

REPORT PRESENTED BY THE BOARD OF DIRECTORS OF BANCO DE SABADELL, SOCIEDAD ANÓNIMA IN CONNECTION WITH ITS PROPOSAL 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.

The Board of Directors has resolved, Mr José Luis Negro Rodríguez being absent for the vote, to propose, following a favourable report by the Appointments Committee, and in accordance with the provisions of article 50 of the Articles of Association, the re-appointment of 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.

The Board of Directors issues this report in support of that proposal for re-appointment in accordance with 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.

In order to draft the motion to re-appoint Mr José Luis Negro Rodríguez, the Board of Directors took account of the favourable report issued by the Appointments Committee in compliance with the obligation established by paragraph 6 of article 529 decies of the Capital Companies Act and the provisions of article 61 of the Articles of Association and article 14 of the Regulation of the Board of Directors, according to which the Appointments Committee must advise the Board of Directors on the appointment of non-independent directors.

The Appointments Committee performed an analysis of the current composition of the Board of Directors and its needs, assessing the conditions that the directors must fulfil and the dedication required in order to discharge their duties effectively.

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 (University of Navarra) and is 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. His performance has been rated positively by the Board of Directors over the years, and he is considered to be suitable to continue in the category of executive director on the Board of Directors.

In view of his track record and performance as an executive director, the Board of Directors and the Appointments Committee consider that he will continue to provide the Board of Directors with considerable experience and extensive knowledge of the banking industry and the Banco Sabadell group, with which he will undoubtedly continue to add value in decision making by the Board of Directors.

Since he fulfils the requirements established in paragraph 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.

The Appointments Committee ratified the suitability assessment of Mr José Luis Negro Rodríguez that it performed in the past, whose conclusions are still valid at this time, since all the requirements established in articles 24 et seq. of Act 10/2014, of 26 June, on ordering, supervision and solvency of credit institutions, and of articles 29 et seq. of Royal Decree 84/2015, of 13 February, implementing that Act, are met.

In view of the foregoing, and of the assessment of the capabilities, experience and merits of the director proposed for re-appointment as referred to in paragraph 5 of article 529 decies of the Capital Companies Act, given the track-record and fulfilment by Mr José Luis Negro Rodríguez 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 Board of Directors believes that he has all of the abilities, experience and merits required to hold the position of director.