

REPORT PRESENTED BY THE APPOINTMENTS COMMITTEE IN CONNECTION WITH ITS PROPOSAL TO THE BOARD OF DIRECTORS, FOR REFERRAL TO THE GENERAL MEETING OF SHAREHOLDERS, TO RE-APPOINT AN INDEPENDENT DIRECTOR, AS REFERRED TO IN MOTION THREE UNDER ITEM THREE OF THE AGENDA OF THE GENERAL MEETING OF SHAREHOLDERS OF BANCO DE SABADELL, SOCIEDAD ANÓNIMA SCHEDULED FOR 30 MARCH 2017, AT SECOND CALL.

The Appointments Committee has resolved to propose that the Board of Directors refer to the General Meeting of Shareholders, in accordance with the provisions of article 50 of the Articles of Association, the re-appointment of Ms María Teresa Garcia-Milà Lloveras as a member of the Board of Directors for a term of four years, with the status of independent director.

Under section 4 of article 529 decies of the consolidated text of the Capital Companies Act, approved by Legislative Royal Decree 1/2010, of 2 July, (the "Capital Companies Act"), as amended by Act 31/2014, of 3 December, amending the Capital Companies Act to enhance corporate governance, the power to propose the appointment or re-appointment of independent directors lies with the Appointments Committee.

In order to draw up this report, in compliance with its duty to oversee the qualitative composition of the Board of Directors and in application of the Director Selection Policy of Banco de Sabadell, Sociedad Anónima, the Appointments Committee analysed the needs of Banco de Sabadell, Sociedad Anónima and the current composition of the Board of Directors to ensure an appropriate balance between the various director categories.

The Board of Directors is currently comprised of fourteen directors, three of whom are executive directors and eleven are non-executive directors (eight of them independent). Therefore, the proportion of independent directors is commensurate with the size of the Board of Directors and of the bank itself, all in line with the recommendation of the Corporate Governance Code.

The Committee considers that the Board of Directors has an appropriate balance and diversity of gender, knowledge, experience and skills among its members, and that the latter have the sufficient availability and a high degree of commitment to their function in the institution. This gives the Board of Directors greater capacity to debate and enriches the plurality of viewpoints when debating matters under its remit.

Ms María Teresa Garcia-Milà Lloveras has been a director of Banco de Sabadell, Sociedad Anónima since 2007, with the category of independent, and she has been

Lead Independent Director since April 2016. Her performance has been rated positively by the Appointments Committee over the years, and she is considered to be suitable to continue in the category of independent director on the Board of Directors.

Ms María Teresa Garcia-Milà Lloveras has a Degree in Economics from the University of Barcelona and a PhD in Economics from the University of Minnesota. She is a Professor in the Department of Economics and Business at Pompeu Fabra University, and a researcher and Board member of the International Economics Research Centre (CREI). She is the Director of the Barcelona Graduate School of Economics, and Vice-Chair of Círculo de Economía; she is also a director of Vueling Airlines, S.A. and of Enagas, S.A.

The director has a suitable combination of specific knowledge of economics and finance, as well as experience as a director of listed companies, which will continue to lend value to the current Board of Directors of Banco de Sabadell, Sociedad Anónima, and, through her re-appointment, the Board of Directors maintains an appropriate equilibrium and diversity of knowledge, experience and skills among its members. Additionally, this proposal for appointment respects the gender diversity on the Board of Directors.

Ms María Teresa Garcia-Milà Lloveras meets the requirements for independent directors set out in section 4 of article 529 duodecies of the Capital Companies Act.

The Appointments Committee has also ratified the suitability assessment it performed of Ms María Teresa Garcia-Milà Lloveras in the past, whose conclusions are still valid at this time, since all the requirements established in Act 10/2014, of 26 June, on ordering, supervision and solvency of credit institutions, and in Royal Decree 84/2015, of 13 February, implementing that Act, are met.

Accordingly, and having regard to the current needs of the Board of Directors of Banco de Sabadell, Sociedad Anónima; to the structure, size and qualitative composition of the Board of Directors; and to the objectives and criteria of professional competency, diversity and commercial repute established in the Director Selection Policy of Banco de Sabadell, Sociedad Anónima, Ms María Teresa Garcia-Milà Lloveras meets the requirements and has the necessary competency, experience and merits to hold the position of director; consequently, this Appointments Committee considers that the proposal to re-appoint Ms María Teresa Garcia-Milà Lloveras as an independent director of Banco de Sabadell, Sociedad Anónima is justified.