

Regulation of the General  
Meeting of  
Shareholders  
of  
Banco de Sabadell, S.A.

# **Regulation of the General Meeting of Shareholders of Banco de Sabadell, S.A.**

## **1. Purpose**

The purpose of this Regulation is to determine, within the framework of the Articles of Association, the principles governing the actions of the General Shareholders' Meeting of Banco de Sabadell, S.A. so as to safeguard shareholders' rights and transparency.

## **2. Interpretation**

This Regulation shall be interpreted in accordance with the applicable current law and the Articles of Association.

## **3. Amendment**

1. This Regulation may only be amended by the Shareholders' Meeting itself, based on a proposal either from the Board of Directors, following consultation with the Audit and Control Committee, or from the shareholders, who may make proposals within the deadlines and subject to the requirements set out in the second-last paragraph of article 40 of the Articles of Association. If the proposals for amendment of this Regulation made by shareholders under the aforementioned article are deemed to incongruent with the agenda of the Shareholders' Meeting for which they are presented, they must be included in the agenda of the next Shareholders' Meeting held by the company. This shall not in any way impair the shareholders' rights under article 41 of the Articles of Association.
2. Approval of an amendment to this Regulation shall be subject to the same requirements as established in the Articles of Association for amendment of the latter.

## **4. Distribution**

This Regulation and any amendments shall be made known to all shareholders through the annual Corporate Governance report drawn up by the Board of Directors and the other documentation made available to shareholders either on paper or electronically, and via the corporate website [www.grupobancosabadell.com](http://www.grupobancosabadell.com).

## **5. Competencies of the Shareholders' Meeting**

As the basic decision-making and oversight body in charge of the company's activities and of safeguarding the shareholders' rights, the General Meeting has all the competencies attributed to it by the law, the Articles of Association, particularly article 46, and this Regulation.

Exceptionally, the Board of Directors may, under the provisions of the first sub-section of article 41 of the Articles of Association, submit for approval by the General Meeting any business decisions that it considers to be of vital importance for the company's future and interests or as may be required by law.

## **6. Types of Meetings**

1. Shareholders' Meetings may be ordinary or extraordinary.
2. The ordinary Shareholders' Meeting shall be the one which is held in the first six months of each year to examine and approve the notes to the financial statements, directors' report, income statement and balance sheet for the previous year, a statement of changes in net equity in the year, a cash flow statement, the proposal for the allocation of income and any other proposals that the Board of Directors decides to submit.
3. Any other Shareholders' Meeting shall be classified as extraordinary.

## **7. Notice of meeting**

1. Ordinary Shareholders' Meetings must be called by the Board of Directors.
2. Extraordinary General Meetings may be called by the Board of Directors on its own initiative or at the request of shareholders representing at least 3% of capital, subject to the other requirements and consequences set out in the Articles of Association.
3. The decision by the Board of Directors to call the Shareholders' Meeting must be adopted sufficiently in advance to ensure that the notice is publicised and to safeguard shareholders' right to information.

## **8. Public notice of meeting**

1. Notice of Shareholders' Meetings shall be given by means of an announcement published in the Official Bulletin of the Mercantile Register [Boletín Oficial del Registro Mercantil] or in one of the daily newspapers with the largest circulation in Spain, on the Spanish National Securities Commission's website, and on the company's website, at least one month before the date on which the Meeting is scheduled, unless the law or the Articles of Association require greater advance notice.
2. The notice of meeting shall state the place, date and time of the meeting at first and second call, which must be separated by the minimum time period established in the Articles of Association and the applicable regulations; all the items on the agenda; the requirements for attending the General Meeting; the shareholders' right to information and the means for exercising that right; and the list of documents made available to them, and all other matters required by law.
3. Shareholders representing at least three per cent of the share capital may ask for a supplement to the notice of the Shareholders' Meeting to be published, adding one or more items to the Agenda, in accordance with the legislation in force. The shareholders who wish to exercise that right must send certifiable notification to the company, to be received at the company's registered office within the five days following publication of the notice of meeting. The supplement must be published at least fifteen days prior to the scheduled meeting date.
4. Without prejudice to the provisions of the Articles of Association, shareholders may have access via the company's website to the contents of the documents placed at their disposal, together with the literal wording of

the motions which the Board of Directors submits for approval, including motions submitted by shareholders and any information relating to directors whose ratification, appointment or reappointment is proposed, in accordance with the applicable regulations.

5. As from the publication of the notice, an Electronic Shareholders' Forum must be created on the company's website, which may be accessed subject to the appropriate safeguards, with a view to facilitating communication prior to the General Meeting of Shareholders.

#### **9. Motions presented by shareholders**

1. Shareholders representing at least three per cent (3%) of capital may present motions, duly signed, provided that they are germane to the items that are already on the agenda or which ought to be on the agenda for the scheduled meeting.
2. Such proposals must be presented within five days following the publication of the notice of meeting, and they shall be vetted by the Board of Directors. If such motions fulfil the requirements established herein, the Board of Directors shall read the motion into the corresponding item of the agenda, alongside the motion proposed by the Board itself. Where the motions are mutually exclusive, the approval of the motion put forward by the Board of Directors shall entail simultaneous rejection of the alternative motion(s). Where the motions are complementary, they shall be voted on separately and consecutively, commencing with the one put forward by the Board of Directors.
3. If the Board of Directors rejects a motion presented by the shareholders on the grounds that it is not directly germane to the items on the agenda, the shareholders may exercise their other rights.
4. The Board of Directors shall strive to ensure that, while providing guarantees of authenticity and security, the shareholders may also present motions via the company's website; the Board of Directors may also use that same channel to notify the requesting shareholders of its decision to accept or reject such motions, and to report the content of the motions to the other shareholders, as appropriate.

#### **10. Attendance and proxy rights**

1. Holders of one thousand (1,000) shares that are registered in the Company's Register of Shareholders at least five days in advance of the date scheduled for the Shareholders' Meeting at first call shall be entitled to attend Meeting. Shareholders holding shares that amount to less than that minimum amount may group together to constitute the minimum and grant proxy to any one of them, or to another shareholder that is entitled to attend the Shareholders' Meeting in accordance with the provisions of the Articles of Association and this Regulation.
2. To gain admittance to the Shareholders' Meeting, shareholders entitled to attend must apply to the Secretary, not later than five days before the Meeting date at first call, for the pertinent admission or attendance card, which shall be issued personally in their name. Notwithstanding requests by shareholders, in order to facilitate shareholder participation in the

Shareholders' Meeting, the Board of Directors may send all registered shareholders the aforementioned admission card, which shall entitle them to attend in the terms provided in the Articles of Association and in this Regulation.

3. The attendance card shall state the number of votes corresponding to the holder, at a rate of one vote for every thousand (1,000) shares.
4. The right to attend and the corresponding right to vote may be exercised by the shareholder personally or by proxy.

Holders of a general power of attorney for the shareholder in the form of a public instrument with the power to administer all of the shareholder's assets in Spanish territory are also entitled to represent the shareholder.

Minors must be represented by their legal guardians or representatives, and corporations or companies by their legal representatives, in which case the identity of such person must be specified.

5. The delegation of the right to attend and vote must be indicated at the bottom or on the back of the attendance card, which must contain or be attached to the Agenda. Proxies must be signed by the shareholder, provided that the shareholder's signature is authenticated or is recognized by the Bank. The shareholder may give express instructions regarding his vote for each item on the Agenda. In the absence of express instructions, the proxy shall be entitled to vote as he sees fit, except in the event of conflict of interest.
6. If a shareholder sends the company an attendance card with a duly signed proxy form but without identifying the proxy, the proxy will be exercised by the Chairman of the Board of Directors or, if he is not a shareholder, by another Director who is a shareholder.
7. Before his appointment, the proxy must inform the shareholder in detail whether there is a conflict of interests. If the conflict arises after the appointment of the proxy and the shareholder principal has not been warned of its possible existence, he must be informed of it immediately. In both cases, absent specific voting instructions for each item on which the proxy must vote on behalf of the shareholder, the proxy must abstain.
8. Where the proxy has a conflict of interests, unless the shareholder indicates otherwise it shall be assumed that the shareholder has also designated as representatives, jointly and severally, in the following order, the Chairman of the General Meeting and, if he has a conflict of interests, the person designated by the Chairman.
9. Without prejudice to the provisions of article 187 of the Capital Companies Act, if a proxy is granted in accordance with the terms of the preceding section or to the Board of Directors or its Chairman, without express voting instructions, the shareholder shall be deemed to have decided to vote in favour of all the motions proposed by the Board of Directors.
10. The Board of Directors may provide electronic systems for granting proxy where it considers that the necessary guarantees of authenticity and legal certainty exist.  
Shareholders who grant proxy by electronic means may give voting instructions for each item on the Agenda by those same means.

11. Proxies or delegations shall be granted for a specific Shareholders' Meeting and shall only be valid for that meeting; they may be revoked in any event. Attendance in person by the principal at the Meeting shall have the effect of revoking any proxies.
12. The Company's executives and advisors and any other persons that the Chairman of the Shareholders' Meeting sees fit may attend Shareholders' Meeting and speak but not vote.
13. The members of the Board of Directors and the Secretary or Vice-Secretary, who is not a director, are obliged to attend the Shareholders' Meeting.
14. The Company's external auditors must attend ordinary Shareholders' Meetings and any others where the Board of Directors considers that their presence is necessary because of the motions on the agenda.

#### **11. Chairman and Secretary of the Shareholders' Meeting**

1. The Shareholders' Meeting shall be chaired by the director designated by the Board of Directors or, by default, by the Chairman of the Board.
2. The Chairman is in charge of directing proceedings, recognising and de-recognising speakers in accordance with the Articles of Association and the law, and declaring debates to have concluded when he considers that the motions before the Shareholders' Meeting have been debated sufficiently.
3. The Secretary of the Board of Directors or his substitute, in accordance with the provisions of article 54 of the Articles of Association, shall act as Secretary of the Shareholders' Meeting. The Secretary is responsible for drawing up the minutes and issuing the pertinent certificates, countersigned by the Chairman.
4. The Chairman and Secretary of the Shareholders' Meeting may take the floor at any time during the meeting to explain or to elaborate upon the motions on the Agenda or respond to questions in this connection raised by those in attendance.
5. The Chairman may delegate in any member of the Board of Directors the duty of responding to shareholders' questions or expanding on the information provided to the meeting where they relate to the competencies assumed by that director in the Board of Directors or its subcommittees.

#### **12. Quorum**

1. Before the meeting is called to order, a list of attendees shall be drawn up, indicating the capacity in which each one is attending and the number of shares which they own or represent at the Meeting. At the end of the list, the number of shares present or represented by proxy shall be calculated, as well as the amount of paid-in capital that those shares represent. The list of attendees shall be attached to the minutes as an appendix signed by the Secretary and countersigned by the Chairman.
2. To draw up the attendance list, the Board may use computer or other systems that enable the list to be drawn up more quickly while offering the utmost assurances with regard to security and authenticity. In these cases,

a certificate of identification, signed by the Secretary and countersigned by the Chairman, shall be attached to the computer medium.

3. The Shareholders' Meeting shall be quorate at first call if the shareholders present or represented own at least twenty-five per cent (25%) of the subscribed voting capital. The Meeting shall be quorate at second call regardless of the amount of the capital attending.
4. In order for an ordinary or extraordinary General Meeting of Shareholders to validly adopt a motion to issue bonds that are convertible or give entitlement to share in profits, increase or reduce capital, change the Company's form, perform a merger or demerger or assignment en bloc of the assets and liabilities or transfer the registered offices of the Company to another country, amend the Articles of Association, and in any of the other cases where the laws or the Articles of Association so require, it must be attended at first call by shareholders, present or by proxy, representing at least fifty per cent (50%) of the subscribed voting capital.

At the second call, twenty-five per cent (25%) of such capital shall suffice.

5. Once the quora referred to in the preceding sections are attained, the Chairman shall call the meeting to order.  
In the event that the aforementioned quora are not attained, the appropriate procedure shall be to:
  - a) Hold the meeting at second call, or
  - b) Issue a new notice of Shareholders' Meeting, if the Board of Directors sees fit.

### **13. Transaction of Business**

1. Once the Meeting has been called to order, the Chairman of the Board of Directors may address the meeting, describing the Bank's general performance and future plans, with an express reference to the general situation in which the group has been operating.
2. When the Chairman of the Board of Directors has concluded his speech, if any, the Chairman of the Shareholders' Meeting shall, in the case of an ordinary Shareholders' Meeting, recognise the director who will present the financial statements and other documents under the item on the agenda relating to the approval of the financial statements.  
Shareholders may pose questions to the Audit Committee on the matters within its competency.
3. The Secretary of the Shareholders' Meeting shall read each motion that is put to the Meeting. The Meeting may waive the reading by the Secretary if the motion was made available to the shareholders sufficiently in advance and the reading of the entire motion is considered by the Meeting to be unnecessary.
4. Before the motions on the agenda are put to the vote, shareholders may take the floor to request supplementary information or any clarifications that they consider necessary in connection with the items on the agenda, or to propose motions. Any questions raised by shareholders in writing prior to the Shareholders' Meeting must be answered during this period. Nevertheless, the directors shall not be obliged to respond to specific

questions from shareholders where the information sought was already clearly and directly available to all shareholders on the company's website in a question-and-answer form.

Shareholders wishing their remarks to be entered literally in the minutes of the Meeting must provide them in writing at this time to the Notary who is minuting the Meeting so that he may cross-check them when the shareholder speaks.

The Board must supply all the information requested by the shareholders in writing or verbally except where it is unnecessary to safeguard the shareholder's rights or there are objective reasons to believe it may be used for purposes unrelated to the company or that its disclosure might be detrimental to the company or to related companies. This exception shall not apply when the request is supported by shareholders representing at least one quarter of the share capital.

5. The Meeting shall establish the order in which shareholders may speak. All shareholders shall be granted the same length of time in which to speak, which shall be set beforehand by the Chairman, who shall strive to ensure that it is the same for all.

The Chairman has the power to:

- a) grant a shareholder extra time to speak, if he considers it appropriate.
  - b) ask speakers to clarify or elaborate upon issues that they raised which were not understood or were not sufficiently explained by the speaker;
  - c) remind shareholders addressing the Meeting of the need to confine their remarks to matters pertaining to the Meeting.
  - d) warn shareholders addressing the Meeting that they may not abuse their right to speak.
  - e) warn speakers that they are running out of time, and derecognise shareholders who do not respect their time limits or perturb the transaction of business.
6. When the Chairman considers the round of shareholder remarks to have concluded, the motions will be voted upon, starting first by counting votes against, followed by abstentions; all other votes shall be deemed to be in favour. To count the votes, the Board of Directors may use reliable computer systems, which may be examined by any shareholder who is entitled to vote.
  7. If the votes in favour are evidently sufficient to approve the motion, the Chairman shall declare it to have been passed; the exact outcome of the vote shall be set out in the minutes. Only motions set out in the minutes as having been passed shall be deemed to have been definitively passed.
  8. In no case shall the Chairman permit any further speeches once voting has commenced.

#### **14. Voting**

1. Where the Articles of Association or the laws do not require a special majority or a supermajority, motions shall be approved by a simple majority of the votes validly cast.



2. At Shareholders' Meetings attended by shareholders representing less than 50 per cent (50%) of the subscribed voting capital, the resolutions referred to in article 43 of the Articles of Association and 12.4 of this Regulation may only be validly adopted with the favourable vote of two-thirds of the capital present and represented at the Meeting.
3. The Board may permit voting by mail or by electronic systems whenever possible subject to there being assurances of legal certainty and the authenticity of the shareholders' votes.

#### **15. Shareholders' Meeting minutes**

1. The Minutes may be approved at the end of the Meeting by the shareholders or within fifteen (15) days by the Chairman of the Shareholders' Meeting and two representatives appointed by the Shareholders' Meeting, as provided in article 48 of the Articles of Association.
2. The Board of Directors may engage a Notary to attend and minute the Shareholders' Meeting and it shall be obliged to do so if shareholders representing at least one per cent of share capital request this at least five days in advance of the scheduled meeting date. The Notary's fees shall be paid by the Company.  
The notarial certificate shall stand as the minutes of the Shareholders' Meeting and shall be transcribed in the company's minutes book.
3. If approved by any of these methods, the minutes shall be legally enforceable from the time of their approval.
4. The Secretary of the Board of Directors or, in his absence, the Vice-Secretary, is the party empowered to certify the minutes and resolutions of the Shareholders' Meeting; such certificates shall be countersigned by the Chairman or Vice-Chairman of the Board.
5. The motions adopted by the Shareholders' Meeting shall be binding on all shareholders, whether or not they attended, without prejudice to their right under the law to contest resolutions and withdraw from the Company.

#### **16. Term**

The term of this Regulation shall be indefinite, until it is amended or revoked by the Shareholders' Meeting.

#### **17. Final Provision**

For all matters not provided for in this Regulation, the provisions of the Articles of Association and the Spanish Capital Companies Act shall apply.