

## ITEM ONE ON THE AGENDA: PROPOSED RESOLUTION

- 1.- To approve the Financial Statements - Balance Sheet, Profit and Loss Account and Annual Report - as well as the Management Report (including the Remuneration Policy Report) of the Board of Directors of Banco de Sabadell, S.A. and its consolidated group, all corresponding to the financial year ended 31 December 2007, as well as the management activities conducted by the Directors of Banco de Sabadell, S.A. during the financial year started 1 January 2007 and ended 31 December 2007 and the proposal for application of results of said financial year which consists in distribution of profit as follows:

To voluntary reserves	Euros 261,405,814.70
To distribution of dividend	Euros 342,723,830.40
Interim dividend paid	Euros 0.13 per share
Final dividend to be paid as from 02.04.08	Euros 0.15 per share

## JUSTIFICATION

The Financial Statements and constituent documents thereof in accordance with the provisions of the Commercial Code, the Companies Act and all other applicable legal provisions, were prepared by the Board of Directors at a meeting held on 24 January, based on the proposal submitted by the Executive Committee of the Bank which was, in turn, based on the individual and consolidated profit and loss accounts and balance sheets corresponding to financial year 2007, presented and audited by the Bank's Audit and Control Committee.

The Management Report was approved at the same meeting of the Board of Directors and includes the Board Remuneration Policy Report, approved by virtue of a resolution of the Board of Directors adopted at a meeting held on 21 February.

## **ITEM TWO ON THE AGENDA: PROPOSED RESOLUTIONS**

- 2.1 At the proposal of the Nomination and Remuneration Committee, to ratify the appointment made by co-option by the Board of Directors of Mr Jaime Guardiola Romojaro, with Fiscal ID Num. 37.688.964-Z, as Executive Director and, in accordance with the provisions of Article 51 of the corporate bylaws, to approve his appointment to the Board of Directors, for a period of five years as from the date hereof.
- 2.2 At the proposal of the Nomination and Remuneration Committee, in accordance with the provisions of Article 51 of the corporate bylaws and ahead of the upcoming expiry of the term for which he was appointed, to re-elect Mr José Manuel Lara Bosch, with Fiscal ID Num. 46.204.247-F, to the Board of Directors as an Independent Director for a new five-year term.
- 2.3 At the proposal of the Nomination and Remuneration Committee, in accordance with the provisions of Article 51 of the corporate bylaws and ahead of the upcoming expiry of the term for which he was appointed, to re-elect Mr Francesc Casas Selvas, with Fiscal ID Num. 38.999.306-T, to the Board of Directors as an Independent Director for a new five-year term.
- 2.4 At the proposal of the Nomination and Remuneration Committee, in accordance with the provisions of Article 51 of the corporate bylaws, to appoint Mr Carlos Jorge Ramalho dos Santos Ferreira, with Portuguese ID Num. 304328-2, to the Board of Directors as a Proprietary Director for a period of five years. This appointment is made to fill the vacancy on the Board resulting from the resignation from his post of Director of Mr Jorge Manuel Jardim Gonçalves.

## **JUSTIFICATION**

It is proposed, in accordance with the provisions of Article 51 of the corporate bylaws of the Bank, within the limits established in said Article, and in accordance with the provisions of Article 138 of the Companies Act, to ratify the appointment made by co-option by the Board of Directors of Mr Jaime Guardiola Romojaro, with Fiscal ID Num. 37.688.964-Z, as Executive Director, approving his appointment to the Board of Directors, with a five-year term as from the date hereof, all the aforesaid in accordance with the proposal presented to the Board of Directors by the Nomination and Remuneration Committee, based on the reasons and in accordance with the criteria indicated in the report of said Committee that is included in the documentation made available to the Shareholders.

It is also proposed, in accordance with the provisions of Article 51 of the corporate bylaws of the Bank, to re-elect Mr José Manuel Lara Bosch and Mr Francesc Casas Selvas to the Board as Independent Directors, for a new five-year term, ahead of the

upcoming expiry of the term for which they were appointed, all the aforesaid in accordance with the proposal presented to the Board of Directors by the Nomination and Remuneration Committee, based on the reasons and in accordance with the criteria indicated in the report of said Committee that is included in the documentation made available to the Shareholders.

Similarly, in accordance with the provisions of Article 51 of the corporate bylaws and within the limits established in said Article, it is proposed to appoint Mr Carlos Jorge Ramalho dos Santos Ferreira, with Portuguese ID Num. 304.328-2, to the Board of Directors as a Proprietary Director, to fill the vacancy on the Board resulting from the resignation from his post of Director of Mr Jorge Manuel Jardim Gonçalves. Mr Ramalho dos Santos Ferreira is, inter alia, Chairman of the Executive Board of Directors (*Conselho de Administração Executivo*) of Banco Comercial Português, S.A.. This appointment is made in accordance with the proposal presented by the Nomination and Remuneration Committee, based on the reasons and in accordance with the criteria indicated in the report of said Committee that is included in the documentation made available to the Shareholders and which highlights his professional capacity and suitability for the post to which he is appointed.

## ITEM THREE ON THE AGENDA: PROPOSED RESOLUTION

- 3.- To approve the Merger Agreement, recorded in the Trade Registry of Barcelona on 13 February 2008, formalised by the Directors of Banco de Sabadell, S.A. (absorbing company) and Europea de Inversiones y Rentas, S.L. Sociedad Unipersonal (absorbed company) and, in consequence, to approve the merger by absorption of Europea de Inversiones y Rentas, S.L. by Banco de Sabadell, S.A., with dissolution without liquidation of the absorbed company and transfer of all its net worth en bloc to the absorbing company as universal successor in title, with the absorbing company becoming subrogated to all the rights and obligations of the absorbed company, overall and with no reservation or limitation whatsoever.

This agreement for merger by absorption is approved, subject to any legal or regulatory authorisations that may be required, in accordance with the circumstances described hereinbelow, in fulfilment of the provisions of Article 228 of the Trade Registry Regulations.

*Corporate name and domicile of the companies involved in the merger and details of their recording in the Trade Registry.*

### *a.1 Absorbing company*

BANCO DE SABADELL, S.A., a corporation organised for an indefinite time period by virtue of a public instrument executed before the Notary of Sabadell, Mr Antonio Capdevila Gomá, on 31 December 1881, with number 620 in his official record of public instruments and whose corporate bylaws have been adapted to the provisions of the existing Companies Act (hereinafter BANCO SABADELL). Recorded in the Trade Registry of Barcelona, volume 20,093, folio 1, page B-1,561, with present domicile, according to its corporate bylaws, at Plaça de Sant Roc, num. 20, Sabadell. Fiscal Identification Number: A-08000143.

### *a.2 Absorbed company*

EUROPEA DE INVERSIONES Y RENTAS, S.L. Sociedad Unipersonal, a company organised for an indefinite time period by virtue of a public instrument executed before the Notary of Madrid, Mr José Antonio Torrente Secorum, on 17 November 1988, with num. 4,436 in his official record of public instruments, whose corporate bylaws have been adapted to the provisions of the existing Companies Act and which was transformed into a limited company by means of a public instrument formalised on 1 December 2000 before the Notary Mr Javier Micó Giner, with num. 6,170 in his official record of public instruments (hereinafter EUROPEA DE INVERSIONES Y RENTAS). Recorded in the Trade Registry of Barcelona, volume 39,814, folio 31, page B-352308, entry num. 34, with present domicile, according to its corporate

bylaws, at calle Sena num. 12-1º, P.I.A.E. Can Sant Joan, Sant Cugat del Vallés.  
Fiscal Identification Number: B-78671666.

*b) Description*

Europea de Inversiones y Rentas, a company 100% owned by Banco Sabadell, holds legal title, inter alia, over the land housing the Bank's corporate building at c/. Sena, num. 12, Sant Cugat del Vallés. The aforesaid company also holds legal title over the adjoining land on which the extension of the aforesaid corporate building is currently being built, with a view to housing other departments of the Bank's central services.

The merger by absorption of Europea de Inversiones y Rentas by Banco Sabadell is in the interest of both parties, to simplify the corporate, organizational and working structure of the Banco Sabadell Group, optimizing the aforesaid construction process, facilitating the financial and corporate development of the operation and permitting enhanced utilization of Group resources.

*c) Merger procedure*

The merger, if thus agreed by the General Meeting of Shareholders of Banco Sabadell and the sole shareholder of Europea de Inversiones y Rentas, will be made by absorption. Accordingly, Europea de Inversiones y Rentas will be absorbed by Banco Sabadell, which will acquire, en bloc, the net worth of the former which will be dissolved, with subsequent universal succession in all its rights and obligations in favour of the absorbing company.

The respective balance sheets of the parties closed as at 31 December 2007, approved by the General Meeting of Shareholders of Banco Sabadell and by the decision of the sole shareholder of Europea de Inversiones y Rentas simultaneously to approval of the merger, shall be considered to be Merger Balance Sheets.

*d) Share exchange ratio and procedure not applicable*

As Banco Sabadell (the absorbing company) is the sole shareholder and, therefore, holds all the shares of Europea de Inversiones y Rentas (the absorbed company), there is no need, by application of the provisions of Article 250 of the revised text of the Companies Act, for any mention in the merger agreement of a share exchange ratio or procedure.

For the same reason, there is no need for any capital increase in the absorbing company or for any preparation of reports by the Directors or independent experts on the merger agreement.

*e) Date of transaction for accounting purposes*

For accounting purposes, the operations of Europea de Inversiones y Rentas shall be considered to be conducted by Banco Sabadell as from 1 January 2008.

*f) Special class shares and rights*

It is hereby expressly recorded, in accordance with the provisions of paragraph e) of Article 235 of the Companies Act, that there are no holders of special class shares or of special rights other than the shares of Europea de Inversiones y Rentas; accordingly, there is no need for mention of any such shares or rights in the merger agreement.

*g) Advantages*

No advantages of any kind shall be granted to independent experts, as there are none, nor to the Directors of the companies involved in the merger.

To approve as the Merger Balance Sheet, in accordance with the provisions of Article 239 of the Companies Act, the balance sheet of Banco de Sabadell, S.A. closed as at 31 December 2007 and audited by the Company's Auditors of Accounts.

In accordance with the provisions of the last paragraph of Article 238 of the Companies Act, it is hereby recorded that there has been no significant change in the assets or liabilities of the companies involved in the merger subsequent to the date of preparation of the Merger Agreement.

The merger with Europea de Inversiones y Rentas, S.L. shall imply no change in the corporate bylaws of Banco de Sabadell, S.A., as there will be no capital increase since Banco de Sabadell, S.A. is the sole shareholder and, therefore, holds all the shares of the aforesaid company.

In accordance with the provisions of Article 96 of Royal Legislative Decree 4/2004, dated 5 March 2004, approving the Revised Text of the Corporate Income Tax Act, it is also hereby agreed that this merger agreement be subject to the fiscal neutrality system contemplated in Chapter VIII of Section VII of the aforesaid Act; this is an essential condition for performance of the operation and to this effect the necessary notice of the merger agreement will be given to the competent authority, in the form and time established in the corresponding regulations.

## **JUSTIFICATION**

The aim of the proposed resolution is to simplify the corporate and working structure of the Banco Sabadell Group, to enhance its organisational and production structure, whilst having no substantial impact on the Group's financial position or Group assets.

The specific process by which the merger will be made is justified, in more detail, in the documentation accompanying the proposed resolution, specifically documents "e1, e2, e3 and e4" in the documentation made available to the Shareholders comprising, in addition to the 2007 financial statements, the following:

The Merger Agreement between Banco de Sabadell, Sociedad Anónima, and Europea de Inversiones y Rentas, Sociedad Limitada Unipersonal, by means of absorption by the former of the latter.

The Financial Statements and Management Report (including, where appropriate, the Remuneration Policy Report) of financial years 2005 and 2006 of Banco de Sabadell, Sociedad Anónima, and its consolidated group, and of the last three financial years of Europea de Inversiones y Rentas, Sociedad Limitada Unipersonal. These documents, together with that contemplated in paragraph a) corresponding to Banco de Sabadell, Sociedad Anónima, and its consolidated group, are presented solely for the purposes of the merger.

The corporate bylaws of Europea de Inversiones y Rentas, Sociedad Limitada Unipersonal.

The personal details (full name, age, nationality and domicile) of the Directors of Europea de Inversiones y Rentas, Sociedad Limitada Unipersonal, and the dates on which they assumed their current posts in the company.

## **ITEM FOUR ON THE AGENDA: PROPOSED RESOLUTION**

- 4.- To confer powers, as wide and sufficient as may be required by law, to the Board of Directors, so that, in accordance with the provisions of Article 153.1.b) of the Companies Act, it may increase the share capital, on one or several occasions and in the amount, on the date and on the terms and conditions that the Board of Directors may determine, up to the maximum limit and within the maximum term contemplated in law, being authorised to establish the characteristics of the shares, to freely offer any new shares that may remain unsubscribed in any preferential subscription period or periods, to determine, in the event of incomplete subscription, that the capital increase be made only in the amount actually subscribed and to reword the article of the corporate bylaws corresponding to the share capital.

The delegation of powers includes the power to determine, where appropriate, the share premium, to issue preference shares, shares without voting rights, callable or redeemable shares and other financial instruments or securities connected with or related to the Bank's shares that may imply an increase in share capital, and to apply for admission to and exclusion from listing for the securities issued and take any other steps that may be necessary to ensure that the new shares resulting from the capital increase or increases be admitted to listing on the Spanish and international stock markets, in accordance with the procedures established therefor by each individual stock market. It also includes the power, where appropriate, to eliminate preferential subscription rights in connection with share issues made under this delegation of powers when this is in the corporate interest, in accordance with the provisions of Article 159.2 of the Companies Act.

## **JUSTIFICATION**

Regarding the resolution for capital increase or increases, and in accordance with the provisions of Article 153.1.b) of the Companies Act, the aim of the proposed resolution lies in the power of the General Meeting to delegate powers in favour of the Board of Directors in order that it may increase the share capital, on one or several occasions, in an amount not exceeding in any circumstances one half of the existing share capital as of the date of the authorisation, within a maximum period of five (5) years as from the date of the resolution of the General Meeting and provided in all cases that the capital increase is made by means of cash contributions.

This is a form of granting to the Board an instrument that is contemplated in the Companies Act and which permits, with no need for prior notice of call and assembly of a General Meeting of Shareholders, approval of capital increases that may be deemed convenient in the corporate interest, within the limits established in law. The aim being to provide an appropriate response to the Bank's needs, in light of the market environment in which the Company operates.



This recourse to the delegation of powers contemplated in Article 153.1.b) of the Companies Act grants the Board of Directors sufficient flexibility to meet the Bank's needs. All the above is explained in more detail in the report issued by the Directors, in accordance with the provisions of Article 159.2 of the Companies Act, and included in the documentation made available to the Shareholders.

## **ITEM FIVE ON THE AGENDA: PROPOSED RESOLUTION**

- 5.- To delegate in favour of the Board of Directors, for a period of three years as from the date hereof, the power to issue, on one or several occasions, whether or not subordinated, non-convertible debentures, under this name, preference shares, short-term bonds or other similar instruments, mortgage bonds and any other Fixed Income securities.

The Board is also hereby expressly authorised to develop a bank commercial paper issue programme, under this or any other name, on one or several occasions, during a period of three years as from the date hereof.

The Board may freely determine the total amount of each issue or programme and the maturities, yields and other terms and conditions applicable in each case, provided in all cases that the debentures or commercial paper in issue at any one time do not exceed the limits established by law; and may, in general, with no restrictions whatsoever, take all public or private steps that may be necessary or that the Board may deem appropriate for execution of this resolution; and may also, where appropriate, appoint the Commissioner and approve the fundamental regulations governing the legal relationship between the Bank and the Syndicate of holders of the securities issued.

Similarly, to authorise the Board in order that, whenever it may deem convenient, subject to the obtaining of the necessary official authorisations and, where appropriate, of the agreement of the General Meetings of the corresponding Syndicates of holders of the securities, it may modify the conditions of redemption of any fixed income securities issued pursuant to this delegation of powers and their respective maturities and yields.

The Board is also hereby expressly authorised for delegation of these powers, pursuant to the provisions of the Companies Act.

## **JUSTIFICATION**

The purpose of the delegation of powers made by the General Meeting in favour of the Board of Directors, in accordance with the provisions of the Companies Act, in order that it may issue, on one or several occasions, whether or not subordinated, non-convertible debentures, under this name, preference shares, short-term bonds or other similar instruments, mortgage bonds and any other Fixed Income securities, and in order that it may develop bank commercial paper issue programmes, is to provide the Board of Directors with the mechanisms necessary to enhance the Bank's operations, granting it more room for manoeuvre and the quick response capacity required in the highly competitive environment in which the Bank operates.

## **ITEM SIX ON THE AGENDA: PROPOSED RESOLUTION**

6.- To delegate in favour of the Board of Directors, in accordance with the general regulations on debenture issues and with the provisions of Article 319 of the Trade Registry Regulations, the power to issue debentures and any other securities representing debt that may be converted into new shares of the Company and/or exchanged for outstanding shares of the Company, as well as warrants or other similar instruments that may represent direct or indirect entitlement to subscribe or acquire new or outstanding shares of the Company, in accordance with the following conditions:

1. Issue of the securities for which the Board of Directors is hereby authorised may be made, on one or several occasions, at any time within a maximum period of five (5) years as from the date of adoption of this resolution.
2. The maximum total amount of the issue or issues of securities made pursuant to this delegation of powers shall be EUROS TWO THOUSAND MILLION (Euros 2,000,000,000.00) or the equivalent thereof in another currency.
3. Under this delegation of powers, the Board of Directors may, purely for purposes of illustration and not limitatively, determine for each issue: the amount and place of issue - in Spain or abroad - and the currency of issue and, in the event that the issue is made abroad, its equivalence in Euros; the name of the issue, whether bonds or debentures - whether or not subordinated - or any other name admitted by law; the date or dates of issue; the number of securities and their par value, which in the case of bonds or debentures may not be less than the par value of the shares of the Company; in the case of warrants and similar instruments, the issue price and/or premium, the exercise price - which may be fixed or variable - and the procedure, maturity and other conditions applicable to exercise of the right to subscribe or acquire the underlying shares; the yield, whether fixed or variable, and coupon payment dates and procedures; whether they are perpetual or redeemable securities and, in this latter case, the redemption period and maturity date; the redemption price, premiums and batches and guarantees; the form of representation, whether physical securities or account entries; preferential subscription rights or, where appropriate, exclusion thereof, and the subscription procedure; applicable legislation. The Board may also apply, where appropriate, for admittance to listing of the securities issued on the official or unofficial, organised or unorganised, secondary markets, in Spain or abroad, with the conditions required in each case in accordance with the existing legislation, and in general determine any other condition of the issue and, where appropriate, appoint the Commissioner and approve the fundamental regulations governing the legal relationship between the Bank and the Syndicate of holders of the securities issued in the event that organization of said Syndicate is necessary.

4. For the purposes of determination of the bases and methods of conversion and/or exchange, it is hereby agreed that the following criteria be established:

#### 4.1 Convertible and/or exchangeable bonds and debentures.

- i. The securities (whether bonds, debentures or any others admissible in law) issued pursuant to this resolution shall be convertible into new shares of the Bank and/or exchangeable for outstanding shares, on the basis of a conversion and/or exchange ratio to be set by the Board of Directors, which is hereby authorised to determine whether the securities issued shall be convertible or exchangeable, and whether they are necessarily or optionally convertible and/or exchangeable, and in this latter case, whether the option lies with the holder or with the issuer of the securities, in accordance with the periods and term established in the issue agreement and which may not, in any case, be more than thirty (30) years from the date of issue.
- ii. In the case of an issue that is convertible and exchangeable, the Board may also determine that the issuer reserves the right to opt at any time between conversion into new shares or exchange for outstanding shares of the Company, specifying the nature of the shares to be delivered upon conversion or exchange. The Board may also opt to deliver a combination of new and outstanding shares of the Company, and to settle the difference in cash. In all cases, the issuer shall ensure that all holders of fixed income securities that are converted and/or exchanged on the same date receive equal treatment.
- iii. For the purposes of conversion and/or exchange, securities representing debt shall be valued on the basis of their par value and shares at the fixed price set in the resolution of the Board of Directors in which this delegation of powers is exercised or at the price to be set on the date or dates stipulated in said resolution and in accordance with the stock market price of the shares of the Bank on the date or dates or within the period or periods set as benchmarks in said resolution, with or without discount and in no circumstances below the average closing price of the shares on the Spanish stock market during the fifteen calendar days prior to the date of the conversion or exchange or the closing price of the shares on the Spanish stock market on the day prior to the date of the conversion or exchange, whichever is higher. In addition, a discount, which may not exceed 25%, may be applied to said minimum price per share.
- iv. Upon conversion and/or exchange, any fractions of shares to be delivered to debenture holders shall be rounded down to the nearest whole number and the difference paid to each debenture holder in cash.

- v. In no circumstances may the share price used for the purpose of conversion of debentures into shares be below the par value of the shares. Pursuant to the provisions of Article 292.3 of the Companies Act, debentures may not be converted into shares in the event that the par value of the debentures is lower than that of the shares.

Simultaneous to approving a convertible debenture issue under the authorisation granted by the General Meeting, the Board of Directors shall issue a Directors' report, presenting and detailing, on the basis of the criteria described hereinabove, the conversion bases and methods specifically applicable to said issue. This report shall be accompanied by the corresponding Auditors' report contemplated in Article 292 of the Companies Act.

#### 4.2 Warrants and other similar instruments that may represent direct or indirect entitlement to subscribe or acquire new or outstanding shares of the Company.

The Board of Directors is hereby authorised to determine, in the widest possible terms, the criteria applicable for exercise of the rights to subscribe or acquire shares of the Company deriving from instruments of this nature issued under this delegation of powers. In this case the criteria established in paragraph 4.1 hereinabove shall apply, adapted as necessary to comply with the legal and financial regulations governing securities of this kind.

5. Insofar as the securities issued under this delegation of powers may be converted and/or exchanged into shares, their holders shall enjoy all the rights corresponding to them by law, and particularly, where appropriate, preferential subscription rights and anti-dilution clauses in the circumstances contemplated in law, save in the event that the General Meeting or the Board of Directors decide, on the terms and in accordance with the requisites contemplated in Article 159 of the Companies Act, to eliminate, in full or in part, the preferential subscription rights of shareholders, convertible debenture holders and holders of warrants and other similar securities.
6. This delegation of powers in favour of the Board of Directors also includes, purely for purposes of illustration and not limitatively, the following powers:
  - i. The power entitling the Board of Directors, in accordance with the provisions of Article 159.2 of the Companies Act, to eliminate, in full or in part, the preferential subscription rights of shareholders, convertible debenture holders and holders of warrants and other similar securities, in the event that this is necessary to attract financial resources on the Spanish or international markets or is justified in any other manner in the corporate interest. In any case, should the Board decide to eliminate preferential subscription rights in connection with a specific issue of convertible debentures, warrants or other similar securities that may be made under this delegation of powers, it shall issue, simultaneous to approval of the issue and in accordance with the applicable legislation, a report detailing the specific reasons of corporate interest that justify said

decision which shall, in turn, be the subject of the report contemplated in Article 159.2 of the Companies Act. These reports shall be made available to the shareholders, convertible debenture holders and holders of warrants and other similar securities and shall be presented to the first General Meeting to be held following the issue agreement.

- ii. The power to increase the share capital in an amount sufficient to meet the requests for conversion and/or exercise of preferential subscription rights. This power may only be exercised insofar as the Board, taking together the share capital increased to meet the issue of convertible debentures, warrants and other similar securities and any other capital increases that may have been agreed pursuant to the authorisations granted by this General Meeting, does not exceed the limit of one half of the share capital contemplated in Article 153.1 b) of the Companies Act. This authorisation to increase share capital includes the power to issue and put into circulation, on one or several occasions, the number of shares necessary for the purposes of conversion and/or exercise of preferential subscription rights, and the power to reword the article of the corporate bylaws corresponding to the share capital and, where appropriate, to cancel any part of the capital increase that proves unnecessary for conversion and/or exercise of preferential subscription rights.
- iii. The power, in accordance with the provisions of Article 159.2 of the Companies Act, to eliminate, in full or in part, the preferential subscription rights of shareholders and holders of warrants and similar securities in the capital increases contemplated in the preceding paragraph when this is in the corporate interest. In any case, should the Board decide to eliminate preferential subscription rights in connection with one or all of the aforesaid capital increases, it shall issue, simultaneous to adoption of the resolution for capital increase, a report detailing the specific reasons of corporate interest that justify said decision which shall, in turn, be the subject of the report contemplated in Article 159.2 of the Companies Act. These reports shall be made available to the shareholders, convertible debenture holders and holders of warrants and other similar securities and shall be presented to the first General Meeting to be held following the issue agreement.
- iv. The power to develop and specify the bases and methods for conversion, exchange and/or exercise of rights of subscription and/or acquisition of shares deriving from the securities to be issued, considering the criteria established in paragraph 4 hereinabove.

At successive General Meetings of the Company, the Board of Directors shall inform the shareholders of exercise, if any, of the delegations of powers contemplated in this resolution.

The delegation of powers in favour of the Board of Directors includes, with express authorisation for delegation in favour of the Director or Directors that it may deem appropriate, powers as wide and sufficient as may be required by law for interpretation, application, execution and implementation of the aforesaid resolutions for issue of securities that may be converted into and/or exchanged for shares of the Company, on one or several occasions, and the corresponding capital increase, as well as powers to rectify and supplement said resolutions, as and when necessary, and to comply with all other legal requisites that may be applicable for the successful implementation thereof, being authorised to rectify any omissions or defects in said resolutions that may be identified by any authorities, public employees or bodies, whether Spanish or foreign, and to adopt any resolutions and execute any public or private instruments that may be considered necessary or appropriate to adapt the aforesaid resolutions on issue of convertible or exchangeable securities and the corresponding share capital increase to the requirements, expressed verbally or in writing, of the Trade Registrar or, in general, of any other authorities, public employees or institutions, whether Spanish or foreign, with competence therefor.

## **JUSTIFICATION**

The purpose of the delegation of powers granted by the General Meeting in favour of the Board of Directors, in accordance with the provisions of the Companies Act and supplementary legislation, in order that it may issue securities that may be converted into and/or exchanged for shares of the Company, as well as warrants or other similar instruments that may represent direct or indirect entitlement to subscribe or acquire shares of the Company, is to grant the Board of Directors of the Bank sufficient room for manoeuvre and the quick response capacity required in the highly competitive environment in which the Bank operates.

## ITEM SEVEN ON THE AGENDA: PROPOSED RESOLUTION

- 7.- Leaving without effect the resolution adopted at the General Meeting held on 29 March 2007 in the part not executed, to authorise the Company in order that, either directly or through any of its subsidiaries and within a maximum period of eighteen (18) months as from the date of this General Meeting, it may acquire, at any time and on an unlimited number of occasions, shares of Banco de Sabadell, S.A. by any of the means admitted by law, including against profit for the year and/or free reserves, and in order that it may subsequently sell or cancel any of said shares, all the aforesaid in accordance with the provisions of Article 75 and concordant provisions of the Companies Act.

To approve the limits or conditions of these acquisitions, which shall be as follows:

- The par value of the shares acquired, added to those already held by the Bank and its subsidiaries, shall not exceed, at any time, five per cent of the share capital of Banco de Sabadell, S.A., complying in all cases with all the limits established for acquisition of own shares by the stock market regulators in the markets on which Banco de Sabadell, S.A. shares are listed.
- A restricted reserve may be created on the liabilities side of the Company's balance sheet equivalent to the amount of the own shares included on the assets side of the balance sheet. This reserve should be maintained until such time as the shares are sold or cancelled.
- The shares acquired shall be fully paid-up.
- The acquisition price shall be no less than the par value and no more than 20 per cent above the listing price or any other price whereby the shares are valued as at the date of their acquisition. All acquisitions of own shares shall be made in accordance with general stock market rules and regulations.

To reduce the share capital, with a view to cancelling any own shares that the Bank may hold on its balance sheet, against profits or free reserves and in the amount that may be deemed appropriate or necessary at any time, up to and including all the own shares that may be held as of that date.

To delegate powers in favour of the Board of Directors for execution of the aforesaid resolution for capital reduction, being authorised to make said capital reduction, on one or several occasions and within a maximum period of eighteen (18) months as from the date of adoption of this resolution, and to take all steps and actions and issue all authorisations that may be required or necessary under the Companies Act and other applicable legislation, and in particular being authorised in order that, within the period and time limits established for execution of said resolution, it may: set the date and/or dates of the capital reduction or reductions to be made, determining the timely and appropriate nature of the measure; determine the amount of the capital reduction; determine the use to be made of the amount thus reduced, providing, where necessary, any guarantees and complying with any conditions that may be required by law; adapt the wording of Article 7 of the corporate bylaws to the new share capital figure; apply for exclusion from listing of any shares cancelled and, in general, adopt any resolutions that may be necessary for the purposes of said cancellation and



subsequent capital reduction; designating the persons to act in the formalisation thereof.

## **JUSTIFICATION**

The aim of the proposed resolution is in line with general practice on the part of listed companies, in the interest of the shareholders; it is contemplated and regulated in the Companies Act and has been regularly approved by the General Meeting.

## **ITEM EIGHT ON THE AGENDA: PROPOSED RESOLUTION**

- 8.- In accordance with the provisions of Royal Decree Act 7/1996, dated 7 June 1996, on Urgent Fiscal Measures and Promotion and Liberalisation of Economic Activity, it is hereby agreed to transfer the full balance recorded under the heading "Restatement Reserve, Royal Decree Act 7/1996", in a sum of thirty-four million eight hundred and ninety-nine thousand five hundred and ninety-five Euros and four Euro cents (Euros 34,899,595.04) to "Voluntary Reserves".

## **JUSTIFICATION**

Royal Decree Act 7/1996, dated 7 June 1996, on Urgent Fiscal Measures and Promotion and Liberalisation of Economic Activity allowed companies to restate their tangible assets, in accordance with a series of percentages applicable to each asset based on their date of acquisition and corresponding depreciation schedule.

In accordance with the provisions of this Act, the amount of these accounting restatements was transferred to the Restatement Reserve, Royal Decree Act 7/1996 account, which forms part of shareholders' equity.

Pursuant to Article 5.9 of the Royal Decree Act, upon elapse of ten years from the date of close of the balance sheet on which the restatement operations were reflected, the balance existing under the "Restatement Reserve, Royal Decree Act 7/1996" heading on the balance sheet may be transferred to "Voluntary Reserves", constituting free reserves.

## **ITEM NINE ON THE AGENDA: PROPOSED RESOLUTION**

- 9.- In accordance with the provisions of Article 204 of the Companies Act, and following the corresponding proposal submitted by the Audit and Control Committee to the Board of Directors, to re-elect the auditing firm PricewaterhouseCoopers Auditores, S.L., with Fiscal ID Num. B-79031290, Auditor of Accounts of the Company and of the consolidated financial statements of its group, for a new one-year term.

## **JUSTIFICATION**

As the previous term of appointment has expired, the Company must newly appoint an Auditor of Accounts. Re-election of the incumbent firm is proposed, on the terms permitted in said Article 204 of the Companies Act.

## **ITEM TEN ON THE AGENDA: PROPOSED RESOLUTION**

- 10.- To expressly authorise the Chairman of the Board of Directors, Mr José Oliu Creus, the Secretary, Mr Miquel Roca i Junyent, and the Vice-Secretary, Mr José Luís Negro Rodríguez, or the persons who may replace them, as and when appropriate, in their respective posts of Chairman, Secretary and Vice-Secretary of the Board, in order that any one of them, individually, on behalf of the Bank, may:

Take all steps that may be necessary to obtain any authorisations or recordings that may be required with the Bank of Spain, the Ministry of Economy and Finance-Directorate General of the Treasury and Financial Policy, the National Securities Market Commission (CNMV) and the body entrusted with recording of account entries; appear before a Notary for the purpose of executing the resolutions adopted in a public instrument, and take all steps that may be appropriate or necessary to achieve complete execution and recording thereof, as and when appropriate, in the corresponding public registries and, in particular, in the Trade Registry of the Province; this authorisation shall be understood to include the power to correct, clarify, interpret, specify or supplement, where appropriate, the resolutions adopted in any public instruments or documents that may be executed for implementation thereof and, in particular, the capacity of the Directors designated, and any defects, omissions or errors, of form or content, that may impede recording of the resolutions adopted and of the consequences thereof in the Trade Registry of the Province, as well as the power to incorporate, on their own authority, any modifications that may be necessary to this effect or indicated verbally or in writing by the Trade Registrar or required by the competent authorities, with no need for further consultation of the General Meeting.

To take, in name of the Bank, all legal steps that may be necessary for execution and successful implementation of the aforesaid resolutions.