

REPORT ISSUED BY THE APPOINTMENTS COMMITTEE PRECEDING THE PROPOSAL BY THE BOARD OF DIRECTORS TO THE GENERAL MEETING OF SHAREHOLDERS TO RE-APPOINT A PROPRIETARY DIRECTOR, AS REFERRED TO IN MOTION TWO UNDER ITEM THREE ON THE AGENDA OF THE GENERAL MEETING OF SHAREHOLDERS OF BANCO DE SABADELL, SOCIEDAD ANÓNIMA SCHEDULED FOR 19 APRIL 2018, 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 re-appointment of non-independent directors, a power also granted to it by section 3.d) of article 529 quincecies of the Capital Companies Act.

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.

Accordingly, this Appointments Committee issues this report in connection with the proposal presented by the Board of Directors to re-appoint Mr. David Martínez Guzmán as a proprietary director in order to assess whether the candidate is fit and suitable and has the necessary competency, experience, merits and dedication of time required to properly perform the functions of a director of Banco de Sabadell, Sociedad Anónima, and in order to serve as background for the proposal by the Board of Directors to re-appoint Mr. David Martínez Guzmán as a member of the Board of Directors for a term of four years, in accordance with the provisions of article 50 of the Articles of Association.

Additionally, 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 fifteen directors, three of whom are executive directors, ten are independent directors, one is a proprietary director and one is an external director.

In accordance with the recommendations of the Code of Good Governance of Listed Companies, the Board of Directors has a balanced composition, with a large majority of non-executive directors, and with independent directors accounting for more than half of the total. Additionally, taking into account the large market capitalisation of

Banco de Sabadell, Sociedad Anónima, and the few shareholdings that qualify as significant as defined by law, the proportion of proprietary and independent directors is appropriate.

The Board of Directors is considered to have an appropriate balance and diversity of knowledge, experience and skills among its members, and the latter are considered to have sufficient availability and a high degree of commitment to their function in the institution. This gives the Board of Directors great capacity to debate and enriches the plurality of viewpoints when debating matters under its remit. In the case of Mr. David Martínez Guzmán, the Committee took account particularly of his professional background and his performance as a proprietary director since 2014.

Mr. David Martínez Guzmán graduated in Electrical and Mechanical Engineering from the Autonomous University of Mexico and obtained an MBA from Harvard Business School. In 1987, he founded Fintech Advisory Inc., a firm specialised in corporate and sovereign debt. In his career as an international investor, he has played a prominent role in numerous restructuring operations in a range of industries in Latin America, and has also invested in Europe's periphery. He is also a director of Mexican companies Alfa, S.A.B., Vitro, S.A.B. and Cemex, S.A.B. 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 proprietary director on the Board of Directors.

Mr. David Martínez Guzmán has extensive financial experience acquired through his activity as an international investor. In view of his track record and performance as a proprietary 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 international financial sector and the Latin America market, particularly Mexico, with which 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.

By re-appointing Mr. David Martínez Guzmán, the Board of Directors maintains an appropriate balance and adequate diversity of knowledge, experience and abilities among the members of the Board of Directors, contributing to sustaining the collective suitability of the Board of Directors.

As a result, in connection with section 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, 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, he is considered to have the competency, experience and merits required to hold the position of proprietary director.

Since he fulfils the requirements established in section 3 of article 529 duodecies of the Capital Companies Act and article 53 of the Articles of Association of Banco de Sabadell, Sociedad Anónima, Mr. David Martínez Guzmán will be classified as a proprietary director since he is connected to the firm Fintech Investments, Ltd., which owns a significant stake in Banco de Sabadell, Sociedad Anónima.

Based on the review of the suitability and fitness of Mr. David Martínez Guzmán conducted by this Appointments Committee, it is considered 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 Banco de Sabadell, Sociedad Anónima; accordingly, this Committee ratifies the suitability assessment of Mr. David Martínez Guzmán 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. David Martínez Guzmán meets all the requirements and has the necessary competency, experience and merits to hold the position of proprietary director; consequently, this Appointments Committee issues a favourable report to the Board of Directors with regard to the proposal to ratify and appoint Mr. David Martínez Guzmán as a proprietary director of Banco de Sabadell, Sociedad Anónima.