

**REPORT ISSUED BY THE APPOINTMENTS COMMITTEE PRECEDING THE PROPOSAL BY THE BOARD OF DIRECTORS TO THE GENERAL MEETING OF SHAREHOLDERS TO RE-APPOINT AN EXECUTIVE DIRECTOR, AS REFERRED TO IN MOTION FOUR 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.**

In accordance with the powers attributed by article 61 of the Articles of Association and article 14 of the Regulation of the Board of Directors, the mission of this Appointments Committee is to oversee compliance with the qualitative composition of the Board of Directors of Banco de Sabadell, Sociedad Anónima and, in particular, to advise the Board of Directors on the appointment of non-independent directors, which power is also granted to it under section 3(d) of article 529 quincecies of Legislative Royal Decree 1/2010, of 2 July, approving the consolidated text of the Capital Companies Act, (the "Capital Companies Act"), as amended by Act 31/2014, of 3 December, amending the Capital Companies Act to enhance corporate governance.

Additionally, in accordance with section 6 of article 529 decies of the Capital Companies Act, the Appointments Committee must issue a report preceding any proposal by the Board of Directors to appoint or re-appoint non-independent directors.

Consequently, the Appointments Committee hereby issues this report in connection with the proposal by the Board of Directors to re-appoint Mr José Luis Negro Rodríguez as an executive director.

The proposed re-appointment is for a four-year term in accordance with article 50 of the Articles of Association.

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 executive directors is commensurate with the size of the Board of Directors and of the bank itself.

The Committee considers that the Board of Directors has an appropriate balance and diversity of knowledge, experience and skills among its members, and that the latter

have 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.

In the case of Mr José Luis Negro Rodríguez, the Committee took account particularly of his professional background and track record at Banco de Sabadell, Sociedad Anónima.

Accordingly, this Appointments Committee issues this report to assess whether the candidate is suitable and has the necessary competency, experience and merits to qualify as a director of Banco de Sabadell, Sociedad Anónima, and in order to serve as background for the proposal by the Board of Directors, in accordance with article 50 of the Articles of Association, to re-appoint Mr José Luis Negro Rodríguez as a member of the Board of Directors for a term of four years, with the status of executive director.

Mr José Luis Negro Rodríguez has been a director of Banco de Sabadell, Sociedad Anónima and a member of its Executive Committee since 2012, and he has been a General Manager since 2013. He holds a Diploma in General Management from IESE and is currently a director of the Barcelona Stock Exchange Governing Company and Vice-President of European Finance Centre, Barcelona (BCFE). In the course of his extensive career at Banco de Sabadell, Sociedad Anónima, he has held a number of executive positions, such as Deputy General Manager in charge of Services, General Secretary - Control and Controller General, as well as Vice-Secretary of the Board of Directors.

Mr José Luis Negro Rodríguez has experience of business, finance and banking acquired through the positions and responsibilities he has held at Banco de Sabadell, Sociedad Anónima, where he has also successfully evidenced his considerable ability in an executive capacity, and in the area of managing and controlling risks and providing direction and leadership. In view of his track record and performance as an executive director, and considering his dedication during his term, he will continue to provide the Board of Directors with considerable experience and extensive knowledge of the banking industry and the Banco de Sabadell, Sociedad Anónima group, so that he will undoubtedly continue to add value in decision making by the Board of Directors. As a result, he meets the conditions required to be a member of the Board of Directors of a financial institution.

His combination of competency and experience have lent value to the Board of Directors of Banco de Sabadell, Sociedad Anónima and have contributed greatly to the achievements and merits attained by the institution; consequently, this Committee considers that his re-appointment will continue contributing to an appropriate equilibrium and diversity of knowledge, experience and skills among the members of the Board of Directors.

As a result, in connection with paragraph 5 of article 529 decies of the Capital Companies Act, given his track record and his fulfilment of all of the necessary requirements enabling him to be evaluated and assessed, including notably his professional capabilities and suitability for the post which he holds and his excellent work to date for Banco de Sabadell Sociedad Anónima, this Appointments Committee believes that he has the competency, experience and merits required to hold the position of director.

Since he fulfils the requirements established in section 1 of article 529 duodecies of the Capital Companies Act and article 50 of the Articles of Association of Banco de Sabadell, Sociedad Anónima, Mr José Luis Negro Rodríguez will be classified as an executive director.

Additionally, based on the information and documentation in connection with Mr José Luis Negro Rodríguez that is in the possession of Banco de Sabadell, Sociedad Anónima, which was taken into account in order to perform this suitability assessment, this Appointments Committee considers that he continues to meet the requirements as to commercial and professional repute, knowledge and experience in order to hold office as a director, and that he is in a position to provide good corporate governance to the Company; accordingly, this Committee ratifies the suitability assessment of Mr José Luis Negro Rodríguez that it approved in the past, whose conclusions are still valid, 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, Mr José Luis Negro Rodríguez meets the requirements and has the necessary competency, experience and merits to hold the position of director; consequently, this Appointments Committee issues a favourable report to the Board of Directors with regard to the proposal to ratify and appoint Mr José Luis Negro Rodríguez as an executive director.