws relating to the share capital in order to adapt it to the new share capital figure.
- (iv) Acquire own shares through a sale and purchase, swap or any other form of transaction for valuable consideration, according to the circumstances.
- (v) Undertake as many actions, declarations or activities which may be necessary in relation to the provision of public information about the share capital reduction and the Buy-back Programme and any actions that, where appropriate, need to be carried out with the Spanish National Securities and Exchange Commission, Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. Unipersonal (Iberclear) and the Spanish Stock Exchanges on which the Company's shares are admitted for trading, as well as with the regulators and companies that govern the market in which the share acquisition transactions take place.
- (vi) Negotiate, agree and enter into such contracts, agreements, commitments or instructions as may be necessary or advisable for the successful completion of the share capital reduction and Buy-back Programme.
- (vii) Carry out the necessary or advisable procedures and actions, and to present the documents which may be necessary before the competent bodies, so that, once the redemption of the Company's shares has taken place and the public deed of share capital reduction has been granted, and its registration in the Commercial Registry, the redeemed shares shall be excluded from trading on the stock exchanges of Madrid, Barcelona, Bilbao and Valencia, and the corresponding accounting records shall be cancelled.
- (viii) Not to execute this agreement if, in its opinion, general market conditions or other circumstances that may negatively affect the Company make the execution inadvisable or prevent its execution.
- (ix) Undertake as many actions as necessary or advisable to execute and formalise the share capital reduction before any public or private, Spanish or foreign entity or authority, including those relating to the declaration, complement or correction of defects or omissions that may impede or hinder the full effectiveness of the preceding agreements.

ITEM TEN OF THE AGENDA

Approval of the Long Term Incentive Plan.

1. Long Term Incentive Plan

To approve the Long Term Incentive Plan implemented by the consultancy firm MERCER for the Executive Directors and Executives of the Group, based on the compliance of certain strategic objectives and a specific level of shares revaluation, which will be settled in shares or in cash at the time of compliance with the term set forth in the Long Term Incentive Plan, this is, a term of three (3) years (from 1 January, 2019 to 31 December 2021) with the option of the Company to implement additional overlapped cycles in accordance with the terms and conditions of the Plan, through the delivery of a maximum of 3.1 million euro in each cycle. Furthermore, the Plan contemplates an obligation of reinvestment or a certain percentage of the net Incentive in Company shares or a holding period for a package of shares given as incentive.

2. Delegation of Faculties

To jointly and severally authorise the Board of Directors to put into practice the Long Term Incentive Plan, being able to define and interpret, on matters it deems necessary or appropriate, the rules thereof and the content of the contracts and other documents to be used and, in particular and, for illustration purposes only, the Board of Directors shall have the following powers to:

- (a) Develop and establish the specific conditions of the Long Term Incentive Plan for all aspects not envisaged in the current agreement.
- (b) Approve the content of the contracts and any documentation it deems necessary or appropriate.
- (c) Approve as many releases of announcements and submission of additional documentation deemed necessary or appropriate to any public or private body, including, if required, any respective prospectus.
- (d) Engage in any action, declaration or arrangement with any public or private body.
- (e) Negotiate, agree and sign counter party and liquidity contracts with the financial institutions it freely designates under the terms and conditions it deems suitable. Contract the services of, as the case may be, a financial institution Agent.
- (f) To draft or approve the announcements deemed necessary.
- (g) Interpret the foregoing agreements, being able to adapt them, without affecting their base content, to any new circumstances that may arise.
- (h) In general, to act and endorse as many documents as deemed necessary or appropriate.

The Board of Directors may delegate the foregoing faculties in the Chairman, the CEO, and the CFO, so that any of them, to the fullest extent required, may carry out all the necessary or appropriate actions to execute the present agreement.

ITEM ELEVEN OF THE AGENDA

Re-election of Mr. Carlos María de Palacio y Oriol as director, with the status of Executive director.

To re-elect Mr. Carlos María de Palacio y Oriol as director, after a favourable report of the Remuneration and Appointment Committee, for the by-law mandated four-year term, with the status of Executive director.

Mr. Carlos María de Palacio y Oriol shall accept his appointment by any means valid at law.

ITEM TWELVE OF THE AGENDA

Re-election of Mr. José María Oriol Fabra as director, with the status of Executive director.

To re-elect Mr. José María Oriol Fabra as director, after a favourable report of the Remuneration and Appointment Committee, for the by-law mandated four-year term, with the status of Executive director.

Mr. José María Oriol Fabra shall accept his appointment by any means valid at law.

ITEM THIRTEEN OF THE AGENDA

Re-election of Mr. Francisco Javier Bañón Treviño as director, with the status of external dominical director.

To re-elect Mr. Francisco Javier Bañón Treviño as director, after a favourable report of the Remuneration and Appointment Committee, for the by-law mandated four-year term, with the status of external dominical director.

Mr. Francisco Javier Bañón Treviño shall accept his appointment by any means valid at law.

ITEM FOURTEEN OF THE AGENDA

Re-election of Mr. Emilio Novela Berlín as director, with the status of independent external director.

To re-elect Mr. Emilio Novela Berlín as director, after a favourable report of the Remuneration and Appointment Committee, for the by-law mandated four-year term, with the status of independent external director.

Mr. Emilio Novela Berlín shall accept his appointment by any means valid at law.

ITEM FIFTEEN OF THE AGENDA

Re-election of Mr. John Charles Pope as director, with the status of independent external director.

To re-elect Mr. John Charles Pope as director, after a favourable report of the Remuneration and Appointment Committee, for the by-law mandated four-year term, with the status of independent external director.

Mr. John Charles Pope shall accept his appointment by any means valid at law.

ITEM SIXTEEN OF THE AGENDA

Re-election of Mr. Ramón Herмосilla Gimeno as director, with the status of other external directors.

To re-elect Mr. Ramón Herмосilla Gimeno as director, after a favourable report of the Remuneration and Appointment Committee, for the by-law mandated four-year term, with the status of other external directors.

Mr. Ramón Herмосilla Gimeno shall accept his appointment by any means valid at law.

ITEM SEVENTEEN OF THE AGENDA

To re-elect Nueva Compañía de Inversiones, S.A. as director, with the status of external dominical director.

To re-elect Nueva Compañía de Inversiones, S.A. as director, after a favourable report of the Remuneration and Appointment Committee, for the by-law mandated four-year term, with the status of external dominical director.

Nueva Compañía de Inversiones, S.A. shall accept its appointment by any means valid at law.

Likewise, it is noted that in accordance with the provisions of article 143.2 of the Mercantile Registry Regulations, the natural person representative of Nueva Compañía de Inversiones, S.A., Mr. Miguel Abelló Gamazo, whose personal data are in the Mercantil Registry, shall continue in the exercise of this functions as director being performed up until now.

ITEM EIGHTEEN OF THE AGENDA

To re-elect Mr. Albertus Meerstadt as director, with the status of independent external director.

To re-elect Mr. Albertus Meerstadt as director, after a favourable report of the Remuneration and Appointment Committee, for the by-law mandated four-year term, with the status of independent external director.

Mr. Albertus Meerstadt shall accept his appointment by any means valid at law.

ITEM NINETEEN OF THE AGENDA

To re-elect Pegaso Transportation International, S.C.A. as director, with the status of external dominical director.

To re-elect Pegaso Transportation International, S.C.A as director, after a favourable report of the Remuneration and Appointment Committee, for the by-law mandated four-year term, with the status of external dominical director.

Pegaso Transportation International, S.C.A shall accept its appointment by any means valid at law.

Likewise, it is noted that in accordance with the provisions of article 143.2 of the Mercantile Registry Regulations, the natural person representative of Pegaso Transportation International, S.C.A, Mr. Javier Olascoaga, whose personal data are in the Mercantil Registry, shall continue in the exercise of this functions as director being performed up until now.

ITEM TWENTY OF THE AGENDA

Ratification of the appointment by co-option and re-election of Mr. Antonio Oporto del Olmo as external independent director of the Company.

To ratify the resolution appointing Mr. Antonio Oporto del Olmo as independent director and re-elect the mentioned Mr. Antonio Oporto del Olmo as director, after a favourable report from the Remuneration and Appointment Committee, for the by-law mandated four-year term, with the status of external independent director.

Mr. Antonio Oporto del Olmos shall accept his appointment by any means valid at law.

ITEM TWENTY-ONE OF THE AGENDA

Re-election of Deloitte as Auditor of the company and its consolidated group for a term of one (1) year, this is, for the financial year 2019.

To re-elect Deloitte, S.L. as auditor of TALGO, S.A. and of its consolidated group to carry out the audit for financial year 2019 authorising the Board of Directors, with express power of substitution, to enter into the respective services agreement, on the terms and conditions it deems appropriate, with authority to make such amendments therein as may be required in accordance with the law applicable at any time.

This resolution is adopted at the proposal of the Board of Directors and upon a prior proposal, in turn, of the Audit Committee.

Deloitte, S.L. has its registered office in Madrid, at Plaza Pablo Ruiz Picasso, 1, Edificio Torre Picasso, 28020, Tax Identification Number B-79104469. It is registered with the Madrid Commercial Registry at Folio 188, volume 6350, page M- 544414 and with the Official Auditors' Registry (Registro Oficial de Auditores de Cuentas) (ROAC) under number S 0692.

ITEM TWENTY-TWO OF THE AGENDA

Delegation of powers to formalise and implement all resolutions adopted by the shareholders at the General Shareholders' Meeting, for conversion into a public instrument, and for the interpretation, correction, supplementation, further development and registration.

To jointly and severally authorise the Board of Directors, the chairman or the CEO, and the secretary to the Board of Directors, such that any of them, to the fullest extent required, may implement the resolutions adopted by the shareholders acting at this General Shareholders' Meeting, for which purpose they may:

- (i) Further develop, clarify, make more specific, interpret, complete and correct them.
- (j) Carry out such acts or legal transactions as may be necessary or appropriate for the implementation of the resolutions, execute such public or private documents as they deem necessary or appropriate for the full effectiveness thereof, and correct all omissions, defects, or errors, whether substantive or otherwise, that might prevent the recording thereof with the Commercial Registry.
- (k) Determine all other circumstances that may be required, adopt and implement the necessary resolutions, publish the notices, and provide the guarantees that may be required for the purposes established by law, formalise the required documents, and carry out all necessary proceedings and comply with all requirements under the law for the full effectiveness of the resolutions adopted by the shareholders at this General Shareholders' Meeting.