



NATIONAL SECURITIES MARKET COMMISSION

Pursuant to Article 17 of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse and Article 228 of the restated text of the Securities Market Law approved by the Royal Legislative Decree 4/2015, of 23 October (*texto refundido de la Ley del Mercado de Valores aprobado por el Real Decreto Legislativo 4/2015, de 23 de octubre*), Banco de Sabadell, S.A. (Banco Sabadell), informs the National Securities Market Commission (*Comisión Nacional del Mercado de Valores –CNMV*) of the following

RELEVANT FACT

At the Ordinary General Meeting of Shareholders of Banco de Sabadell, S.A. held today, the following agreements have been approved:

AGENDA ITEM ONE RESOLUTION

Approve the Financial Statements — Balance Sheet, Profit and Loss Account, Statement of Changes in Equity, Cash Flow Statements, and Notes to the Financial Statements — as well as Directors' Report of Banco de Sabadell, Sociedad Anónima, which includes the Annual Corporate Governance Report, and of its consolidated group, all corresponding to the financial year ended 31 December 2017; grant discharge to the directors of Banco de Sabadell, Sociedad Anónima for the financial year that commenced on 1 January 2017 and ended on 31 December 2017.

AGENDA ITEM TWO RESOLUTION

Approve the proposal for the allocation of income and the distribution of a dividend that was approved by the Board of Directors on 1 February 2018, consisting of distributing income as follows:



To voluntary reserves	125,683,758.92 Euro
To legal reserve	270,337.63 Euro
To reserves for investment in the Canary Islands	239,326.43 Euro
To dividends	392,976,653.99 Euro
Interim dividend paid on 29.12.2017	0.02 euro per share
Supplementary dividend payable on 27.4.2018	0.05 euro per share

AGENDA ITEM THREE RESOLUTIONS

1.- First resolution under Agenda item Three

At the proposal of the Board of Directors, and following a favourable report by the Appointments Committee, and in accordance with the provisions of article 50 of the Articles of Association, re-appoint Mr. Jaime Guardiola Romojaro, with tax ID no. 37.688.964-Z, as a member of the Board of Directors for a term of four years, with the status of executive director.

2.- Second resolution under agenda item Three.

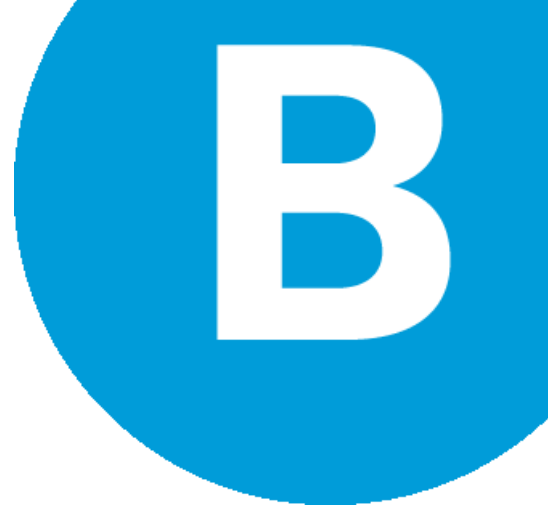
At the proposal of the Board of Directors, and following a favourable report by the Appointments Committee, and in accordance with the provisions of article 50 of the Articles of Association, re-appoint Mr. David Martínez Guzmán, a British national, with passport no. 099205144, as a member of the Board of Directors for a term of four years, with the status of proprietary director.

3.- Third resolution under Agenda item Three.

At the proposal of the Appointments Committee and in accordance with the provisions of Article 50 of the Articles of Association, re-appoint Mr. José Manuel Martínez Martínez, with tax ID no. 22.394.123-N, as a member of the Board of Directors for a term of four years, with the status of independent director.

4.- Fourth resolution under Agenda item Three

Ratify, at the proposal of the Appointments Committee, the appointment, by co-optation by the Board of Directors, of Mr. Pedro Fontana García, with tax ID no. 37.648.959-Y, as an independent director, and approve, in accordance with article



50 of the Articles of Association, his appointment as a member of the Board of Directors for a term of four years as from this date, in the category of independent director.

5.- Fifth resolution under Agenda item Three

At the proposal of the Appointments Committee, ratify the appointment, by co-optation by the Board of Directors, of Mr. George Donald Johnston, a British national, with passport no. 508952361, as an independent director, and approve, in accordance with article 50 of the Articles of Association, his appointment as a member of the Board of Directors for a term of four years as from this date, in the category of independent director.

AGENDA ITEM FOUR RESOLUTION

Revoking the delegation granted in resolution number four adopted by the General Meeting of Shareholders on 30 March 2017 in the amount not used, grant the Board of Directors of Banco de Sabadell, Sociedad Anónima powers as broad as may be required by law so that, in accordance with the provisions of article 297.1.b) of the Capital Companies Act, it may increase share capital, on one or several occasions, in the amount(s), on the date(s) and on the terms and conditions that the Board of Directors may determine, with power to delegate to the Executive Committee or the director(s) that the Board of Directors or the Executive Committee considers appropriate, up to the maximum limit and within the maximum term contemplated in the Act, being authorised to determine the characteristics of the shares, to freely offer any new shares that were not subscribed in any pre-emptive subscription period(s), to determine that, in the event of incomplete subscription, the capital increase be made only in the amount actually subscribed, and to amend the wording of the article of the Articles of Association on share capital. That power may be exercised only if the sum of the capital increase(s) performed by the Board of Directors under this authorisation and those performed to cater for the conversion of convertible bonds, preferred securities, or warrants and analogous securities performed under authorisations granted by this General Meeting of Shareholders does not exceed the aforementioned limit.

The delegation covers the power to establish all the terms and conditions of the capital increase(s) that may be decided upon by virtue of this delegation subject to the limits provided in article 297.1.b) of the Capital Companies Act, particularly as



regards the issue premium of new shares, the issuance of preferred securities, non-voting shares, or redeemable shares and other financial instruments or securities referenced or related to the shares of Banco de Sabadell, Sociedad Anónima that may entail an increase in share capital; applying for listing, continued listing and delisting of the shares issued; and taking any other steps that may be necessary to ensure that the new shares resulting from the capital increase(s) are listed on the Spanish and foreign stock markets where the shares of Banco de Sabadell, Sociedad Anónima are listed at any given time, in accordance with the procedures established by each stock market. It also includes authorisation, where appropriate, to override pre-emptive subscription rights in connection with share issues made under this delegation of powers in cases in which this is in the company's interest, pursuant to the provisions of Article 506 of the Capital Companies Act; in the event of overriding the pre-emptive right, such a capital increase may not amount to more than 20% of capital stock.

The Board of Directors is expressly empowered, with powers as broad as may be required by law, and with the power to sub-delegate to the Executive Committee or the director(s) that the Board of Directors or the Executive Committee considers appropriate, and without prejudice to any existing delegations or empowerments, to remedy, clarify, interpret, complete, specify and render more precise, as appropriate, the adopted resolutions, and, in particular, remedy any defects, omissions or errors that may be observed.

The Board of Directors is also expressly empowered, as broadly as may be required by law, with the express power to sub-delegate to the Executive Committee or the director(s) that the Board of Directors or the Executive Committee considers appropriate, and without prejudice to any existing delegations or empowerments, to perform all of the actions and processes necessary or merely advisable for the execution and implementation of any capital increases that are decided upon under this delegation and, in particular, including but not limited to, the following:

- (i) drafting, signing and presenting to the Spanish National Securities Market Commission (CNMV), if necessary, the prospectus for the capital increase or any equivalent document, in compliance with the provisions of the consolidated text of the Securities Market Act, approved by Legislative Royal Decree 4/2015, of 23 October, and Royal Decree 1310/2005, of 4 November, on the listing of securities on the official secondary markets and primary and secondary offerings, assuming liability for its content, and drafting, signing and presenting such supplements to same as may be necessary, requesting



- vetting and registration of same by the Spanish National Securities Market Commission (CNMV) and issuing the regulatory and other disclosures that may be necessary or advisable;
- (ii) drafting, if necessary, the International Offering Memorandum to facilitate dissemination of the information about the capital increase to international shareholders and investors, and assuming liability for its content;
 - (iii) drafting, signing and presenting any documentation or additional or supplementary information as may be necessary before the Spanish National Securities Market Commission (CNMV), the Stock Exchange Governing Companies, Sociedad de Bolsas and any other competent authority or body, Spanish or foreign, to obtain authorisation, vetting and subsequent implementation of the capital increase;
 - (iv) appearing before the notary of their choice and expressing this capital increase decision as a public instrument, and taking such steps as may be necessary and approving and formalising such public or private documents as may be necessary or advisable to render this capital increase resolution fully enforceable in all of its aspects and contents, and particularly remedying, clarifying, interpreting, completing, specifying and rendering more precise, as appropriate, the adopted resolution, and, in particular, remedying any defects, omissions or errors that may be pointed out by the Mercantile Registry in its verbal or written feedback;
 - (v) negotiating, signing and granting such public and private documents as may be necessary in connection with the capital increase in accordance with standard practice for this type of transaction, including, in particular, an underwriting and/or placement contract, which may include among its provisions the declarations and guarantees by Banco de Sabadell, Sociedad Anónima that are habitual in this type of contract, agency agreements, protocols and draft agreements relating to such underwriting/placement contracts, and any that may be advisable for the implementation of the capital increase, reaching an agreement on fees and other terms and conditions it considers appropriate, including any compensation for the underwriters;
 - (vi) drafting and publishing such advertisements as may be necessary or advisable; and
 - (vii) declaring that the capital increase has not been fully subscribed, where that is the case, upon expiration of the subscription period and following payment for the shares finally subscribed, rewriting the article of the Articles of Association referring to capital stock, and granting such public and private documents as may be necessary to execute the capital increase.



AGENDA ITEM FIVE RESOLUTION

Revoking the delegation granted under resolution number five of the General Meeting of Shareholders on 30 March 2017 in the amount not yet used, delegate to the Board of Directors of Banco de Sabadell, Sociedad Anónima, in accordance with the general rules on issuance of debt securities and with the provisions of articles 285-290, 297 and 511 of the Capital Companies Law and 319 of the Mercantile Register Regulation, the power to issue debt securities, preferred securities and any other securities representing part of a debt that are convertible into newly-issued shares of Banco de Sabadell, Sociedad Anónima and/or are exchangeable for existing shares of Banco de Sabadell, Sociedad Anónima, and warrants or analogous securities giving entitlement, directly or indirectly, to subscribe for or acquire shares of Banco de Sabadell, Sociedad Anónima, whether newly-issued or pre-existing, or which otherwise allocate a share in corporate profits, in accordance with the following conditions:

1. The securities for whose issuance the Board of Directors is empowered under this resolution may be issued at one or more times at any time within at most five (5) years from the date of adoption of this resolution.
2. The maximum total amount of the issue(s) to be made under this delegation is two billion euro (€2,000,000,000.00) or the equivalent in another currency.
3. When using the powers granted hereby, the acts which the Board is empowered to perform include, but are not limited to, the following: determining, for each issue, the amount, form of payment, place of issue (Spain or other countries), and currency and, in the event of using a foreign currency, the equivalent in euro; the name, whether bonds (bonos) or notes (obligaciones), subordinated or otherwise, preferred securities and any others allowed by law; the date(s) of issuance; the number of securities and their nominal value, which, in the case of instruments giving entitlement to subscribe for shares, may not be less than the par value of the shares; in the case of warrants and analogous securities, the issue price and/or premium, the strike price (which may be fixed or variable) and the procedure, term and other conditions applicable to the exercise of the right to subscribe for the underlying shares or the overriding of that right, as appropriate; the yield, which may be fixed or variable, payment being at the discretion of Banco de Sabadell, Sociedad Anónima, conditional or obligatory, the dates and procedures for the payment of coupons, where appropriate; whether the securities are perpetual or amortisable and, in the latter case, the term of



amortisation and the maturity date; the reimbursement rate, premiums and batches, the collateral; the form of representation, whether certificated or uncertificated or any other system allowed by law; the form of subscription; the degree of seniority of the securities, and any subordination clauses; the legislation applicable to the issue; and generally any other condition of the issue, including the appointment of a Commissioner, where appropriate, and approval of the fundamental rules to govern the relations between Banco de Sabadell, Sociedad Anónima and the Syndicate of holders of the securities to be issued, where it is necessary to form such a Syndicate.

Moreover, the Board of Directors is empowered so that, where it sees fit, and subject to obtaining the necessary authorisations and, where necessary, the approval of the Assemblies of the Syndicates of holders of the securities in question, it may modify the terms of any securities issued under this authorisation, including, in particular, their respective maturities and any yields they accrue.

4. For the purposes of determining the rules and forms of conversion and/or exchange, the following criteria are established:

4.1 Notes and bonds that are convertible and/or exchangeable for shares, and preferred securities:

- i. The securities (bonds, notes, preferred securities and any others allowed by law) that are issued under this resolution will be convertible into new shares of Banco de Sabadell, Sociedad Anónima and/or exchangeable for existing shares of Banco de Sabadell, Sociedad Anónima in accordance with the fixed conversion and/or exchange ratio (whether determined or determinable) to be established by the Board of Directors or shall consist of a variable ratio, and the Board is also empowered to determine whether they are convertible or exchangeable, and to determine whether conversion and or exchange is mandatory or voluntary only in certain situations and, in the event that it is voluntary, whether this is at the election of the holder or the issuer, with the frequency and in the term to be established in the issuance resolution, which may not exceed thirty (30) years from the date of issuance. The maximum term indicated above shall not apply to perpetual securities.



- ii. Where the issue is convertible and exchangeable, the Board of Directors may also establish that the issuer reserves the right to choose at any time between conversion into new shares or exchange for existing shares of Banco de Sabadell, Sociedad Anónima, specifying the nature of the shares to be delivered at the time of conversion or exchange, and it may even choose to deliver a combination of new and existing shares of Banco de Sabadell, Sociedad Anónima and even settle the difference in cash. In any event, the issuer shall apply equal treatment to all holders of securities that are converted and/or exchanged on the same date.
- iii. For the purposes of conversion and/or exchange, in the case of a fixed conversion and/or exchange ratio, the securities representing part of a debt claim shall be valued at their nominal value (which may be increased, where so provided, by the outstanding accrued interest or yield) and the shares at the determined or determinable fixed price that is established in the Board of Directors resolution made by use of this delegation and, in any event, at least the higher of (i) the share's average price (whether the arithmetic mean or a weighted average, at the discretion of the Board of Directors) on the Continuous Market of the Spanish Stock Exchanges where the shares of Banco de Sabadell, Sociedad Anónima are listed, based on the closing prices, the average price of each session or another reference price, during a period to be determined by the Board amounting to not more than three months and not less than three calendar days, which may conclude at any time up to the date of adoption of the decision by the Board of Directors to issue the securities of reference, and (ii) the share price on that same Continuous Market based on the closing price of the last session immediately before the adoption by the Board of Directors of the resolution to issue the securities of reference. Additionally, a discount not exceeding 25% may be established with respect to that minimum share price.
- iv. It may also be decided to issue fixed-income securities that are convertible and/or exchangeable for shares with a variable conversion and/or exchange ratio. In this case, the securities representing part of a debt claim shall be valued in accordance with the provisions of the preceding paragraph and the share price for the purposes of conversion and/or exchange shall be the average (arithmetic and/or weighted) price of the shares on the Continuous Market of the Spanish Stock Exchanges in which they are listed, based on the closing prices, the average price of



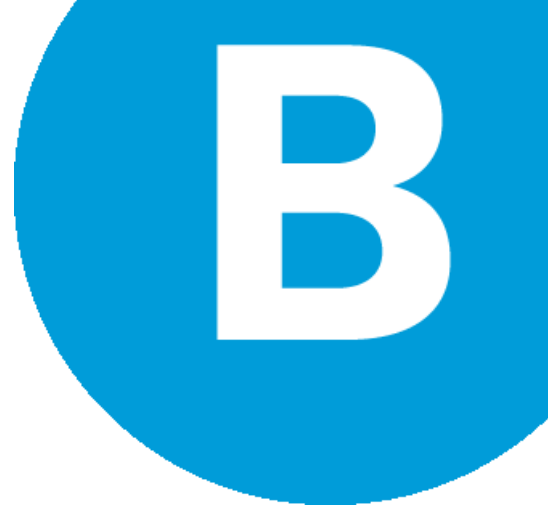
each session or another reference price, during a period to be determined by the Board amounting to not more than three months and not less than three calendar days, which may conclude at any time up to the beginning of the period for conversion or the date of conversion or exchange, as may be decided. Additionally, a minimum and/or maximum reference price for the shares may be established for the purposes of conversion and/or exchange, in the terms that the Board of Directors sees fit.

- v. During conversion and/or exchange, any fraction of a share corresponding to the holder of notes, bonds or preferred securities shall be rounded down to the next lower whole number and, if the terms and conditions so provide, any such difference shall be paid in cash to the holder.
 - vi. In no event may the value of the share used for converting the notes into shares be less than the par value. As provided in article 415 of the Capital Companies Act, notes may not be converted into shares if the nominal value of the former is less than the par value of the latter.
 - vii. At the time of approving an issue of notes convertible into shares under this authorisation granted by the General Meeting of Shareholders, the Board of Directors must issue a report setting out and specifying, on the basis of the foregoing criteria, the conditions and forms of conversion applying specifically to the issue in question. That report must be accompanied by the auditors' report referred to in article 414.2 of the Capital Companies Act.
- 4.2 Warrants and other analogous securities giving entitlement, directly or indirectly, to subscribe for or acquire newly-created or pre-existing shares of Banco de Sabadell, Sociedad Anónima.

The Board of Directors is empowered to determine, in the broadest terms, the criteria applicable to the exercise of the right to subscribe for or acquire shares of Banco de Sabadell, Sociedad Anónima arising from securities of this class that are issued under this delegation, applying the criteria established in section 4.1 above, with the necessary modifications to be compatible with the legal and financial rules governing this class of securities.



5. As far as possible, in the conversion and/or exchange for shares of the securities issued under this delegation, the holders will have all the rights granted to them under the current legislation, especially the right to be protected by anti-dilution clauses.
6. The delegation to the Board of Directors also includes, but is not limited to, the following powers:
 - i. The power to set out and specify the conditions and forms of conversion, exchange and/or exercise of the rights to subscribe for and/or acquire shares arising from the securities to be issued, having regard to the criteria established in item 4 above.
 - ii. The power, as provided by article 511 of the Capital Companies Act, for the Board of Directors to override, either fully or partially, the shareholders' pre-emptive subscription right in those issues that are for monetary amounts, when necessary to raise funds in the domestic or international markets or when it is otherwise in the interest of Banco de Sabadell, Sociedad Anónima. In any case, if the Board decides to override the pre-emptive subscription right in relation to a specific issue of convertible notes, preferred securities, or warrants or analogous securities that it decides to make under this authorisation, it must, at the time of approving the issue and in accordance with the applicable regulations, issue a report detailing the specific reasons in connection with the Company's interests that justify the measure, which must be accompanied by a report by an independent expert, other than the auditor of Banco de Sabadell, Sociedad Anónima, who is designated by the Mercantile Registry as referred to in articles 414 and 417.2.b of the Capital Companies Act by reference from article 511 of that Act. Those reports will be made available to shareholders and disclosed to the first General Meeting of Shareholders held after the decision to issue.
 - iii. The power to increase capital in the amount needed to meet requests for conversion and/or exercise of the right to subscribe for shares. That power may be exercised only if the sum of the capital increase performed to cater for the issuance of convertible notes, preferred securities, or warrants and analogous securities and any other capital increases decided upon under authorisations granted by this General Meeting of Shareholders does not exceed the limit of one-half of the capital stock as



provided in article 297.1.b) of the Capital Companies Act, or 20% of the total amount of capital stock in the case of issues of convertible securities which override the shareholders' pre-emptive subscription right. This authorisation to increase capital includes the power to issue and place in circulation, at one or more times, the shares necessary to cater for the conversion and/or exercise of the right to subscribe for shares, as well as the power to redraft the article in the Articles of Association relating to the share capital figure and, if necessary, the power to cancel any part of that capital increase that is not necessary for the conversion into shares and/or the exercise of the right to subscribe for shares. As provided in article 304.2 of the Capital Companies Act, shareholders shall not have pre-emptive subscription rights in capital increases of Banco de Sabadell, Sociedad Anónima made to issue new shares for the conversion of notes.

7. The Board of Directors is empowered to apply, where appropriate, to list, on official or unofficial secondary markets, organised or otherwise, in Spain or other countries, the notes and/or bonds that are convertible and/or exchangeable for shares, preferred securities or warrants issued under this delegation and the shares issued to cater for conversion of the convertible notes and/or bonds, preferred securities or warrants, and the Board of Directors is also empowered, as broadly as may be required by law, to take any necessary steps before the competent authorities of the various domestic or foreign securities markets to achieve such listing.

At subsequent General Meetings of Shareholders of Banco de Sabadell, Sociedad Anónima, the Board of Directors will inform shareholders of any use it has made of the delegations given in this resolution.

The delegation to the Board of Directors, which includes the express power to sub-delegate to the Executive Committee or the director(s) that the Board of Directors or Executive Committee see fit, includes all the powers granted under this agreement and the broadest powers that may be necessary under law to interpret, apply, execute and implement the resolutions to issue securities that are convertible or exchangeable for shares of Banco de Sabadell, Sociedad Anónima adopted at one or more times under this resolution, and to make capital increases and deliver pre-existing shares, and the Board is also empowered to remedy and complement the same where necessary, and to fulfil any requirements that may be applicable by law to achieve those outcomes, with the power to remedy omissions or defects in those



resolutions that are pointed out by any authorities, functionaries or bodies, whether domestic or foreign, and it is also empowered to adopt such decisions and grant such public or private documents as may be considered necessary or advisable for the adaptation of these decisions to issue securities that are convertible or exchangeable for shares and the corresponding capital increase on the basis of the verbal or written feedback from the Mercantile Registrar or, generally, from any other competent authorities, functionaries or institutions, whether domestic or foreign.

AGENDA ITEM SIX RESOLUTION

Revoke the delegation granted under resolution six adopted at the General Meeting on 30 March 2017 in the part not executed, and authorise Banco de Sabadell, Sociedad Anónima so that, either directly or through any of its subsidiaries, and within a maximum period of five years as from the date of this General Meeting of Shareholders, it may acquire, at any time and as often as it sees fit, shares of Banco de Sabadell, Sociedad Anónima by any of the means admitted by law, including against profit for the year and/or unrestricted reserves, and that it may subsequently sell or cancel any shares thus acquired or, where appropriate, deliver them to employees or directors of Banco de Sabadell, Sociedad Anónima as part of their remuneration or as a result of the exercise of stock options which they hold, all in accordance with the provisions of articles 146, 509 and matching articles of the Capital Companies Act.

Approve the limits or conditions of these acquisitions, as follows:

- The par value of the shares thus acquired, directly or indirectly, in addition to any shares already held by Banco de Sabadell, Sociedad Anónima and its subsidiaries, shall not exceed, at any time, the legal limit established at any time by the legislation in force (currently ten per cent of share capital), complying in all cases with all the limits for acquisition of treasury shares established by the stock market regulators in the markets on which the shares of Banco de Sabadell, Sociedad Anónima are listed.
- The acquisition, including any shares previously acquired by Banco de Sabadell, Sociedad Anónima (or a person acting in their own name but on the bank's behalf) and held by it, must not lead to equity being less than the amount of



capital plus legal reserves and reserves that are designated as restricted under the Articles of Association.

- The shares acquired must have been fully paid.
- The acquisition price must be no less than par value and no higher than 20 per cent above the stock market price or any other price whereby the shares may be valued as of the date of their acquisition. All acquisitions of treasury shares shall be made in accordance with general stock market rules and regulations.

In cases where disposal or delivery are not expected, reduce the share capital in order to cancel any treasury shares that Banco de Sabadell, Sociedad Anónima may hold on its balance sheet, against profits or unrestricted reserves and in the amount that may be considered appropriate or necessary at any time, up to at most the amount of treasury shares held as of that date, all in accordance with the provisions of articles 285 et seq. and 318 of the Capital Companies Act.

Authorize the Board of Directors, and grant it the express power to subdelegate this authorisation to the Executive Committee or the director(s) that the Board of Directors or the Executive Committee sees fit, in order that it may execute the foregoing resolutions and, in particular the resolution on capital reduction, which may be made on one or several occasions and within a maximum period of five years from the date of adoption of this resolution, taking all steps and actions and obtaining all authorisations that may be necessary or required under the Capital Companies Act and other applicable legislation, and in particular authorise the Board so that, within the period and limits established for said execution, it may: set the date(s) of the specific capital reduction(s) to be made, their timing and advisability; determine the amount of the capital reduction; determine the use to be made of the amount thus reduced, furnishing, where necessary, any guarantees and complying with any conditions that may be required by law; amend the wording of Article 7 of the Articles of Association to the new amount of capital; apply for delisting of the shares that are cancelled; and generally adopt any decisions that may be necessary for that cancellation and the consequent reduction of capital; and appoint the persons to participate in formalising these decisions.

AGENDA ITEM SEVEN RESOLUTION

Upon obtaining any authorisations that may be required by law or regulation and the mandatory report by the Board of Directors, amend articles 50 and 85 of the Articles



of Association to update the provisions relating to the remuneration to which directors are entitled for performing their duties, with the aim of adapting their wording to current legislation and to best practices in the area of corporate governance.

The new wording of the articles to be amended is as follows:

“Article 50. The Board of Directors shall consist of a maximum of 15 and a minimum of 11 members, appointed by the General Meeting for a term of four years, with the possibility of re-appointment for periods of the same duration, who shall not be required to provide guarantees and who shall faithfully perform their duties and represent the Company in a diligent and business-like way in good faith and in the company's best interests and shall keep confidential any data, reports or information of a confidential nature of which they become aware or to which they gain access in the course of discharging their duties, even after they have ceased to hold office.

Directors must avoid situations of conflict of interest in the terms defined in the Capital Companies Act, including those where the beneficiary of the prohibited acts or activities is a related party of the director.

Any vacancies arising on the Board of Directors shall be filled by the General Meeting unless the Board decides, in the interests of the Company, to act in accordance with the Capital Companies Act.

Shareholders acting collectively in the manner and in accordance with the requirements of article 243 of the Spanish Capital Companies Act shall be entitled to appoint the corresponding number of directors.

A director may be removed at any time by a resolution of the General Meeting.

The position of director is compatible with any other office or executive role in the Company and with the remuneration which, based on a proposal from the Remuneration Committee and a resolution by the Board of Directors, is deemed appropriate on the basis of his/her performance of such other functions within the Company, in accordance with the Director Remuneration Policy approved by the General Meeting.

Additionally, under the heading of long-term remuneration, subject to prior approval by the General Meeting, directors who perform executive functions may also



participate in incentive plans approved for executives of the Bank consisting of payment in the form of shares, stock options or remuneration linked to the share price."

"Article 85. From gross revenues there shall be deducted the general expenses, interest, bonuses, appropriations made by the Board for depreciation and amortisation, any provisions considered necessary and any other amount that results in a reduction in the Bank's assets.

In particular, the remuneration to which directors are entitled both for performing their functions as members of the Board of Directors and for their executive functions, whose maximum annual amount will be established in the Director Remuneration Policy approved by the General Meeting of Shareholders, will be deducted, and the Board will be broadly empowered to establish, within the aforementioned maximum limit, the remuneration for individual members, subject to a prior report from the Remuneration Committee. Any long-term remuneration for executive directors will be deducted from gross revenues in the year in which it is actually paid.

After making deductions for tax and provisions to reserves as required by law, the Shareholders' Meeting shall, based on a proposal from the Board of Directors, decide what part of any remaining profit is to be distributed to shareholders as dividends and how much is to be appropriated to voluntary reserves or otherwise appropriated or employed in such manner as it may determine."

AGENDA ITEM EIGHT RESOLUTION

Approve a supplementary long-term incentive plan linked to the appreciation by the shares of Banco de Sabadell, Sociedad Anónima for executive directors, senior management and other executives forming part of the Group's identified staff (the "Incentive") with the following basic features:

- a) Object: the Incentive will consist of the assignment of a specific number of rights to the beneficiaries, which carry the right to receive the increase in value of the same number of shares of Banco de Sabadell, Sociedad Anónima, based on the share's market price, while also being tied to the Bank's attainment of certain multi-year indicators over a given period of time,



to be paid 55% in the form of shares of Banco de Sabadell, Sociedad Anónima and the remaining 45% in cash.

- b) Beneficiaries: the beneficiaries of the Incentive will be the executive directors, members of senior management and other executives who form part of the Group's identified staff (subject to compliance with the requirements set out in the general conditions of the Incentive, which will include the requirement that the potential Beneficiary is not assigned to TSB Banking Group Plc or its subsidiaries, including TSB Bank Plc, all of which are subsidiaries of Banco de Sabadell, Sociedad Anónima).

The provisional number of beneficiaries, pending a final decision by the Board of Directors based on a proposal by the Remuneration Committee, is 3 executive directors, 9 members of senior management, and 57 members of the Group's identified staff.

The Incentive is obligatory for the beneficiaries who form part of the Group's identified staff and its receipt is conditional upon the shares actually appreciating during the period of the Incentive; in the event that they depreciate, no monetary rights will be generated for the beneficiaries.

- c) Number of rights to which the Incentive refers: the maximum number of rights to be assigned to the beneficiaries of the Incentive will be 21,000,000. Within that maximum number, the number not assigned initially will be reserved to cover the possible inclusion under the Incentive of new beneficiaries not envisaged at the time of initial allocation or the possibility of allocating additional rights to pre-existing beneficiaries.
- d) Individual assignment: the initial individual assignment of the number of rights to shares to be taken as a reference in favour of each beneficiary under the Incentive will be made by the Board of Directors based on a proposal by the Remuneration Committee.

That initial individual assignment will be made for simple calculation purposes and will not entail acquisition by the beneficiary of the status of shareholder or of any other rights linked to that status. Additionally, the rights will be *intuitu personae*, i.e. non-transferable except in the special circumstances that may be provided under any general conditions of the Incentive to be



approved by the Board of Directors of Banco de Sabadell, Sociedad Anónima.

The Chairman of the Board of Directors is allocated 1,700,000 rights on shares. The Managing Director of Banco de Sabadell, Sociedad Anónima is allocated 1,500,000 rights on shares. The Director-General Manager of Banco de Sabadell, Sociedad Anónima is allocated 800,000 rights on shares.

The number of rights assigned to each beneficiary will be adjusted in the first quarter of 2019 as a function of their individual attainment of the annual objectives assigned to each beneficiary for 2018; if attainment is 80% or higher, the beneficiary will retain the amount of shares assigned initially; below 60% attainment will entail forfeiture of all the assigned rights.

In addition, like the other components of variable annual remuneration, the incentive is subject to any overall adjustments of the variable remuneration for 2018 that are made in the first quarter of 2019, as set out in the Director Remuneration Policy, the Senior Management Remuneration Policy and the Remuneration Policy for the Group's Identified Staff.

- e) Reference share value: the Incentive will be calculated by taking the initial unit value of the shares of Banco de Sabadell, Sociedad Anónima to be the arithmetic mean, rounded to the third decimal place, of the closing prices of the share of Banco de Sabadell, Sociedad Anónima in the first twenty trading sessions of 2018, i.e. €1.841. The final value will be taken to be the arithmetic mean, rounded to the third decimal place, of the closing price of the Banco de Sabadell, Sociedad Anónima share in the first twenty trading sessions of March 2021.
- f) Period for calculating the value of the Incentive: the period of time to be considered for the purposes of calculating the increase in the value of the shares will commence on 30 January 2018 and conclude on the last of the first twenty stock market sessions of March 2021, except in the event of early settlement of rights in the special circumstances that the Board of Directors provides for in the general conditions governing the Incentive.
- g) Vesting, and malus and clawback clauses: the number of rights to be settled may be equal to or less than the number of vested rights in the first quarter of 2019, depending on the level to which Banco de Sabadell, Sociedad



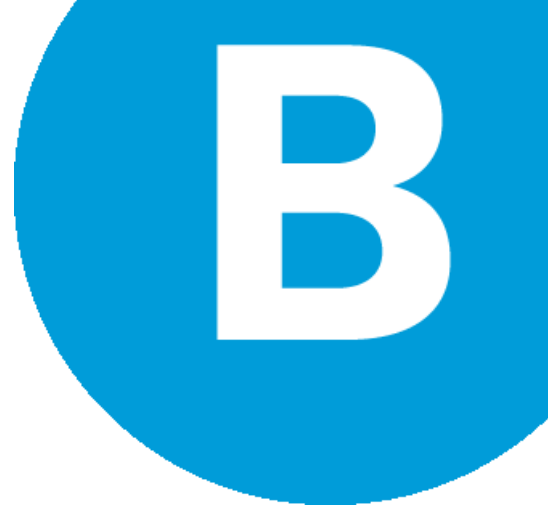
Anónima attains four indicators during the Incentive's lifetime. The period for evaluating attainment will cover the years 2018, 2019 and 2020, for which objectives are established for the following indicators and with the following weightings: shareholder return (25%), for which the benchmark will be the share's closing price, rounded to the third decimal place, in the first 20 sessions of 2018 and the first 20 sessions of 2021; liquidity coverage ratio (25%); CET1 capital (25%); and the bank's return on risk-adjusted capital - RoRAC (25%). The last three indicators will be measured at the end of the multi-year period, taking the average of the last three months of the year 2021.

Other conditions attached to vesting will be (i) that the beneficiary maintain his/her employment or contractual relationship with the group, (ii) that he/she must not have incurred in any event triggering a *malus* clause, all in the conditions to be established by the Board of Directors in the general conditions of the Incentive, which must also consider, in accordance with the applicable regulations, the cases where the beneficiary may be required to repay any incentive amount collected previously (clawback).

- h) Settlement of the Incentive. Deferral and retention: 55% of the Incentive will be settled by the delivery of shares of Banco de Sabadell, Sociedad Anónima, valued at the arithmetic mean, rounded to the third decimal place, of the closing price of the share of Banco de Sabadell, Sociedad Anónima in the first twenty stock market trading sessions of March 2021; the other 45% will be paid in cash. Consequently, the total number of shares to be delivered will be determined by the result of dividing 55% of the increase in the value of the shares of Banco de Sabadell, Sociedad Anónima corresponding to the assigned rights by the final value of the share of Banco de Sabadell, Sociedad Anónima.

The incentive will be settled in April 2022, except for the case of the executive directors and senior managers, to whom the current deferral rules are applicable as provided in the general terms of the Incentive. Executive directors and members of senior management will collect the incentive they have earned according to the following calendar:

- 60% in the first four months of 2022
- 20% in the first four months of 2023



- 20% in the first four months of 2024

All beneficiaries forming part of the Group's identified staff at the time of delivery of the shares must retain ownership of the shares for a lock-up period of at least one year from the delivery date.

- Share delivery: the shares will be delivered either by Banco de Sabadell, Sociedad Anónima itself or by a third party, subject to the hedging systems that the Board of Directors finally adopts, and once the applicable legal requirements have been fulfilled, having regard to the hedging system that is finally adopted.
- Early termination or amendment of the Incentive: the Incentive may provide for early termination or amendment in the cases of capital dilution that the Board of Directors determines.
- Hedging procedure: the hedge of the Incentive will be determined, in terms of time and form, by the Board of Directors of Banco de Sabadell, Sociedad Anónima, which is expressly empowered for this purpose.
- Legal grounds: this incentive is approved under articles 219 and 529 *novodecies*, paragraph 5, of the Capital Companies Act and article 50 of the Articles of Association and it forms part of the Director Remuneration Policy proposed for approval under item ten on the Agenda of the General Meeting of Shareholders scheduled for 19 April 2018, at second call.

Without prejudice to the general provisions of item thirteen on the Agenda, to empower the Board of Directors as broadly as is allowed by law, with the power to sub-delegate to the Executive Committee or the director(s) that the Board of Directors or the Executive Committee considers appropriate, in order to:

- Implement the Incentive, with the power to specify and elaborate on, as necessary, the rules contained herein, the contents of the general conditions of the Incentive, and the contractual documents to be signed with the beneficiaries or third parties, with the power also to ratify, as necessary, any steps taken for this purpose up to that time.



- b) Negotiate, agree and sign counterparty and liquidity contracts with the financial institutions that they freely designate, in the terms and conditions that they deem to be appropriate.
- c) Adapt the content of the Incentive as set out above to the circumstances or corporate transactions arising during its term which, in their opinion, have a material effect on the objectives and basic conditions established initially, and any applicable legal amendments.

AGENDA ITEM NINE RESOLUTION

Approve the maximum limit applicable to the variable remuneration for the members of the Group's Identified Staff at an amount equivalent to two years' salary, i.e. 200% of the annual fixed remuneration assigned to each one of them, in accordance with the provisions of article 34.1.g) of Act 10/2014, of 26 June, on ordering, supervision and solvency of credit institutions, and authorise the Board of Directors to include such other members in the identified staff as may be required by the regulations or the regulators and, in that event, to update its composition in the information made available to shareholders at the next General Meeting of Shareholders.

The Identified Staff to which the aforementioned maximum limit on variable remuneration applies, having regard to their profiles and responsibilities and the need to retain them as risk-takers, consists of 95 people, as set out in the list made available to shareholders at the time notice was given of the General Meeting of Shareholders.

AGENDA ITEM TEN RESOLUTION

The Board of Directors, following a reasoned report from the Remuneration Committee which has been made available to the shareholders, considers it appropriate to submit for the approval of the General Meeting of Shareholders a new Director Remuneration Policy for the years 2018, 2019 and 2020, which replaces and revokes, for the year 2018, the previous Director Remuneration Policy of Banco de Sabadell, Sociedad Anónima, which was approved by the General Meeting of Shareholders on 31 March 2016.



The remuneration for directors in their capacity as members of the Board of Directors, which is set out in the Director Remuneration Policy, is coherent with the remuneration system envisaged in the Articles of Association.

The remuneration for directors for performing executive functions, which is also set out in the Director Remuneration Policy, meets the requirements of European directives and regulations and current legislation, particularly Act 10/2014, of 26 June, on ordering, supervision and solvency of credit institutions, Royal Decree 84/2015, of February 13, implementing Act 10/2014, of 26 June, on ordering, supervision and solvency of credit institutions, and the European Banking Authority's Guidelines on Internal Governance (GL 44). And also with Bank of Spain Circular 2/2016, of 2 February, to credit institutions, on supervision and capital adequacy, which completes the adaptation of Spanish law to Directive 2013/36/EU and Regulation (EU) 575/2013.

The Board of Directors considers that the Director Remuneration Policy submitted for approval respects the required proportions with respect to the capital and risk policy of Banco de Sabadell, Sociedad Anónima, and is in line with market standards for comparable companies, to which end the Board has reviewed reports by independent experts. In addition, the factors that influence the various components of remuneration for executive functions are consistent with the principles governing the protection of customers, investors and shareholders; they are compatible with the business strategy, objectives, values and long-term interests of the institution; they are in line with appropriate, healthy and effective management of the bank's risks and, above all, they comply with the regulatory parameters in connection with prudential regulation and capital that are applicable to Banco de Sabadell, Sociedad Anónima.

Approve, in accordance with the provisions of article 529 novodecies of the Capital Companies Act, the Director Remuneration Policy of Banco de Sabadell, Sociedad Anónima, for the years 2018, 2019 and 2020, the text of which was made available to shareholders when notice was given of the General Meeting, which sets out the maximum amount of annual remuneration to be paid to directors for performing their functions. That Policy replaces and revokes, for the year 2018, the previous Director Remuneration Policy of Banco de Sabadell, Sociedad Anónima, which was approved by the General Meeting of Shareholders on 31 March 2016.

Additionally, grant the Board of Directors powers as broad as may be required by law to interpret, elaborate upon, formalise and execute this resolution, to adopt such



resolutions and sign such public or private documents as may be necessary or advisable for its full enforceability, with the power to adapt the Director Remuneration Policy of Banco de Sabadell, Sociedad Anónima, when it considers this necessary based on a proposal by the Remuneration Committee, to emerging circumstances, to the provisions of current legislation, to recommendations and best practices in this area, and to specific requirements imposed by the supervisors, provided that this does not entail a material change in the terms and conditions that must be submitted again for approval by the General Meeting of Shareholders in accordance with the applicable legislation; and, in particular:

- a) To implement and establish the specific conditions of the remuneration system for executive directors in all matters not provided for in the Director Remuneration Policy of Banco Sabadell, including in particular, but not limited to, the appointment and removal of directors, establishing their variable remuneration and its terms, establishing any cases of early settlement, and declaring that any conditions upon which such settlement is contingent have been fulfilled.
- b) Adapt the contents and conditions of the Banco Sabadell Director Remuneration Policy to any corporate transactions or exceptional circumstances that arise during its term, referring both to Banco Sabadell, Sociedad Anónima, and the companies in its group, as well as to the indicators selected to determine the variable remuneration, in order for them to subsist in the same terms and conditions.
- c) Adapt the content of the Banco Sabadell Director Remuneration Policy to any requirements, comments or requests by the competent supervisory authorities and, in particular, make adjustments to the deferral percentages and periods for annual variable compensation that is applicable to executive directors of Banco Sabadell, Sociedad Anónima, and to the lock-up period for the shares or the rules for calculating them.
- d) Interpret the rules for the system of settlement and payment of the short-term variable remuneration and the long-term remuneration applicable to executive directors of Banco de Sabadell, Sociedad Anónima.
- e) In general, perform such actions and sign such documents as may be necessary or advisable to render the Director Remuneration Policy of Banco



de Sabadell, Sociedad Anónima, valid and to implement, elaborate upon and execute it.

AGENDA ITEM ELEVEN RESOLUTION

The Board of Directors has drafted and published the Annual Report on Director Remuneration, whose content and structure conform to Order ECC/461/2013, of 20 March, and the terms set out in Capital Companies Act and in National Securities Market Commission Circular 4/2013, of 12 June (as amended by Circular 7/2015, of 22 December). Additionally, a Presentation on the Annual Report on Director Remuneration, which accompanies that report, has been posted on the corporate website of Banco de Sabadell, Sociedad Anónima, in order to detail the main features of the report and the applicable Policy.

At the proposal of the Board of Directors, the Annual Report on Director Remuneration 2017 is submitted to the General Meeting of Shareholders for an advisory vote in accordance with the provisions of article 541 of the Capital Companies Act.

AGENDA ITEM TWELVE: MOTION

Re-appoint, in accordance with the provisions of Article 264 of the Capital Companies Act, and following the corresponding proposal submitted by the Audit and Control Committee to the Board of Directors, the audit firm PricewaterhouseCoopers Auditores, S.L., with Tax ID No. B-79031290, as auditors of the Company's and of the consolidated Group's financial statements for 2018.

AGENDA ITEM THIRTEEN: MOTION

Expressly authorise the Chairman of the Board of Directors of Banco de Sabadell, Sociedad Anónima, Mr. José Oliu Creus, the Secretary, Mr. Miquel Roca i Junyent, and the Vice-Secretary of the Board, Ms. María José García Beato, or the persons who may replace them in their respective posts of Chairman, Secretary and Vice-Secretary, so that any of them, without distinction, may, on behalf of Banco de Sabadell, Sociedad Anónima:



- a) Take such steps as may be necessary to obtain the necessary authorisations or registrations with the European Central Bank, the Bank of Spain, the Ministry of Economy and Competitiveness and their dependent bodies, and the Spanish National Securities Market Commission, and any other body. Appear before a Notary for the purpose of executing the adopted resolutions in a public instrument, and take all steps that may be appropriate or necessary to achieve complete execution and registration thereof, as and when appropriate, in the corresponding public registries and, in particular, in the Mercantile Registry of the Province; this authorisation shall include the power to correct, clarify, interpret, specify or supplement, where appropriate, the adopted resolutions in any public instruments or documents that may be executed for implementation thereof and, in particular, any defects, omissions or errors, of form or content, that may impede registration of the resolutions adopted and of their consequences in the Mercantile Registry of the Province, and to incorporate, on their own authority, any modifications that may be necessary to this effect or that may be indicated verbally or in writing by the Mercantile Registrar or required by the competent authorities, with no need for further consultation with the General Meeting of Shareholders.
- b) Perform, on behalf of Banco de Sabadell, Sociedad Anónima, such legal acts as may be necessary to execute the foregoing resolutions and implement them.

María José García Beato
Deputy Secretary of the Board of Directors

Alicante, 19 April 2018