



**BANCO SABADELL GROUP
ANTI-CORRUPTION POLICY EXTRACT**

This document is a translation of a Spanish language document which was approved by the Board of Directors of Banco de Sabadell, S.A. on 28/07/2021. The Spanish version of this document will prevail in the event of any discrepancy or dispute.

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1. Introduction

Banco Sabadell Group (hereinafter, “the Group”), within the scope of its activities, undertakes to safeguard integrity and promote a culture of zero-tolerance towards corruption, expressly prohibiting any and all actions of this kind. In this respect, each Group company shall establish appropriate measures aimed at preventing, detecting and effectively combatting corruption in all its forms and manifestations.

Similarly, the Group undertakes to uphold the commitment adopted by its parent company Banco de Sabadell, S.A., as signatory of the United National Global Compact, with regard to compliance with the 10 principles established therein, among them that of working against corruption in all its forms, including extortion and bribery.

1.1. Objective

This policy extends to the acts defined here below under the concept of “corruption”, and to the definitions established under the concept of “actions not permitted by the Group”.

1.1.1. Concept of corruption

For the purposes of this policy, corruption, in the generic sense, means any type of conduct that consists of promising, offering, giving and/or receiving, soliciting or accepting an unwarranted benefit or advantage as consideration for unduly favouring, directly or indirectly, an employee or executive of the Group or a third party.

1.1.2. Types of corruption

The main types of corruption include the following:

1.1.2.1. Bribery in the private sector

Bribery in the private sector occurs when a Group employee or executive receives, solicits or accepts an unwarranted benefit or advantage, to the benefit of the former or that of another party, as consideration for unduly favouring another party during business dealings.

It also refers to when a Group employee or executive promises, offers or gives an unwarranted benefit or advantage to a third party, to the benefit of the former or that of another party, as consideration for obtaining some form of unwarranted benefit for themselves or another person during the business dealings.

1.1.2.2. Bribery of public officials (public sector bribery)

Public sector bribery occurs when an employee or executive of the Group directly or indirectly promises, offers or gives a public official an unwarranted benefit or advantage to the benefit of the former or that of another person or entity, in order that the aforesaid public official may act, or refrain from acting, reciprocally in the performance of his/her official duties.

1.1.2.3. Bribery of foreign public officials and officials of international public organisations

The bribery of foreign public officials occurs when an employee or executive of the Group directly or indirectly promises, offers or gives, in the context of international commercial activities, a foreign public official or an official of an international public organisation an unwarranted advantage to the benefit of the former or that of another person or entity, in order that the aforesaid public official may act, or refrain from acting, reciprocally in the performance of his/her official duties.

1.1.2.4 Embezzlement

Embezzlement is the appropriation, by a Group employee or executive in the course of economic, financial or commercial activities, of any assets, funds or securities, or any other item of value, that have been entrusted to that person by reason of his/her position or duties, to his/her own benefit or that of a third party.

1.1.2.5 Influence peddling

Influence peddling refers to the conduct of a Group employee or executive where he/she, taking advantage of a position of predominance or seniority, seeks to influence a public official or authority, or any other person, directly or indirectly, in order to obtain an outcome that, directly or indirectly, rebounds to his/her benefit or that of any other person.

1.1.2.6 Money laundering

Money laundering refers to the participation of an employee or executive of the Group in the conversion or transfer of assets, in the knowledge that the aforesaid assets are the product of criminal activity, with the aim of concealing or covering up the illicit origin of those assets or of helping any person involved in the perpetration of the crime to evade the legal consequences of such activity.

1.1.3. Actions not permitted by the Group

Actions not permitted by the Group in a generic sense refer to any of the types of conduct listed here below, which are prohibited pursuant to the Group's rules, codes of conduct and internal policies, even when such actions are not in themselves considered to be crimes:

1.1.3.1. Facilitation payments

A facilitation payment is the disbursement, by an employee or executive of the Group, of an unwarranted sum of money to expedite procedures or to facilitate the provision of a service.

1.1.3.2. Gifts or handouts

Giving or receiving gifts or handouts may be considered a legitimate expense or a common business practice to develop relationships or express gratitude. However, for Banco Sabadell Group, the delivery or receipt of gifts or handouts should be avoided if their purpose is to obtain an unwarranted advantage, or to cover up an illegal transaction, or when their value or circumstantial context gives rise to an understanding that the intention behind them exceeds that of a conventional greeting and, in all cases, when their purpose is to alter the will of the person receiving them.

1.1.3.3. Charitable contributions and sponsorship

Charitable contributions and sponsorship are part of firms' legitimate efforts to play their part as socially responsible citizens and to promote their identity, brands and products.

However, the use of charitable contributions and sponsorship should be avoided when used to generate an unwarranted advantage or as a covert means of payment.

1.1.3.4. Political contributions

The Group assumes and respects political pluralism in the countries and regions in which it is present.

However, it does not take any action that could directly or indirectly be interpreted as a donation to political parties, or as sponsorship of the causes associated with such parties or their political campaigns, nor does it forgive, fully or partially, the debt or interest owed, nor renegotiate interest to rates below the market rate.

1.1.3.5. High risk suppliers

It is possible that Banco Sabadell Group may be affected by corrupt practices undertaken by certain suppliers acting in their own interests. A supplier is considered high-risk if they refuse to accept the criteria established at any time by the Group with regard to its supplier contracts policy.

1.2. Objective and unit responsible

The objective of this policy is to establish the applicable principles, critical management parameters, governance structure, roles and responsibilities, procedures, tools and controls relating to anti-corruption, and to ratify the firm commitment of the Group to abide by both these rules and ethical standards and, in particular, its firm commitment to fight against corruption and to confirm the complete and absolute intolerance of any inappropriate behaviour.

The unit responsible for this policy is the Compliance Division of the Group's parent company, which also undertakes responsibility for defining general guidelines relating to anti-corruption and for supervising their appropriate implementation.

1.3. Scope of application

This policy shall be applicable to all Banco Sabadell Group activities. Each subsidiary should ensure the dissemination of this document, by submitting it to their Board of Directors, and should draw up the procedures and/or manuals that ensure scrupulous alignment with this policy, with the exception of any matters that are governed by regulations specific to the region in which they operate.

It shall also apply to all of the Group's executives, legal proxies and employees and to all natural or legal persons providing services to or in the Group, as well as all collaborating partners, professionals or firms subcontracted by the same. Group companies shall inform suppliers, professionals and/or subcontracted companies of their obligation to implement measures equivalent to those envisaged in this policy, and to report to such companies any unusual activity, inappropriate conduct and/or any act of corruption, pursuant to the BANCO SABADELL GROUP POLICY ON OUTSOURCING OF FUNCTIONS.

1.4. Regulatory framework

The following regulatory framework will be used as a reference by the Group as a whole, with the exception of any matters for which specific legislation exists given the nature of the activities carried out or the region in which they are conducted:

- U.S. Foreign Corrupt Practices Act, of 1977.
- Convention on the protection of the European Communities' financial interests, of July 1995.
- Convention on the fight against corruption involving officials of the European Communities or officials of Member States of the European Union, of May 1997.
- Organic Law 10/1995 of the Spanish Criminal Code, of November 1995.
- U.K. Bribery Act, of 2010.

Furthermore, the following reference documents have been taken into consideration when drawing up this policy:

- Organisation for Economic Co-operation and Development (OECD) Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, of November 1997.
- United Nations (UN) Convention against Corruption, of October 2003.

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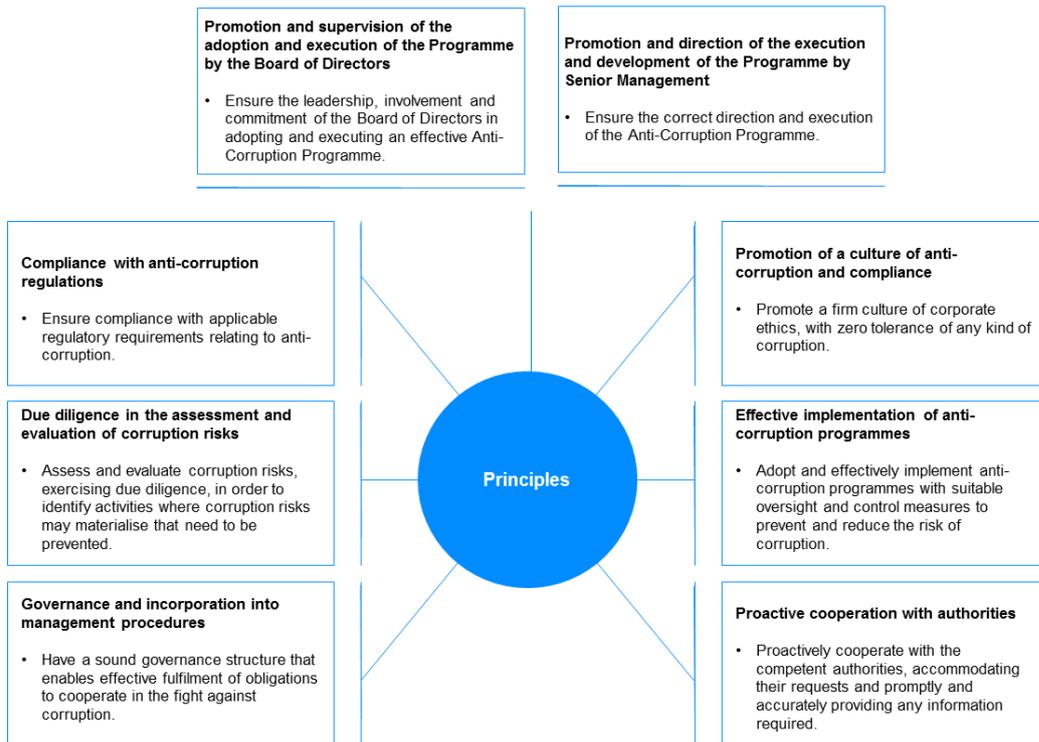
- Organisation for Economic Co-operation and Development (OECD) Good Practice Guidance on Internal controls, Ethics and Compliance, of February 2010.
- International Chamber of Commerce (ICC) Rules on Combating Corruption, 2011.
- International Chamber of Commerce (ICC) Anti-Corruption Clause, 2012.
- A Guide for Anti-Corruption Risk Assessment, United Nations Global Compact, 2013.
- A Practical Guide on the Anti-Corruption Ethics and Compliance Programme for Business, United Nations Office on Drugs and Crime (UNODC), October 2013.
- Anti-Corruption Ethics and Compliance Handbook, OECD, UNODC, and the World Bank Group, 2013.

2. Principles and critical management parameters

2.1. Principles

The figure below shows the principles of the BANCO SABADELL GROUP ANTI-CORRUPTION POLICY:

Figure 1. Anti-corruption principles



2.1.1. Promotion and supervision of the adoption and execution of the Anti-Corruption Programme by the Board of Directors

In each Group company where this is required, the Board of Directors, either directly or, where applicable, through the corresponding Board Committees, promotes and supervises the adoption and execution of a specific programme related to the fight against corruption as part of the Corporate Crime Prevention Programme. The foundations for establishing an effective anti-corruption programme (hereinafter, the Programme) capable of effectively reducing the risk of corruption are leadership, involvement and commitment in the performance of duties.

These duties mainly include setting strategies for the implementation of an effective anti-corruption programme, approving the policy, and facilitating the establishment of the necessary mechanisms and procedures for its implementation. Furthermore, it will be necessary to ensure that the strategies, policies and procedures are adequate, effectively implemented and regularly reviewed, assigning sufficient resources for such purposes.

In this regard, the Board of Directors of the parent company of the Group, Banco de Sabadell, S.A. (hereinafter, the Institution), designates the Corporate Ethics Committee (CEC) as the body responsible for the supervision and compliant operation of the Programme initially implemented in the Institution and gradually rolled out, applying the proportionality principle, to other Group companies.

2.1.2. Promotion and direction of the execution and development of the Anti-Corruption Programme by Senior Management

Senior Management promotes, coordinates and outlines the guidelines that should be followed when executing and developing the Corporate Crime Prevention Model, which incorporates a specific section on Anti-Corruption, as well as its resulting Maintenance Programme, so that the policy approved by the Board of Directors may be applied effectively.

2.1.3. Compliance with anti-corruption regulations

Each Group company must ensure compliance with applicable regulatory requirements relating to anti-corruption. Regulatory recommendations and guidelines must also be adhered to, in order to implement the best practices in this regard.

In relation to the regulatory framework described in this policy, one document that should be considered as a reference document is Standard UNE 37001:2017, of the Spanish Association for Standardisation, on anti-bribery management systems, of April 2017. This is a voluntary standard which, through the consensus between the various parties concerned, sets out the best international practices on this subject matter, laying down guidelines, specifications, requirements and recommendations in order to achieve the best possible operation of the programme established in each Group company for the fight against corruption.

In all cases, the management and oversight of compliance must be carried out in line with the specifications of the BANCO SABADELL GROUP COMPLIANCE POLICY and the BANCO SABADELL GROUP CORPORATE CRIME PREVENTION POLICY.

2.1.4. Promotion of a culture of anti-corruption and compliance

The Group's parent company must ensure that the Anti-Corruption Programme promotes a firm culture of corporate ethics, with zero tolerance of any kind of corruption, such that the effectiveness of the programme is demonstrated by the importance attached to it by executives and employees when making decisions, and by the extent to which it constitutes a faithful representation of the culture of compliance.

In any case, the corporate culture, ethical and corporate values, and the general standards of behaviour and conduct that govern within the Group, are reflected in the BANCO SABADELL GROUP CODE OF CONDUCT.

2.1.5. Due diligence in the assessment and evaluation of corruption risks

Each Group company should carry out an assessment and evaluation, exercising due diligence, of the sources of corruption risks, in order to identify and prevent activities where such risks may materialise and any legal consequences that may arise as a result.

The nature and scope of such risks must be evaluated, and so must the implementation of due diligence arrangements and procedures in relation to the transactions, projects and activities, business partners and categories of staff exposed to such corruption risks.

2.1.6. Effective implementation of anti-corruption programmes

As part of their Corporate Crime Prevention model, the Group companies must effectively adopt and implement anti-corruption programmes, establishing appropriate oversight and control measures to prevent or significantly reduce the risk of corruption-related activities.

The established anti-corruption programmes must be clear, precise and effective and adapted in all cases to each company and its specific risks. To this end, corruption risks must be adequately identified and managed, establishing measures for their adequate mitigation.

2.1.7. Governance and incorporation into management procedures

Group companies must have a sound governance structure that enables them to effectively fulfil their obligations of cooperating in the fight against corruption.

It shall also be necessary to guarantee that the principles and critical management parameters defined in this policy are correctly incorporated into their business processes.

2.1.8. Proactive cooperation with authorities

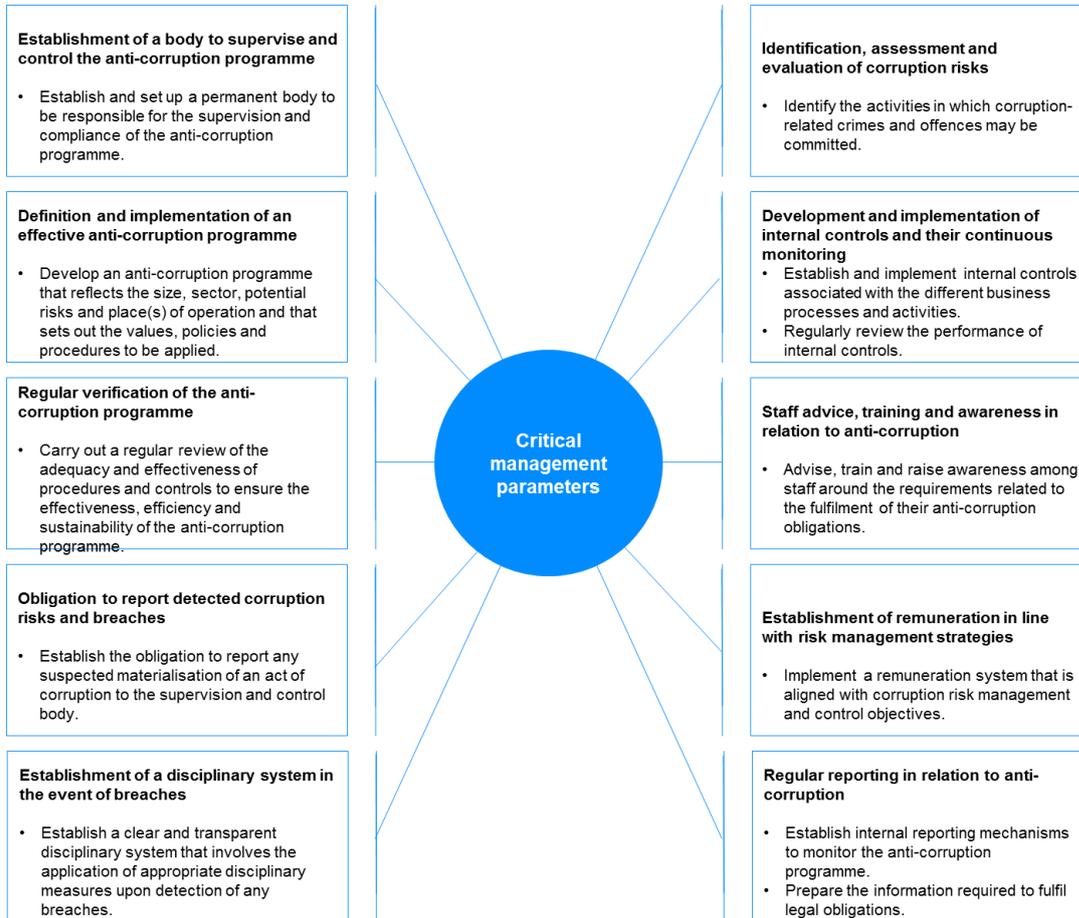
Group companies must proactively cooperate with competent authorities, accommodating their requests and promptly and accurately providing any information which they require to perform their duties when investigating suspected acts of corruption.

In particular, they must provide complete and diligent responses to any requests for information received from competent authorities within the established timeframe and in the requested manner, and they must guarantee transparency and provide the competent authorities with access to information to enable them to perform their duties.

2.2. Critical management parameters

The figure below shows the critical management parameters of the BANCO SABADELL GROUP ANTI-CORRUPTION POLICY:

Figure 2. Critical management parameters relating to anti-corruption



2.2.1. Establishment of a body to supervise and control the anti-corruption programme

The body in charge of supervising the operation and compliance of the corporate crime prevention model, in each of the Group companies, shall also be responsible for supervising the operation and compliance of the Anti-Corruption Programme. This shall be done in accordance with the BANCO SABADELL GROUP CORPORATE CRIME PREVENTION POLICY.

2.2.2. Identification, assessment and evaluation of corruption risk

The various Group companies must identify the activities in which corruption-related crimes and offences may be committed. To this end, they must establish, apply and maintain effective arrangements and procedures for the management of corruption risk that enable any real or potential corruption risks arising in connection with their activities to be identified, managed, controlled and reported.

In particular, a comprehensive assessment should be carried out of the activities performed by the company in order to identify and evaluate the corruption risks associated therewith, including an assessment by type of customer, country or geographical area, product, service and transaction, among others. All material, inherent and residual risk factors should also be considered, in order to determine their risk profile and the corresponding level of risk mitigation that will be applied. Group companies must also ensure that the process to identify, assess and evaluate corruption risks is duly documented and recorded. The assigned crime risk map may initially be used as a basis to this end.

Given the nature of corruption risks, money-laundering risks and crime risks, the mechanisms established in the BANCO SABADELL GROUP ANTI-MONEY LAUNDERING AND COUNTER-TERRORISM FINANCING POLICY and in the BANCO SABADELL GROUP CORPORATE CRIME PREVENTION POLICY must be taken into consideration.

2.2.3. Definition and implementation of an effective anti-corruption programme

Each Group company should develop an anti-corruption programme that reflects its size, business sector, potential risks and place(s) of operation, and that sets out clearly and in sufficient detail the values, policies and procedures to be applied to avoid acts of corruption in all activities under its effective control.

This programme must be consistent with all anti-corruption legislation in all jurisdictions in which each Group company operates, falling under the management scope of the Corporate Crime Prevention Model.

2.2.4. Development and implementation of internal controls and their continuous monitoring

Group companies should establish and implement a set of internal controls associated with the different business processes and activities in order to ensure the effective identification of situations posing a potential corruption risk, and to facilitate the prevention, management and mitigation of the inherent risks.

In particular, the definition of internal controls must be based on the risks identified during the general assessment of corruption risk. Furthermore, the risks and the objectives and control activities resulting therefrom must be clearly defined and documented to assess the situation and corresponding performance and to identify opportunities for improvement.

Each Group company must regularly monitor the performance of the internal controls implemented in order to ensure their effectiveness over time so that, if the controls are found to be deficient, a control review process can be initiated without delay in order to resolve any deficiency or shortcoming.

2.2.5. Regular verification of the anti-corruption programme

Group companies should, applying the proportionality principle, carry out a regular review of the adequacy and effectiveness of the procedures and controls to ensure the effectiveness, efficiency and sustainability of the anti-corruption programme.

These reviews will be carried out on a regular basis and following the methodology implemented in those companies, ensuring that their internal controls enable the corruption risks to which they are exposed to be adequately mitigated at all times. In any event, anti-corruption programmes must be reviewed when circumstances or situations arise that significantly change the risk profile of any one of the Group companies.

2.2.6. Staff advice, training and awareness in relation to anti-corruption

Group companies must advise, train and raise awareness among staff around the requirements related to the fulfilment of their anti-corruption obligations.

To this end, they shall establish and implement training programmes aimed at the early detection, assessment and reporting of potential acts of corruption, to reduce the risk of them being committed. In particular, these programmes should provide employees with the skills and knowledge required to correctly identify corruption risks and act accordingly.

Similarly, the scope and frequency of the training must be adapted to the risk factors to which employees are exposed as a result of their duties and responsibilities, and to the level and type of risk present in each Group company.

In addition, Group companies must assess the effectiveness of the established training programmes and regularly review and update them to ensure the effectiveness, efficiency and sustainability of the training programmes in relation to anti-corruption.

2.2.7. Obligation to report detected corruption risks and breaches

Group companies must establish the obligation to report any suspected materialisation of an act of corruption to the supervision and control body responsible for overseeing the operation and observance of the anti-corruption programme. It shall therefore be necessary to bring to their attention any known facts or suspicions which could indicate that an act of corruption has been or may be committed.

In all cases, reports and communications sent by employees in relation to anti-corruption shall be submitted through the Group's whistleblowing channel, canaldenunciasGBS@bancsabadell.com, or through the specific whistleblowing channel of subsidiaries and/or jurisdictions that have their own whistleblowing channel. The Group guarantees the protection of the personal data of both the person reporting the incident and the person suspected of being responsible for the reported incident, as well as the confidentiality of all reports and the absence of reprisals in that regard, complying at all times with the existing legal requirements related to personal data protection and privacy in each jurisdiction.

2.2.8. Establishment of remuneration in line with risk management strategies

Group companies should implement a remuneration system that reflects their commitment to zero tolerance of corruption, which enables the development of a corporate culture of anti-corruption and the reinforcement of appropriate standards of responsible and ethical behaviour, and that is in line with the objectives for the management and control of corruption risk.

In any case, remuneration levels and incentives must comply with the provisions of the BANCO SABADELL GROUP REMUNERATION POLICY.

2.2.9. Establishment of a disciplinary system in the event of breaches

Group companies should establish a clear and transparent disciplinary system that involves the application of appropriate disciplinary measures upon detection of any breach of this ANTI-CORRUPTION POLICY.

In particular, employees' breach of the obligations arising from this policy and the anti-corruption programmes must be sanctioned in accordance with the disciplinary arrangements set out in the Group companies' internal regulations, and in the Workers' Statute or corresponding local legislation and in the applicable Collective Bargaining Agreement.

Similarly, any breach of the anti-corruption obligations by third parties with which the companies have a business or professional relationship could lead to the termination of that relationship pursuant to the companies' internal regulations, without detriment to any administrative or criminal penalties that may be imposed.

2.2.10. Regular reporting in relation to anti-corruption

Group companies must establish internal reporting arrangements to monitor the degree of compliance with the Anti-Corruption Programme.

In particular, any acts of corruption that materialise must be reported, as well as any significant changes in the level of corruption risk and the measures taken to effectively manage such risk. The scope, manner and frequency of the reports sent to the various recipients must also be specified, along with the persons or units responsible for preparing the information.

The information required to fulfil applicable legal and supervisory obligations and to follow best practices relating to market transparency must also be prepared.

3. Procedures

3.1. Corruption Risk Prevention and Management Procedure.

This procedure describes the structure and bodies responsible for the control of the Anti-Corruption Programme, the methodology for monitoring corruption risk and the system for verifying the effectiveness of the Programme.

4. Tools

Each Group company must acquire and implement the tools, controls and procedures required for sound management of compliance with the provisions of this policy and the Anti-Corruption Programme, and these must be proportionate to their level of activity and degree of exposure to the risks to which this policy refers.

The Group parent company's Compliance Division prepares an Activity Plan related to corporate crime prevention intended to track the Crime Risk Organisation and Management Model. This plan includes a specific section concerning the Anti-Corruption Programme.

5. Policy control

5.1. Control system

The Compliance Division should carry out an Annual Supervision and Control Plan to comply with that set forth in this policy.

5.2. Monitoring mechanisms

The results of these control programmes are reported in line with the established requirements, and the results obtained can be monitored by the governing bodies of each Group company, along with any applicable corrective measures.

Specifically in regard to the Group's parent company, these reports include:

- Quarterly report to the Corporate Ethics Committee (CEC) on the progress of the Corporate Crime Prevention Programme, which includes the Anti-Corruption Programme, and the resolution of queries, complaints and communications received through the whistleblowing channel.
- The semi-annual reports submitted by the CEC to the Management Committee, the Audit and Control Committee and the Board of Directors include a specific section on this topic.
- Ad hoc reports submitted to the Administrative, Management, Supervision and Control Bodies in the event that a significant compliance risk is detected.

5.3. Alerts

Each Group company shall establish indicators to monitor compliance with this policy, which must include indicators related to the corresponding risks, and these will be included in the various reports produced by the Compliance Division. In addition, the risk indicators will be incorporated into the Operational Risk systems on a monthly basis.

Furthermore, the review of the Crime Risk Organisation and Management Model of each Group company identifies risk levels that should be treated as warning thresholds.

6. Document governance

6.1. Document approval

THE BANCO SABADELL GROUP ANTI-CORRUPTION POLICY is approved by the Board of Directors of Banco de Sabadell, S.A.

6.2. Policy validity, monitoring plan and updates

This policy shall come into effect on the date of its approval by the Board of Directors of Banco de Sabadell, S.A. It shall be reviewed at least annually (review of general structure and content). It shall also be reviewed when certain circumstances arise, including but not limited to:

- Changes in the regulatory framework and/or the supervisor's recommendations.
- Changes in the organisational and governance structure of the Compliance Division, in its duties or in the definition of its general guidelines relating to corporate crime prevention, in the supervision of the adequate implementation of such guidelines and in any other matters which could potentially affect this activity.
- Changes to the Institution's organisational structure and general governance model related to this policy.
- Changes in the business objectives and strategy or management approach linked to the policy.
- Creation of new policies or amendments to existing policies which impact this policy.
- Substantial changes in any procedures related to this policy.
- When the results of monitoring and control activities make it advisable to change certain actions in order to increase the level of compliance or reduce the impacts of such activities on the Institution or its employees.

Any division within the Institution may propose changes to the policy. Any proposed changes shall be made following the guidelines set forth in the NORMATIVE DOCUMENTS GOVERNANCE POLICY, as indicated hereafter:

- The Division responsible for the policy, as the policy owner, shall coordinate the assessment work and the evaluation of the suitability of the changes, amendments and/or adjustments proposed by any Division.
- The division responsible for the policy shall submit the proposed aspects to be changed and the corresponding justification for such changes to the Policies Forum.
- The Policies Forum shall decide whether or not to accept the changes.
- The division responsible for the policy shall make the necessary adjustments to ensure that the new version follows the Institution's validation and approval process.

6.3. Policy publication

This policy is currently available to all employees in CanalBS, and the distribution channel can be changed if deemed appropriate at any time.

7. Annexes

Annex 1: Glossary of abbreviations and acronyms

Abbreviation/Acronym	Meaning
CEC	Corporate Ethics Committee
CD	Compliance Division
ICD and CRCD	Internal Control Division and Credit Risk Control Division
ICC	International Chamber of Commerce
LoD	Line of Defence
OECD	Organisation for Economic Co-operation and Development
UNE	Spanish Association for Standardisation
UNODC	United Nations Office on Drugs and Crime

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