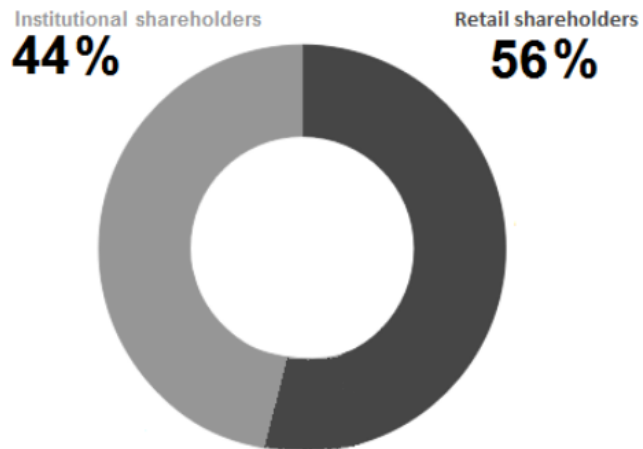


Internal Governance Framework

Shareholding structure

Shareholding distribution

(30/06/2021)



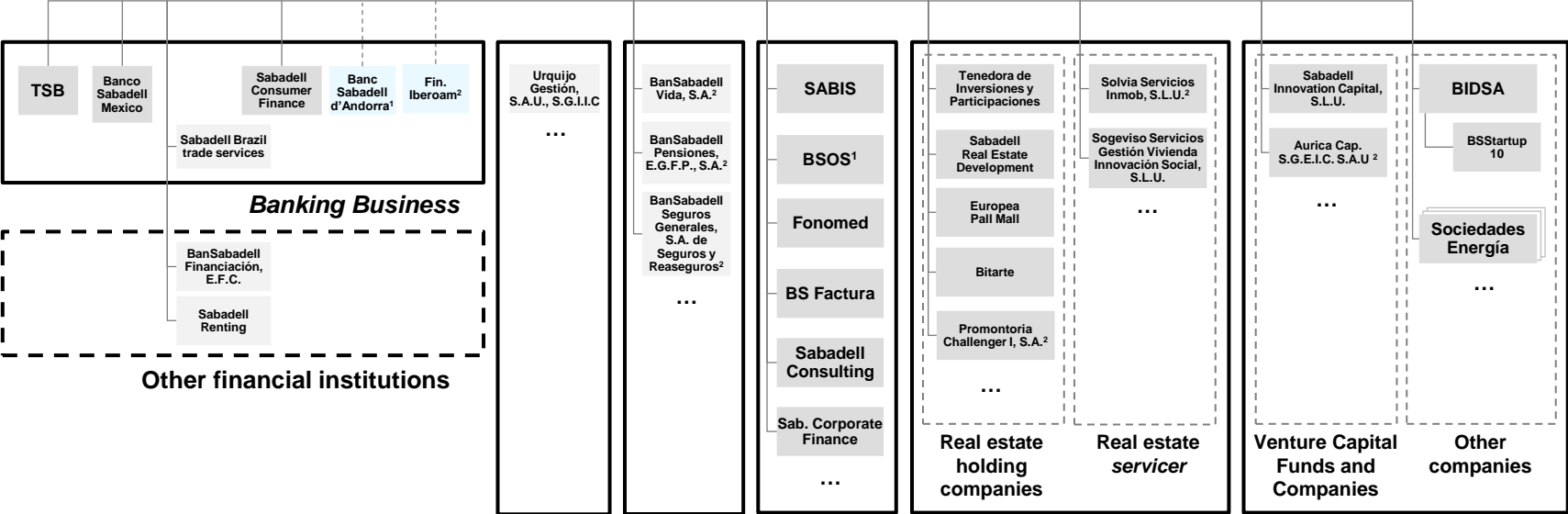
Distribution of shareholders by tranche

(30/06/2021)

Number of shares	Number of shareholders	Shares	% of capital
From 1 to 12,000	184,601	588,753,687	10.46
From 12,001 to 120,000	47,246	1,469,482,578	26.12
From 120,001 to 240,000	1,967	322,986,557	5.74
From 240,001 to 1,200,000	1,067	479,898,447	8.53
From 1,200,001 to 15,000,000	146	465,264,258	8.27
More than 15,000,000	26	2,300,579,174	40.88
Total	235,053	5,626,964,701	100.00

Group structure

Banco de Sabadell, S. A.



1. majority shareholding (between 50% and 99%)
 2. minority shareholding (between 20% and 50%)

Board of Directors

Composition

The Board of Directors is composed of fifteen members, who shall hold office for four years and may be re-elected for terms of the same maximum duration. This body has the composition and functions determined in articles 50 et seq. of the Articles of Association of Banco Sabadell, which are implemented in the Regulations of the Board of Directors.

**Rules of
operation with
regard to
composition**

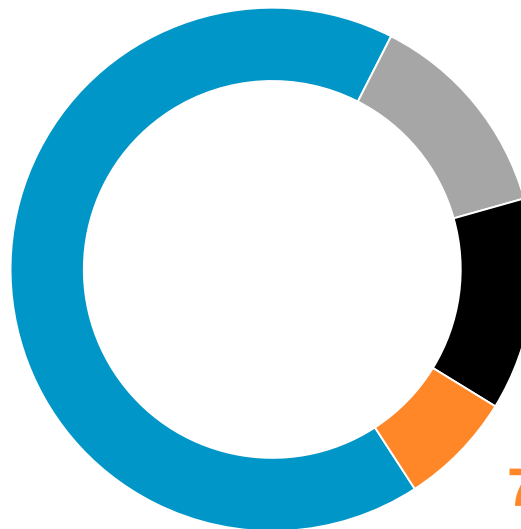
1. It appoints its Chairman from among its Directors, who serves as a non-executive director. It also elects one or more Deputy Chairmen/women, who, in the latter case, shall be numbered consecutively. It also elects a Secretary and may elect a Deputy-Secretary, who may or may not be Directors.
2. It appoints a Chief Executive Officer from among the directors, who will be responsible for managing and directing the Bank's business, and who will represent the Bank in the absence of the Chairman.
3. The latter may appoint a Coordinating Director from among the Independent Directors with the following powers: to request the calling of Board meetings, the inclusion of new items on the agenda of meetings; to coordinate and bring together the Non-Executive Directors; to voice the opinions of the External Directors; to direct, where appropriate, the periodic assessment of the Chairman of the Board of Directors; to maintain contacts with investors and shareholders and to participate in the succession processes of the Chairman under the terms set out in the Succession Plan approved by the Board of Directors.
4. If for any reason the Chairman is unable to perform his or her duties, his or her functions shall be performed by the Deputy Chairman or the 1st Deputy Chairman, if there is more than one, or, in the absence of the latter, by the Deputy Chairman, according to the number sequence.

Board of Directors

Composition of the Board of Directors

67% Independent directors

- Pedro Fontana García (Deputy Chairman)
- Anthony Frank Elliott Ball (Lead Independent Director)
- Aurora Catá Sala
- Mireya Giné Torrens
- George Donald Johnston III
- José Manuel Martínez Martínez
- José Ramón Martínez Sufrategui
- Alicia Reyes Revuelta
- Manuel Valls Morató
- Independent Director*



15 Directors

#10 Independent

#2 Other external

#2 Executives

#1 Proprietary

13% Other external Directors

- **Josep Oliu Creus - Non-Executive Chairman**
- María José García Beato

13% Executive directors

- César González-Bueno Mayer Wittgenstein - CEO
- David Vegara Figueras - CRO¹

7% Proprietary Director

- David Martínez Guzmán²

27% Positions held by women

20% Positions held by international Directors

1. CRO = Chief Risk Officer

2. David Martínez Guzmán is the indirect holder of the voting rights vested in the shares in Fintech Europe S.à r.l.

* On July 28, 2021, the Board of Directors appointed Mr. Luis Deulofeu Fuguet as an Independent Director of Banco Sabadell, subject to the corresponding regulatory authorizations.

Board of Directors

Directors of Banco de Sabadell, S.A.

		Category	Profile
Chairman	Josep Oliu Creus	Other External	Banking/Retail & Corporate Banking/ Financial/Academic/Corporate/International
Deputy Chairman	Pedro Fontana García	Independent	Banking/Retail Banking/Business
Chief Executive Officer	César González-Bueno Mayer Wittgenstein	Executive	Banking/Retail & Corporate Banking/Financial/Regulatory//International/Digital & IT (Digital Transformation)
Directors	Anthony Frank Elliott Ball	Independent Coordinator	Business/International
	Aurora Catá Sala	Independent	Business/Consultant/Financial/Human Resources
	María José García Beato	Other External	Banking/Legal/Regulatory/Governance
	Mireya Giné Torrens	Independent	Financial/Academic/Governance/Digital and IT (Digital Transformation)
	George Donald Johnston III	Independent	Banking/Corporate Banking/International
	David Martínez Guzmán	Proprietary	Business/Financial/International
	José Manuel Martínez Martínez	Independent	Business/Insurance/Financial/International
	José Ramón Martínez Sufrategui	Independent	Banking/Business
	Alicia Reyes Revuelta	Independent	Banking/Retail & Corporate Banking/Financial/International
	Manuel Valls Morató	Independent	Auditor/Financial
David Vegara Figueras	Executive	Financial/Risk/Academic/Regulatory	

Matrix of competences of the members of the Board of Directors (1/2)

Competencies		Chairman	Deputy Chairman	CEO		Directors									
		Josep Oliu Creus	Pedro Fontana García	César González-Bueno Mayer	Anthony Frank Elliott Ball	Aurora Catá Sala	María José García Beato	Mireya Giné Torrens	George Donald Johnston III	David Martínez Guzmán	José Manuel Martínez Martínez	José Ramón Martínez Sufreguái	Alicia Reyes Revuelta	Manuel Valls Morató	David Vegara Figueras
		Ext. D.	Ind. D.	Exec. D.	Lead Ind. D.	Ind. D.	Ext. D.	Ind. D.	Ind. D.	Prop. D.	Ind. D.	Ind. D.	Ind. D.	Ind. D.	Exec. D.
SECTORAL COMPETENCES	Banking	Retail	•	•	•		•		•		•	•	•		
		Corporate	•	•	•		•	•	•				•		
	Financial and capital markets		•	•	•	•	•	•	•	•	•		•		•
	Insurance		•	•	•						•		•	•	
	Other financial competences		•	•		•	•	•	•	•	•	•	•	•	•
	Accounting and auditing		•	•	•		•	•	•		•	•	•	•	•
	Risk Management		•	•	•					•	•	•	•	•	•
	Planning and strategy		•	•	•	•	•	•	•	•	•	•	•	•	•
	Governance		•		•	•	•	•	•		•		•		•
	Risk control		•	•	•	•	•	•	•	•			•	•	•
	Legal		•		•				•				•		
	Digital and IT (digital transformation)		•		•	•	•		•						
	Human resources, culture, talent and remuneration		•		•	•	•	•	•		•	•	•		•
	Responsible business and sustainability		•		•			•							
	International experience	Spain	•	•	•	•	•	•	•	•	•	•		•	•
United Kingdom		•		•	•	•		•	•			•		•	
Mexico		•		•					•					•	
Other		•	•	•	•	•	•	•	•	•		•		•	

Matrix of competences of the members of the Board of Directors (2/2)

Competences		Chairman	Deputy Chairman	CEO	Directors										
		Josep Oliu Creus	Pedro Fontana García	César González-Bueno Mayer	Anthony Frank Elliott Ball	Aurora Catá Sala	María José García Beato	Mireya Giné Torrens	George Donald Johnston III	David Martínez Guzmán	José Manuel Martínez Martínez	José Ramón Martínez Sufrateguí	Alicia Reyes Revuelta	Manuel Valls Morató	David Vegara Figueras
		Ext. D.	Ind. D.	Exec. D.	Lead Ind. D.	Ind. D.	Ext. D.	Ind. D.	Ind. D.	Prop. D.	Ind. D.	Ind. D.	Ind. D.	Ind. D.	Exec. D.
HORIZONTAL COMPETENCES	Governing bodies	
	Organisation management and direction	
	Business experience	
	Government and public policy	
	Consultancy			
	Regulatory and supervisory bodies	
	Academic	
	Communication and institutional relations	

Diversity competences of the members of the Board of Directors

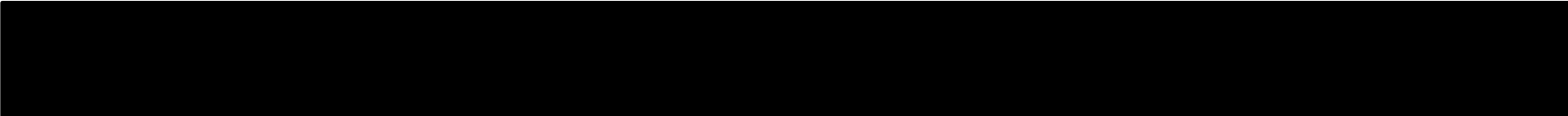
Diversity	Chairman	Deputy Chairman	CEO	Directors										
	Josep Oliu Creus	Pedro Fontana García	César González-Bueno Mayer	Anthony Frank Elliott Ball	Aurora Catá Sala	María José García Beato	Mireya Giné Torrens	George Donald Johnston III	David Martínez Guzmán	José Manuel Martínez Martínez	José Ramón Martínez Sufrategui	Alicia Reyes Revuelta	Manuel Valls Morató	David Vegara Figueras
	Ext. D.	Ind. D.	Exec. D.	Lead Ind. D.	Ind. D.	Ext. D.	Ind. D.	Ind. D.	Prop. D.	Ind. D.	Ind. D.	Ind. D.	Ind. D.	Exec. D.
Gender	M	M	M	M	F	F	F	M	M	M	M	F	M	M
Nationality	Spain	Spain	Spain	United Kingdom	Spain	Spain	Spain	UK / USA	United Kingdom	Spain	Spain	Spain	Spain	Spain
Director since	03/1990	07/2017	12/2020	03/2017	01/2015	05/2018	03/2020	05/2017	03/2014	03/2013	09/2010	09/2020	09/2016	05/2015

Corporate Governance Structure (1/3)

General Meeting of Shareholders



Board of Directors



Strategy and Sustainability Committee

Credit Delegated Committee

Audit and Control Committee

Appointments and Corporate Governance Committee

Remuneration Committee

Risk Committee

Corporate Governance Structure (2/3)

Composition of the Committees

Strategy and Sustainability Committee

Position	Name	Type
CHAIR	Josep Oliu Creus	OTHER EXTERNAL
MEMBER	Pedro Fontana García	INDEPENDENT
MEMBER	María José García Beato	OTHER EXTERNAL
MEMBER ¹	César González-Bueno Mayer	EXECUTIVE
MEMBER	José Manuel Martínez Martínez	INDEPENDENT
NON-DIR. SECR.	Miquel Roca Junyent	

Credit Delegated Committee

Position	Name	Type
CHAIR	Pedro Fontana García	INDEPENDENT
MEMBER	María José García Beato	OTHER EXTERNAL
MEMBER	César González-Bueno Mayer	EXECUTIVE
MEMBER	Alicia Reyes Revuelta	INDEPENDENT
NON-DIR. SECR.	Gonzalo Baretino Coloma	

Audit and Control Committee

Position	Name	Type
CHAIR	Mireya Giné Torrens	INDEPENDENT
MEMBER	Pedro Fontana García	INDEPENDENT
MEMBER	José Ramón Martínez Sufrategui	INDEPENDENT
MEMBER	Manuel Valls Morató	INDEPENDENT
NON-DIR. SECR.	Miquel Roca Junyent	

Appointments and Corporate Governance Committee

Position	Name	Type
CHAIR	José Manuel Martínez Martínez	INDEPENDENT
MEMBER	Anthony Frank Elliott Ball	INDEPENDENT
MEMBER	Aurora Catá Sala	INDEPENDENT
MEMBER	Mireya Giné Torrens	INDEPENDENT
NON-DIR. SECR.	Miquel Roca i Junyent	

Remuneration Committee

Position	Name	Type
CHAIR	Aurora Catá Sala	INDEPENDENT
MEMBER	Anthony Frank Elliott Ball	INDEPENDENT
MEMBER	George Donald Johnston III	INDEPENDENT
MEMBER	José Ramón Martínez Sufrategui	INDEPENDENT
NON-DIR. SECR.	Gonzalo Baretino Coloma	

Risk Committee

Position	Name	Type
CHAIR	George Donald Johnston III	INDEPENDENT
MEMBER	Aurora Catá Sala	INDEPENDENT
MEMBER	Alicia Reyes Revuelta	INDEPENDENT
MEMBER	Manuel Valls Morató	INDEPENDENT
NON-DIR. SECR.	Gonzalo Baretino Coloma	

1. In matters of strategy, the CEO shall participate in the meetings with the right to speak and vote, and, for this purpose, the Board shall be composed of six members.

Corporate Governance Structure (3/3)

In the performance of their duties, the Committees:

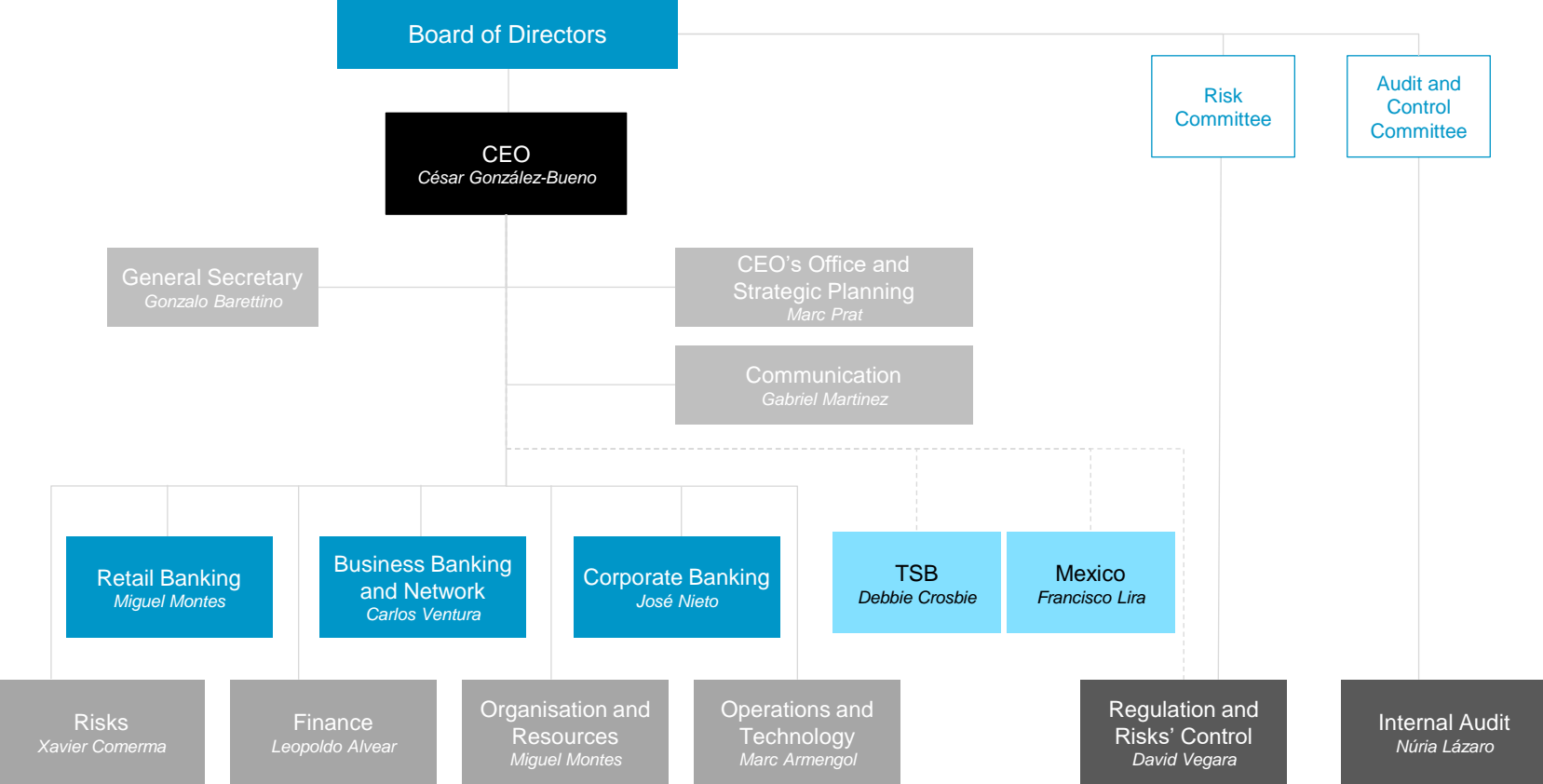


They have access to all relevant information and data necessary to perform their role, including data from relevant corporate and control functions.

They receive regular reports as well as any other relevant information regarding those responsible for internal control functions on the institution's current risk profile, risk culture and risk limits, as well as on any material breaches that may have occurred, with detailed information and recommendations regarding corrective measures taken, to be taken or proposed to address them.

They regularly review and decide on the content, format and frequency of risk information to be reported to them and, where necessary, they require appropriate involvement of the heads of internal control functions and other relevant functions (human resources, legal services, financial function) in their respective areas of expertise and may seek advice from external experts.

Organisational structure (1/5)



Organisational structure (2/5)

Board of Directors

- The Chairman of the Board shall serve as a Non-Executive Director. He/she is the Bank's highest representative and has the rights and obligations inherent to such representation, including the corporate signature. He/she is primarily responsible for the effective functioning of the Board of Directors.
- The organisation and structure of the Board Committees are set out in the Articles of Association and in their respective Regulations, which establish their rules of composition, functioning and responsibilities.
- These committees support the Board of Directors in specific areas and facilitate the development and implementation of a sound internal governance framework. The exercise of functions by the Committees does not exempt the Board of Directors from the fulfilment of its duties and responsibilities. They may also perform the functions of said committees for those subsidiary companies which, by application of their specific regulations at any given time, must have such bodies.

Internal control units with access and reporting to the Board of Directors and its Committees

Internal Audit

- Unit responsible for providing independent assurance on the quality and effectiveness of internal control and governance processes and systems, as well as on the relationship with risk management.

Regulation and Risks' Control

- This unit is responsible for promoting proactive management of all risks, the Bank's adherence and compliance with supervisory rules and requirements, and protecting the solvency of the institution through a robust control environment, formulating a risk appetite and performing comprehensive and effective risk control, as well as ensuring compliance with regulations, the establishment of controls and the management of alerts as required by the applicable regulatory requirement.

Organisational structure (3/5)

CEO and Units reporting to the CEO (a)

CEO

- Pursuant to article 56 of the Articles of Association, the CEO is the senior executive officer with responsibility for managing and directing the Bank's business, representing the Bank in the absence of the Chairman and reporting periodically to the Board of Directors or whenever duly requested to do so. The Board of Directors shall also permanently delegate to the CEO all legally delegable powers it deems appropriate.

Business

Retail Banking

- This unit is responsible for developing commercial policies and strategies, carrying out the commercial activity of Retail and Private Banking through the branch network and its digital channels, as well as defining and launching products and services for these customer segments. It develops the marketing plan and is responsible for improving the customer experience as a differentiating identity factor.

Business Banking and Network

- This unit is responsible for developing commercial policies and strategies, carrying out the commercial activity of Corporate and Network Banking, through the branch network and its digital channels, as well as defining and launching products and services for the Self-Employed, Businesses, SMEs and Companies customer segments. It is responsible for the optimal organisation of the commercial structure, as well as the improvement of the customer experience as a differential identity factor.

Corporate Banking

- This unit is responsible for developing the bank's international expansion through representative offices with a wide presence around the world, and wholesale commercial products and services for large corporations and institutional investors through the global corporate banking network.

Organisational structure (4/5)

CEO and Units reporting to the CEO (b)

Support units

Risks

- This unit is responsible for the proactive *Portfolio Management* and investment strategy of the credit portfolio (*risk allocation*), the implementation and management of risk models, the analysis, approval or denial and monitoring of credit operations, as well as the process of debt recovery and management of pre-judicial and judicial defaults, the processes of foreclosure and sale of assets.

Finance

- Unit responsible for the supervision and monitoring of the Bank's capital management and structural risks, including management of the ALCO (*Assets & Liabilities*) *portfolio*, management of structural risks due to interest rates, liquidity or exchange rates, as well as reporting on these issues to regulators and supervisors.

Organisation and Resources

- This unit is responsible for maximising the productivity of available resources through the comprehensive management of employees, the adaptation of the organisational structure and the implementation of cross-organisational and efficiency projects. It is also in charge of physical security, space adequacy and sustainability.

Operations and Technology

- This unit is responsible for ensuring the correct implementation and continuous improvement of the Group's technological and operational model, as well as its operational control and quality of execution, through innovation and optimisation of technological solutions.

Organisational structure (5/5)

CEO and Units reporting to the CEO (c)

Support units (cont.)

General Secretary

- This unit is responsible for supporting the functioning of the Bank's representative and governing bodies, the Group's internal governance and legal and tax advice.

CEO's Office and Strategic Planning

- Unit responsible for providing support and back-up for the activities of the CEO.

Communication

- Unit responsible for generating, developing and implementing the external and internal Corporate Communication Plan in order to safeguard and improve its corporate reputation.

International business

TSB Banking Group

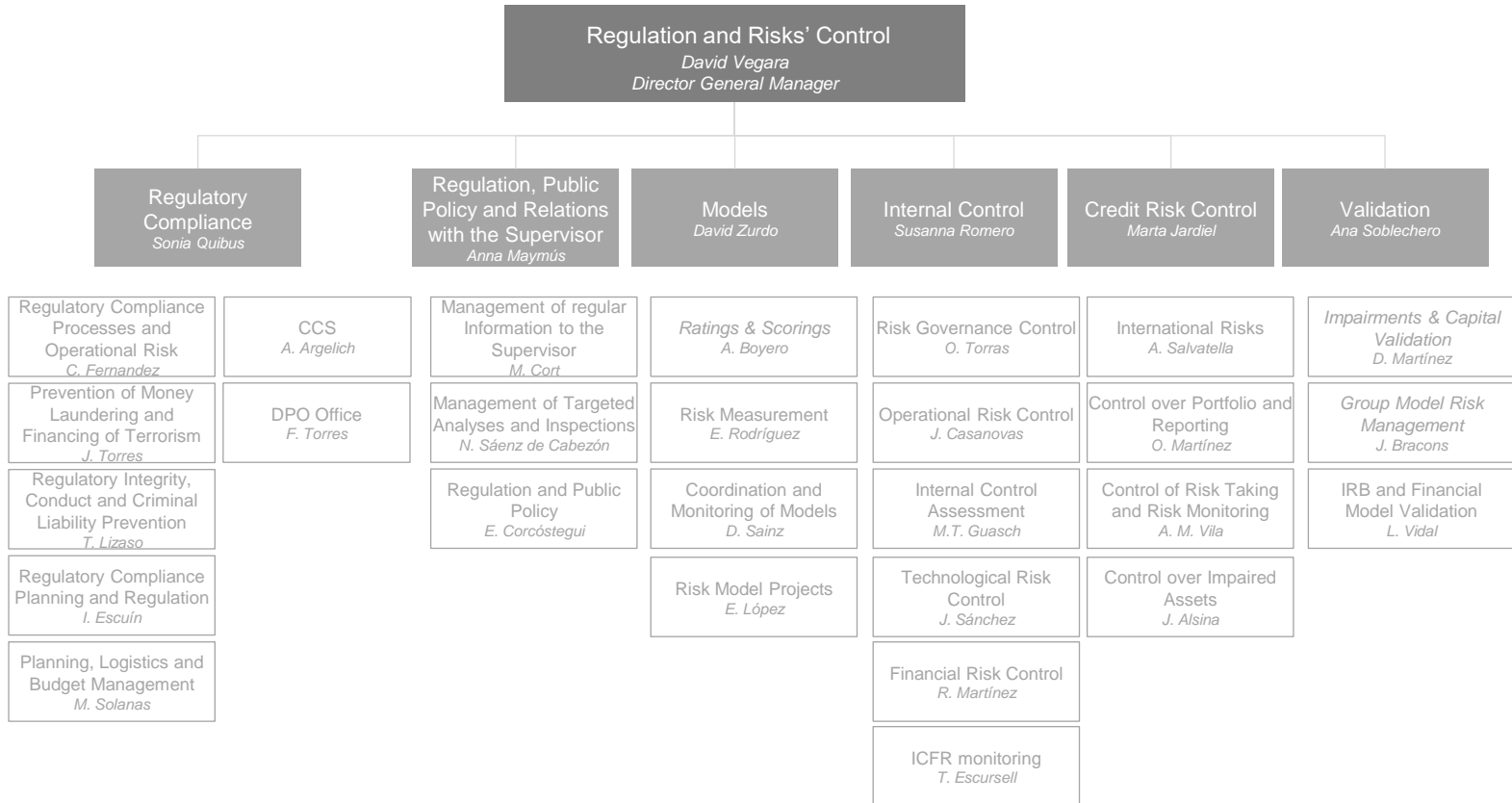
- UK-licensed banking institution.

Sabadell México

- Mexico-licensed banking institution.

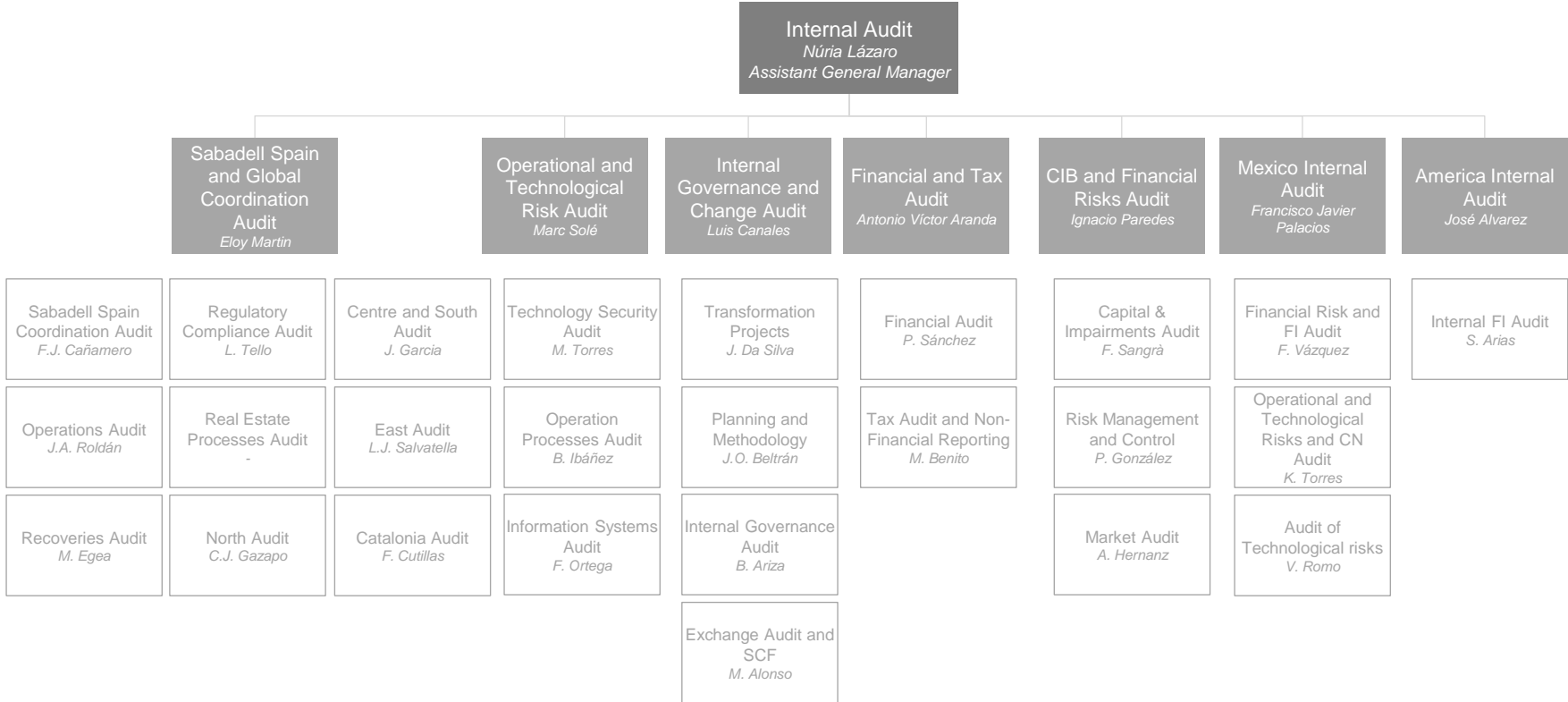
Internal control functions (1/2)

Regulation and Risks' Control



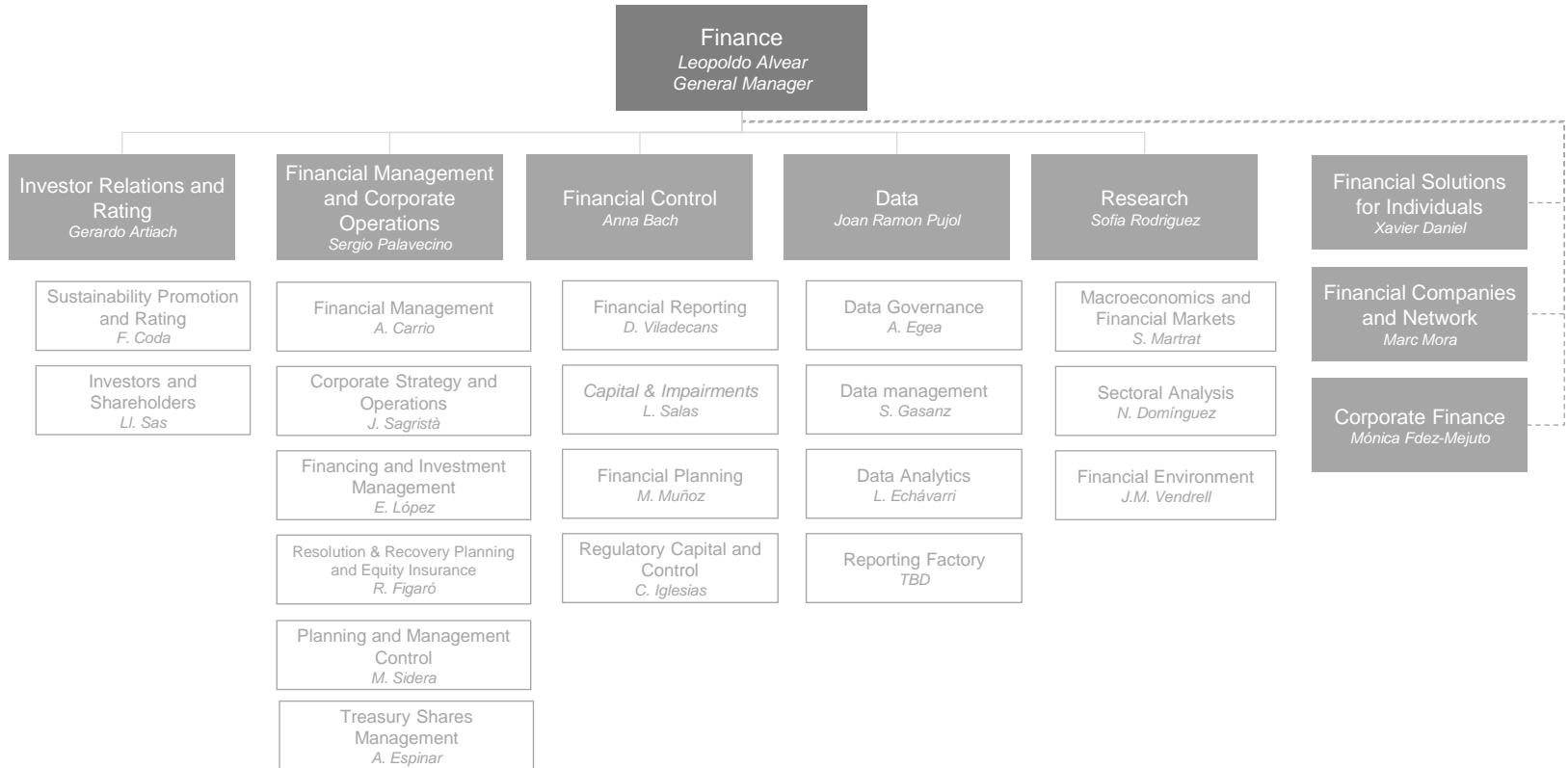
Internal control functions (2/2)

Internal Audit



Key function

Finance



Risk Management Framework (1/3)

RAS metrics

Function

To ensure control and proactive management of all the Group's risks



RAS
(Risk Appetite Statement)

1st

Level

Objectives and limits at the global level



2nd

Level

Objectives and limits of the first level in the different regions



Operational risk

Structural risks on interest rate and exchange rate

Profitability

Risk/return trade-off

Counterparty credit risk

Capital and solvency

Level and quality of capital

Asset quality

Level of asset quality and coverage

Market risk

Liquidity

Liquidity buffers. Financing structure

Credit and concentration

Individual. Sectoral

It establishes the number and diversity of risks that the Banco Sabadell Group seeks and tolerates to achieve its business objectives, maintaining a profitability-risk balance.

It is consistent with the Group's international structure with effective deployment in all regions.

Risk Management Framework (2/3)

Risk Appetite Statement (RAS): Qualitative metrics

Risk profile	<ul style="list-style-type: none"> Medium-low profile as the entity's general position with respect to risk-taking to ensure profitable and sustained growth of its activity and aligned with the Group's strategic objectives, guaranteeing an adequate level of solvency.
Board of Directors Commitment	<ul style="list-style-type: none"> The bank's most senior governance body committed to risk management and control processes.
Risk culture	<ul style="list-style-type: none"> Integrated throughout the entity with units specialised in the treatment of the different risks. It is conveyed through internal policies and models appropriate to the risk management processes.
Policy and Procedures	<ul style="list-style-type: none"> Risk management tools orientated towards adapting to the risk profile to the Strategic Risk Framework, maintaining and adhering to the balance between expected return and risk.
Decision structure	<ul style="list-style-type: none"> The risk variable is included in decisions in all areas, quantified under a common measure in terms of allocated capital, with robust control procedures to pre-set limits and well-defined responsibilities for identifying and monitoring indicators and alerts.
Hedging	<ul style="list-style-type: none"> Capital and liquidity levels should be sufficient to meet the risks assumed by the institution, even in the face of unfavourable economic scenarios.
Concentration	<ul style="list-style-type: none"> There must be no levels of risk concentration that could significantly compromise own funds.
Market risk	<ul style="list-style-type: none"> The assumption of market risk derived from trading is aimed at attending the flow of operations driven by customer operations and taking advantage of market opportunities, maintaining a position in proportion with the market share, appetite, capacity, and profile of the bank.
Independence	<ul style="list-style-type: none"> Risk management is independent, with active participation by senior management that guarantees a strong risk culture focused on protecting and ensuring an appropriate capital profitability.
Tax risk	<ul style="list-style-type: none"> The Group's objective as regards tax risk is to ensure compliance with tax obligations, at the same time as guaranteeing an appropriate return for our shareholders.
Compliance with current law	<ul style="list-style-type: none"> Achievement of company objectives must be made in a manner that is always compliant with the legal system and which applies best practices.
Resources	<ul style="list-style-type: none"> The Group shall have sufficient human and technical resources to monitor, control, and manage all tangible risks in carrying out its activity.
Alignment of remuneration systems	<ul style="list-style-type: none"> The remuneration systems of the Group must align the interests of employees and of the senior management in compliance with the Strategic Risk Framework.

Risk Management Framework (3/3)

Control framework

Who?

Responsibilities

First line of defence (1LoD)

Business units and corporate centres

- Managing the risks inherent to its activity, basically in the admission, monitoring, measurement and evaluation of these risks and of the corresponding processes.
- Implementing corrective actions to remedy deficiencies in its processes and controls.

Second line of defence (2LoD)

Risk Control



- Independently of 1LoD, identifying and assessing, monitoring, control and reporting on all relevant Group risks, as well as presenting information regarding these risks.

Regulatory Compliance



- Minimising the likelihood of regulatory breaches and ensuring that potential regulatory breaches are promptly identified, reported and addressed and that appropriate preventive measures are implemented.

Internal Validation



- Ensuring that the models work as expected and that the results obtained from them are appropriate to their various uses, both internal and regulatory.

Ensuring that the 1LoD is well designed, fulfils its assigned functions and advises on its continuous improvement.

Third Line of Defence (3LoD)

Internal Audit

- Developing an independent and objective verification and advisory activity.
- Helping the Group to achieve its objectives by providing a systematic, disciplined approach to assess the sufficiency and effectiveness of the organisation's governance processes and its risk management and internal control activities.

Policy map (1/3)

Description of the policy

Internal audit policy

Policy on safeguarding the independence of the auditor

Significant change and exceptional transaction policy

Strategic and financial planning policy

Policy on allocation of financial instruments

Market placement policy for financial instruments

Policy on regulatory compliance

Policy on conflict of interest and perceived incentives in the provision of investment services

Policy for recording customer communications within the framework for the provision of investment services

General policy on conflicts of interest

Customer categorisation and evaluation policy

Anti-corruption policy

Order handling and execution policy

Prevention of criminal liability policy

Policy on privacy and personal data protection

Safeguard policy for financial instruments

Internal validation policy

Model risk management and control policy

Actuarial risk policy

Equity risk policy

Conduct risk

Fiscal risk policy

Reputational risk policy

Policy for managing and controlling liquidity risk

Policy for managing and controlling interest rate risk on positions outside the trading portfolio (IRRBB) and credit spread risk in the banking portfolio (CSRBB)

Exchange rate risk management and control policy

Global risk framework policy

Risk Appetite Framework (RAF)

Risk-adjusted pricing policy

Policy for risk assessment of the counterparty

Policy map (2/3)

Description of the policy

Policy on market risk management and control by trading activity

Operational risk policy

Technological risk management and control policy

Coordination Policy between the Group's Risk Management Function and TSB's Risk Management Function

Internal Control policy

Policy on internal control for financial information

Refinancing or restructuring policy

Guarantee policy

Credit risk monitoring policy

Risk management and control policy for Leveraged Transactions

Policy on credit risk taking

Policy on concentration risk for credit risk

NPA planning policy

Overdue amount management policy

Policy on management of foreclosed assets or assets received in payment of debt

Policy on debt recovery and enforcement of collateral guarantees

Crisis management and control policy

Asset securitisation policy

Solvency stress-testing policy

Prudential Default definition policy

Capital management policy

Financial and related non-financial disclosure policy

Accounting policy for the classification of financial portfolios

Write-off policy

Policy on communication and contact with shareholders, investors and proxy advisors

Accounting classification policy based on credit risk due to insolvency and determination of hedges associated with credit risk and foreclosed real estate assets or real estate assets received in payment of debts

Resolution Planning Policy

Quality policy

Sales and marketing communication policy

General Policy on governance and oversight procedures for retail banking products

Policy map (3/3)

Description of the policy

General Product Governance Policy under MiFID II - Manufacturer

General Product Governance Policy under MiFID II-Distributor

Contingency planning policy

Climate risk policy

Taking and monitoring credit risk policy

Policy on ESG risk integration in Savings - Investment products

Remuneration policy

Remuneration policy for senior management

Remuneration policy of the Group's Identified Staff

International mobility policy

MiFID Training Policy

LCCI Training Policy

Information governance and data quality framework

Business continuity policy

Regulatory document governance policy

Corporate security policy

Information technology governance policy

Outsourcing policy

Procurements policy

Information systems security policy

Policy on information systems change management (Change)

Customer service regulations

Director selection policy

Director remuneration policy

Policy on conflict of interest of directors and senior management

Sustainability policy

Policy on restrictions on financing and investment in activities associated with the arms industry

Human rights policy

Non-financial and corporate communication policy

Internal governance policy

 **Sabadell**

Wherever you are