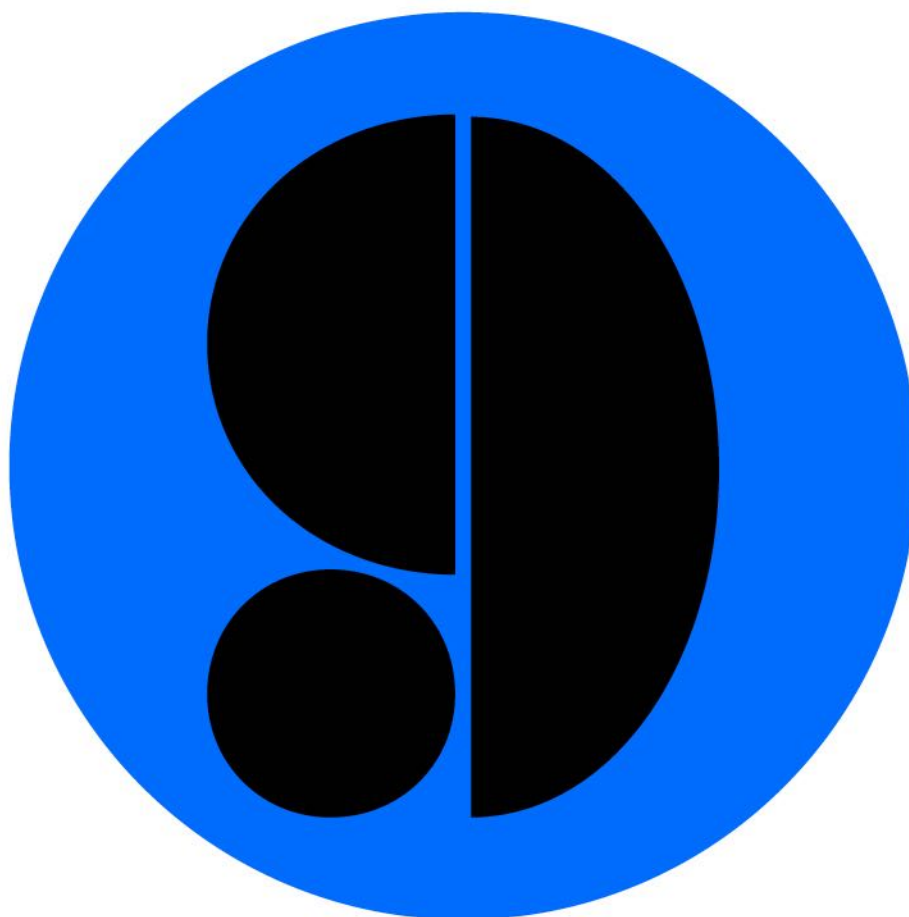


# Annual Corporate Governance Report



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<sup>1</sup> The references alongside each section heading in this report refer to the sections of the standard form for the Annual Corporate Governance Report from the Spanish National Securities Market Commission (CNMV).

Banco de Sabadell, S.A. (hereinafter, Banco Sabadell, the Bank or the Institution) has a solid corporate governance structure that guarantees efficient and prudent management which prioritises sound ethical and transparent governance, taking into account the interests of shareholders, customers, employees and society in the geographies in which it operates.

The Bank reaffirms its commitment to strengthen and continuously improve its corporate governance, on which it has been working constantly in order to remain to the forefront of advanced corporate governance systems, to be aligned with best practices, and to adapt to the needs and challenges arising in the new environment. Particularly during 2024, Banco Sabadell's commitment to corporate governance was visible in quality management that generated considerable value for the Bank and its shareholders, as well as for its stakeholders and society in general. Moreover, during the year, the Board of Directors of Banco Sabadell acted at all times with absolute transparency and with the goal of returning value to its shareholders.

The Annual Corporate Governance Report is drawn up with information on the Bank at 2024 year-end and, with the Annual Report on Director Remuneration, forms part of the Directors' Report that accompanies the separate and consolidated financial statements. It was approved unanimously by the Board of Directors at a meeting on 29 January 2025 in compliance with the provisions of Article 540 of the Capital Companies Law and Circular 5/2013, of 12 June 2013, of the National Securities Market Commission (CNMV).

The preparation and format of the Report is governed by the provisions of CNMV Circular 5/2013, as amended by CNMV Circular 2/2018 of 12 June, CNMV Circular 1/2020 of 6 October, and CNMV Circular 3/2021, of 28 September. As in previous years, Banco Sabadell has decided to adopt the free PDF format in accordance with Circular 2/2018, of 12 June, in order to disclose and describe the main aspects of its corporate governance with the utmost transparency. This document is available in the "Corporate Governance and Remuneration Policy" section of the Bank's corporate website [www.grupobancosabadell.com](http://www.grupobancosabadell.com).

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**[>Corporate Governance and  
Remuneration Policy](#)**

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# Corporate Governance of Banco Sabadell in 2024

In 2024, Banco Sabadell continued to enhance its corporate governance in line with best practices. In particular, the Bank was active in the following areas:

## Strategy

Banco Sabadell continues to devote the necessary attention to strategic matters through continuous oversight by the Strategy and Sustainability Committee and by the Board of Directors.

In particular, in 2024, the Strategy and Sustainability Committee was the Board committee in charge of monitoring the takeover bid for all the shares of Banco Sabadell made on 9 May 2024 by Banco Bilbao Vizcaya Argentaria, S.A. (BBVA). Section "3.9 Takeover bids" details the entire process of the takeover bid during 2024. Additionally, the "Hostile Takeover Bid" section of Banco Sabadell's corporate website [www.grupobancosabadell.com](http://www.grupobancosabadell.com) sets out the main details of the takeover bid, Banco Sabadell's communications to shareholders, the key speeches made by the Chairman and CEO of Banco Sabadell, and frequently asked questions about this process.

## Transparency and participation

The Bank maintained the highest standards of transparency and participation to improve and encourage shareholder participation in the General Meeting of Shareholders on 10 April 2024; shareholders were able, not only in person, as since 2022, but also by distance means via direct webcast, to attend, vote on the motions on the agenda, and submit their comments during the question and answer session.

To this end, the Bank again arranged the usual electronic channels through Banco Sabadell's websites (corporate and BSOOnline) and the mobile app (BSMóvil) to enable shareholders to grant proxy and vote in advance of the General Meeting of Shareholders.

Those channels are integrated with the Bank's website and provide shareholders (both customers and non-customers) with a straightforward agile experience and a simple form of interaction. For further details on the means of participation in the General Meeting of Shareholders, see the section "Communications within the framework of the General Meeting of Shareholders" in the section "2.1.2 Shareholder participation in 2024" of the Annual Corporate Governance Report.

In addition to the measures related to the General Meeting of Shareholders, the Bank increased the number of contacts with investors and proxy advisors through roadshows organized by Investor Relations, all of which enhanced transparency in engagement.

In pursuit of transparency and in response to feedback from investors and proxy advisors at the corporate governance roadshows, a new Director Remuneration Policy was approved in 2023 that includes, among other items, a new remuneration item for the Chief Executive Officer for performing executive duties. This new remuneration was

reported in the 2023 Director Remuneration Report, which was submitted to a consultative vote at the 2024 General Meeting of Shareholders and was approved with 96.91% of votes in favour. The purpose of the Bank's engagement with proxy advisors is detailed under "Proxy Advisors" in section "2.1.2 Shareholder participation in 2024" of the Annual Corporate Governance Report.

## Sustainability and diversity

Banco Sabadell continues to advance in its activity and organization with the goal of supporting and accelerating major economic and social transformations that contribute to sustainable development and the fight against climate change. Firm in this resolve, the Bank maintains its Sustainable Commitment, which was adopted in 2022 and sets out a framework for action that integrates a forward-looking view of environmental, social and governance (ESG) commitments for 2025-2050 into the Bank's strategy, aligns business objectives with the Sustainable Development Goals (SDGs), and establishes levers for action with steps to transform and promote initiatives in this area. For further details on the Bank's Sustainable Commitment, see the next section, "The importance of Sustainability in the Banco Sabadell Group's Corporate Governance".

For the fourth consecutive year, Banco Sabadell's General Meeting of Shareholders was certified as a "sustainable event" as it met the requirements for sustainability certification and passed the preliminary evaluation process and the on-site audit established by Eventsost.

## External assessment and other evaluations

Banco Sabadell's commitment to following best practices and the highest standards of corporate governance is reflected in the good results obtained by the Bank in ESG analysts' reports during 2024. In the area of governance, the Bank received excellent scores in connection with the Board of Directors, shareholder rights and the effective control and supervision of risks.

Additionally, an external consultant checked the procedures established for preparing and holding the 2024 General Meeting of Shareholders. The external consultant checked that, from a technical, procedural and legal standpoint, the requirements, internal procedures and applicable standards were applied in Phase I (before the Meeting), Phase II (Meeting) and Phase III (after the Meeting). Greater details on the checks performed in connection with the General Meeting of Shareholders can be found in section "2.3 General Meeting of Shareholders 2024" of the Annual Corporate Governance Report.

With regard to the recommendations of the CNMV's Code of Good Governance, in 2024 Banco Sabadell fully complied with the 56 recommendations applicable to it, including recommendation 15, which establishes that women should account for at least 40% of the members of the Board of Directors.

The Board of Directors and the Appointments and Corporate Governance Committee are committed to favouring diversity on the Board; they work to ensure that the Board has a sufficient number of female directors and to fulfil objective for representation of the gender that is under-represented on the Board.

To this end, the Appointments and Corporate Governance Committee proposed that the Board of Directors submit to the 2024 General Meeting of Shareholders a motion to appoint Ms. Ana Colonques García-Planas as an independent director to replace independent director

Mr. José Manuel Martínez Martínez, who resigned effective as of the date of the Ordinary General Meeting of Shareholders. This appointment increased the percentage of female representation on the Board to 40% in 2024, bringing forward fulfilment of the Bank's commitment as set out in the Sabadell Sustainable Commitment and thereby complying in advance with the provisions of Spain's Organic Law 2/2024, of 1 August, on the equal representation and balanced presence of women and men.

A majority (75%) of the members of the Appointments and Corporate Governance Committee are women.

In order to maintain the Bank's high standards of corporate governance and ensure its continuous alignment with regulatory requirements, supervisors' expectations and national and international best practices, the Appointments and Corporate Governance Committee regularly (every three years) engages independent experts to assess the performance of the Board and its committees. This good practice, which is aligned with the CNMV's Code of Good Governance, provides external input to validate the effectiveness of the performance of the Board and its committees and to identify areas for improvement to ensure that the Board is always at the forefront.

In 2024, as in 2023, the self-assessment of the functioning of the Board and its committees was conducted internally since three years had not yet elapsed since the last external assessment (2022).

The most recent assessment of the Board of Directors and its committees, performed in 2022 with the support of an external expert, indicated that, based on the analysis that was performed, Banco Sabadell complies with all the regulatory requirements and that it has a very high degree of compliance with corporate governance recommendations and best practices. In this same vein, the 2024 internal assessment ratified the result of the evaluation of previous years and the Board of Directors concluded that the performance of the Board and its committees, and of the Chairman, Deputy Chairman, Chief Executive Officer, Lead Independent Director and Secretary and Deputy Secretary of the Board in 2024 were excellent.

It is also noteworthy that the motions on the agenda for the General Meeting of Shareholders obtained a high proportion of votes in favour. The items on the agenda were approved with more than 96% of votes in favour, the average vote in favour of all the items being 99.08%. By way of illustration, the motions to approve the financial statements and grant discharge were approved with 99.19% of votes in favour, and the distribution of income and the dividend were approved with 99.71% of votes in favour. The appointment of Ms. Ana Colonques García-Planas as an independent director was approved with 99.47% of votes in favour, and the consultative vote on the Annual Report on Director Remuneration for the previous year obtained 96.91% of votes in favour.

## Banco Sabadell joins the MSCI World Index

Banco Sabadell has been a component of the MSCI World index since the end of May 2024. This index brings together more than 1,400 companies from the world's most developed economies and serves as a benchmark for analysing international market performance. The Bank's inclusion in the index increases its presence in international financial media and in other sub-indexes, which means that passively managed funds, whose strategies are based on replicating this type of indicators, increase their holdings in the Bank.

# Board of Directors

The following changes were made in the Board of Directors in 2024:

- Mr. José Manuel Martínez Martínez resigned as an independent director of Banco Sabadell with effect as of the date of the Ordinary General Meeting of Shareholders, which took place on 10 April 2024.
- Ms. Ana Colonques García-Planas was appointed as an independent director to fill the vacancy produced by the resignation of Mr. José Manuel Martínez Martínez, by means of a resolution by the General Meeting of Shareholders on 10 April 2024, and she attended her first Board meeting on 30 May 2023, once the pertinent regulatory authorizations had been received.

The appointment of Ms. Ana Colonques García-Planas increased and strengthened the diversity of banking knowledge and experience and, in particular, the profile of finance with executive and business experience, knowledge of accounting and auditing, risk management and control, planning and strategy, corporate governance and sustainability, and the ability to apply such knowledge and skills to the banking business. All the foregoing, combined with the new director's multidisciplinary and executive skills, contributed to strengthening the collective suitability of the Board of Directors and maintaining its collective capacity to challenge the Bank's executives and to exercise supervisory oversight.

In addition, as indicated above, her appointment increased the percentage of female representation on the Board to 40% in 2024.

Following these changes, the Board of Directors of Banco Sabadell is composed of its Chairman, ten independent directors, two executive directors, one other external director and one proprietary director.

## Board of Directors Committees

The structure of the Board committees remained unchanged in 2024, as reflected in the Articles of Association, which were last amended by the General Meeting of Shareholders in 2021.

On 10 April 2024, Mr. José Manuel Martínez Martínez ceased to be a member of the Appointments and Corporate Governance Committee and of the Remuneration Committee as a result of his resignation from the Board of Directors. At a meeting on that same date, the Board of Directors resolved to appoint Mr. Pedro Fontana García, an independent director and Deputy Chairman of the Board of Directors, as Chairman of the Appointments and Corporate Governance Committee; at the same time, he stepped down as a member of the Audit and Control Committee, a position he had held since December 2017.

At a meeting on 30 May 2024, the Board of Directors resolved, following a report from the Appointments and Corporate Governance Committee, to amend the composition of the Board of Directors' Committees. The changes were made after Ms. Ana Colonques García-Planas joined the Board as an independent director, following the analysis by the Appointments and Corporate Governance Committee of the composition of the committees in pursuit of continuous improvement in the Bank's corporate governance performance.

Ms. Ana Colonques García-Planas was appointed as a member of the Audit and Control Committee and of the Remuneration Committee based on her expertise in accounting and auditing, human resources, culture, talent and remuneration, as well as the valuable contribution of

her business experience to those committees. Her appointment also increased the proportion of women, as the under-represented sex, and reinforced age diversity in committee positions.

The current composition of the Board Committees is as follows:

Committee	Name	Position
<b>Strategy and Sustainability</b>	Josep Oliu Creus	Chairman
	Lluís Deulofeu Fuguet	Member
	Pedro Fontana García	Member
	María José García Beato	Member
	César González-Bueno Mayer Wittgenstein*	Member
	George Donald Johnston III	Member
	Miquel Roca i Junyent	Non-member secretary
<b>Credit Delegated</b>	Pedro Fontana García	Chairman
	Lluís Deulofeu Fuguet	Member
	César González-Bueno Mayer Wittgenstein	Member
	Alicia Reyes Revuelta	Member
	Pedro Viñolas Serra	Member
	David Vegara Figueras	Permanent observer
	Gonzalo Barettino Coloma	Non-member secretary
<b>Audit and Control</b>	Manuel Valls Morató	Chairman
	Ana Colonques García-Planas	Member
	Laura González Molero	Member
	Pedro Viñolas Serra	Member
	Miquel Roca i Junyent	Non-member secretary
<b>Appointments and Corporate Governance</b>	Pedro Fontana García	Chairman
	Aurora Catá Sala	Member
	María José García Beato	Member
	Mireya Giné Torrens	Member
	Miquel Roca i Junyent	Non-member secretary
<b>Remuneration</b>	Mireya Giné Torrens	Chairman
	Ana Colonques García-Planas	Member
	Laura González Molero	Member
	Gonzalo Barettino Coloma	Non-member secretary
<b>Risk</b>	George Donald Johnston III	Chairman
	Aurora Catá Sala	Member
	Alicia Reyes Revuelta	Member
	Manuel Valls Morató	Member
	Gonzalo Barettino Coloma	Non-member secretary

\* Member solely for matters of strategy.



# Matrix of competencies and diversity in the Board of Directors

Since 2019, Banco Sabadell has had a Matrix of competencies and diversity, which is reviewed each year by the Board of Directors following a favourable report from the Appointments and Corporate Governance Committee; it was last reviewed on 24 April 2024 on the occasion of the most recent appointment of Ms. Ana Colongues García-Planas.

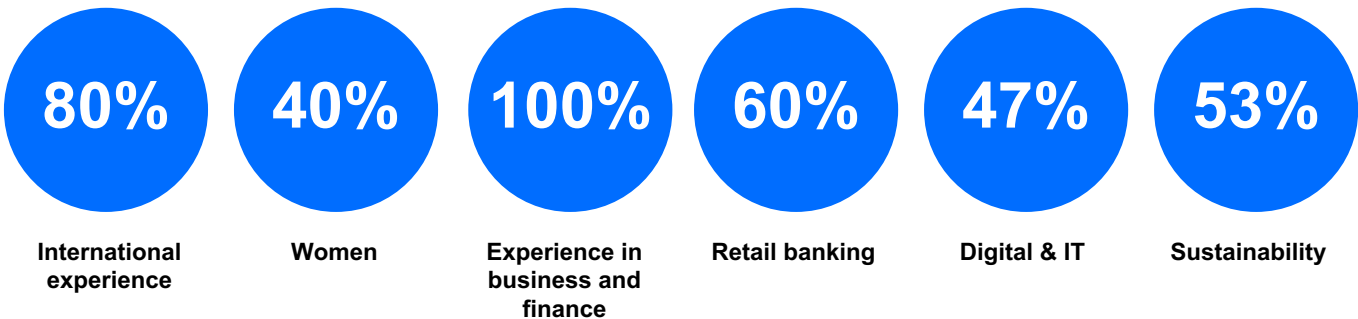
The Matrix defines the skills and knowledge of the members of the Board of Directors in the following areas: retail and corporate banking; financial and capital markets; insurance; other financial competencies; accounting and auditing; risk management; planning and strategy; governance; risk control; prevention of money laundering and terrorist financing; legal; digital and IT (digital transformation); human resources, culture, talent and remuneration; responsible business and sustainability; international experience; governing bodies; management and leadership of organizations; business experience; governance and public policy; consulting; regulatory and supervisory bodies; academia; and communication and institutional relations.

In 2024, women represented 40% of the Board of Directors and 50% of the independent directors, in line with the Directive of the European Parliament and of the Council on improving the gender balance among directors of listed companies and related measures; this also fulfilled in advance the requirements of Spain's Organic Law 2/2024, of 1 August, on the equal representation and balanced presence of women and men.

As stated earlier, the General Meeting of Shareholders on 10 April 2024 resolved to appoint an independent director in place of independent director Mr. José Manuel Martínez Martínez, who resigned effective as of the date of the Ordinary General Meeting of Shareholders. That appointment increased the percentage of female representation on the Board to 40% in 2024.

Knowledge, skills and experience were reinforced in the following areas: retail banking, accounting and auditing, risk control, responsible business and sustainability, human resources, culture, talent and compensation, and competencies in governing bodies, management and leadership of organizations and business experience.

## Diversity and competencies



# The importance of Sustainability in the Banco Sabadell Group's Corporate Governance

Sustainability played an important role within Banco Sabadell's purpose and business strategy in 2024. Environmental, social and governance factors are considered when making decisions and in responding to the needs and expectations of all stakeholders. Banco Sabadell, TSB and Banco Sabadell Mexico have made their own commitments in this regard. Since 2022, the Bank has strengthened its Sabadell Sustainable Commitment framework, which includes specific objectives for 2025-2050 along four strategic axes, as part of the Group's strategy, governance and its business model. This framework is available for consultation in the "Sustainable Commitment" section under "Sustainability" on the Bank's website [www.grupobancosabadell.com](http://www.grupobancosabadell.com). Banco Sabadell also aims to frame the Group's activity and organization within ESG parameters through its Sustainability Policy and its Environmental and Social Risk Framework, and, since 2023, by reinforcing the involvement of senior management and the group's Identified Staff by including sustainability in their multi-year objectives linked to long-term remuneration.

The Sustainable Commitment action framework integrates the vision for the future of environmental, social and governance commitments into the strategy, aligns business objectives with the Sustainable Development Goals and establishes action levers with transformational drivers. To this end, all of the Bank's bodies participated and the following four strategic axes were established and are being worked on:

- Advance as a sustainable institution
- Support our customers in the transition towards a sustainable economy
- Offer investment opportunities that contribute to sustainability
- Work together for a sustainable, cohesive society

In April 2024, the Board of Directors reviewed its sustainability policy, which frames the Banco Sabadell Group's business and organization within ESG parameters. This policy establishes the basic principles guiding the Banco Sabadell Group as it addresses the challenges posed by sustainability, and it defines the management parameters as well as the organization and governance structure necessary for its proper implementation.

The Strategy and Sustainability Committee, established in 2021, has the following competences related to sustainability:

- Analysing and advising the Board of Directors on the Bank's sustainability and environmental policies.
- Advising the Board of Directors on possible amendments and regular updates of the sustainability strategy.
- Analysing the definition and, as necessary, amending diversity and integration, human rights, equal opportunity and work-life balance policies and evaluating their degree of fulfilment on a regular basis.
- Reviewing the Bank's social action strategy and its sponsorship and patronage plans.
- Reviewing and reporting on the Non-Financial Disclosures Report before the Audit and Control Committee reviews and reports on it and it is subsequently authorised by the Board of Directors.
- Receiving information in connection with reports, written communiqués or communications from external supervisory bodies within the scope of this Committee's competencies.

The Sustainability Committee, established in 2020 and chaired since 2021 by the General Manager and head of Sustainability and Efficiency (General Manager of People and Sustainability, since 1 January 2025), is the body in charge of establishing the Bank's Sustainable Finance Plan and monitoring its execution, defining and publicising the general principles of action in sustainability matters and promoting the development of projects and initiatives.

Furthermore, the Non-Financial Information Statement and Sustainability Information of Banco de Sabadell and subsidiaries (hereinafter, the Sustainability Report), which forms part of the consolidated Directors' Report for 2024, complies with the provisions of Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting. Like this Annual Corporate Governance Report, the Sustainability Report is attached to the consolidated financial statements and is submitted for approval as a separate item on the agenda of the Ordinary General Meeting of Shareholders. It details the actions implemented in the area of sustainability and other non-financial information. The main disclosures contained in the Sustainability Report include:

- Progress with the Bank's commitment to sustainability and the Sustainable Finance Plan.
- ESG commitments and initiatives that the Bank has joined (e.g. Principles of Responsible Banking, Net Zero Banking Alliance, Global Compact, and the Task Force on Climate-related Financial Disclosures [TCFD] model disclosure framework).
- The materiality approach to the institution ESG aspects.
- Management of risks and opportunities related to climate change.
- The Bank's commitment to measuring and offsetting the carbon footprint, and its emission reduction plan.
- The business's contribution to sustainable finance.
- Employee-related data, including talent management, diversity, training and remuneration.
- The commitment to society.
- The fight against bribery and corruption.
- Prevention of money laundering and terrorist finance.
- Disclosures on human rights.
- Actions in pursuit of transparency and digitalization.



# Contents of the Annual Corporate Governance Report

## 1. Ownership structure (A)

### 1.1. Share capital (A.1)

At 31 December 2024, the share capital of Banco Sabadell was €680,027,680.875, represented by 5,440,221,447 registered shares, with a par value of €0.125 each, all fully subscribed and paid up, representing 5,440,221 voting rights, at a ratio of one voting right for every 1,000 shares. The share capital was last modified on 11 December 2023 as a result of the capital reduction approved by the General Meeting of Shareholders on 23 March 2023, and the Articles of Association do not provide for loyalty voting rights.

On 10 April 2024, the Ordinary General Meeting of Shareholders of Banco Sabadell approved a resolution to reduce the share capital by the nominal amount of treasury shares that may be acquired by Banco Sabadell under the share repurchase programme with a charge to 2023 profit, up to at most effective €340 million. At a meeting on 29 January 2025, the bank's Board of Directors resolved to partially execute the capital reduction resolution approved by the General Meeting of Shareholders on 10 April 2024 in the amount of €6,566,420.625, by redeeming the 52,531,365 shares acquired under the aforementioned buyback program up until it was suspended. That resolution provided for the possibility of not executing it or executing it only partially in the light of unforeseen circumstances. As of the date of the Annual Corporate Governance Report, the capital reduction has yet to be executed and registered with the Mercantile Registry.

Following this capital reduction through the cancellation of treasury stock, the bank's capital stock amounts to €673,461,260.25, represented by 5,387,690,082 registered shares of €0.125 par value each. All shares are fully paid up and are numbered sequentially from 1 to 5,387,690,082, both inclusive.

For more information, see the section entitled "Share Repurchase Programme" in section 1.4 Own Shares.

The shares of Banco Sabadell are in the form of book entries and are listed on the Barcelona, Bilbao, Madrid and Valencia stock exchanges and on the Spanish "SIBE"/Mercado Continuo stock exchange interconnection system. All shares are of the same class and have the same associated rights.

Banco Sabadell has not issued securities that are not traded on a regulated market in the European Union.

According to CNMV data, at 2024 year-end, four investor groups within the Bank's ownership structure reported a shareholding of over 3%; together those four shareholders represented 16.61% of the total share capital. The members of the Board of Directors, one of whom is deemed to control the voting rights attributed to the shares held by one of the aforementioned investors, own 3.77% of the Bank's share capital.

**680,027,680.875**

Euro

**5,440,221,447**

Registered shares

**5,440,221**

Voting rights

**4**

Investor groups that reported holdings of more than 3%.  
2024



## 1.2. Significant shareholders (A.2, A.4, A.5, A.6, A.7 and A.8)

At 31 December 2024, the direct and indirect owners of significant stakes in Banco Sabadell, including directors with significant stakes, were:

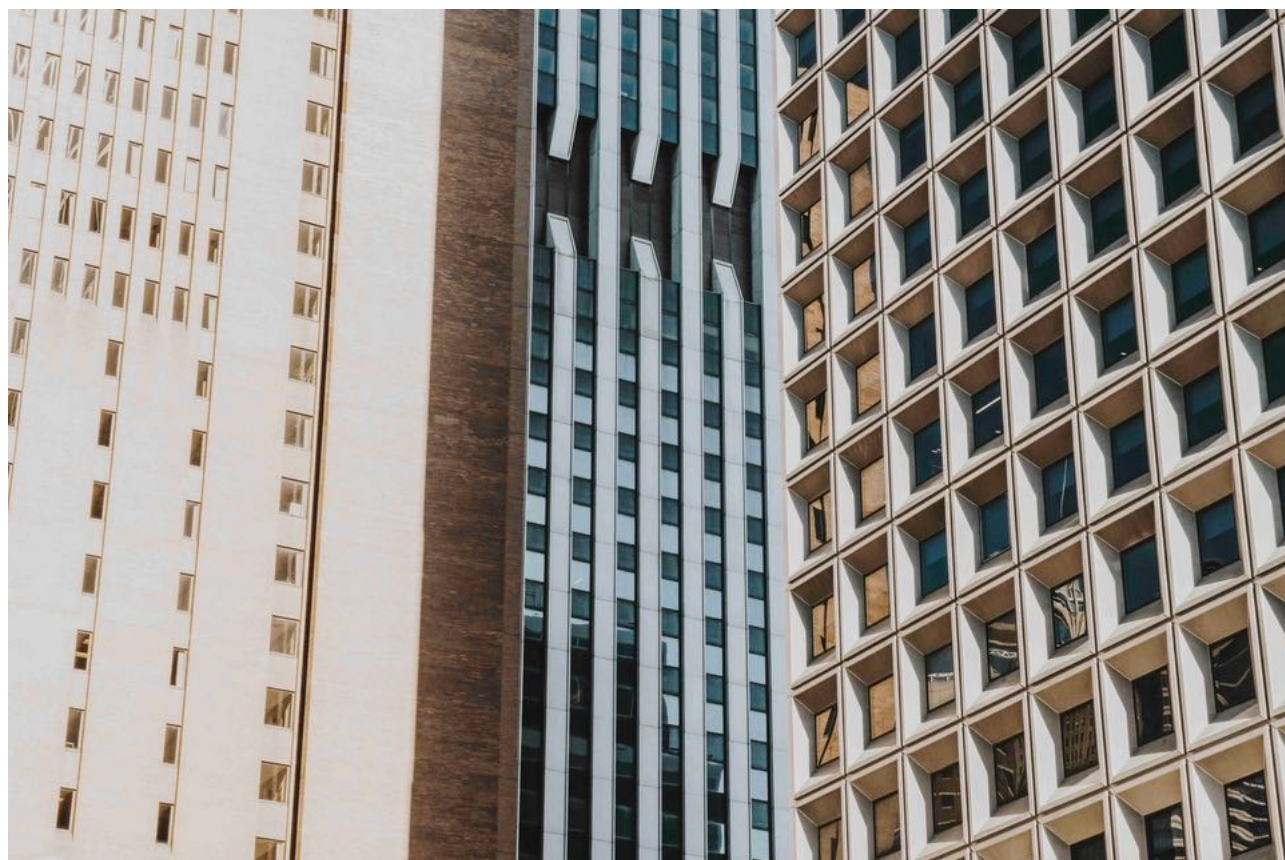
Name of shareholder	Voting rights attributed to the shares (%)		Voting rights through financial instruments(%)		Total voting rights (%)
	Direct	Indirect	Direct	Indirect	
BlackRock Inc.	0.00	6.20	0.00	0.10	6.30
Dimensional Fund Advisors LP	0.00	3.73	0.00	0.00	3.73
David Martínez Guzmán	0.00	3.56	0.00	0.00	3.56
Zurich Insurance Group Ltd.	0.00	3.02	0.00	0.00	3.02

BlackRock Inc. holds its indirect stake via a number of subsidiaries.

Dimensional Fund Advisors LP reports shareholdings held by funds and accounts advised by itself or its subsidiaries. The voting rights belong to the shares held by such funds and accounts. Neither Dimensional Fund Advisors LP nor its subsidiaries are the beneficial owners of those shares and/or their voting rights.

Fintech Europe, S.Á.R.L. (FE) is wholly owned by Fintech Investments Ltd. (FIL), the investment fund managed by Fintech Advisory Inc. (FAI). FAI is owned 100% by Mr. David Martínez Guzmán. Consequently, the shareholding now held by FE is considered to be controlled by Mr. David Martínez Guzmán.

Zurich Insurance Group Ltd. is the parent company of the Zurich Group and directly owns 100% of Zurich Insurance Company Ltd, which directly owns shares in Banco de Sabadell, S.A.



The most significant movements in the ownership structure during the financial year that were reported to the CNMV by the holders of significant stakes, in accordance with articles 23 and 32 of Royal Decree 1362/2007 of 19 October 2007, and whose disclosures are available on the CNMV's website are as follows:

Name of shareholder	Transaction date	Description of change
Blackrock Inc.	19/02/2024	Fell below 3% of voting rights attributed to shares
	20/02/2024	Exceeded 3% of voting rights attributed to shares
	22/02/2024	Fell below 3% of voting rights attributed to shares
	28/02/2024	Exceeded 3% of voting rights attributed to shares
	31/05/2024	Exceeded 5 % of voting rights attributed to shares
DWS Investment GMBH	03/01/2024	Exceeded 3% of voting rights attributed to shares
	04/01/2024	Fell below 3% of voting rights attributed to shares
Millennium Group Management LLC	28/03/2024	Exceeded 1% of voting rights through financial instruments
	31/05/2024	Fell below 1% of voting rights through financial instruments
UBS Group AG	23/09/2024	Exceeded 3% of voting rights attributed to shares and through financial instruments
	27/09/2024	Fell below 3% of voting rights attributed to shares and through financial instruments
	01/10/2024	Exceeded 3% of voting rights attributed to shares and through financial instruments
	08/10/2024	Fell below 3% of voting rights attributed to shares and through financial instruments
	19/12/2024	Exceeded 3% of voting rights attributed to shares and through financial instruments
	20/12/2024	Fell below 3% of voting rights attributed to shares and through financial instruments
Zurich Insurance Group Ltd.	22/10/2024	Exceeded 3% of voting rights attributed to shares

Banco Sabadell is not aware of any family, commercial, contractual or corporate ties between the owners of significant stakes. Moreover, the Bank and the companies that make up Banco Sabadell Group (hereinafter "Banco Sabadell Group" or "the Group") do not have any family, commercial, contractual or corporate ties with the Bank's significant shareholders other than those arising out of ordinary business relations. The Bank has not been notified of any shareholder agreements and is not aware of any concerted action between shareholders or of the existence of any natural or legal person exerting control over the Bank in the meaning of article 4 of the Spanish Securities Markets and Investment Services Law.

## 1.3. Board of Directors stake in share capital (A.3)

The members of the Board of Directors own 3.77 % of the Bank's total voting rights. This information is detailed below and updated on the Bank's website [www.grupobancosabadell.com](http://www.grupobancosabadell.com). The members of the Board of Directors do not currently hold voting rights through financial instruments.

The directors' position in share capital is detailed below, except for that relating to Mr. David Martínez Guzmán, a proprietary director, whose interest was disclosed in the preceding section:

Name of director	Voting rights attributed to the shares (%)		Voting rights through financial instruments (%)		Total voting rights (%)	Voting rights that may be transferred through financial instruments (%)	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
Josep Oliu Creus	0.10	0.04	0.00	0.00	0.14	0.00	0.00
Pedro Fontana García	0.00	0.00	0.00	0.00	0.00	0.00	0.00
César González-Bueno Mayer Wittgenstein	0.02	0.00	0.00	0.00	0.02	0.00	0.00
Aurora Catá Sala	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Ana Colonques García-Planas	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Lluís Deulofeu Fuguet	0.00	0.00	0.00	0.00	0.00	0.00	0.00
María José García-Beato	0.01	0.00	0.00	0.00	0.01	0.00	0.00
Mireya Giné Torrens	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Laura González Molero	0.00	0.00	0.00	0.00	0.00	0.00	0.00
George Donald Johnston III	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Alicia Reyes Revuelta	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Manuel Valls Morató	0.00	0.00	0.00	0.00	0.00	0.00	0.00
David Vegara Figueras	0.01	0.00	0.00	0.00	0.01	0.00	0.00
Pedro Viñolas Serra	0.00	0.00	0.00	0.00	0.00	0.00	0.00

## 1.4. Own shares (A.9 and A.10)

The Bank is empowered to acquire own shares by a resolution adopted by the Ordinary General Meeting of Shareholders on 10 April 2024, under item six on the agenda, which revoked the power granted by motion eight adopted by the General Meeting of Shareholders on 23 March 2023 with respect to the part not yet executed (that power was in force through 10 April 2024 in the same terms as the current authorization) and authorized Banco Sabadell, within a maximum period of five years as from the date of the resolution, so that, directly or through subsidiaries, subject to obtaining prior authorization from the European Central Bank, it may acquire, at any time and as often as it sees fit, shares of Banco Sabadell by any of the means admitted by law, including against profit for the year and/or unrestricted reserves, and that it may subsequently dispose of or cancel any shares thus acquired or, as appropriate, deliver them to employees or directors of Banco Sabadell 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 concordant articles of the Capital Companies Law.

The limits and requirements for such acquisitions are as follows:

- The par value of the shares thus acquired, directly or indirectly, in addition to any shares already held by the Bank and its subsidiaries,



may not exceed, at any time, the legal limit established from time to time by the legislation in force (currently ten per cent of share capital), subject in all cases to the limits for acquisition of own shares established by the stock market regulators in the markets in which Banco Sabadell shares are listed.

- The acquisition, plus any shares previously acquired by Banco Sabadell (or a person acting in their own name but on the Bank's behalf) and held by it, must not lead to net equity being less than the amount of share 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 own shares must be made in accordance with general stock market rules and regulations.

At 2024 year-end, Banco Sabadell directly held 78,840,390 own shares, representing 1.449% of share capital. The Bank reported the following changes in treasury stock to the CNMV:

Transaction date	Total number of direct shares	Total number of indirect shares	Total % of share capital
07/05/2024	64,781,561	—	1.191

## Share Repurchase Programme

On 10 April 2024, the Ordinary General Meeting of Shareholders of Banco Sabadell approved a resolution to reduce the share capital by the nominal amount of treasury shares that may be acquired by Banco Sabadell under the share buyback programme with a charge to 2023 profit, up to at most €340 million.

As a continuation, on 25 April 2024, Banco Sabadell released a regulatory disclosure of Inside Information, with CNMV registration number 2.203, setting out the terms and announcing the commencement of the programme to repurchase own shares approved by the Board of Directors on 24 April 2024, in compliance with the provisions of Article 5 of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse and Commission Delegated Regulation (EU) 2016/1052, of 8 March 2016.

On 13 May 2024, in response to a request from the CNMV received on that same date, Banco Sabadell released a regulatory disclosure of Other Relevant Information with CNMV registration number 28.561 in which it announced the temporary suspension of the aforementioned share buyback programme due to the publication of the preliminary announcement of the voluntary public tender offer made by BBVA for all of the shares representing the capital stock of Banco Sabadell.

Transactions under the buyback programme had been interrupted before market opening on 9 May 2024; the amount paid for the shares purchased under the repurchase programme up to and including 8 May 2024 amounted to €92,864,152.55, i.e. approximately 27.31% of the maximum monetary amount of the repurchase programme, with the result that approximately 72.69% of the aforementioned maximum amount was unused.

At a meeting on 29 January 2025, the bank's Board of Directors resolved to partially execute the capital reduction resolution approved by the General Meeting of Shareholders on 10 April 2024 in the amount of €6,566,420.625, by redeeming the 52,531,365 shares acquired under the aforementioned buyback program up until it was suspended. That

resolution provided for the possibility of not executing it or executing it only partially in the light of unforeseen circumstances. As of the date of the Annual Corporate Governance Report, the capital reduction has yet to be executed and registered with the Mercantile Registry.

## **1.5. Estimated free float (A.11)**

At 2024 year-end, the estimated free float, i.e. the percentage of share capital not held by significant shareholders, members of the Board of Directors or as treasury stock, was 81.815 %.

## **1.6. Transferability and exercise of voting rights (A.12, A.13 and A.14)**

There are no restrictions on the free transferability of the Bank's shares such as to hamper the attainment of control of the Bank through the acquisition of its shares in the market. The only existing restrictions are those established in Spanish law applying to all credit institutions.

Specifically, Law 10/2014, of 26, June, on the Regulation, Supervision and Solvency of Credit Institutions, establishes that in any acquisition of at least 10 percent of the capital or of the voting rights, or that, without attaining that percentage, enables significant influence to be exerted over the institution, as well as any increases such as to exceed 20, 30 or 50 per cent, or to grant control of the institution, the purchaser must give advance notice to the Bank of Spain, which will process the request for approval or denial by the European Central Bank. The reduction of a stake below those thresholds must be notified by the seller to the Bank of Spain.

The General Meeting of Shareholders has not adopted neutralization measures against takeover bids and no securities have been issued that are not traded on a regulated market in the European Union.





## 2. Shareholders and General Meeting of Shareholders (B)

### 2.1 Shareholders

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

The relationship with shareholders, investors, proxy advisors and other stakeholders is a fundamental pillar of Banco Sabadell's communication strategy to promote transparency, build trust and, at all times, safeguard the legitimate interests of shareholders, investors and proxy advisors, as well as any other stakeholder of Banco Sabadell.

The Policy on Communication and Contact with Shareholders, Investors and Proxy Advisors establishes the following principles:

- **Involvement of the Board of Directors and senior management**  
They have the ultimate responsibility for defining strategies for communicating with shareholders, investors, financial analysts and proxy advisors.
- **Diligence and transparency**  
The Bank behaves with the utmost diligence and transparency in all its communications and relations with shareholders, investors, financial analysts and proxy advisors, in order to minimise the risks of conflicts of interest and ensure that information is distributed in a timely, homogeneous and transparent manner.
- **Integrity, accuracy and consistency of information**  
The Bank guarantees the integrity, accuracy and consistency of the information disclosed to shareholders, investors and proxy advisors. To this end, it ensures that the information disclosed is complete, honest, consistent with reality and coherent so as to contribute to transparency vis-à-vis the market, build reputation value and strengthen the corporate identity.
- **Equal treatment and diversity**  
The Bank ensures equal treatment of shareholders and investors, guaranteeing that all parties who are in the same position in relation to the distribution of information have the same rights and can exercise them in an analogous way without discrimination. The Bank also ensures the uniform distribution of information to all market participants. In addition, the Bank considers the different information needs of its stakeholders and adjusts the content, form and channels of communication to meet these needs while fully complying with applicable regulations in all cases.
- **Engagement and promoting participation**  
The Bank encourages dialogue with shareholders, investors and proxy advisors, while promoting their participation. To this end, it facilitates the exercise of stakeholders' rights in order to involve them effectively and sustainably. The Bank also allows shareholders to cooperate among themselves. For this purpose, the Bank establishes and enables the appropriate communication mechanisms to detect its stakeholders' concerns, suggestions and needs. It also provides shareholders with all the information needed for the proper exercise of their rights.
- **Compliance with internal and external regulations**  
The Bank ensures that its communications always comply with current external and internal regulations. To this end, it ensures the

proper application of the applicable current legal and regulatory requirements and the internal policies and procedures. It also complies with regulatory recommendations and guidelines in order to implement best practices in this area.

The Policy also details:

- The critical management parameters applicable to communication with shareholders, investors and proxy advisors, as well as any other Banco Sabadell stakeholder group.
- The governance and organizational structure, establishing the roles and responsibilities of the Board of Directors, the Board committees and internal committees, as well as the areas and units involved.
- The reporting, communication, contact and participation channels to safeguard the above principles.

## 2.1.2 Shareholder participation in 2024

The Policy on communication and contact with shareholders, investors and proxy advisors details the following channels through which shareholders may exercise their rights to be informed and to participate in Banco Sabadell activities and events.

- **Corporate website**

The Group has a corporate website ([www.grupobancosabadell.com](http://www.grupobancosabadell.com)) which contains all the public information about the Group for use by shareholders, investors, financial analysts, proxy advisors and other stakeholders. In order to comply with the principle of transparency, the Bank ensures that the information posted on the corporate website is clear, correct and truthful; to this end, the information is updated constantly and published in Spanish, Catalan and English.

- **CNMV website**

In addition to the corporate website, as a listed company, the Bank releases, via the CNMV website, inside and other relevant information disclosures, regular financial reporting, issue prospectuses and all other information that is required by the applicable regulations or that may be of general interest to the Bank's stakeholders.

- **Earnings webcasts**

The Bank streams quarterly earnings presentations and other market-relevant communications and makes them readily accessible. Webcasts are also available after the fact on the corporate website. In the case of live presentations, systems are provided for participants to submit questions to the speakers or representatives of the Group, either live or by e-mail.

- **Social media**

Aware of the impact and importance of new information technologies and communication channels through the internet, the Bank promotes an active presence in social media, where, without detriment to compliance with its legal obligations, and in accordance with the criteria and requirements established by the CNMV (Communiqué dated 8/10/2020), it seeks to disseminate information on the Group's progress and establish new forms of communication with shareholders and stakeholders who regularly use these media to obtain information on matters of interest to them.

- **Means of contact with shareholders and investors**

In order to facilitate open, transparent communication between shareholders and the Bank, a telephone line (+34 93 728 88 82) and an electronic mailbox ([accionista@bancsabadell.com](mailto:accionista@bancsabadell.com)) have been established to provide shareholders with personalised attention

when handling and responding to requests for information, clarifications and questions.

Additionally, in order to ensure proper consistent and coherent communication with the market at all times, there is a telephone line +34 91 321 73 73 and an e-mail address ([investorrelations@bancsabadell.com](mailto:investorrelations@bancsabadell.com)) to enable institutional investors to submit requests and suggestions.

— **Communications within the framework of the General Meeting of Shareholders**

One of the main mechanisms for shareholder participation is the General Meeting of Shareholders. The Bank provides all shareholders with a range of resources to enable them to participate in and attend the Meeting, such as the ability to grant proxy, vote and attend by means of distance communication through the corporate website [www.grupbancsabadell.com](http://www.grupbancsabadell.com) using an electronic national ID document or a recognized electronic certificate, through the Banco Sabadell Group remote banking services (BS Online and BS Móvil) for those shareholders who use this service, and via the branch network.

As an essential part of the General Meeting of Shareholders, the Bank provides shareholders with the information that they need to decide on the matters submitted for their consideration and publishes this information in detail sufficiently in advance. Moreover, from the time notice of the General Meeting of Shareholders is given until the meeting is held, the Electronic Shareholders' Forum is enabled on the website and is accessible to Banco Sabadell shareholders and to any shareholder associations formed in accordance with current legislation solely for the purpose of communicating among themselves in connection with the General Meeting of Shareholders.

— **Proxy Advisors and investors**

The Bank maintains contact with the most important proxy advisors in the market so that their recommendations can be based on a detailed knowledge of the Group.

To this end, the Bank implements best practices and recommendations in the area of corporate governance. It conducts corporate governance roadshows with proxy advisors and investors, and holds meetings with investors' ESG departments.

— **Group and individual meetings**

Information meetings (roadshows, etc.) are organised periodically, in which representatives of the Bank meet with shareholders, investors, financial analysts and proxy advisors to present the Group's progress and other matters of interest that help to clarify aspects of public information, listen to their feedback and provide detailed answers to their questions.

— **Specialized industry events**

The Bank attends specialized international industry conferences, at which the Bank makes presentations and meets with shareholders and investors in order to create a climate of dialogue in which to inform them about the Bank's performance and respond to specific queries about its public disclosures.

— **Investor days**

The Bank arranges meetings with shareholders, investors and analysts to discuss the Group's business and strategic plans and those of its subsidiaries.

— **Meetings with retail shareholders**

The Bank organises meetings with retail shareholders at which representatives of the Bank make a presentation that includes an introduction to the macroeconomic situation and a review of the Bank's results, as well as a question and answer session.

## 2.1.3 Shareholder remuneration policy

The economic rights of all shareholders include the right to share in the Institution's profits by receiving dividends and any other distributions (issue premium refunds, repayment of contributions) that the Institution's competent bodies (General Meeting of Shareholders, based on a proposal by the Board of Directors, or the latter in the case of payment of interim dividends) resolve to distribute among the shareholders.

Pursuant to Article 529 ter of the Capital Companies Law, the Boards of Directors of capital companies have the power, which not be delegated, to approve the dividend policy in order to establish a transparent and predictable framework for decisions regarding shareholder remuneration. Banco Sabadell's policy in this respect aims to reconcile maintaining appropriate levels of capital and liquidity at all times such as to have a comfortable margin over the applicable requirements, while offering shareholders attractive remuneration in line with earnings performance.

The CNMV requires that listed companies make their shareholder remuneration policy available to shareholders and investors. Both the CNMV and the European Securities Markets Authority, as well as the stock market regulations, stress the need to disclose, transparently and with sufficient advance notice, any decisions that are adopted or submitted for approval by the competent bodies in this area in order to contribute to proper price formation of shares and derivative financial instruments in the market.

For these purposes, Banco Sabadell has a Shareholder Remuneration Policy that was approved by the Board of Directors at a meeting on 25 January 2023 and reviewed at a meeting on 31 January 2024.

The purpose of the Policy is to establish the principles that will govern the decisions regarding shareholder remuneration that the Board of Directors submits to the General Meeting of Shareholders for approval or that the latter adopts directly in the exercise of its powers regarding the distribution of interim dividends.

The principles governing shareholder remuneration comply with current legislation, Banco Sabadell's corporate governance rules and the good governance recommendations and principles adopted by the Bank, particularly those contained in the Good Governance Code for listed companies approved by the CNMV (June 2020 revision). They must also conform to the prudential and supervisory framework applicable to financial institutions and the recommendations and considerations by national and European supervisory authorities.

These principles also take consideration of best practices observed by domestic listed companies and by financial institutions listed in Europe and in the main capital markets.

Accordingly, the Bank's shareholder remuneration and dividend distribution decisions must comply with the following principles:

- Conformity to current legislation
- Proportionality to the number of shares
- Equal treatment
- Transparency
- Tied to profit
- Solvency and sustainability over time
- Value creation and profit enhancement
- Shareholder return
- Observed best practices

The Policy sets out the essential parameters established as a framework for executing this proposal. These are:

- The annual amount of shareholder remuneration
- Remuneration payment formulas
- Frequency of remuneration payments

As this right is common to all of the Bank's shareholders, in line with the provisions of Banco Sabadell's Policy on Communication and Contact with Shareholders, Investors and Proxy Advisors, Banco Sabadell's Shareholder Remuneration Policy is published on the Bank's corporate website ([www.grupobancosabadell.com](http://www.grupobancosabadell.com)).

Likewise, any decision or proposal regarding shareholder remuneration that is adopted or made by the Board of Directors must be notified to the CNMV in the form of a regulatory disclosure of inside information in advance of the date of payment of the remuneration provided for in the applicable regulations.

As communicated to the market in the press release attached to the disclosure of Inside Information dated 6 May 2024, with CNMV registration number 2.234, the Board of Directors, at a meeting on that same date, as part of its firm commitment to shareholder value creation and backed by the Bank's business plan and solid capital generation, reiterated its commitment to distribute to shareholders, on a recurring basis, any capital in excess of a pro forma Basel IV CET1 ratio of 13%, and it disclosed that the aggregate amount of excess capital to be generated in 2024 and 2025, together with recurring dividends for this period based on satisfactory fulfilment of the current business plan, was expected to reach €2.4 billion, the distribution of part of which to shareholders is subject to supervisory approval.

Subsequently, at a meeting on 22 July 2024, in compliance with the Shareholder Remuneration Policy, the Board of Directors of Banco Sabadell resolved to distribute an interim dividend in cash on account of 2024 results in the amount of €0.08 gross per share, which was paid on 1 October. The Board also set the percentage of profit to be distributed to shareholders, i.e. the Group's pay-out, at 60% of the Group's 2024 attributable net profit. This level of pay-out is at the high end of the range established in the Group's shareholder remuneration policy. All of this was communicated to the market by means of an Inside Information disclosure with CNMV registration number 2.322.

As a sign of confidence in Banco Sabadell's excellent prospects, the Board of Directors of Banco Sabadell has increased its commitment to shareholder remuneration, which is estimated to reach €2.9 billion<sup>2</sup> for 2024 and 2025, equivalent to 53 euro cent per share. In view of the excellent progress in Banco Sabadell's results in recent quarters, these estimates could be revised upwards.

## **2.2. General Meeting of Shareholders (B.1, B.2, B.3, B.6, B.7 and B.8)**

### **2.2.1 General Meeting of Shareholders Regulation**

The General Meeting of Shareholders is the Bank's main governing body, where the shareholders adopt resolutions on matters attributed to them by the law, the Articles of Association and the General Meeting Regulations, and those business decisions that the Board of Directors considers of importance for the future of the Bank and the corporate interests.

The terms of reference and the basic rules for the conduct of the Banco Sabadell General Meeting of Shareholders, and the system for giving notice and convening meetings and adopting decisions, are set out in the Articles of Association and in the Regulation of the General Meeting

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<sup>2</sup> Commitment to distribute to shareholders, on a recurring basis, any excess capital above a pro forma Basel IV CET1 ratio of 13%. It is estimated that the excess capital to be generated in 2024 and 2025 together with recurring dividends in that period, subject to satisfactory fulfilment of the current business plan, will amount to €2.9 billion. Part of that may be subject to approval by the supervisor.



of Shareholders, which safeguard shareholders' rights and transparency; the system of quora does not differ from that provided in the Capital Companies Law.

This same criterion is applicable to any amendment of the Articles of Association, which is governed by the same principles as established in the Capital Companies Law, both with regard to the requirements for amendment and the required quorum. Additionally, in the cases defined by law, amendments of the Articles of Association require the authorization of the supervisor exercising the powers assigned to it by article 10 of Royal Decree 84/2015, of 13 February, implementing Law 10/2014, of 26 June, on Regulation, Supervision and Solvency of Credit Institutions, without prejudice to the functions attributed to the European Central Bank in accordance with the provisions of Council Regulation (EU) No 1024/2013 of 15 October 2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions.

## 2.2.2 Right to attend and vote at General Meetings of Shareholders

Shareholders are entitled to attend and vote at the General Meetings of Shareholders and to challenge corporate resolutions in accordance with the provisions of Article 93 of the Capital Companies Law and Article 9 of the Articles of Association of Banco Sabadell, as described below.

Pursuant to Article 37 of the Company's Articles of Association, shareholders whose shares are registered in the Bank's register of shares at least five days in advance of the date of a General Meeting of Shareholders are entitled to attend the meeting.

In accordance with article 38 of the Articles of Association, in order to attend and vote at a General Meeting, shareholders must accredit that they possess or hold proxies for one thousand (1,000) shares. Shareholders holding less than that minimum amount of shares may group together to constitute the minimum and grant proxy to any one of them, or to another person, who need not be a shareholder, that is able to attend the Meeting in accordance with the provisions of Article 38. Shareholders have one vote per thousand (1,000) shares.

The Articles of Association and the Regulation of the General Meeting of Shareholders provide for the possibility of attending the meeting remotely using means of distance communication and of voting remotely by any means, even exclusively by remote means where permitted by law, in which case, and without prejudice to the terms of the Regulation of the General Meeting of Shareholders, the Board of Directors must expressly resolve to authorize the necessary systems and procedures to enable remote attendance and voting at the General Meeting of Shareholders, and this resolution must be expressly disclosed in the notice of the General Meeting of Shareholders in question.

## 2.2.3 Information on General Meetings of Shareholders

The information about General Meetings is available on the Group's corporate website ([www.grupobancosabadell.com](http://www.grupobancosabadell.com)) directly in the section entitled "Shareholders and investors". Additionally, the information about corporate governance is available on the website directly in the section entitled "Corporate governance and remuneration policy".

## 2.3. General Meeting of Shareholders 2024 (B.4 and B.5)

At a meeting on 22 February 2024, the Board of Directors of Banco Sabadell resolved, in accordance with the provisions of the Articles of Association and the Regulation of the General Meeting of Shareholders, to give notice of the General Meeting of Shareholders to be held on 10 April 2024, at second call, and to enable voting and the granting of proxies by remote means prior to the General Meeting of Shareholders.

On that same date, the Board of Directors resolved to enable the necessary systems and procedures for shareholders and their proxies to be able to attend using means of distance communication that allow real-time connection with the venue where the meeting is held, and to speak and vote using the systems and procedures provided for this purpose.

Banco Sabadell's General Meeting of Shareholders was certified as a "sustainable event" by sufficiently exceeding the requirements for certification and passing the preliminary evaluation process and the on-site audit established by Eventsost, an end-to-end platform for certifying event sustainability. The certification is based on the sustainability standards for events contemplated in the Eventsost sustainable events certification System, and on alignment with the Sustainable Development Goals of the UN Agenda 2030 applied to event production.

The General Meeting was classified as a sustainable event by taking account of both the interests of the groups affected by the event (stakeholders) and the requirements in relation to:

- Respect for the environment
- Social integrity of the venue
- Accessibility
- Inclusiveness
- Economic sustainability, i.e. that the event has an economic benefit
- Positive legacy

Additionally, an external consultant was engaged to verify, in the case of the 2024 General Meeting of Shareholders, the procedure for the preparation and holding of the Ordinary General Meeting of Shareholders, in order to assess compliance with the legal and corporate governance requirements for properly holding the 2024 General Meeting of Shareholders in accordance with the law and the Bank's internal regulatory framework, as well as the non-existence of material deficiencies in the procedure related to the General Meeting of Shareholders and the assurance of the design of controls and procedures that guarantee the appropriate exercise by the shareholders of all their rights, and their proper application in the Ordinary General Meeting of Shareholders of Banco Sabadell.

The external consultant performed a detailed analysis of each of the time periods addressed by the review (Phase I – before the Meeting, Phase II – Meeting, and Phase III – after the Meeting), and concluded that, from a technical, procedural and legal point of view, the requirements, internal procedures and applicable regulations were complied with in the three phases analyzed.

In line with best practices in corporate governance, Banco Sabadell transmits the entire General Meeting of Shareholders live via webcast on the corporate website.

Attendance at the General Meeting of Shareholders in recent years, and the percentages by which the resolutions were adopted, are published on the corporate website [www.grupobancosabadell.com](http://www.grupobancosabadell.com). Attendance figures for the last three General Meetings of Shareholders are shown below, including a breakdown of shareholders who attended and who voted using means of distance communication. In the General

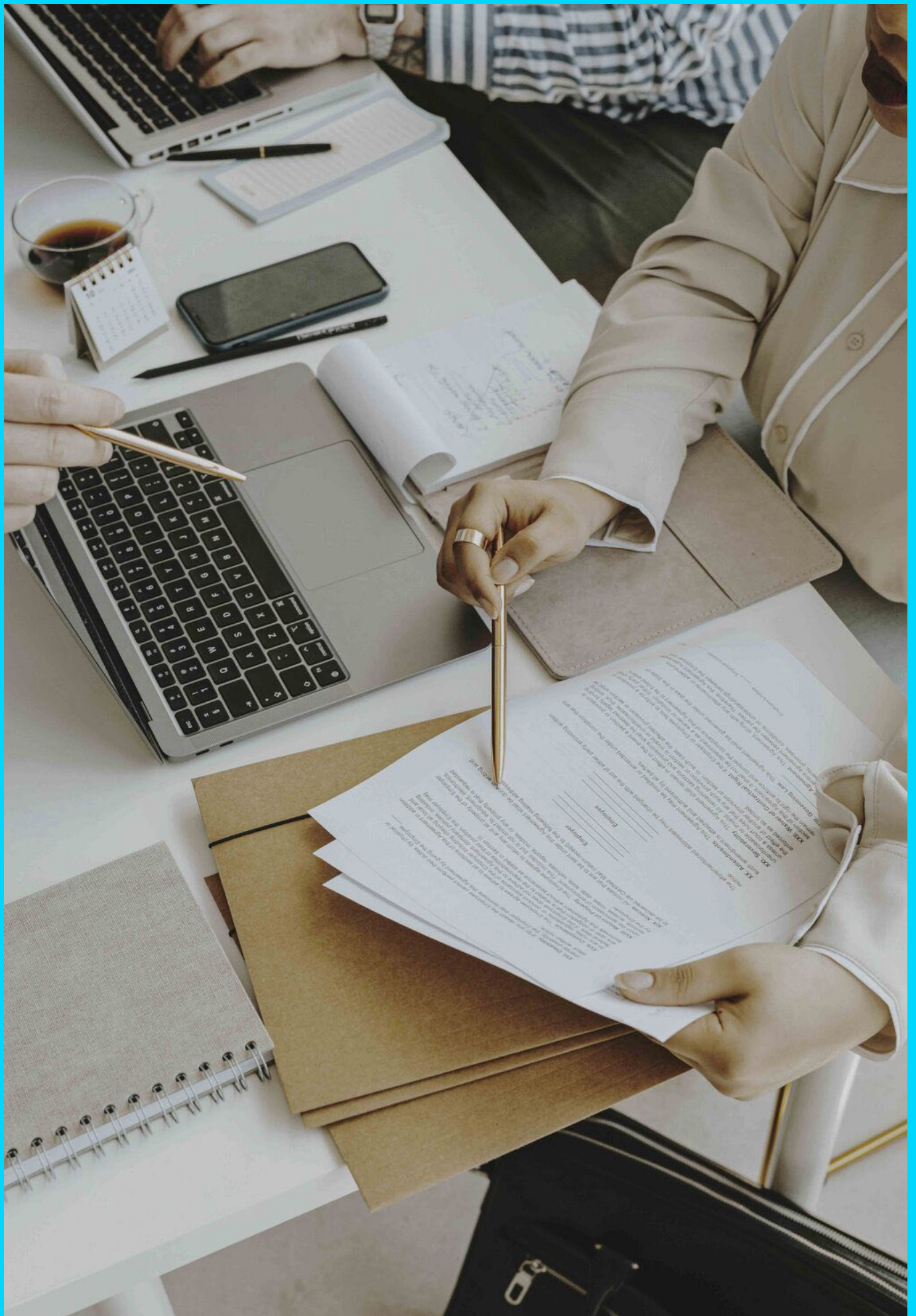


Meeting of Shareholders detailed below, there was no agenda item that was not approved by the shareholders:

Date of shareholders' meeting	% in attendance in person and by distance means	% represented by proxy	% votes cast by distance means		Total
			E-voting	Other	
10/04/2024	0.23	60.40	0.50	0.66	61.79
Of which free float:	0.07	56.79	0.50	0.66	58.02
23/03/2023	0.26	60.68	0.44	0.54	61.92
Of which free float:	0.10	60.66	0.44	0.54	61.74
24/03/2022	0.26	55.44	0.29	0.44	56.43
Of which free float:	0.08	55.43	0.29	0.38	56.18

The significant shareholder who is also a member of the Board of Directors was unable to attend the 2024 General Meeting of Shareholders for just cause, and appointed a proxy. The estimated percentages of free float represented at the 2024 General Meeting of Shareholders as shown in the table above do not include the shareholding of that significant shareholder who is represented on the Board. Nevertheless, the estimated percentages of free float may include other significant holdings deposited at international custodians that held proxies.





## 3. Board of Directors (C) (C.1.15)

With the exception of matters falling within the sole remit of the Shareholders' Meeting, the Board of Directors is the highest decision-making body in the Bank as, under the law and the Articles of Association, it is entrusted with administering and representing the Bank. The Board of Directors acts mainly as an instrument of supervision and oversight, and it delegates the management of ordinary business matters to the Chief Executive Officer.

The Board of Directors is subject to well-defined, transparent rules of governance, particularly the Articles of Association and the Board's own terms of reference, and it conforms to best practices in the area of corporate governance.

### 3.1. Composition of the Board (C.1.1, C.1.2, C.1.8 and C.1.29)

At 31 December 2024, the Board comprised 15 members, as follows:



Name of director	Director category	Board committees	Board position	Date of first appointment	Date of last appointment	Appointment procedure
Josep Oliu Creus	Other external	● S&SC (C)	Chairman	29/03/1990	23/03/2023	General Meeting decision
Pedro Fontana García	Independent	● CrDC (C) ● A&CGC (C) ● S&SC (M)	Deputy Chairman	27/07/2017	24/03/2022	General Meeting decision
César González-Bueno Mayer Wittgenstein	Executive	● S&SC (M)* ● CrDC (M)	Chief Executive Officer	17/12/2020	26/03/2021	General Meeting decision
Aurora Catá Sala	Independent	● A&CGC (M) ● RC (M)	Director	29/01/2015	23/03/2023	General Meeting decision
Ana Colonques García-Planas	Independent	● A&CC (M) ● RemC (M)	Director	10/04/2024	10/04/2024	General Meeting decision
Lluís Deulofeu Fuguat	Independent	● CrDC (M) ● S&SC (M)	Director	28/07/2021	24/03/2022	General Meeting decision
María José García Beato	Other external	● A&CGC (M) ● S&SC (M)	Director	24/05/2018	23/03/2023	General Meeting decision
Mireya Giné Torrens	Independent	● RemC (C) ● A&CGC (M)	Director	26/03/2020	10/04/2024	General Meeting decision
Laura González Molero	Independent	● A&CC (M) ● RemC (M)	Director	26/05/2022	23/03/2023	General Meeting decision
George Donald Johnston III	Independent	● RC (C) ● S&SC (M)	Lead Independent Director	25/05/2017	24/03/2022	General Meeting decision
David Martínez Guzmán	Proprietary		Director	27/03/2014	24/03/2022	General Meeting decision
Alicia Reyes Revuelta	Independent	● CrDC (M) ● RC (M)	Director	24/09/2020	26/03/2021	General Meeting decision
Manuel Valls Morató	Independent	● A&CC (C) ● RC (M)	Director	22/09/2016	26/03/2021	General Meeting decision
David Vegara Figueras	Executive		Director	28/05/2015	23/03/2023	General Meeting decision
Pedro Viñolas Serra	Independent	● CrDC (M) ● A&CC (M)	Director	23/03/2023	23/03/2023	General Meeting decision

\* Member solely for matters of strategy.

## Board of Directors Committees

- **S&SC** Strategy and Sustainability Committee
- **CrDC** Credit Delegated Committee
- **A&CC** Audit and Control Committee
- **A&CGC** Appointments and Corporate Governance Committee
- **RemC** Remuneration Committee
- **RC** Risk Committee

**C:** Chairman

**M:** Member



# 11/15

Directors according to Articles of Association

# 15

Directors established by the General Meeting of Shareholders

# 15

Members of the Board of Directors

Of the fifteen members of the Board of Directors, two are executive directors (13.33% of the total Board) and thirteen are non-executive directors: ten independent (66.67% of the total Board), two other external directors (13.33%) and one proprietary director (6.67% of the total Board).

# 15

Members of the Board of Directors



# 1

Non-executive Chairman (other external)



# 2

Executive directors



# 10

Independent directors



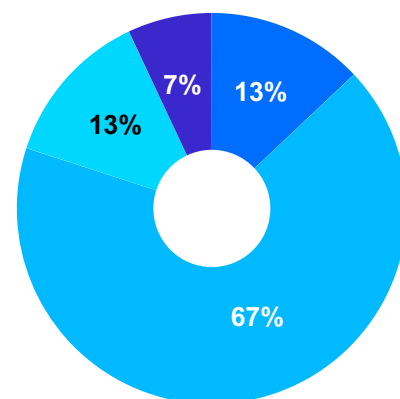
# 1

Other external director



# 1

Proprietary director



Executive directors  
Independent  
Other external  
Proprietary

Mr. Miquel Roca i Junyent, who is not a director, has been Secretary of the Board since 13 April 2000. Mr. Gonzalo Baretino Coloma, who is not a director, has been Deputy Secretary since 26 March 2021. There have been no appointments of proprietary directors at the proposal of shareholders owning less than 3% of capital.

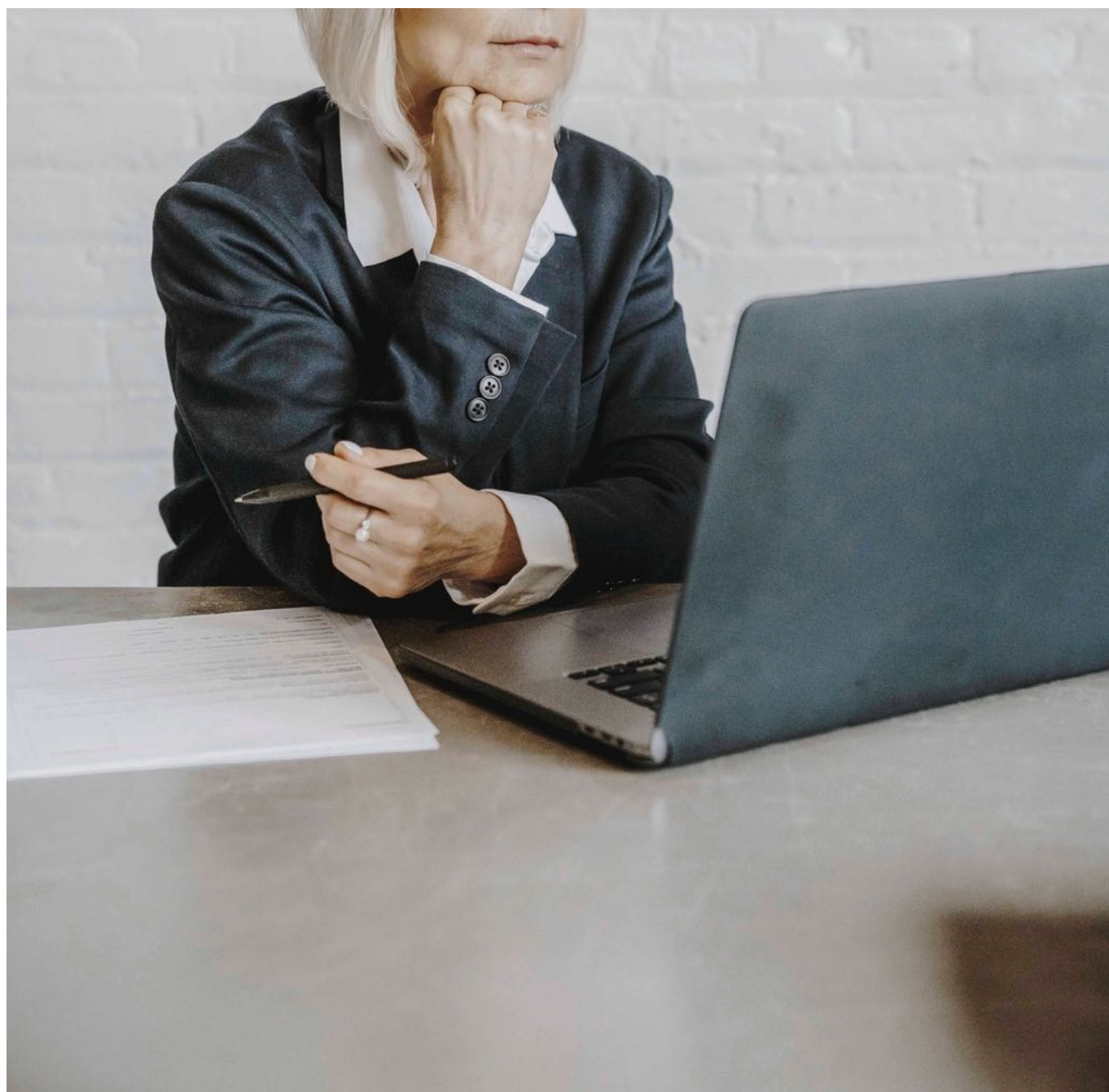
On 13 February 2024, by means of a letter addressed to the Chairman and all members of the Board of Directors, Mr. José Manuel Martínez Martínez tendered his resignation as an independent director of Banco Sabadell, effective as of the date of the following Ordinary General Meeting of Shareholders, which took place on 10 April 2024. The resignation was duly reported to the CNMV in the form of a regulatory disclosure and it took effect on the date of the 2024 General Meeting of Shareholders, i.e. on 10 April 2024.

As Banco Sabadell reported in the form of a regulatory disclosure, his decision to resign was to enable the General Meeting of Shareholders to replace him with a female director so as to fulfil the most stringent diversity standards required by the corporate governance regulations. Mr. José Manuel Martínez Martínez also stated that his resignation coincides with a moment of significant growth and stability for Banco Sabadell, as a result of a magnificent performance by the Bank's management.

To fill the vacancy for an independent director, the General Meeting of Shareholders on 10 April 2024, on a motion by the Appointments and Corporate Governance Committee, resolved to appoint Ms. Ana Colonques García-Planas as an independent director; she accepted the position on 27 May 2024, once the pertinent regulatory authorizations had been received, and she joined the Board of Directors for the first time on 30 May 2024.

### 3.2. Director profiles (C.1.3)

The Matrix of competencies and diversity of the members of the Board of Directors, setting out horizontal and sectoral competencies on the Board, is shown below: The Matrix is published in the Banco Sabadell Corporate Governance Framework on the website [www.grupobancosabadell.com](http://www.grupobancosabadell.com), in the section entitled “Corporate governance and remuneration policy”.





Industry skills	Chairman	Deputy Chairman	CEO	Director
	Josep Oliu Creus	Pedro Fontana García	César González-Bueno Mayer	Aurora Catá Sala
	Ext.	Ind.	Exec.	Ind.
Retail banking	●	●	●	
Corporate banking	●	●	●	●
Financial and capital markets	●	●	●	●
Insurance	●	●	●	
Other financial skills	●	●	●	●
Accounting and auditing	●	●	●	●
Risk management	●	●	●	
Planning and strategy	●	●	●	●
Governance	●	●	●	●
Risk control	●	●	●	
Prevention of money laundering and terrorist finance	●		●	
Legal	●		●	
Digital and IT (digital transformation)	●		●	●
Human resources, culture, talent and remuneration	●		●	●
Responsible business and sustainability	●		●	
<b>International experience:</b>				
Spain	●	●	●	●
United Kingdom	●		●	
Mexico	●		●	
Other	●	●	●	
<b>Horizontal competencies</b>				
Governing bodies	●	●	●	●
Management of organizations	●	●	●	●
Business experience	●	●	●	●
Government and public policy	●		●	
Consultancy			●	●
Regulatory and supervisory bodies	●		●	
Academic	●		●	
Communication and institutional relations	●		●	

Industry skills												
	Ana Colonques García-Planas	Lluís Deulofeu Fuguet	María José García-Beato	Mireya Giné Torrens	Laura González Molero	George Donald Johnston III	David Martínez Guzmán	Alicia Reyes Revuelta	Manuel Valls Morató	David Vegara Figueras	Pedro Viñolas Serra	
	Ind.	Ind.	Ext.	Ind.	Ind.	Lead Ind.	Prop.	Ind.	Ind.	Exec.	Ind.	
Retail banking	●	●	●		●	●		●				
Corporate banking			●		●	●		●			●	
Financial and capital markets	●		●	●	●	●	●	●		●	●	
Insurance								●	●			
Other financial skills	●	●	●	●	●	●	●	●	●	●	●	
Accounting and auditing	●		●	●				●	●	●	●	
Risk management	●	●	●		●	●	●	●	●	●	●	
Planning and strategy	●	●	●	●	●	●	●	●	●	●	●	
Governance	●	●	●	●	●	●		●		●	●	
Risk control	●	●	●		●	●	●	●	●	●	●	
Prevention of money laundering and terrorist finance			●		●	●		●	●	●	●	
Legal			●					●				
Digital and IT (digital transformation)		●		●				●		●		
Human resources, culture, talent and remuneration	●	●	●	●	●	●		●		●	●	
Responsible business and sustainability	●		●		●			●		●	●	
International experience:												
Spain	●	●	●	●	●	●	●	●	●	●	●	
United Kingdom			●			●	●	●		●		
Mexico					●		●			●		
Other		●	●	●	●	●	●	●		●	●	
Horizontal competencies												
Governing bodies	●	●	●	●	●	●	●	●	●	●	●	
Management of organizations	●	●	●	●	●	●	●	●	●	●	●	
Business experience	●	●	●	●	●	●	●	●	●	●	●	
Government and public policy		●	●						●	●		
Consultancy		●		●	●					●		
Regulatory and supervisory bodies			●		●			●	●	●		
Academic			●	●				●	●	●	●	
Communication and institutional relations		●	●		●			●		●	●	

<b>Josep Olliu Creus</b> Non-executive Chairman	<b>Profile</b> Banking/ Retail & Corporate Banking/ Finance/ Academic/Business/ International	Degree in Economics from the University of Barcelona and a PhD in Economics from the University of Minnesota (USA). Professor of Economic Theory at the University of Oviedo. Head of Studies and Strategy (1983-1984) and Head of Planning (1984-1987) at Spain's National Institute of Industry (INI). Appointed Director-General Manager of Banco Sabadell in 1990. Chairman of Banco Sabadell since 1999. Non-executive Chairman of Exea Empresarial, S.L. and the latter's representative as Chairman of Puig, S.L., representative of Exea Ventures, S.A. as Chairman of Exea Ventures, S.L. and director of Puig Brands, S.A. Chairman of the Banco Sabadell Foundation, member of FEDEA (Fundación de Estudios de Economía Aplicada) and member of the Boards of Trustees of the Princess of Asturias Foundation and of the Princess of Girona Foundation.
<b>César González-Bueno Mayer Wittgenstein</b> Chief Executive Officer	<b>Profile</b> Banking/ Retail & Corporate Banking/ Finance/ Regulatory/ International/ Digital and IT (digital transformation)	Dual degrees in Law and Business Administration from ICADE, Madrid, and an MBA from Yale School of Management, Connecticut (USA). Founder and CEO of ING Direct, N.V. Branch in Spain (1998-2010), General Manager for Spain, France, Italy and United Kingdom of ING Direct, N.V. (2004-2010), Regional Head of Europe at ING Bank (2010-2011), CEO of Novagalicia Banco (now Abanca) (2011-2013), CEO of Gulf Bank (2014-2016), CEO of ING Spain and Portugal (2017-2019), and non-executive director of TSB Bank, PLC and TSB Banking Group, PLC which are both part of the Banco Sabadell Group (2020-2021). He is Chairman of Banco Sabadell, S.A., IBM, of SabCapital, S.A. de C.V., SOFOM, E.R. and of Sabadell Consumer Finance, S.A.U., all of which are part of the Banco Sabadell Group, and member of the Board of Trustees of Ciudad Escuela de los Muchachos Foundation.
<b>David Vegara Figueras</b> Director General Manager	<b>Profile</b> Finance/ Risk/ Academic/ Regulatory	A graduate in economics from the Autonomous University of Barcelona, he holds an MA in economics from the London School of Economics. Formerly Secretary of State for the Economy in the Spanish government (2004-2009), Deputy Director of the International Monetary Fund (2010-2012) and Deputy Chief Executive Officer, Banking in the European Stability Mechanism (2012-2015). Member of the Supervisory Board of Hellenic Corporation of Assets and Participations, S.A. (2016-2022), and non-executive director of TSB Bank, PLC and TSB Banking Group, PLC, both of which are part of the Banco Sabadell Group (2020-2022). Associate professor in the Department of Economics, Finance and Accounting at ESADE (2015- 2018). Currently, independent director of Amadeus IT Group, S.A., member of the Board of Trustees of the Pasqual Maragall Foundation, trustee for life of the Gala-Salvador Dalí Foundation, Chairman of the Advisory Board of Roca Junyent, S.L.P., and Chairman of Foro Tertulias Hispano-Británicas.

<b>David Martínez Guzmán</b> Proprietary director	<b>Profile</b> Business/ Finance/ International	<p>Degree in Electrical &amp; Mechanical Engineering from the National Autonomous University of Mexico, Diploma in Philosophy from Universitas Gregoriana (Italy), and MBA from Harvard Business School. Founder in 1987 of Fintech Advisory, which manages the Fintech Investments Limited fund (New York and London). Director of listed companies Alfa, S.A.B. de C.V., Vitro, S.A.B. de C.V., Cemex, S.A.B. de C.V. and unlisted company ICA Tenedora S.A. de C.V.</p> <p>Fintech Europe, S.À.R.L. (FE) is wholly owned by Fintech Investments Ltd. (FIL), the investment fund managed by Fintech Advisory Inc. (FAI). FAI is owned 100% by Mr. David Martínez Guzmán. Consequently, the shareholding now held by FE is considered to be controlled by Mr. David Martínez Guzmán.</p>
<b>Pedro Fontana García</b> Deputy Chairman – Independent	<b>Profile</b> Banking/ Retail Banking/ Business	<p>Degree in Business from ESADE (Barcelona) and MBA from Harvard Graduate School of Business Administration, Boston, Massachusetts (USA). Regional Manager of Banco de Comercio (1978-1982), General Manager of Banca Mas Sardá (1983-1988), Chief Executive Officer of NH Hoteles (1989-1990), General Manager of COOB'92 (1990-1993), General Manager of Turisme de Barcelona (1993-1994), Chairman of Banca Catalana (1994-1999), General Manager of BBVA Catalonia (2000-2009), Executive Chairman of AREAS (Elior Group) (2012-2017), Deputy General Manager of Elior Group, S.A. (2017-2018), nominee of EMESA Corporación Empresarial, S.L. on the board of listed company Elior Group, S.A. (2018-2019), and director of Fira Internacional de Barcelona (2011-2023). Currently, independent director of Grupo Indukern, S.L. and of Pax Lux Equityco, S.A., Chairman of My Chef Ristorazione Commerciale, S.P.A., and director of MdF Family Partners, S.A. Honorary President of Asociación para el Progreso de la Dirección - Catalonia Chapter, Chairman of the Board of Trustees of Fundació Privada Cercle d'Economia, trustee of Fundación Barcelona Mobile World Capital. Member of the boards of trustees of Universitat Ramon Llull Fundació, Fundación Grupo Sifu and Fundación Formación y Futuro and of Fundació Acció Solidària Contra l'Atur.</p>
<b>Aurora Catá Sala</b> Independent Director	<b>Profile</b> Business/ Consulting Finance/ Human resources	<p>Degree in Industrial Engineering (major in Industrial Organization) from the Polytechnic University of Catalonia and MBA and PADE from IESE Barcelona. Formerly CFO of Nissan Motor Ibérica, S.A. (1990-1996), General Manager of RTVE Cataluña (1996-1999), Managing Director of Planeta 2010 (1999-2003), General Manager of Audiovisual Media at Recoletos Grupo de Comunicación (2003-2008), Partner of Seeliger y Conde (2009-2020), independent director of Institut Català de Finances (2014), independent director of Atresmedia Corporación de Medios de Comunicación, S.A. (2009-2021), director of Sabadell Information Systems, S.A., Banco Sabadell's technology subsidiary (2020-2022), Chairman of Barcelona Global (2020-2022), independent director of Atrys Health, S.A. (2021-2024) and Deputy Chairman of 37th America's Cup Events. Formerly held a number of directorships. Currently, independent director of Repsol, S.A., member of the Executive Committee of IESE alumni, Trustee of Fundación Cellnex and secretary general of Fundación CIDOB.</p>

<b>Ana Colonques García-Planas</b> Independent Director	<b>Profile</b> Business/ Finance/ Auditor	Degree in Business Administration and MBA from ESADE. Auditor at Deloitte (2006-2010), specialized in auditing financial institutions. Risk analyst at Banco Sabadell (2010-2011). Director of Iberdrola España, S.A. (2021-2024). Currently, CFO and executive director and deputy-secretary of Porcelanosa, S.A., holding other positions in governing bodies at Porcelanosa Group companies. Independent Director of Iberdrola, S.A. and member of the Appointments Committee of Iberdrola, S.A. Member of the Valencia Regional Board of the Asociación Española de Directivos.
<b>Lluís Deulofeu Fuguet</b> Independent Director	<b>Profile</b> Banking/ Retail Banking/ Digital and IT (digital transformation)/ Business/ Consulting	Degree in Telecommunications Engineering from the Polytechnic University of Catalonia and has completed the "Finance for Executives" programme at ESADE and the PDG at IESE (Barcelona). Senior Manager at Andersen Consulting (1988-1994), Head of Technical Services & Development of New Projects at Acesa (1994-2001), Chief Technology Officer at La Caixa (2001-2011), Managing Director for Internal Resources and Efficiency at Abertis Infraestructuras (2011-2014). Managing Director of Sanef (2014-2018) and Deputy CEO of Cellnex Telecom (2018-2020). Founder and director of Acesa Telecom (now Cellnex Telecom), and founder and director of Parc Logístic de la Zona Franca, as well as Vice President of Fundació Catalana de Recerca i Innovació and Trustee of Fundación Barcelona Digital, as well as director of numerous entities such as e-La Caixa, Abertis Telecom, Invercaixa Gestión, Sanex, Xfera, Cellnex Telecom, Hispasat, and DDST-Tradia. He has been a director of Sabadell Digital, S.A.U., Banco Sabadell's technology subsidiary, since 2020. Chairman of Fundación Cellnex.
<b>Mireya Giné Torrens</b> Independent Director	<b>Profile</b> Finance/ Academic/ Governance/Digital & IT (digital transformation)	BA and MA (Cum Laude) in Economics from Pompeu Fabra University, and PhD from the University of Barcelona. Director of International Initiatives, Wharton Research Data Services (WRDS) since 2012. She is currently professor and director of the Department of Financial Management at IESE Business School. Researcher at the European Corporate Governance Institute since 2018. Expert in Corporate Governance for the World Economic Forum since 2019, and member of the Center for Economic Policy since 2020. Independent director of Sabadell Asset Management (2018-2020). Proprietary director of Sabadell Consumer Finance, S.A.U.
<b>Laura González Molero</b> Independent Director	<b>Profile</b> Business/ International/ Governance/ Consulting	Degree in Pharmacy, major in industrial pharmacy, from Madrid Complutense University (1989). MBA from IE Business School (1999) and executive management courses and programmes at prestigious international business schools (IMD Business School, Harvard Business School, Kellogg Business School and INSEAD). Vice-Chairman of Serono for Iberia (2006-2007), CEO of Merck S.L. (2007-2011) and Chairman for LatAm (2012-2014), both in Merck Group, Chairman for LatAm of Bayer Health Care Pharmaceuticals (2014-2016), independent director of Grupo Leche Pascual (2009-2017), of Bankia, S.A. (2018-2021), and of Grupo Ezentis, S.A. (2016-2022). Currently, Independent director of Viscofan, S.A. and independent director of Acerinox, S.A. President of the Asociación para el Progreso de la Dirección, member of the Advisory Board of Integrated Service Solutions, S.L. and member of the Advisory Board of Leadership & Executive Search Advisory Services Iberia, S.L. (N2GROWTH IBERIA).

<b>George Donald Johnston III</b> Lead Independent Director	<b>Profile</b> Banking/ Corporate Banking/ International	BA in Political Science from Middlebury College, Vermont (USA), and MA in International Economics and Latin American Studies from Johns Hopkins University School of Advanced International Studies, Washington DC. (USA). Executive director at Salomon Brothers (1979-1990), Director of Bankers Trust International and member of its Global Executive Committee (1992-1999), Group Head of M&A for Europe and Member of the Europe Executive Committee and of the Global Operating Committee within the investment banking division of Deutsche Bank (1999-2005), Chairman of the M&A Group for Europe at Deutsche Bank (2005-2010). Currently, lead independent director of Acerinox, S.A. and independent director of Merlin Properties, SOCIMI, S.A.
<b>Alicia Reyes Revuelta</b> Independent Director	<b>Profile</b> Banking/ Retail & Corporate Banking/ Finance/ International/ ESG/ Digital and IT (digital transformation)/ Academic/ Governance	Dual degrees in Law and Business Administration from ICADE, Madrid. PhD in Quantitative Methods and Financial Markets from ICADE. Formerly held a number of directorships. Country Manager of Bear Stearns for Iberia (2002-2006), Global Head of Structuring of Financial Institutions and Global Head of Insurance Solutions and Strategic Capital Derivatives at Barclays Capital (2010-2014). Partner of Olympo Capital (2014-2015). Independent director (2015-2016), CEO for the EMEA business (2016-2020) and Acting Chairman (2019) of Wells Fargo Securities International Ltd. Non-executive director of TSB Bank, PLC and TSB Banking Group, PLC, both in the Banco Sabadell Group (2021-2022). Chairman of Momentus Securities (2023). Formerly Guest lecturer at the Institute of Finance and Technology of the Engineering Faculty, University College London (UCL) and member of the Board of Trustees of Fareshare. Currently, Independent director of Ferrovial, S.E. and of KBC Group N.V., director of KBC BANK. N.V. Independent member of the General and Supervisory Board of EDP Energias de Portugal S.A. Trustee of Maria Luisa de Cartassac Foundation.
<b>Manuel Valls Morató</b> Independent Director	<b>Profile</b> Auditor/ Finance	Degree in Economics and Business Studies from the University of Barcelona and a post-graduate qualification in Business Administration from IESE/University of Navarra; he is a registered auditor and a member of Spain's official register of auditors since its creation. Partner of PwC (1988-2013), Head of the Audit Division at PwC (2006-2013) and Chairman of PwC Auditores (2006-2011). Independent member of the Governing Board of Institut Català de Finances (2015-2016), and director of Sabadell Information Systems, S.A., Banco Sabadell's technology subsidiary (2020-2022). Currently, Lead independent director of listed company Renta Corporación Real Estate, S.A. and Chairman of the Audit, Control and Risk Committee at COBEGA, S.A.

<b>Pedro Viñolas Serra</b> Independent director	<b>Profile</b> Banking/ Corporate Banking/ Business/ Finance	Degree in Business Administration from the University of Barcelona and Degree in Business Administration and MBA from ESADE and the Polytechnic University of Catalonia. He has held a number of positions in the Barcelona Stock Exchange (1988-1997): Director of the Research Department, Deputy General Manager in charge of the Research and Corporate Development Department, Finance, Market Supervision, International Relations and subsidiaries. CEO of Filo (1997-2002), a listed real estate group. Partner & CEO of Grupo Financiero Riva y Garcia (2003-2008). He has been director of Grupo Mecanotubo (2006-2010), of SIIC de Paris (2010-2014) and of Grupo Electro Stocks (2011-2020). He has been CEO of Inmobiliaria Colonial, Socimi, S.A. since 2008 and Deputy Chairman since 2019, holding other positions in governing bodies at Colonial Group companies. He is an independent director of Blue Self Storage, S.L. director of the European Real Estate Association and trustee of Fundación ESADE.
<b>María José García Beato</b> Other external director	<b>Profile</b> Banking/ Legal/ Regulatory/ Governance	Degree in Law and Diploma in Criminology. Spanish State Attorney (1991). Former positions include State Attorney at the Madrid High Court of Justice, Legal Counsel at the Data Protection Agency, State Attorney as consultant to the State Legal Service, Head of the General Secretariat of Communications, and State Attorney at the National Court. Chief of Staff and Under-Secretary at the Ministry of Justice (2000-2004). She has been General Counsel (2005-2008) and General Secretary (2008-2021) and an executive director (2018-2021) of Banco Sabadell. Independent director of listed company Red Eléctrica Corporación, S.A. (2012-2021), director of Papelera Guipuzcoana de Zicuñaga, S.A.U. (2022), and non-executive director of MdF Family Partners, S.A. (2021-2024). Currently, independent director of ACS, Actividades de Construcción y Servicios, S.A., independent director of Iberpapel Gestión, S.A. and independent member of the General and Supervisory Board of EDP Energias de Portugal S.A. Member of the Boards of Trustees of the Banco Sabadell Foundation, the Spanish Banking Association Foundation and the ACS Foundation.

### 3.3. Positions held by directors in other Banco Sabadell Group companies and other listed companies (C.1.10, C.1.11 and C.1.12)

#### 3.3.1. Positions in other Group companies

Mr. César González-Bueno Mayer Wittgenstein is Chairman of the subsidiaries Sabadell Consumer Finance, S.A.U., Banco Sabadell, S.A. IBM, and SabCapital, S.A. de C.V., SOFOM, E.R.;

Ms. Mireya Giné Torrens is a proprietary director of the subsidiary Sabadell Consumer Finance, S.A.U.;

Mr. Lluís Deulofeu Fuguat is a non-executive director of subsidiary Sabadell Digital, S.A.U.



### 3.3.2. Positions in other companies, listed and unlisted

Positions held by directors of Banco Sabadell in other companies and any remunerated activities they perform are detailed in section C.1.11 of the Statistical Annex to the Annual Corporate Governance Report for Listed Companies 2024 attached to this Report.

### 3.3.3. Specific regulations for credit institutions with respect to the number of positions held by a member of the Board of Directors

In accordance with Article 26 of Law 10/2014, of 26 June, on the regulation, supervision and solvency of credit institutions, the maximum number of directorships that members of the Board of Directors may hold is as follows:

- one executive directorship and two non-executive directorships.
- four non-executive directorships.

For these purposes, executive or non-executive positions held within the same group are counted as a single position, in which case the privileged counting rules apply in accordance with the European Central Bank's Guide to Fit and Proper Assessments and the European Banking Authority Guidelines on Internal Governance (EBA/GL/2021/05). Under the privileged counting rules, it is possible to hold several positions in the same group or positions in companies in which the institution has a significant holding.

When determining the maximum number of positions, positions held in non-profit or non-commercial organizations or entities do not count.

## 3.4. Banco Sabadell Diversity Policy (C.1.4, C.1.5, C.1.6, C.1.7, C.1.14 and C.2.2)

Banco Sabadell has general policies governing diversity in terms of age, gender, ability, geographical origin, and professional training and experience.

The Banco Sabadell Director Selection Policy, which was approved by the Board of Directors on 25 February 2016 (amended on 29 September 2022 and reviewed, resulting in no changes, on 19 September 2024), establishes the principles and criteria to be considered in selecting new members and assessing the suitability of members of the Board of Directors, both initially and subsequently, and on re-appointing incumbent members of the Board of Directors, in order to ensure a proper succession process, the continuity of the Board of Directors and the suitability of the Board as a whole. That Policy is available in the "Corporate Governance and Remuneration Policy" section of the Bank's corporate website [www.grupobancosabadell.com](http://www.grupobancosabadell.com).

Under Article 66 of the Articles of Association, the Appointments and Corporate Governance Committee is entrusted with the function of ensuring compliance with the qualitative composition of the Board of Directors, establishing a target for representation of the sex that is less represented on the Board of Directors and drawing up guidelines on how to achieve that target.



The process for selecting candidates to sit on the Board of Directors and for re-electing existing directors is governed by, among others, the diversity principle, fostering the diversity of the Board of Directors in order to promote a diverse pool of members, and ensuring that a broad set of qualities and competences is engaged when recruiting members, to achieve a variety of views and experiences and to facilitate independent opinions and sound decision-making within the Board of Directors.

The Board of Directors should ensure that the procedures for selecting its members apply the diversity principle and favour diversity in relation to areas such as age, gender, disability, geographical provenance and educational and professional background, as well as any other aspects deemed suitable to ensure the suitability and diversity of its pool of members. Furthermore, it should ensure that such procedures are free from implicit bias that may entail any degree of discrimination and, in particular, that they facilitate the selection of female directors in the number required to achieve a composition that is balanced between women and men.

Likewise, the Board Appointments and Corporate Governance Committee will ensure that the process abides by the principles of equality and equity, and that it is free from any form of discrimination, including discrimination on the basis of age, disability or gender, without making any distinction by reason of race, sex, religion or any other distinguishing feature, honouring dignity and ensuring equal treatment and opportunities.

The following general principles will be followed when selecting candidates for the role of director and re-electing existing directors:

1. The Board Appointments and Corporate Governance Committee will identify the needs of the Bank, ensuring that the appointment or re-election favours both diversity on the Board and a Board composition that is suitably balanced between independent directors, proprietary directors and executive directors.
2. Candidates for the role of director must meet the requirements of repute, suitability and good governance necessary for the performance of their role; in particular, they should have recognised solvency, experience, qualification and training. Furthermore, they should have the necessary availability and a high level of commitment to their role within the Institution.
3. When selecting candidates for the role of director, it will be necessary to consider the objectives, parameters (professional competence, diversity, good repute and suitability) and procedures for selection, assessment and appointment established in this policy and the recommendations and criteria of the Good Governance Code of Listed Companies issued by the CNMV.
4. The procedure will ensure that directors' mandates are renewed in an orderly and well-planned manner, safeguarding the continuity of the business and enhancing the corporate governance system.
5. The procedure will ensure a compliant qualitative composition of the Board of Directors in which external and non-executive directors should account for no less than the majority of the total number of Board members. It will be necessary to ensure that there is a significant proportion of independent directors among the external or non-executive directors.

In discharging its duties, the Appointments and Corporate Governance Committee implemented the policy and measures to increase the diversity of gender, age, education, knowledge and experience that contribute to the collective suitability of the Board, and it proposed that the 2024 General Meeting of Shareholders appoint an independent director (Ms. Ana Colonques García-Planas) and re-appoint another independent director (Ms. Mireya Giné Torrens).

In compliance with recommendation 14 of the Good Governance Code of Listed Companies, with the function assigned in section 4.17 of its Regulations and with Banco Sabadell's Director Selection Policy, the Appointments and Corporate Governance Committee verified, on 29 January 2025, that the appointment, re-appointment and ratification decisions adopted in 2024 by the General Meeting of Shareholders and the Board of Directors conformed to the Policy. That verification entailed checking that the appointment and re-appointment conformed to the parameters and requirements for membership of the Board of Directors of a credit institution set out in both the Policy and the regulations in force. The Committee also concluded that those appointment and re-appointment favour an appropriate composition of the Board of Directors by increasing and strengthening its diversity in terms of directors' categories and the knowledge, skills and experience they bring to the Board. In this way, the duty of the Board of Directors and of the Appointments and Corporate Governance Committee to contribute to increasing the diversity of competencies in the Board of Directors is complied with. In this way, the Board of Directors and the Appointments and Corporate Governance Committee fulfil their duty to contribute to increasing the diversity of competencies in the Board of Directors. Specifically, the appointment of Ms. Ana Colonques García-Planas, who has a background in finance and auditing and business experience at the highest level, increased and enhanced the diversity of banking knowledge and experience, particularly retail banking, accounting and auditing, risk management and control, planning and strategy, corporate governance and responsible business and sustainability, combined with the ability to apply those skills and knowledge to the banking business.

To select candidates, the Appointments and Corporate Governance Committee relied on the Matrix of competencies and diversity of the members of the Board of Directors of Banco Sabadell, which defines directors' abilities and knowledge. The Committee also relied on external consultants, which provided it with candidates who matched the skill profiles that the Appointments and Corporate Governance Committee prioritised.

At 2024 year-end, there were six female directors: five female independent directors out of a total of ten independent directors, and one female other external director.

The trend in the number of female directors in the Board of Directors and its committees in recent years is as follows:

# 6

Female directors



1 Female other external director (out of 2)



5 Female independent directors (out of 10)

	Number of female directors				% of total directors in each category			
	2024	2023	2022	2021	2024	2023	2022	2021
Executive	—	—	—	—	—	—	—	—
Proprietary	—	—	—	—	—	—	—	—
Independent	5	4	4	3	50.00	40.00	40.00	30.00
Other external	1	1	1	1	50.00	50.00	50.00	50.00
<b>Total</b>	<b>6</b>	<b>5</b>	<b>5</b>	<b>4</b>	<b>40.00</b>	<b>33.33</b>	<b>33.33</b>	<b>26.67</b>

The Board of Directors and the Appointments and Corporate Governance Committee are committed to favouring diversity on the Board; they work to ensure that the Board has a sufficient number of female directors and to fulfil the objective for representation of the gender that is under-represented on the Board. In 2024, women accounted for 40% of the total Board of Directors of Banco Sabadell, fulfilling in advance the requirements of Spain's Organic Law 2/2024, of 1 August, on the equal representation and balanced presence of women and men, and the Bank's commitment as set out in the Sabadell Sustainable Commitment for 2024. Women also accounted for 50% of independent directors, thereby amply fulfilling the requirement of the Directive of the European Parliament and of the Council on improving the gender balance among directors of listed companies and related measures.

With regard to the presence of women on Board committees, the Remuneration Committee is chaired by a female independent director and all of its ordinary members are women. There are female directors in all the Board committees: Women represent a broad majority (75%) on the Appointments and Corporate Governance Committee, women and men are represented equally in the Audit and Control Committee and the Risk Committee, and women account for 20% of the Credit Delegated Committee. Women account for 16.67% of the Strategy and Sustainability Committee (in matters of strategy) and 20% (in matters of sustainability). The evolution of the representation of women on the Board's committees in recent years is shown below:

## Number of female members in the Committees

	2024		2023		2022		2021	
	Number	%	Number	%	Number	%	Number	%
Strategy and Sustainability Committee	1	16.67*	1	16.67*	1	16.67*	1	16.67*
Credit Delegated Committee	1	20.00	1	20.00	2	40.00	2	40.00
Audit and Control Committee	2	50.00	1	25.00	2	50.00	1	25.00
Appointments and Corporate Governance Committee	3	75.00	3	75.00	2	50.00	2	50.00
Remuneration Committee	3	100.00	2	66.67	2	50.00	1	25.00
Risk Committee	2	50.00	2	50.00	2	50.00	2	50.00

\* 20% in the area of Sustainability.

Banco Sabadell also has a set of policies, internal rules and codes of conduct that guarantee behaviour that favours diversity in all the organization's processes that have an impact on diversity. These rules, which are applicable to the entire organization, guarantee an increase in its diversity.

The third Plan for Effective Equality between women and men in Banco Sabadell and Sabadell Consumer Finance, S.A.U., which sets out the objectives for promoting diversity within the organization for the period 2022-2025, was signed in February 2022.

At 2024 year-end, the percentage of women in senior management was 18.2%. The percentage of female executives at Banco Sabadell is 34.6%, having increased by 2.4 percentage points with respect to 2023 (32.2%), in line with the continuous upward trend of recent years.

# +2.4 p.p.

Increase in the number of women in executive positions

### 3.5. Director Selection (C.1.16, C.1.21, C.1.22 and C.1.23)

In accordance with the provisions of Articles 50, 53, 59 and 66 of the Articles of Association, articles 17, 23 and 24 of the Board of Directors Regulation, the Banco Sabadell Director Selection Policy dated 25 February 2016 (amended on 29 September 2022 and reviewed, without modification, on 19 September 2024), the Banco Sabadell Board of Directors Renewal Plan and the Procedure for assessing the suitability of members of the Board of Directors and key function holders of Banco Sabadell, the procedures for appointment, reappointment, evaluation and removal of directors are as follows:

#### Selection

The Appointments and Corporate Governance Committee is responsible for analyzing the competencies and diversity of the Board of Directors in order to determine the profile of candidates for director, for which purpose it relies on the Matrix of competencies and diversity of the members of the Board of Directors. In compliance with the Policy, it is responsible for performing a prior assessment of the competencies, knowledge and experience required for appointment or re-appointment of Board members and, to that end, it must consider the balance of knowledge, skills, diversity and experience already existing among the members of the Board of Directors. In accordance with the Matrix of Competencies and Diversity of the members of the Board of Directors, it will define the roles and capabilities required of the candidates to fill each vacancy and will decide the time and dedication necessary for them to perform their duties effectively.

To select candidates, the Appointments and Corporate Governance Committee may, if deemed necessary, engage a prestigious consultant in the field of personnel selection to initiate a process of finding candidates that fit the desired profile. Additionally, any director may suggest candidates for director provided they meet the requirements of the Banco Sabadell Director Selection Policy.



# Suitability assessment

Once a candidate has been selected, the procedure for assessing the suitability of Board members must be applied; on this basis, the Appointments and Corporate Governance Committee analyzes the information about the candidates and the reports presented by the Board Secretary, drawn up by the Bank's General Secretariat, as to their commercial and professional integrity, knowledge and experience and their willingness to provide good governance, by application of the requirements defined in Law 10/2014, of 26 June, and having regard to the criteria for assessing the suitability of the members of the Board of Directors as set out in Royal Decree 84/2015, of 13 February, implementing the aforementioned Law 10/2014, of 26 June, and the European Central Bank guidelines on fit and proper assessments, as well as the Guidelines to assess the suitability of members of management bodies and key function holders (EBA/GL/2021/05). The Appointments and Corporate Governance Committee checks that candidates meet the requirements as to integrity, knowledge, experience and governance envisaged in the applicable legislation and draws up a candidate suitability assessment report. In addition, candidates for directorships must be vetted by the European Central Bank.

The Appointments and Corporate Governance Committee is also entrusted with assessing director suitability on an ongoing basis, evaluating the profile of the persons most suited to being members of the various committees, and making proposals in this regard to the Board of Directors; in particular, it must seek to ensure that the rules on the qualitative composition of the Board of Directors are complied with.

## Appointment

After assessing the suitability of candidates for director, the Appointments and Corporate Governance Committee is entrusted, among its basic responsibilities in accordance with Article 66 of the Articles of Association, with making proposals to the Board for the appointment of independent directors either by co-optation or for submission to a vote at the General Meeting of Shareholders, advising on proposals to appoint other director categories by co-optation or by referral to the General Meeting of Shareholders.

Ordinary members of the Board of Directors are appointed by the General Meeting of Shareholders. Any vacancies arising on the Board of Directors are filled by the General Meeting of Shareholders, although the Board of Directors may make appointments by co-optation as provided by the Capital Companies Law. Directors appointed by co-optation hold office until the next General Meeting of Shareholders.

The Appointments and Corporate Governance Committee must ensure that the appointment favours both diversity and an adequate balance in the composition of the Board between the various director categories (independent, proprietary and executive).

## Re-appointment

Directors are appointed for a term of at most four years and they can be re-appointed.

The Articles of Association and Board of Directors Regulation do not establish an age or term limit for directors or any other requirements for independent directors that are stricter than those provided by law.

## Specific requirements applicable to the Chairman and CEO

The Succession Plan for the Chairman and CEO of Banco Sabadell establishes the specific requirements for appointment as Chairman of the Board of Directors and CEO; in general, they must be of acknowledged commercial and professional repute, have suitable knowledge and experience to perform the duties of the office, and be willing to exercise good governance in the Bank.

In particular, they must have proven experience in the financial sector and/or in senior management functions, have sufficient technical training in the fields of finance and/or business management and administration for the performance of the executive functions inherent to their position, and they must accredit a professional career that demonstrates leadership and/or entrepreneurship, in addition to meeting the conditions of suitability required of a director of a credit institution in accordance with the applicable regulations.

## Removal

Directors must step down when their term ends unless they are re-appointed, or when the General Meeting of Shareholders or the Board of Directors so decides using the powers conferred on them by law or the Articles of Association. The Appointments and Corporate Governance Committee is empowered to make proposals for the removal of independent directors by the General Meeting of Shareholders, and to advise on proposals to remove directors in other categories. The General Meeting of Shareholders may remove directors at any time, as provided in article 50 of the Articles of Association.

## Restrictions

The following may not hold office as members of the Board of Directors:

- Minors.
- Persons disqualified by law, undischarged bankrupts or insolvents, those under convictions involving disqualification from holding public office, and those convicted of serious breaches of the law or Company regulations, or who are prevented from engaging in trade by reason of their office.
- Government officials whose duties are related to, or have a bearing on, the business of the Bank.
- Those in default with respect to any past-due obligation to the Bank.
- Persons in any of the situations of incompatibility or limitation on holding office as provided by law.

## Induction and training objectives

The Board of Directors has training initiatives in place to ensure that the directors, both individually and collectively, are suitable and able to perform their duties in accordance with their specific responsibilities and their participation in Board committees. In this context, the Director Selection Policy includes these initiatives: (i) initial induction training provided when a new member joins the Board, and (ii) the Director Training Programme, both of which form part of the annual continuous training given to members of the Board of Directors.

These training initiatives will have sufficient human and financial resources to achieve the desired objective. The Appointments and Corporate Governance Committee is responsible for the training initiatives and programmes, assisted by the General Secretariat, which



coordinates the content of the training with the appropriate divisions of the Bank.

#### **(i) Initial induction training for newly-appointed directors**

To introduce newly-appointed directors to the Bank and its corporate governance system, they receive key information from Banco Sabadell within one month of taking office, and induction must be completed within a period of six months.

Where new directors are required to have specific knowledge and skills, initial training and onboarding aim to meet the identified needs within an appropriate time frame, before they take up the position or, otherwise, as soon as possible after they take up the position.

In any case, new members of the Board must attain the knowledge and competency requirements within the term established by the competent authority and no later than one year after taking office.

The purpose of the initial training and onboarding initiatives is to help new directors to clearly understand Banco Sabadell's structure, business model, risk profile and corporate governance systems and their role within the Bank, and also, where appropriate, to prepare a person to occupy a specific new position on the Board of Directors or on a Board committee.

#### **(ii) Director training programme**

In order to place particular emphasis on the skill and training requirements for directors of Banco Sabadell in specific areas of the bank, each year the Board of Directors approves an ongoing Director Training Programme based on a report by the Appointments and Corporate Governance Committee. The Appointments and Corporate Governance Committee designs the content of the programme with the assistance of the General Secretariat, which coordinates the other pertinent units of the Bank and may engage external trainers and consultants for this purpose.

The programme is generally oriented towards strengthening training in the banking business and providing an understanding of the management policies and mechanisms in key aspects of new regulatory requirements, applicable regulatory changes, financial management, risk management and key aspects of the business. The programme is open to including in-depth sessions on topics proposed by the directors themselves. The content of the programme is kept up to date, taking account of changes in the internal governance framework, strategic changes, new products and other material developments, as well as changes in applicable legislation and market developments.

The 2024 Director Training Programme was approved by the Board of Directors at a meeting on 31 January 2024 and it comprised eight training sessions on the following matters:

- ECB: balance sheet reduction, bank liquidity and reserve requirements
- Internal Liquidity Adequacy Assessment Process (ILAAP)
- Centre for Technological Expertise of Alicante (CCTA)
- Cybersecurity
- Digital euro
- Model risk
- Operational resilience
- Managing the bank in line with sustainability

All the sessions were delivered in 2024. The sessions addressed current issues that are related to specific novel subjects and help to anticipate future changes. In addition, On 22 February 2024, a training session was held on the criminal liability of legal entities and the criminal compliance model of Banco Sabadell; on 27 February 2024, members of the Board visited the Mobile World Congress 2024 in Barcelona, during which they were given a presentation on the major technological trends of

the year and principal innovations by the main technology companies; also, on 19 September 2024, the Board received training on anti-money laundering and combating the financing of terrorism (AML/CFT) to update case studies and legislative developments.

At a meeting on 29 January 2025, after considering various aspects of the training provided (diversity and relevance of the topics, quality of the speakers, level of depth and application to the Bank, among others), the Appointments and Corporate Governance Committee rated the 2024 Director Training Programme as satisfactory and concluded that the standard of delivery was excellent.

### **3.6. Reasons for which a director is obliged to resign (C.1.19, C.1.36 and C.1.37)**

Under article 50 of the Articles of Association and article 24 of the Board of Directors Regulation, and in compliance with the Banco Sabadell Group Code of Conduct and its Policy on Conflicts of Interest of Directors and Senior Management, directors must disclose any case where there might be a conflict of values or interests in order to enable the Bank to manage such situations appropriately.

Directors are obliged to resign when they incur in a case of incompatibility, prohibition or limitation as provided for in the applicable regulations.

Additionally, in accordance with article 24 of the Banco Sabadell Board of Directors Regulation, directors must step down when their term ends and when the General Meeting of Shareholders or the Board of Directors so decides using the powers conferred on them by law or the Articles of Association, and;

- If they meet any of the conditions of incompatibility or prohibition envisaged in the law or the Articles of Association.
- If they are arraigned for a crime or are the subject of disciplinary proceedings by the supervisory authorities for a serious or very serious violation.
- When their continuance on the Board might jeopardise the company's interests.

During 2024, the Board of Directors was not informed and did not otherwise become aware of any situation affecting a director, whether or not related to their performance in the Bank itself, that might impair the Bank's credit and reputation; consequently, it was not necessary to minute any such case.

### **3.7. Working of the Board of Directors (C.1.9, C.1.20, C.1.24 and C.1.35)**

#### **3.7.1. Proxies**

Directors must attend Board of Directors meetings in person. However, when they can not attend in person, they may grant proxy to another director. Article 60 of the Articles of Association establishes that non-executive directors may grant proxy only to another non-executive director.

The Banco Sabadell Director Remuneration Policy for 2024, 2025 and 2026, applicable since it was approved by the General Meeting of Shareholders on 23 March 2023, establishes the system for remunerating

the directors for performing their functions as members of the Board of Directors. In addition to fixed remuneration for membership of the Board of Directors, the Policy also provides for attendance fees, for at most 11 ordinary meetings, with the possibility of collecting attendance fees for at most two meetings that are missed for justified reasons provided that proxy is granted in those cases.

### 3.7.2. Adopting resolutions

No supermajority is required other than the legal majority.

### 3.7.3. Powers delegated to the Board

The CEO, Mr. César González-Bueno Mayer Wittgenstein, has been granted all the powers of the Board, except those that may not by law be delegated, which are necessary for him to manage the institution effectively as its first executive. The Chief Risk Officer, Mr. David Vegara Figueras, who is a member of the Board of Directors, has the necessary general powers to perform his executive duties as CRO in charge of the Bank's Risk Regulation and Control Unit.

The Credit Delegated Committee is delegated by the Board with the powers to analyze and, as appropriate, decide upon credit and other transactions in accordance with the cases and limits established by express delegation of the Board of Directors, as set out in the Regulation of the Credit Delegated Committee and detailed in section 4.2.

### 3.7.4. Information and documentation

The Bank has procedures for providing the directors with the necessary information and material to prepare for meetings of the Board of Directors and its committees in a timely manner.

Article 21.1 of the Board of Directors Regulation establishes that the notice of meeting shall always contain the Agenda, which must set out, among other points, the issues relating to reports from subsidiaries and Board Committees as well as any proposals and suggestions made by the Chairman and the other members of the Board and the General Manager(s) of the Bank, which must be presented at least five working days in advance of the date of the Board meeting; such proposals must be accompanied by the pertinent material for distribution to the directors.

Additionally, article 25 provides that:

- Directors are vested with the broadest powers to be informed about any aspect of the company, to examine its books, records, documents and other background information on the company's transactions and to inspect all of its installations. The right to information extends to subsidiaries, both domestic and foreign.
- So as not to disturb the ordinary running of the company, the exercise of the powers of information shall be channelled through the Chairman or the Secretary to the Board, who shall attend to the director's requests by giving the information directly, providing appropriate access to individuals at the relevant level of the organization, or providing the means by which the director may carry out the desired formal examination and inspection on site.

Banco Sabadell has a procedure for providing the directors with the necessary material to prepare for meetings of the Board of Directors and its committees in a confidential and encrypted way, using the Diligent Boards software running on iPads. Information for Board meetings is

circulated to the directors one week in advance, and it is elaborated upon or updated in the boardbook as needed; hence, they are duly informed.

### 3.8. Number of Board and Committee meetings, and attendance (C.1.25 and C.1.26)

The following table shows the number of meetings held by the Board of Directors and its Committees in 2024:

Number of meetings							
<b>15</b>	<b>0</b>	<b>15</b>	<b>35</b>	<b>11</b>	<b>13</b>	<b>12</b>	<b>11</b>
Board of Directors	Board of Directors meetings not attended by the Chairman	Strategy and Sustainability Committee	Credit Delegated Committee	Audit and Control Committee	Appointments and Corporate Governance Committee	Remuneration Committee	Risk Committee

Additionally, the Lead Independent Director held three meetings, on 26 June 2024, 29 October 2024 and 19 December 2024, with the other directors which the executive directors did not attend either in person or by proxy.

Attendance at Board of Directors meetings is shown in the following table:

Number of meetings		%	
<b>15/15</b>	<b>15/15</b>	<b>97.73 %</b>	<b>100 %</b>
Meetings which were attended in person by at least 80% of directors	Meetings attended by all the directors in person or for which they granted proxy with specific instructions	Attendance in person as a % of the total votes during the year	Votes cast with all directors actually present or having granted proxy with specific instructions, as a % of total votes in the year

### 3.9. Takeover bids (C.1.38)

The Bank is not a party to any material agreement that would be triggered, modified or terminated by a change of control of the company by reason of a takeover bid or its effects.

#### Proposal for a merger and voluntary tender offer for the acquisition of Banco Sabadell shares by Banco Bilbao Vizcaya Argentaria, S.A.

In an Inside Information disclosure filed on 30 April 2024 with the Spanish National Securities Commission (CNMV) under registration number 2.227, Banco Sabadell stated that on that same day it had received an indicative written proposal from BBVA for a merger ("the Proposal"). Banco Sabadell also stated that the Board of Directors would properly consider all aspects of the Proposal.

On 6 May 2024, Banco Sabadell filed a new Inside Information disclosure with the CNMV (registration number 2.234) in the form of a press release on the decisions adopted by the Board. Banco Sabadell

announced that, having carefully reviewed the Proposal in fulfilment of its fiduciary duties and with the assistance of its financial and legal advisors, the Board took the view that the Proposal significantly undervalued Banco Sabadell's potential and standalone growth prospects. The press release added that the Board was highly confident in Banco Sabadell's growth strategy and its financial targets and was of the view that Banco Sabadell's standalone strategy would create superior value for its shareholders. Based on its detailed assessment, the Board concluded that it was in the best interests of Banco Sabadell and its shareholders to reject BBVA's Proposal. The Board believed that this decision was also aligned with the interests of Banco Sabadell's customers and employees.

Moreover, as part of its commitment to creating shareholder value, and in the light of the company's business plan and strong capital generation, the Board reaffirmed its pledge to distribute to shareholders on an ongoing basis any capital that is surplus to a pro forma Basel IV CET1 ratio of 13%. Assuming successful execution of the business plan, the bank estimates that surplus capital and recurring dividends generated over 2024 and 2025 will come to a combined total of €2.4 billion<sup>3</sup>. Part of the resulting distribution to shareholders might be subject to regulatory approval.

On 8 May 2024, Banco Sabadell filed with the CNMV an Inside Information disclosure (registration number 2.240) in response to media reports published the same day. To ensure full transparency facing the market, the bank made public the exact text of a letter received on 5 May 2024 by the Chairman of the Board of Directors of Banco Sabadell from his counterpart at BBVA. There had been no prior contact or exchange between the parties. In his letter, the Chairman of the Board of Directors of BBVA made it clear that BBVA was unable to improve the price terms of its merger proposal.

On 9 May 2024, BBVA submitted a preliminary announcement to the CNMV for a takeover bid to acquire all shares issued by Banco Sabadell. The bid was conditional on receiving acceptance from Sabadell shareholders who, combined, owned at least 50.01% of the bank's share capital. It was also subject to approval by BBVA shareholders for a capital increase through the issuance of new shares, as the bid price was intended to be paid entirely in shares. In addition, the bid required clearance by the Spanish National Markets and Competition Commission (CNMC) and the Prudential Regulation Authority (PRA) in the UK. Furthermore, the deal was subject to approval from the CNMV itself and an expression of "non-opposition" from the European Central Bank.

On 24 May 2024, BBVA applied to the CNMV for authorisation of the takeover bid. The CNMV acknowledged on 11 June 2024 that it was considering the application. Under the initial terms of the bid, BBVA offered to exchange one newly issued BBVA share for every 4.83 shares in Banco Sabadell tendered in return.

Following distribution by Banco Sabadell and BBVA of their respective interim cash dividends for the year 2024 (on 1 October and 10 October, respectively), BBVA announced on 1 October, by means of a disclosure of Other Relevant Information to the CNMV with registration number 30.745, the adjustment of the consideration of the takeover bid in accordance with the provisions of section 8 of the preliminary announcement of the takeover bid, establishing an exchange ratio of one newly issued ordinary share of BBVA and €0.29 in cash for every 5.0196 ordinary shares of Banco Sabadell that accept the takeover bid.

On 5 July 2024, at an extraordinary general meeting, the shareholders of BBVA resolved to increase share capital by issuing new

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<sup>3</sup> Subsequently, in July 2024, the estimate of the amount of remuneration for Banco Sabadell shareholders for 2024 and 2025 was updated, and the market was informed that the expected amount had been modified from the €2,400 million announced on 6 May 2024 (plus €250 million pending execution of the Banco Sabadell share repurchase programme that was suspended on 13 May 2024 due to the publication of the preliminary announcement of the takeover bid, making a total of €2,650 million) to €2,900 million (i.e. including the €250 million not yet executed under the Company's share repurchase programme), which represents a net increase of €250 million.

ordinary shares in a nominal amount of up to EUR 551,906,524.05 to make provision for the non-cash consideration that would become payable under the terms of BBVA's bid to acquire 100% of shares in Banco Sabadell.

BBVA received clearance from the UK PRA to acquire indirect control of TSB, and the ECB expressed "non-opposition" to BBVA taking control of Banco Sabadell.

As of the date of authorization of this Annual Corporate Governance Report, the takeover bid is still pending regulatory authorizations from the CNMC (which, on 12 November 2024, announced the start of the second phase of the analysis of the concentration) and the CNMV; the offer is also conditional upon acceptance by a number of shares such as to enable BBVA to acquire at least more than one-half of the effective voting rights of Banco Sabadell by the acceptance deadline (therefore excluding any treasury stock that Banco Sabadell may hold at that time), in accordance with the amendment to the offer communicated by BBVA on 9 January 2025 by means of a disclosure of Inside Information with CNMV registration number 2.544.

Given the specific nature of the takeover bid, the group will continue to face uncertainty until the matter is settled. It is not possible to predict how long it will take for the bid to receive authorization or what the outcome will be if the bid is finally allowed to proceed.

### **3.10. Assessment of the Board and its Committees (C.1.17 and C.1.18)**

Each year since 2007, the Bank assesses the performance of the Board of Directors and of its committees (currently the Strategy and Sustainability Committee, Credit Delegated Committee, Audit and Control Committee, Appointments and Corporate Governance Committee, Remuneration Committee and Risk Committee). In compliance with Recommendation 36 of the Good Governance Code of Listed Companies (June 2020 revision), at least every three years the Board of Directors of Banco Sabadell engages an independent external facilitator to perform the evaluation.

In 2024, self-assessment of the functioning of the Board and its Committees was conducted internally, given that three years have not yet elapsed since it was last conducted externally by the independent consultant PRICEWATERHOUSECOOPERS AUDITORES S.L., in 2022.

Also, in line with the recommendations in the Code of Good Governance for Listed Companies (June 2020 revision), the self-assessment of the performance of the Board of Directors and its committees and of the CEO, Secretary and Deputy Secretary was organised and coordinated by the Chairman of the Board of Directors, while the Lead Independent Director directed the assessment of the Chairman.

The areas that were assessed are those indicated in the CNMV Technical Guide on On Nomination and Remuneration Committees, which expands on the scope of the assessment provided for in Recommendation 36 of the Good Governance Code of Listed Companies (June 2020 revision). Specifically, the following were assessed: quality and efficiency of the functioning of the Board and its committees, including the degree of effective performance and contributions of its members; the size, composition and diversity of the Board and its Committees; the performance of the Chairman, the Deputy Chairman, the CEO, the Lead Independent Director and the Secretary of the Board; the directors' performance and contribution; the frequency and duration of meetings; attendance; the content of the agenda and whether sufficient time was devoted to dealing with the issues in accordance with their



importance; the quality of the information received; the breadth and openness of the debates; and training.

On 22 February 2024, following a report from the Appointments and Corporate Governance Committee, the Board of Directors approved the 2023 assessment, which had been carried out internally. Based on the parameters considered in the self-assessment reports for the Board and its committees, the outcome seen in previous years was reaffirmed: Banco Sabadell is compliant with all regulatory requirements and achieves an extremely high degree of fulfilment of corporate governance recommendations and good practices. Moreover, the Board found that its own functioning and the functioning of its Committees, and the performance of the Chairman, Deputy Chairman, Chief Executive Officer, Lead Independent Director and Secretary and Deputy Secretary of the Board in 2023 were consistent with a standard of excellence.

Assessment outcomes in 2024 included: (i) Continued progress in identifying female candidates for directorships in the various areas of responsibility. The aim is to raise the percentage of women on the Board and improve the balance between the genders. As a result, in 2024 Ms. Ana Colonques García-Planas was appointed as a new independent director. (ii) Information and documents made available to directors were streamlined so as to avoid excessive volume. (iii) The specific action priorities of the Board committees in 2024 were suitably monitored.

As indicated above, self-assessment of the functioning of the Board and its committees in 2024 was conducted internally by the Bank in early 2025.

The internal assessment approach is based on two core elements: (i) input from directors; and (ii) analysis of key information on Banco Sabadell in relation to significant aspects of the Bank's system of corporate governance.

The outcome of the assessment made it possible, on the basis of the identified milestones, to also draw up an action plan for 2025 that will enable the Board of Directors and the Appointments and Corporate Governance Committee to identify possible areas for development and progress in the design of, and compliance with, a corporate governance system.

On 29 January 2025, following a report from the Appointments and Corporate Governance Committee, the Board of Directors approved the 2024 assessment, which had been carried out internally by the Bank.

## 3.11. Remuneration of directors and senior management (C.1.13 and C.1.14)

Further details of director remuneration may be found in the Annual Report on Director Remuneration for 2024, approved by the Board of Directors on the same date as the Annual Report on Corporate Governance, which is published on the website of the CNMV and available on the corporate website of Banco Sabadell, [www.grupobancosabadell.com](http://www.grupobancosabadell.com), under "Corporate Governance and Remuneration Policy".

Remuneration earned by the Board of Directors in the year (thousand euro)	9,172
Amount of funds accumulated by current directors in long-term savings plans with vested financial rights (thousand euro)	4,951
Amount of funds accumulated by current directors in long-term savings plans with non-vested financial rights (thousand euro)	6,044
Amount of funds accumulated by former directors in long-term savings plans (thousand euro)	3,908

The remuneration collected by the Board of Directors during the year includes the amounts corresponding to 2024 for all those who were members of the Board at any time in the year.

The remuneration received in 2024 amounts to €9,172 thousand, as shown in table c.i) of section 7. Statistical Annex of the Report on Director Remuneration, which includes €574 thousand corresponding to deferred amounts paid to members of the Board of Directors for performing executive functions in previous years.

	2024	2023
<b>Summary of directors' ordinary remuneration (*)</b>	<b>8,598</b>	<b>6,431</b>
For executive functions	4,109	2,468
For non-executive functions	4,489	3,963
<b>Payments deferred from prior years for non-executive directors (**)</b>	<b>574</b>	<b>356</b>
<b>Total amount</b>	<b>9,172</b>	<b>6,787</b>

(\*) This includes amounts accrued that are not subject to deferral.

(\*\*) Payments to non-executive directors for executive functions in previous years.

At 31 December 2024, the members of Banco Sabadell's senior management and the Head of Internal Audit, excluding executive directors, are as follows:

#### Senior management:

##### General Manager

Marc Armengol Dulcet	Operations and Technology
Gonzalo Baretino Coloma	General Secretariat
Elena Carrera Crespo	Sustainability and Efficiency
Cristóbal Paredes Camuñas	Corporate & Investment Banking
Carlos Paz Rubio	Risk
Marcos Prat Rojo	Strategy
Sonia Quibus Rodríguez	People
Jorge Rodríguez Maroto	Retail Banking
Carlos Ventura Santamans	Business Banking and Branch Network

##### Deputy General Manager Director of Internal Audit

Nuria Lázaro Rubio

At a meeting on 30 November 2023, the Board of Directors appointed Mr. Marcos Prat Rojo as General Manager of Banco Sabadell, with the role of Strategy Director, reporting to the CEO, subject to obtaining fit and proper clearance from the European Central Bank, at which point his appointment became effective; it also appointed him as a member of Banco Sabadell's Executive Committee. On 25 March 2024, the appointee was cleared by the European Central Bank as fit and proper for the intended office.

At its meeting of 30 October 2024, the Board of Directors appointed Mr. Sergio Alejandro Palavecino Tomé as Chief Financial Officer and General Manager of Banco Sabadell, subject to obtaining fit and proper clearance from the European Central Bank and with effect from that date. He was also appointed to the Executive Committee. On 15 January 2024, the appointee was cleared by the European Central Bank as fit and proper for the intended office.

Internal organizational changes were approved at the end of 2024 that took effect on 1 January 2025: Mr. Marc Armengol Dulcet, Chief Operating and Technology Officer, was appointed Chief Executive Officer of the UK subsidiary, TSB, and Ms. Elena Carrera Crespo was appointed

Chief Operating and Technology Officer, taking on his responsibilities. Additionally, the Sustainability Division is now part of the People Division and the Efficiency Division is now part of the Strategy Division. Both the Head of People and Sustainability and the Head of Strategy and Efficiency are General Managers and members of the Bank's Management Committee and report directly to the Chief Executive Officer.

Total remuneration of senior management (*) and the head of internal audit (thousand euro)	8,318
Combined contributions to pension plans, structured through insurance policies, in 2024 (thousand euro)	1.050

(\*) This includes amounts accrued that are not subject to deferral. Does not include the remuneration for Mr. Sergio Alejandro Palavecino Tomé as the pertinent regulatory authorizations are pending.

### 3.12. Indemnities, guarantee clauses and golden handshakes agreed between the Bank and its directors, executives or employees (C.1.39)

- 40 beneficiaries
- Description of beneficiaries:  
Chief Executive Officer, Chief Risk Officer and 38 executives.
- Description of agreements:

The Chief Executive Officer's contract contains a post-contractual non-competition clause of two years' duration providing two years' fixed remuneration, including the portion of annual contributions to pension plans that are not classified as discretionary pension benefits, in the event of the Chief Executive Officer's termination due to (i) a decision by the Bank, without this being due to a breach of the Chief Executive Officer's duties, or (ii) a change of control; and a non-competition clause of one year's fixed remuneration and one year's duration for all other cases. The application of this non-competition clause is limited geographically to Spain, the United Kingdom and Mexico, where the Bank's main activity is concentrated. The CRO's contract contains a post-contractual non-competition clause with a duration of two years, applicable at most up to the first date of ordinary retirement, providing for two years' fixed remuneration.

The 2024 Director Remuneration Report, available on the website [www.grupobancosabadell.com](http://www.grupobancosabadell.com) under "Corporate Governance and Remuneration Policy", contains more details of the executive directors' contracts.

There are 27 executives whose contracts contain a clause providing indemnity in the amount of up to two years' fixed remuneration for cases of unfair dismissal and some limited cases of change of control. Seven other executives have a post-contractual non-competition clause with a duration of two years, lasting at most until the first date of ordinary retirement, that provide the amount of two years' fixed remuneration, and the contracts of four executives contain a clause providing up to one year's fixed remuneration in the event of unfair dismissal and a post-contractual non-competition clause for a maximum of one year until the first date of ordinary retirement that provides the amount of one year's fixed remuneration.

These contracts have been notified to and/or approved by the Board of Directors, and the General Meeting of Shareholders is informed of these clauses.

### **3.13. Audit of the financial statements (C.1.27, C.1.28, C.1.30, C.1.31, C.1.32, C.1.33, and C.1.34)**

The 2024 separate and consolidated financial statements of Banco Sabadell are certified beforehand by the Chief Executive Officer and Chief Financial Officer.

The Bank draws up the separate and consolidated financial statements such as to present a true and fair view of net worth, financial situation and results of Banco Sabadell and the Group, by applying generally-accepted accounting principles to all the financial and accounting information, so that the financial statements are drawn up in accordance with current accounting standards.

The Audit and Control Committee reviews Banco Sabadell's financial statements, both separate and consolidated, before referring them to the Board, and exercises vigilance to ensure compliance with the law and the proper application of generally-accepted accounting principles. To this end, it holds regular meetings with the external auditors in order to be informed punctually about the audit process and to be aware sufficiently in advance of any discrepancies or differences of opinion that might arise. In the event of a discrepancy that might lead to a qualification in the auditors' report, the committee seeks to resolve it before the financial statements are authorised. The auditors attend the Board meeting to report on the degree to which the financial statements conform to the accounting standards.

If a material discrepancy cannot ultimately be resolved before the financial statements are authorised, the annual report of the Audit and Control Committee must expressly describe the discrepancies and its position in connection with them.

At a meeting immediately before the Board of Directors meeting, the Audit and Control Committee was informed that the auditors' reports on the separate and consolidated financial statements for the year 2024 will be unqualified.

In addition, the financial and non-financial information reported in the financial statements undergoes a certification process to provide greater robustness to the control framework for the preparation of accounts. This process is articulated through 3 levels of certification and flows hierarchically through the organization to the members of the Management Committee.

In connection with the external auditors, article 65 of the Articles of Association provides that the Audit and Control Committee has the following competencies:

- “4. Proposing to the Board of Directors, for submission to the General Meeting of Shareholders, the appointment or re-appointment of the external auditor, establishing the engagement conditions, the scope of the professional mandate, and revocation or non-renewal, if appropriate; reviewing compliance with the audit contract, and obtaining regular reports from them about the audit plan and its execution, as well as striving to ensure their independence in the performance of their functions and to ensure that the opinion on the financial statements and the main content of the auditors' report are drafted clearly and accurately.
- 6. Establishing the appropriate relations with external auditors to receive information about any issues that might jeopardise their independence, to be reviewed by the Committee, and any other

information or communiqué related to the process of performing the audit functions and in the audit rules."

The Board of Directors Regulation expresses itself in similar terms: article 34 provides that: "Relations between the Board and the company's external auditors shall be channelled through the Audit and Control Committee."

The Audit and Control Committee was made up exclusively of independent directors. The Committee's Regulation that was current in 2024 includes the provisions of the Articles of Association and the Board of Directors Regulation; article 8.4 provides that, as directors and members of the Committee, those members must act with independence of opinion and action with respect to the rest of the organization (...).

On 19 April 2016, the Audit and Control Committee approved the Group's policy for safeguarding the auditor's independence, in conformity with Law 22/2015, of 20 July 2015, on Auditing, and with Regulation (EU) No 537/2014, of 16 April. The latest revision was approved by the Board of Directors on 29 January 2025 based on a recommendation by the Audit and Control Committee. This policy is applied in procedures that provide measures to preserve the independence of the statutory auditor by overseeing potential situations of incompatibility due to personal situations, prohibited services, rotation requirements and fee limits, as well as measures in the selection, appointment, re-appointment and replacement of the statutory auditor and the processes for approving all of the statutory auditor's services, particularly the authorization of non-audit services that the statutory auditor is not prohibited from providing.

In accordance with the regulations governing auditing and the system of approvals adopted by the Committee as reflected in the Banco Sabadell Group policy to safeguard auditor independence, proposals to engage services other than auditing from KPMG were submitted for approval by the Group's Audit Committees, which assessed whether such engagements were permissible as well as any threats and the necessary safeguards, including the impact of the limits established in article 4.2 of Regulation (EU) 537/2014 referred to above.

Additionally, via written confirmation from the auditors of their independence received prior to the issuance of the auditors' report, the Committee assessed the procedures and tools used by the firm to ensure compliance with the auditor independence regulations.

Based on the results of these verifications, the Committee issued a report expressing a favourable opinion on the independence of the statutory auditor prior to the issuance of the audit report on the financial statements, stating the reasons for the provision of each and every one of the services other than the statutory audit, considered individually and as a whole, and in relation to the rules governing independence and the regulations governing the audit of the annual accounts.

Banco Sabadell complies with the principles of transparency and non-discrimination set out in the current legislation with respect to other market players. Specifically, Banco Sabadell: i) takes care not to provide financial analysts with any information that might put them in a position of privilege with respect to other market participants, ii) regularly uses the services of four prestigious rating agencies (Fitch, DBRS, Moody's and Standard and Poor's), and iii) where Banco Sabadell receives advice from investment banks in certain transactions and, in the course of providing those services, such investment banks become privy to inside information, the institution includes the persons who become privy to such information in its internal control systems, and expressly notifies such persons of the obligation to fulfil their duty of confidentiality and comply with any trading restrictions, and ensure that others comply with them too.

Additionally, Banco Sabadell conforms to the rules set out in its General Policy on Conflicts of Interest that was approved by the Board of Directors, whose ultimate and fundamental objective is that the persons

who are bound by it should act in accordance with the ethical norms and principles that govern the Bank's activities, based on the following guidelines:

- Existence of measures to prevent conflicts of interest from arising.
- Where conflicts of interest arise or are going to arise, existence of measures that enable them to be detected for the purpose of registering them and addressing them immediately.
- Where conflicts arise, they must be eliminated; otherwise, steps must be taken to reveal their nature and origin to the customer or the decision-making bodies, as appropriate, for the appropriate decisions to be made.

Banco Sabadell also acts in accordance with the principles established in the Banco Sabadell Policy on Outsourcing of Functions, approved by the Board of Directors.

### 3.13.1. External audit

During 2024, Banco Sabadell was audited by KPMG Auditores, S.L. (hereinafter, KPMG), the fifth year with this auditor. On 10 April 2024, based on a proposal by the Board of Directors, the Ordinary General Meeting of Shareholders resolved to re-appoint that firm as auditors of the Bank and of the consolidated financial statements of its group for 2024, and this was disclosed via a regulatory disclosure with registration number 27.968.

The audit firm performed work for Banco Sabadell other than auditing, the fees for which in relation to the fees billed to the Company and Group for audit work are as follows:

	Separate	Consolidated	Total
Fees for work other than auditing (thousand euro)	738	133	871
Fees for work other than auditing / Total audit fees (%)	24.61	1.67	7.94

The amount of fees for work other than auditing does not include audit-related services requested from the auditor in compliance with the applicable regulations of €196 thousand (€124 thousand corresponding to the Company and €72 thousand corresponding to Group subsidiaries).

The number of consecutive years that the current audit firm has been auditing the separate and consolidated financial statements of Banco Sabadell and the number of years audited by the current firm in relation to the total years in which the financial statements have been audited are as follows:

	Separate	Consolidated
Number of consecutive years	5	5
No. of years audited by the current audit firm / No. of years that the company or its group has been audited (%)	11.36	12.50





## 4. Board of Directors Committees (C) (C.2.1 and C.2.3)

There are currently six operational Board of Directors committees with the functions defined in the Articles of Association and the Board of Directors Regulation, which are elaborated upon and complemented by the committees' specific terms of reference. The current versions of those documents are available on the website [www.grupobancosabadell.com](http://www.grupobancosabadell.com), in the section on "Corporate Governance and Remuneration Policy".

The Committees have sufficient resources to perform their functions, can draw on external advice and are entitled to obtain information about any aspect of the institution, with unrestricted access to senior management and Group executives and to any type of information or documentation at the Bank's disposal in connection with the matters within their competency.

All Board committees draw up an annual self-assessment report on their activities, which is submitted to the Bank's Board of Directors for evaluation. At least once every three years, the assessment must be carried out with the assistance of an external consultant; 2022 was the last year for which an external consultant was engaged for this purpose. The assessment for 2024 was performed internally by the Bank early in 2025.

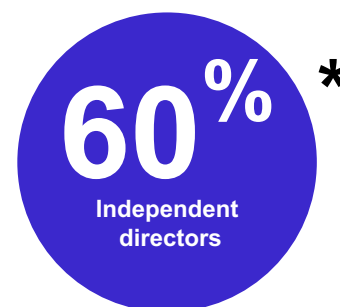
Additionally, all the Board Committees draw up annual reports on their functions and activities, which are available on the website [www.grupobancosabadell.com](http://www.grupobancosabadell.com) in the section on "Corporate Governance and Remuneration Policy".



## 4.1. Strategy and Sustainability Committee

### Composition and meeting attendance

			Meetings
Chairman	Josep Oliu Creus	Other external	15/15
Members	Lluís Deulofeu Fuguet <sup>(1)</sup>	Independent	14/15
	Pedro Fontana García	Independent	15/15
	María José García Beato	Other external	15/15
	César González-Bueno Mayer <sup>(2)</sup>	Executive	15/15
	George Donald Johnston III <sup>(1)</sup>	Independent	13/15



(1) The directors gave specific instructions to a proxy for meetings from which they were absent.

(2) Member solely for matters of Strategy.

(\*) In matters of Sustainability, independent directors account for 60 % of the committee, while in matters of Strategy they account for 50 %.

## Regulation and functioning

The Strategy and Sustainability Committee is regulated by article 63 of the Articles of Association and article 14 of the Board of Directors Regulation, and it has its own terms of reference approved by the Board of Directors on 27 May 2021 that regulate its organization and functioning.

In accordance with the Board of Directors Regulation, the Strategy and Sustainability Committee comprises at most five directors appointed by the Board of Directors, none of whom may be an executive director, with a majority of independent directors. The Chairperson of the Committee shall be the Chairperson of the Board of Directors. In matters of strategy, the Managing Director shall participate in the meetings with the right to speak and vote, and, for this purpose, the Board shall be composed of six members. The Secretary of the Board of Directors or, as appropriate, the Deputy Secretary of the Board, acts as its Secretary.

The terms of reference of the Strategy and Sustainability Committee establish that the members of the Committee possess the appropriate knowledge and experience in the light of the tasks they will be required to perform, and that some of them must have specific experience in the following areas: strategy, banking business, digital transformation, international and sustainability. Efforts will be made to promote diversity, both in terms of gender, professional experience, skills, sectoral knowledge, international experience and geographical origin in the appointment of members of the Committee. The Committee shall meet as often as necessary and at least once every three months, when convened by its Chairperson, at his own initiative or at the initiative of any member of the Committee, or whenever the Board or its Chairperson requests the issuance of a report or the adoption of proposals and, in any case, whenever it is appropriate for the proper performance of its functions.

## Functions

Without prejudice to the other duties assigned to it by law, the Articles of Association, the Board of Directors, the Board of Directors Regulation or its own terms of reference, the Strategy and Sustainability Committee has the following basic duties:

## On strategy:

1. To evaluate, propose and recommend to the Board of Directors actions of strategic relevance in matters of growth, development, diversification, business transformation and technology of the Company.
2. To inform and advise the Board of Directors on the long-term strategy of the Company, identifying new opportunities for value creation and submitting to the Board of Directors corporate strategy proposals in relation to new investment or divestment opportunities, financial transactions with a material accounting impact and relevant technological or organizational structural transformations. To study and propose recommendations or improvements to the strategic plans and their updates that are submitted to the Board of Directors from time to time.
3. To issue and submit to the Board of Directors, on an annual basis, a report containing the proposals, evaluations, studies and work carried out by the Committee in relation to the foregoing matters.

## On sustainability:

1. To review the Company's sustainability and environmental policies, and inform the Board of Directors of possible modifications and periodic updates of the sustainability strategy.
2. To review the definition and modification of diversity and integration, human rights, equal opportunities and work-life balance policies and to periodically evaluate their degree of compliance.
3. Reviewing the Bank's social action strategy and its sponsorship and patronage plans.
4. To review and report on the statement of non-financial information, prior to its review and report by the Audit and Control Committee and its subsequent formulation by the Board of Directors.
5. Receiving information in connection with reports, written communiqués or communications from external supervisory bodies within the scope of this Committee's competencies.
6. To oversee the model for identifying, monitoring and managing sustainability risks and opportunities, including, where appropriate, environmental and climate change risks.

## Activities during the year

The main issues that arose in relation to the matters within the Committee's remit and the main activities carried out by the Committee in 2024 are described below:

The Strategy and Sustainability Committee is the Board Committee entrusted with monitoring the takeover bid made by BBVA. In this connection, it was kept up to date at all times on all material aspects of the takeover bid and of new developments arising in relation to it, and it analyzed progress with the process and the Bank's role, by analyzing the documents that were filed with the authorities. It also recommended that the Board of Directors sign the documents specifying the terms of the remuneration of the external financial and legal advisors; and it approved the space on Banco Sabadell's corporate website dealing with the takeover bid. The Committee closely monitored the entire process of the takeover bid at its regular meetings, and was kept apprised of the progress and issues related to the process, including legal, financial and communication aspects, as well as any impact on the Bank's business.

The Committee reviewed and evaluated the corporate projects and strategic transactions in matters of growth, development and diversification, and the business transformation and technological transformation projects implemented by the Bank, and issued a favourable report to the Board. In relation to strategic projects and those related to business or technological transformation, the Committee held intense discussions that resulted in a

number of actions: that they be reviewed, where this was considered to be necessary; or that they be submitted for approval to the Board of Directors, based on a recommendation by the Committee itself, in cases where such projects required a decision by the Board. Additionally, when deemed appropriate, project monitoring measures were implemented with the appropriate frequency. In particular, it oversaw, debated and tracked the technology transformation and the projects arising from it, because of the Committee's high degree of specialisation in this area. It monitored the Group's non-recurring projects, in accordance with the Policies, and performed the pertinent analyses of each project, with special emphasis on the opinion of the 2nd line of defence (2LoD). In this regard, the Committee debated all significant projects and followed up appropriately. It tracked and monitored the Strategic Plan in compliance with the Banco Sabadell Group's Strategic and Financial Planning Policy, among others, by regularly monitoring the KPIs of the Strategic Plan and Operating Plans, on which it issued a favourable report to the Board of Directors for approval. It also reported favourably to the Board of Directors on the approval of the 2024 budget and the update of the financial projections for 2024-2028 and the Group's financial projections for 2025-2029, following the pertinent analysis and debate. In relation to monitoring the business units, it oversaw the Sabadell Online account, the new mobile app and actions take in connection with digital customers in these cases, as mentioned, based particularly on the Committee's expertise in digital matters and digital transformation, which involved in-depth technical analysis of each of the projects and actions presented in this area.

Regarding the strategy as to subsidiaries, it was informed of the progress with new products and of the situation in Mexico as a result of the implementation of the action plan to capture deposits in that geography, which includes the launch of the new online account. Also in connection with subsidiaries, the Committee issued a recommendation to the Board of Directors of Banco Sabadell (alongside a similar recommendation from the Risk Committee) to approve UK subsidiary TSB's Medium Term Plan 2024, which contained an update of TSB's financial projections for the period 2024-2029.

Within the framework of a strategic reflection on shareholder remuneration, the Committee analyzed in depth and discussed possible scenarios for shareholder remuneration, taking into account the current regulatory framework, capital requirements, Banco Sabadell's comfortable capital position, compliance with MREL requirements and the comparison with peers. Based on the scenarios presented and after analyzing and discussing possible shareholder remuneration formats, governance, the procedure for authorizing a share buyback and the various dividend scenarios, the Committee decided on a shareholder remuneration structure and proposed it to the Board of Directors for consideration and approval.

The Committee discussed and reported favourably to the Board of Directors on the establishment of a share repurchase programme, to be performed internally after the General Meeting of Shareholders subject to obtaining the pertinent regulatory authorizations. Subsequently, the General Meeting of Shareholders gave its approval to reduce capital and cancel shares. Nevertheless, on 13 May 2024, in response to publication of advance notice of the voluntary tender offer by Banco Bilbao Vizcaya Argentaria, S.A. for all of the shares representing the Bank's capital, Banco Sabadell announced that the share repurchase programme approved by the Board of Directors had been suspended temporarily. Subsequently, in November, the Committee discussed and reported favourably to the Board of Directors on the request to the European Central Bank for authorization to resume the aforementioned suspended share repurchase programme, as well as the request for a new share repurchase programme, and the capital reduction that might arise in both cases.

It was briefed on the cybersecurity status. It monitored the Operations and Technology Plan defined in 2021, reviewing the operational and technology initiatives in connection with individual customers with the



objective of acquiring new customers, obtaining their loyalty and transforming this business segment; it also oversaw the areas of corporate banking and recoveries, and key initiatives in technology, focusing particularly on cybersecurity.

In addition, the Committee reviewed and reported favourably to the Board on the amendments to the following Policies, among others: the Shareholder Remuneration Policy, available to shareholders on the corporate website; the Banco Sabadell Group Disclosure Policy on Financial and Non-Financial Information, the Banco Sabadell Group Strategic and Financial Planning Policy, the Significant Changes and Exceptional Transactions Policy, and the Non-Financial and Corporate Communication Policies of Banco Sabadell and the Banco Sabadell Group.

With regard to sustainability, the Committee regularly monitored the Bank's progress in the area of ESG through the Corporate Sustainability Report, which details, among other things, the overall ESG environment contextualised in the macroeconomic and regulatory environment, the Bank's ESG Vision, how ESG risk is factored into business management, and the priority indicators of the Sabadell Sustainable Commitment. As part of its regular oversight of the Corporate Sustainability Report, the Committee was informed of the Bank's sustainability performance, among other aspects, through the Sustainability Indicator and the degree of achievement of the objectives in the Sabadell Sustainable Commitment, the presentation of the Bank's actions in ESG training events for employees, and the Bank's plans, such as the ESG communication plan for 2024 and the internal audit 2024 plan of activities in the area of Sustainability. The Corporate Sustainability Report also disclosed the progress made in mobilizing sustainable financing and aspects related to reporting and rating agencies. In this regard, the Bank is the leading Spanish financial institution in the Sustainalytics and ISS ESG rating tables; the Committee began to track two new ESG ratings (Moody's Sustainability and Sustainable Fitch); the Bank has a high score (A-) in the CDP ranking following the results of the Climate Change questionnaire; it occupies leading positions in ISS and Sustainalytics, and it has been added to the DJSI Europe index.

The Committee was informed of the work carried out by the Bank to ensure compliance with the Accessibility Directive, which aims to make banking services accessible to persons with disabilities and will come into force on 28 June 2025. It was also informed of the Bank's recognition as one of the most sustainable companies in the world, according to the "World's Most Sustainable Companies 2024" table produced for the first time by TIME magazine and Statista. The ranking is made up of 500 organizations from more than 30 countries; the Bank was one of the 25 companies selected in Spain.

The Committee reviewed the reasonableness and comfort level analysis considering the available data for the inclusion of four additional sectors in the decarbonization targets, and the proposed communication plan. The Committee analyzed the proposal and reported favourably to the Board of Directors on the proposed approval and publication of decarbonization targets for four additional sectors: Mortgages, Commercial Real Estate, Aluminium and Shipping.

It was informed of the outcome of the supervisory assessment of climate and environmental risk disclosure.

The Committee was informed regularly of analysts' and investors' opinions following quarterly earnings presentations and earnings roadshows, and received feedback on the proposal to merge with BBVA and the subsequent rejection of that proposal by the Board of Directors of Banco Sabadell.

The Committee also reported favourably to the Board on the revisions of the Banco Sabadell Group Sustainability Policy and the Banco Sabadell Policy for the Integration of ESG Risks into savings/investment products, the Human Rights Policy and the Banco Sabadell Group's Policy on the Defence Industry. It also advised on the 2023 Non-Financial Disclosures Report



before the Audit and Control Committee reviewed and reported on it and its subsequent authorization by the Board of Directors. The Committee was also informed of, and analyzed, communications from supervisory bodies within the scope of its competencies.

Within the framework of the Bank's community outreach strategy, the Committee recommended that the Board of Directors ratify the signature of the extension of the agreement for the creation of a Social Housing Fund that Banco Sabadell signed in January 2013 together with representatives of the Government, other credit institutions and various political and social institutions, and which has been extended each year since then, as the circumstances that gave rise to its creation still persist. It also reported favourably to the Board of Directors on the draft Sabadell Cultural Centre project, which will promote a philosophy based on the open innovation processes of the Quadruple Helix (Dialogue, Connect, Create and Transform) and brings together people from the academy, business and government. It is planned to implement this project by refurbishing three buildings to configure a new space in the city of Sabadell that will contain the Banco Sabadell Art Collection and will also drive cultural and social revitalization, to be developed by the Banco Sabadell Foundation in partnership with Sabadell city government.

The Committee was informed of the activities of Fundació Privada Banco Sabadell and, after analyzing the social initiatives and sponsorships presented by the foundation, the Committee reported favourably to the Board of Directors on the contribution to the foundation to fund its plan of action for 2025. The plan includes several notable projects in the foundation's lines of action: (i) Research and Education; and (ii) Culture and Arts. It also presented two unique projects that will be carried out during 2025: (i) the creation of Sabadell Cultural Centre, referred to above; and (ii) several actions planned for 2025 by the Comunitat Fundació Banco Sabadell, whose mission is to strengthen its basis in the community through three areas: Co-creation, favouring exchanges and cooperation between organizations; Connecting initiatives and opportunities; and Communicating what it does and what it is. With regard to the Foundation's own activities, several projects also stand out in 2025: (i) SumArte arts and sciences; (ii) Cultural leadership competency model project; (iii) FBS + BS Community territorial ambassadors; (iv) strengthening of the culture promotion group; (v) creation of the talent promotion group; (vi) organization of decentralized meetings of contrast groups; (vii) a parallel event to the FBS Awards with the community of award winners; and (viii) a central "Culture of Talent" event.

The Strategy and Sustainability Committee reviewed its Activities Plan for 2024, which sets out the mandatory issues to be discussed at the meetings proposed in the year and indicates the purpose required in connection with each issue.

Additionally, in January 2025, the Strategy and Sustainability Committee performed an internal self-assessment of its performance in 2024, with satisfactory results.

Every month, the Committee produces extensive information on the proposals, evaluations, studies and work that it carries out in relation to the foregoing matters at its meetings during the month, and submits it to the Board of Directors.

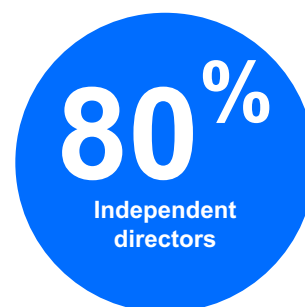
More information is available in the Report on the activities of the Strategy and Sustainability Committee in 2024, which is available in the "Corporate Governance and Remuneration Policy/Committee Reports" section of the Bank's corporate website ([www.grupobancsabadell.com](http://www.grupobancsabadell.com)).

## 4.2. Credit Delegated Committee

### Composition and meeting attendance

			Meetings
Chairman	Pedro Fontana García	Independent	35/35
Members	Lluís Deulofeu Fuguet <sup>(1)</sup>	Independent	34/35
	César González-Bueno Mayer <sup>(1)</sup>	Executive	25/35
	Alicia Reyes Revuelta <sup>(1)</sup>	Independent	32/35
	Pedro Viñolas Serra	Independent	35/35

(1) The directors gave specific instructions to a proxy for meetings from which they were absent, except on one meeting.



## Regulation and functioning

The Credit Delegated Committee is expressly regulated by article 64 of the Articles of Association and article 15 of the Board of Directors Regulation, and it has its own terms of reference approved by the Board of Directors on 27 May 2021 that regulate its organization and functioning.

In accordance with the Board of Directors Regulation, the Credit Delegated Committee comprises at most five directors, a majority of whom must be independent directors, appointed by the Board of Directors with the favourable vote of two-thirds of its members. The Board will appoint the Committee Chairman from among its members. The resolutions of the Committee must be entered in a minutes book, and the minutes must be signed by the Chairman and the Secretary or, where applicable, by those who played those roles at the meeting in question.

It must meet whenever convened by its Chairman, and its meetings may be attended by any person who is invited to attend and speak, by a decision of the Committee itself or the Chairman of same, for the purposes to be determined on the basis of the matter in question; the Secretary of the Board of Directors, or the Deputy Secretary, will act as the Committee Secretary.

## Functions

The function of the Credit Delegated Committee are to analyze and, as appropriate, decide upon transactions in accordance with the cases and limits established by express delegation of the Board of Directors. In particular, the following are included:

1. Risk admission decisions: Operations of 80 million euros or more at Operation level and up to a maximum of 350 million euros. For the General State Administration, Autonomous Communities and Local Bodies, operations of an amount equal to or greater than 150 million euros and up to a maximum of 350 million euros. Risks of an amount of 125 million euros or more at Group level and up to a maximum of 500 million euros.
2. Within the limits of the previous point, decisions to refinance and restructure risks with gross write-offs of 15 to 40 million euros.
3. Decisions to sell foreclosed assets with a gross asset value (GAV) of 50 million euros or more and 15 million euros and up to 40 million euros gross loss per transaction.
4. Exceptionally, decisions exceeding the above thresholds, whenever necessary for reasons of urgency, shall be submitted for subsequent ratification by the Board of Directors.

5. To report to the Board of Directors on all credit operations that must be approved by the Board.
6. To be informed of transactions approved by the relevant credit committees and to be submitted to the Board for information.
7. To report on and monitor those matters within the competence of the Board of Directors relating to credit risk.

The Board may require the Committee to prepare reports on matters within its sphere of action.

## Activities during the year

The main issues that arose in relation to the matters within the Committee's remit and the main activities carried out by the Committee in 2024 are described below:

During 2024, the Credit Delegated Committee adopted, or reported favourably to the Board of Directors, as appropriate, on decisions on risk admission, risk refinancing and restructuring, and the sale of foreclosed assets within the foregoing cases and limits established by the Board of Directors, it reviewed the risk limits granted to large groups in 172 cases (reporting favourably to the Board in 37 cases, and directly approving them in 135 cases) and it analyzed over 80 transactions with companies and public sector institutions (reporting favourably in 8 cases and directly approving in 79 cases).

The Committee's prior analysis of the companies with respect to which it makes decisions takes sustainability indicators into account. In this context, the company's classification, alignment and compliance with ESG (Environmental, Social & Governance) guidelines is reported, as is its alignment or non-compliance with industry guidelines; and its compliance with industry regulations. The company's Climate and Environmental Risk Indicator (IRCA) is also reported. The purpose of that indicator is to objectively position companies that are required to produce a Sustainability Report based on their exposure to climate and environmental risks, and their maturity in managing them.

The Committee reported favourably to the Board of Directors on the Annual Review of Country Limits for Commercial and Financial Transactions and Sovereign Debt Limits.

The Credit Delegated Committee approved or reported favourably on the revision of the Financial Institution Risk Lines.

The Committee was also informed of all the transactions approved in 2024 that entailed underwriting risk, and monitored them in great detail in accordance with the provisions of the Underwriting Framework, indicating also whether the transactions comply with that Framework, and it reported favourably to the Board of Directors on all the credit transactions whose approval is within the Board's remit, including credit transactions granted to members of the Board and Senior Management, in which case the specific rules on avoidance of conflicts of interest as set out in the pertinent Policy were applied, and it also advised on transactions with their related parties.

In compliance with the Policy on Conflicts of Interest and Related Party Transactions in Relation to Directors and Senior Management of Banco Sabadell, the Committee was informed of the transactions within its remit (credit, refinancing and restructuring transactions, sale of foreclosed assets, etc.) when they required approval by the committee because of their amount or where the provisions of the Banco Sabadell Credit Risk Admission Policy require that the committee be informed and authorise them, where they might qualify as related-party transactions, by means of the corresponding report from Compliance (without prejudice to its autonomy to approve them on the basis of the amount insofar as they were credit transactions). At all events, the committee was informed, by means of a reasoned report by the Compliance Division (without

prejudice to the powers to approve credit transactions on the basis of their amount), in the case of transactions where a director or senior manager of Banco Sabadell, or any of their related parties, is a member of the borrower's Board of Directors, provided that the risk amount exceeds €1,000,000.

The Committee exhaustively monitored "single names", considering those positions with higher risk limits and identifying the Bank's top 50 borrowers from the standpoint of concentration risk, and the top 25 borrowers classified as Stage 2 and as Stage 3, and the main exposures and provisions. The Committee also deemed it necessary to focus on several sectors: (i) exports to the United States and renewables in the US on the back of the election results in the country; and (ii) an analysis of the region of Valencia given the aftermath of DANA.

The Committee was informed of transactions approved by lower-level credit committees (Group Risk Transactions Committee and Restructuring and Recovery Transactions Committee) within the cases and limits established by the Board that must be reported to the Board.

The Committee monitored the LatAm portfolio, specifically exposures in the Colombia and Peru portfolios, and analyzed the risks contained in those portfolios. It was also informed of the situation of natural gas (LNG) pipelines and liquefaction projects in the United States, as well as the main parameters considered in the risk admission process for those transactions.

The Committee reported favourably to the Board of Directors on Banco Sabadell's participation in the Instituto de Crédito Oficial (ICO) credit lines. It also reported favourably to the Board of Directors on participation in the ICO credit lines for first homes for young people and families, and approved the adoption by Banco Sabadell of the ICO DANA agreement on an urgent basis and submitted it for ratification by the Board of Directors.

In accordance with its terms of reference, the Committee approved urgent transactions on an exceptional basis, reporting on them in full to the Board, which ratified them subsequently.

Additionally, in January 2025, the Credit Delegated Committee performed an internal self-assessment of its own performance in 2024, with satisfactory results.

More information is available in the Report on the Credit Delegated Committee's activities in 2024, which is available in the "Corporate Governance and Remuneration Policy/ Committee Reports" section of the Banco Sabadell Group corporate website ([www.grupobancosabadell.com](http://www.grupobancosabadell.com)).



## 4.3. Audit and Control Committee

### Composition and meeting attendance

			Meetings
Chairman	Manuel Valls Morató	Independent	11/11
Members	Ana Colonques García-Planas <sup>(1)</sup>	Independent	6/6
	Pedro Fontana García <sup>(1)</sup>	Independent	3/3
	Laura González Molero	Independent	11/11
	Pedro Viñolas Serra	Independent	11/11



(1) Number of meetings which the director attended with respect to the number of meetings held during the period in 2024 in which they were a member.

On 10 April 2024, Mr. Pedro Fontana García resigned as a member of the Audit and Control Committee.

On 30 May 2024, Ms. Ana Colonques García-Planas was appointed as a member of the Audit and Control Committee.

## Regulation and functioning

The Audit and Control Committee is expressly regulated by article 65 of the Articles of Association and article 16 of the Board of Directors Regulation, and it has its own terms of reference that regulate its organization, functioning and governance and were last amended by the Board of Directors on 27 May 2021.

The members of the Audit and Control Committee and, in particular, its Chairman, have knowledge and experience in accounting and auditing.

In accordance with the Board of Directors Regulation, the Audit and Control Committee must comprise at most five directors, appointed by the Board of Directors, none of whom may be an executive director; at least a majority of them must be independent directors, and at least one of them must have been appointed on the basis of his/her knowledge and experience of accounting, auditing, or both; the members as a whole should have the necessary knowledge not only of accounting and auditing but also of finance, sustainability, internal control, information technology, risk management (both financial and banking).

The Board will appoint its Chairperson from among the independent directors that form part of it, with the vote in favour of two-thirds of its members. The Secretary shall be the Secretary of the Board of Directors or, as the case may be, the Deputy Secretary of the Board of Directors. The Chair will be replaced every four years, and can not be re-elected until one year has elapsed since his/her removal. The Secretary must take minutes of every meeting, which must be approved at the end of the meeting itself or at the next meeting. The business transacted at Committee meetings must be reported to the Board of Directors at the next meeting by means of a reading of the minutes.

The Committee must meet at least once every three months, and whenever convened by the Chairman at his/her own initiative or at the request of any Committee member, or at the request of the Chairman of the Board of Directors or of the external auditor.

## Functions

The functions of the Audit and Control Committee include those defined in Article 65 of the Articles of Association of Banco Sabadell, those defined in Article 16 of the Regulations of the Board of Directors, and all those set out in the Regulation of the Audit and Control Committee and those



attributed to it by law. The Audit and Control Committee is attributed the following powers by the Articles of Association, and they may be elaborated upon by the Committee's own terms of reference:

1. To report to the general meeting on questions raised by shareholders in connection with matters within its purview and, in particular, on the outcome of the audit, explaining how the audit contributed to the integrity of the financial information and the role the committee played in this process.
2. To supervise the effectiveness of the company's internal control, the Internal Audit and the risk management systems, including those related to taxes, as well as to discuss the significant weaknesses of the internal control system detected in the performance of the audits with the account auditors or audit companies, without affecting their independence. To this end, and where appropriate, to submit recommendations or proposals to the Board of Directors and the corresponding deadline for their follow-up.
3. To supervise the process of preparation and presentation of regulated financial and non-financial information and submit recommendations or proposals to the Board of Directors aimed at safeguarding its integrity.
4. To propose to the Board of Directors, for submission to the General Meeting of Shareholders, the appointment or re-appointment of the external auditor, establishing the engagement conditions, the scope of the professional mandate, and revocation or non-renewal, if appropriate; reviewing compliance with the audit contract, and obtaining regular reports from them about the audit plan and its execution, as well as striving to ensure their independence in the performance of their functions and to ensure that the opinion on the financial statements and the main content of the auditors' report are drafted clearly and accurately.
5. To report, beforehand, to the Board of Directors on the financial information and the management report, which shall include the mandatory non-financial information that the Institution must periodically publish, as well as the quarterly and half-yearly financial statements and the prospectuses that must be submitted to the regulatory or supervisory bodies, monitoring compliance with legal requirements and the correct application of generally accepted accounting principles, as well as reporting on proposals to amend these principles.
6. To establish the appropriate relations with the external auditors in order to receive information on matters that may jeopardise their independence, the declaration at least once a year of their independence from the entity or entities related to it, directly or indirectly, and detailed and individualized information on additional services of any kind rendered and the corresponding fees received from these entities by the external auditor, or by persons or entities related to the latter in accordance with the provisions of the regulations governing the auditing of accounts, for examination by the Committee, and any other information or communications related to the process of auditing accounts and auditing standards, as well as, where appropriate, authorization of services other than auditing and not categorized as prohibited, in accordance with the regulations on auditing of accounts.
7. To annually issue, prior to the issuance of the audit report, a report expressing an opinion on whether the independence of the auditors or audit firms is compromised, with a reasoned evaluation of the provision of each and every one of the additional services referred to in the previous item, individually considered and as a whole, other than the statutory audit and in relation to the independence regime or to the regulations governing the activity of auditing accounts.
8. To supervise the internal audit services, their independence and budget, reviewing their action plans and resources in order to ensure

that they are appropriate for the Institution's needs; to propose, where appropriate, the appointment and replacement of the head of internal audit; and to verify that senior management takes into account the conclusions and recommendations of their reports.

9. To report on all matters which, within the framework of its powers, are submitted to it for consideration by the Board of Directors and, in particular, on the creation or acquisition of holdings in special purpose vehicles or entities domiciled in countries or territories considered tax havens and related party transactions.
10. To perform its own functions for those subsidiaries of the Entity which, by application of their specific regulations at any given time, must have such bodies.
11. The Board may ask the Committee to prepare reports on matters within its remit.
12. All the other issues which are attributed to it by law or by the articles and regulations that implement them, and any resulting from the generally applied standards of good governance, and any resulting from regulations and codes of good governance applicable to the Institution.



## Activities during the year

The main issues that arose in relation to the matters within the Committee's remit and the main activities carried out by the Committee in 2024 are described below:

### Functions relating to financial and non-financial disclosures

During the year, in line with the functions attributed to it, the Committee regularly monitored and analysed the sufficiency, clarity and integrity of all the financial and non-financial disclosures that the Bank made public, prior to their submission to the Board of Directors and dissemination to the market and supervisory bodies, and it tracked the main developments in this connection. These include the most significant judgements and estimates and valuation criteria used by the group to produce the 2024 financial statements.

The Committee's scope of oversight included the Pillar III Disclosures, the ICAAP and ILAAP, and the Universal Share Prospectus. The Committee also drafted and updated accounting policies prior to submitting them to the Board of Directors for approval. The Commission assessed the new regulatory framework under the Corporate Sustainability Reporting Directive 2022/2464 (CSRD), which will come into force in 2024, and the European Sustainability Reporting Standards (ESRS).

In relation to supervising the effectiveness of system for internal control over financial and sustainability reporting in accordance with the requirements established by the applicable regulations, it assessed the reports by those responsible for its design, implementation, management and operation, for internal audit and, in the specific case of ICFR, also for the internal control function, as well as the external auditor.

The Committee reviewed the proper application of good banking and accounting practices in the various echelons of the organization, ensuring, through reports from the heads of the Bank's internal control functions and from internal audit accounts, that suitable steps were being taken at general management level and by other senior executive levels to ensure that the Group's main risks were being appropriately identified, measured and controlled.

During 2024, the Committee also received regular reports on the communications received from and sent to Group entities by domestic and foreign supervisors and the half-yearly reports of the Group's Corporate Ethics Committee; the Group's tax management was monitored on a half-yearly basis.

### Functions related to auditing and sustainability reporting verification

The auditor of Banco Sabadell and its consolidated group is KPMG Auditores, S.L. (hereinafter, KPMG), which was re-appointed for 2024 at the General Meeting of Shareholders on 10 April 2024. 2024 was the fifth year in which KPMG audited the Group.

During the year, the Committee liaised appropriately with the persons responsible for the Group's external audit in order to receive detailed information on their strategy, planning, and work plan for the audit, of both the full-year and half-year financial statements, and with the persons responsible for verifying the sustainability reporting, to ascertain the degree of progress and main conclusions, and any issues that might jeopardize their independence.

In relation to the independence requirements set forth in the auditing regulations and the provisions of the Group's policies, the engagement of

non-audit services, including the verification of the sustainability report, to be provided by KPMG to Banco Sabadell and the companies related to it by a control relationship, were submitted for approval by the Group's Audit Committee, which assessed whether the services were permissible and considered any threats and appropriate safeguards. It also received KPMG's confirmation of its independence with respect to Banco Sabadell and its Group.

The Committee issued a report expressing a favourable opinion on the independence of the external auditor, following the pertinent checks, prior to the issuance of the audit report on the financial statements for the year, providing justifications for the provision of each and every one of the services, considered individually and as a whole, other than the statutory audit and in relation to the rules governing auditor independence and the auditing regulations and on the performance of KPMG as auditor during 2024, and it proposed the re-appointment of KPMG Auditores S.L. as auditor of the company's financial statements and of the consolidated financial statements of its group for 2025, after favourably assessing compliance with the requirements of independence, objectivity, professional capacity and quality required both by law, for entities of public interest, and internally. It also reviewed that the partner in charge of the audit of the group's financial statements and those responsible for the audit of the subsidiaries were being rotated properly, and assessed the suitability of the proposals made by KPMG for new persons to be responsible for the audit of the group and its subsidiaries for 2025.

The Committee was also informed of the results of other verification work carried out by KPMG or companies in its network, such as the report on the information relating to ICFR, the Sustainability Report, the annual and half-yearly Pillar III reports and the Customer Asset Protection Report.

## **Functions related to internal audits**

The Committee assessed in detail the annual internal audit plan together with the associated budget, ensuring that the internal audit function has the resources required to perform its duties, and it decided to report favourably to the Board of Directors on both the plan and its budget.

It periodically followed up on the audits and reports issued as provided in the plan of activities, and on changes to same as a result of the dynamic risk assessment and of requests from the supervisor and senior management, among others. The Committee also held two specific meetings to monitor and analyse the degree of implementation of the recommendations identified in the reports issued.

The Committee reviewed the update of the Internal Audit policies and resolved to report favourably to the Board of Directors.

The 2024 annual report on internal audit activities was presented to the Committee, detailing all the activities performed and reports issued in the year and an inventory of the recommendations and action plans set out in the various reports, as well as the outcome of the Internal Audit Quality Assurance and Improvement Programme, including the implementation of action plans deriving from internal and external assessments of the internal audit function. It also approved the performance objectives for the Internal Audit function and its head for 2025.

The Committee also received a presentation of the function's strategy, as set out in a new Master Plan for the period 2024-2026, which incorporates a series of initiatives together with their main impact indicators, to ensure the future fulfillment of Internal Audit's mandate, considering Management's vision for 2026, the results of the last external quality assessment conducted in 2023, the challenges of the environment and the new Global Internal Audit Standards in force since 9 January 2025.

The Committee also evaluated the conclusions of the analysis carried out by the Banco Sabadell Group Internal Audit Division on the new global internal auditing standards. The analysis concluded that the function would comply, in all material respects, with the new standards as of that date. Action plans were presented for the identified areas of improvement, with dates for their effective implementation. The outcome of this analysis was validated independently by the Spanish Institute of Internal Auditors. The Committee also reviewed the main changes in the Internal Audit policies related to adaptation to the new global standards mentioned above. Following the review, the Committee resolved to recommend that the Board of Directors approve the update of the Internal Audit policies.

Based on the foregoing, the Committee was able to assess the adequacy and effectiveness of the internal audit function, as well as the performance of its manager, and this was reported to the Remuneration Committee and the Board of Directors for the purposes of determining the variable remuneration.

## Other functions

The Committee approved and issued the mandatory reports on related-party transactions in accordance with the terms and conditions established in current regulations for their classification as related-party transactions and for requiring Board authorization. Those reports concluded that the transactions presented were fair and reasonable from the point of view of the Bank and of shareholders other than the related party, based on the fact that these transactions were carried out at the prices established by the Bank for this type of transaction and in compliance with the provisions of the Banco Sabadell Credit Risk Admission Policy and the Banco Sabadell Credit Risk Monitoring Policy. The Committee also reviewed the information on related-party transactions that was disclosed in the financial statements and authorized the report on related-party transactions in 2024.

In January 2025, the Audit and Control Committee self-assessed its own performance in 2024, with satisfactory results..

More information is available in the Report on the Audit and Control Committee's activities in 2024, which is available in the "Corporate Governance and Remuneration Policy/Committee Reports" section of the Banco Sabadell Group corporate website ([www.grupobancsabadell.com](http://www.grupobancsabadell.com)).

## 4.4. Appointments and Corporate Governance Committee

### Composition and meeting attendance

			Meetings
<b>Chairman</b>	Pedro Fontana García <sup>(1)</sup>	Independent	9/9
<b>Chairman</b>	José Manuel Martínez Martínez <sup>(1)</sup>	Independent	4/4
<b>Members</b>	Aurora Catá Sala <sup>(2)</sup>	Independent	11/13
	María José García Beato	Other external	13/13
	Mireya Giné Torrens <sup>(2)</sup>	Independent	12/13

(1) Number of meetings which the directors attended with respect to the number of meetings held during the period in 2024 in which they were members.

(2) The directors gave specific instructions to proxies for meetings from which they were absent.

On 10 April 2024, Mr. José Manuel Martínez Martínez stepped down as Chairman of the Appointments and Corporate Governance Committee as a result of his resignation from the Board of Directors. On the same date, Mr. Pedro Fontana was appointed as Chairman of the Appointments and Corporate Governance Committee.

## Regulation and functioning

The Appointments and Corporate Governance Committee is regulated by article 66 of the Articles of Association and article 17 of the Board of Directors Regulation, and it has its own terms of reference that were approved by the Board of Directors on 27 May 2021 and regulate its organization and functioning.

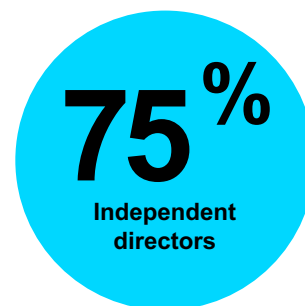
In accordance with the Board of Directors Regulation, the Appointments and Corporate Governance Committee comprises at most five directors, appointed by the Board of Directors, none of whom may be an executive director; at least two of them must be independent directors and, in any event, the Chairman of the Committee must be appointed from among its members who are independent directors. The Secretary shall be the Secretary of the Board of Directors or, as the case may be, the Deputy Secretary of the Board of Directors.

In accordance with its terms of reference, the Appointments and Corporate Governance Committee must meet as often as necessary, and at least once every three months, when convened by its Chairman, at his/her own initiative or at the request of any member of the Committee, or whenever the Board or its Chairman requests that it issue a report or adopt a proposal, and, in any event, whenever it is advisable in order to properly discharge its duties. In any case, it must meet once per year to provide advice in advance on the Board's performance evaluation.

## Functions

Without prejudice to the other duties assigned to it by law, the Articles of Association, the Board of Directors, the Board of Directors Regulation or its own terms of reference, the Appointments and Corporate Governance Committee has the following basic duties:

1. To submit to the Board of Directors proposals for the appointment of independent Directors for appointment by co-option or for submission to the decision of the General Meeting of Shareholders, as well as proposals for the re-election or removal of such Directors.





2. To report on proposals for the appointment of the remaining directors, proprietary, other external or executive members, for appointment by co-option or for submission to the decision of the General Meeting, as well as proposals for their re-election or removal.
3. To ensure compliance with the qualitative composition of the Board of Directors, in accordance with the provisions of article 53 of the Articles of Association, assessing the balance of knowledge, capacity, diversity and experience of the Board of Directors. To this end, it must define the functions and skills required of the candidates to fill each vacancy, as well as the time commitment deemed necessary for the proper performance of their functions.
4. To ensure that, when filling new vacancies or appointing new Directors, the selection procedures favour diversity of experience and knowledge, facilitate the selection of female Directors and, in general, do not suffer from implicit biases that could imply any discrimination.
5. To assess the suitability, competences, knowledge and experience required of the members of the Board of Directors and their dedication regarding the authorization of their appointment by the competent authorities.
6. To report on proposals for the appointment and removal of senior executives and members of the Identified Staff and assess their suitability.
7. To report on the terms and conditions of the contracts of the executive directors, which must be approved by the Board and recorded as an annex to the minutes.
8. To examine and organise the succession plans for the Chairperson of the Board and the Managing Director of the Bank and, where appropriate, to make proposals to the Board and, where appropriate, to comply with the provisions of the duly approved and published Succession Plan.
9. To establish a goal for representation of the under-represented sex on the Board of Directors and to develop guidance on how to achieve this goal.
10. To periodically, and at least once a year, assess the structure, size and composition of the Board of Directors and its Committees, and to advise the Board on the most appropriate configuration, reporting on proposals regarding the appointment or removal of members of such Committees.
11. To propose to the Board of Directors the assignment of Directors to the corresponding category, their continuance in this category in the event of re-election or their modification when appropriate; To annually review the status of Directors and to report to the Board of Directors for inclusion in the Annual Corporate Governance Report;
12. To report to the Board of Directors on proposals for the appointment of the Vice-Chairperson or Vice-Chairmen, as the case may be;
13. To report to the Board of Directors on proposals relating to the appointment and termination of the Secretary and, where appropriate, the Deputy Secretary of the Board of Directors, who may or may not be Directors;
14. To submit to the Board of Directors the proposal for the appointment, termination or re-election of the Lead Independent Director;
15. To develop and regularly update a competence matrix of the Board of Directors, assessing the knowledge, skills and experience of the members of the Board of Directors and the Board of Directors as a whole, for approval by the Board of Directors;
16. To periodically review and propose to the Board the modification of policies regarding the selection and diversity of members of the Board of Directors, and to annually verify their compliance, reporting to the Board of Directors on the degree of compliance;
17. To design and organise regular refresher programmes for directors;

18. To report on the terms and conditions of senior executive contracts, without prejudice to the remuneration powers of the Remuneration Committee;

And in connection with corporate governance:

1. To report to the Board of Directors on the Company's internal corporate policies and regulations, except in matters that fall within the competence of other Committees;
2. To supervise compliance with the Company's corporate governance rules, excluding those corresponding to areas that fall within the scope of other Committees;
3. To report to the Board of Directors, for its approval and annual publication, the Annual Corporate Governance Report, except in matters that fall within the scope of other Committees;
4. To supervise, within the scope of its powers, the communications that the Company makes with shareholders and investors, proxy advisors and other stakeholders, and report thereon to the Board of Directors.
5. To report annually on the evaluation of the functioning of the Board of Directors, as well as the performance of its functions by the Chairperson of the Board of Directors and the Managing Director.
6. To submit to the Board of Directors the evaluations of the Board Committees with the results of their evaluation together with a proposal for an action plan or with recommendations to correct possible deficiencies detected or to improve the functioning of the Board and its Committees;
7. To propose amendments to these Regulations and report on proposals to amend these Regulations and on proposals to amend the Regulations of the General Meeting of Shareholders of Banco Sabadell;
8. To ensure that the composition of the Board Committees is appropriate, especially the Audit and Control Committee and the Risk Committee;
9. Any other actions that may be necessary to ensure good corporate governance in all the Company's activities.

## Activities during the year

The main issues that arose in relation to the matters within the Committee's remit and the main activities carried out by the Committee in 2024 are described below:

In the area of Appointments, the Committee analyzed, proposed, reported on and evaluated the suitability of persons proposed for appointment and re-appointment as members of the Board and its committees. Specifically, it submitted to the Board of Directors the proposal for the appointment of independent director Ms. Ana Colonques García-Planas and the proposal for the re-appointment of independent director Ms. Mireya Giné Torrens, for submission to the General Meeting of Shareholders for a decision. In all cases, the Commission approved the pertinent fitness and suitability reports. It performed a similar function with regard to proposals for the appointment of senior management and matters relating to the Identified Staff. It also advised the Board on proposals for the removal of members of the Identified Staff.

In 2024, as part of the ongoing evaluation of the directors, the Appointments and Corporate Governance Committee carried out the regular assessment of the individual suitability of the directors and of the Board of Directors as a whole taking into account their performance although, during 2024, neither the Appointments and Corporate Governance Committee nor the Board of Directors became aware of specific circumstances that might affect the suitability of the Board of Directors or its members.

In relation to the Group's organizational and governance structure, the Committee advised the Board of Directors on the amendment of the composition of the Management Committee with the incorporation of the Assistant General Manager – Operations and Technology as a member, following the change of the person in charge of that division and the change in the name of the People and Sustainability Division and of the Strategy and Efficiency Division following the inclusion of functions relating to Sustainability and Efficiency in their respective briefs, and it advised the Board on the proposal for changes in the composition of the Group's management committees. In the area of Corporate Governance, the Committee verified compliance with Banco Sabadell's Director Selection Policy, and issued a favourable report to the Board on the annual review of the Director Selection Policy, which remained in force without the need for any changes; during 2024, it was not necessary to activate the Succession Plan for the Chairman and Chief Executive Officer of Banco Sabadell; nevertheless, the Committee approved the report on verification of that Plan, which concluded that the Plan was fully current and did not need to be updated; it reviewed the extension of the Board of Directors Renewal Plan for another year and reported favourably to the Board of Directors on its approval, and it evaluated the structure, size and qualitative composition of the Board and the committees. It also reported favourably to the Board of Directors on the approval of the update of the Matrix of competencies and diversity of the members of the Board of Directors and the update of the Banco Sabadell Internal Governance Framework.

It reported favourably to the Board on approving the 2025 Director Training Programme and issued a satisfactory assessment of the delivery and outcome of the 2024 Director Training Programme.

In addition to performing, in January 2025, an internal self-assessment of its performance in 2024, with satisfactory results, the Committee advised on the annual assessment of the performance of the Board of Directors and the other committees, the Chairman and the CEO.

More information is available in the Report on the Appointments and Corporate Governance Committee's activities in 2024, which is available in the "Corporate Governance and Remuneration Policy/Committee Reports" section of the Bank's corporate website ([www.grupobancosabadell.com](http://www.grupobancosabadell.com)).

## 4.5. Remuneration Committee

### Composition and meeting attendance

			Meetings
<b>Chairman</b>	Mireya Giné Torrens	Independent	12/12
<b>Members</b>	Ana Colonques García-Planas <sup>(1)</sup>	Independent	6/6
	Laura González Molero	Independent	12/12
	José Manuel Martínez Martínez <sup>(1)</sup>	Independent	4/4

(1) Number of meetings which the director attended with respect to the number of meetings held during the period in 2024 in which they were a member.

On 10 April 2024, Mr. José Manuel Martínez Martínez resigned as a member of the Remuneration Committee as a result of his resignation from the Board of Directors.

On 30 May 2024, Ms. Ana Colonques García-Planas was appointed to the Remuneration Committee.



## Regulation and functioning

The Remuneration Committee is regulated by article 67 of the Articles of Association and article 18 of the Board of Directors Regulation, and it has its own terms of reference approved by the Board of Directors on 27 May 2021 that regulate its organization and functioning.

In accordance with the Board of Directors Regulation, the Remuneration Committee comprises at most five directors, appointed by the Board of Directors, none of whom may be an executive director; at least two of them must be independent directors and, in any event, the Chairman of the Committee must be appointed from among its members who are independent directors. The Secretary shall be the Secretary of the Board of Directors or, as the case may be, the Deputy Secretary of the Board of Directors. The Regulation of the Remuneration Committee establishes that the Committee must meet as often as necessary, and at least once every three months, when convened by its Chairman, at his/her own initiative or at the request of any member of the Committee, or whenever the Board or its Chairman requests that it issue a report or adopt a proposal, and, in any event, whenever it is advisable in order to properly discharge its duties. In any event, the Committee must meet once per year to prepare the information on directors' remuneration that the Board of Directors must approve and include in its annual public disclosures.

## Functions

Without prejudice to the other duties assigned to it by law, the Articles of Association, the Board of Directors, the Board of Directors Regulation or its own terms of reference, the Remuneration Committee has the following basic duties:

1. To propose to the Board of Directors, for submission to the General Meeting of Shareholders, the remuneration policy for Directors, and to submit the corresponding report, all in accordance with the terms established from time to time in the applicable regulations.
2. To determine the remuneration of non-executive directors, in accordance with the provisions of the directors' remuneration policy, submitting the corresponding proposals to the Board.
3. To determine, so that they may be contractually agreed, the extent and amount of individual remuneration, rights and compensation of a

financial nature, as well as the other contractual conditions of executive directors, in accordance with the directors' remuneration policy, submitting the corresponding proposals to the Board of Directors.

4. To propose to the Board of Directors the remuneration policy for General Managers or those who perform senior management functions under the direct supervision of the Board, the Managing Committee or Managing Directors.
5. To report on share-based and/or option-based remuneration programmes.
6. To periodically review the general principles of remuneration as well as the remuneration programmes of all employees, assessing their compliance with these principles.
7. To annually review the remuneration policy to ensure that it is aligned with the Bank's short, medium and long-term strategy and situation and market conditions and to assess whether it contributes to long-term value creation and adequate risk control and management. Likewise, to inform the Board of Directors of the Annual Report on Directors' Remuneration;
8. To ensure that the Bank's remuneration policy and practices are up to date, proposing any necessary changes, and that they are subject to a central and independent internal review at least once a year.
9. To verify that the remuneration policy is properly applied and that no payments are made to directors that are not provided for in the policy.
10. To evaluate the mechanisms and systems in place to ensure that the remuneration system takes due account of all types of risks, liquidity and capital levels and that the remuneration policy promotes and is consistent with sound and effective risk management, and that it is in line with the business strategy, objectives, corporate culture and values and the long-term interests of the Bank.
11. To review the various possible scenarios to analyze how remuneration policies and practices react to internal and external events, and consider retrospective evidence of the criteria used to determine remuneration and the ex-ante adjustment to risk based on actual risk outcomes;
12. To review the terms and conditions of the contracts of executive Directors and senior management and to report to the Board of Directors, as appropriate, and verify that they are consistent with the current remuneration policy;
13. To evaluate the degree of compliance with the criteria and objectives established in relation to the previous year, which is what must determine the proposal for the individual remuneration for directors, particularly executive directors, senior management and members of the Identified Staff, including the short-, medium- and long-term variable components, with the participation of the external advisor where appropriate.
14. To propose to the Board of Directors the determination of the remuneration accrued by the Directors and Senior Management.
15. To propose to the Board of Directors the determination of the bonus for the senior management of the Bank and its subsidiaries.
16. To verify whether the circumstances justifying the application of malus and clawback clauses to variable remuneration have arisen, and propose the appropriate measures to recover any amounts that may apply.
17. To approve the appointment of external remuneration consultants that the Committee may decide to contract for advice or support.
18. To ensure that potential conflicts of interest do not impair the independence of external advice.
19. To ensure transparency of remuneration.
20. To verify the remuneration information contained in the various corporate documents, including the annual and half-yearly financial

reports, the Annual Directors' Remuneration Report, the Annual Corporate Governance Report and the Statement of Non-Financial Information.

21. To review that the information that the Bank disseminates on its website on matters within the competence of the Committee on directors and members of senior management is sufficient and appropriate and follows the applicable Good Corporate Governance recommendations.





## Activities during the year

The main issues that arose in relation to the matters within the Committee's remit and the main activities carried out by the Committee in 2024 are described below:

The Committee reported favourably to the Board of Directors on the submission for approval by the General Meeting of Shareholders of 10 April 2024 of the maximum limit on variable remuneration for the Group's Identified Staff in an amount equivalent to 2 years' remuneration, i.e. 200% of the fixed annual remuneration assigned to each one of them.

The Committee reviewed and advised on the conditions for senior management contracts, amendments to contracts and/or removal of senior managers, verifying that they were consistent with the Bank's remuneration policy. It approved those same conditions for the members of the Group's Identified Staff. The Committee reported favourably to the Board of Directors on the proposed assessment of fulfilment of the 2023 individual objectives for the CEO and Chief Risk Officer and for the members of Senior Management, it approved the assessment of fulfilment of the 2023 individual objectives for the Internal Audit Director and the percentages of attainment of the 2023 objectives for the rest of the members of the Group's Identified Staff, and it reported favourably to the Board of Directors on the non-application of risk-related *ex ante* adjustments to the 2023 variable remuneration. The Committee determined that no *ex post* adjustments (malus and clawback clauses) were applicable to the variable compensation deferred from previous years for the Group's Identified Staff.

The Committee reported favourably on the establishment of the fixed and variable remuneration for 2024. The Committee reported favourably to the Board of Directors on the proposal for remuneration for the Chairman and the members of the Board of Directors and its committees for 2024. In particular, the 2024 remuneration proposal for the Chief Executive Officer and Chief Risk Officer (CRO) and Senior Management. It also approved the 2024 remuneration proposal for the Internal Audit Director and the members of the Group's Identified Staff and subsidiaries' Boards of Directors. It made a proposal and reported favourably to the Board of Directors on the approval of the 2024 individual objectives for the CEO and CRO.

It also approved the sets of objectives for the members of the Executive Committee and their measurement scales, having benchmarked remuneration with the help of reports from external consultants. It also approved the report of the People Division on the 2024 individual objectives for the members of the Group's Identified Staff, concluding that their objectives are adequately aligned with the guidelines for defining them that were approved by the Remuneration Committee in January. The Remuneration Committee also received a report from the Risk Committee on the coherence of these objectives with the level of risk appetite. It also approved the payment of variable remuneration for all Group employees and the application of the Group's 2024 salary management budget.

The Remuneration Committee reviewed and reported favourably to the Board of Directors on Banco Sabadell's and the Group's remuneration policies. To this end, the Committee analyzed the independent report entitled Evaluation of the Remuneration Policy applicable to the Identified Staff of Grupo Banco Sabadell, produced by a consultant, and the Director Remuneration Policy in force in 2023, with the aim of establishing the degree to which it conforms to prudential regulatory requirements in connection with remuneration. The report concluded with a very positive assessment of all the points analyzed and of the content of the Remuneration Policies, which comply and are aligned with the prudential requirements in force in connection with remuneration. It analyzed the Internal Audit Report on the Remuneration Policy of the

Group and Subsidiaries, whose objective was to review the degree to which the organization's remuneration policies (Group and subsidiaries) conform to the guidelines of the European Banking Authority (EBA), and it tracked the degree to which the recommendations were applied and exercised oversight to this end.

The Remuneration Committee ensured the proper dissemination of the information on remuneration through the corporate website, in accordance with the applicable regulations and corporate governance recommendations.

Additionally, in January 2025, the Remuneration Committee performed internally a self-assessment of its performance in 2024, with satisfactory results.

This year, amidst the hostile takeover bid, the initiatives proposed by Management in the Action Plan in relation to talent retention and the risk of losing key talent, among other matters, have been analysed and approved. The employee turnover rate was also monitored.

More information is available in the Report on the Committee's activities in 2024, which is available in the "Corporate Governance and Remuneration Policy/ Committee Reports" section of the Banco Sabadell Group corporate website ([www.grupobancsabadell.com](http://www.grupobancsabadell.com)).

## 4.6. Risk Committee

### Composition and meeting attendance

			Meetings
<b>Chairman</b>	George Donald Johnston III <sup>(1)</sup>	Independent	10/11
<b>Members</b>	Aurora Catá Sala	Independent	11/11
	Alicia Reyes Revuelta <sup>(1)</sup>	Independent	10/11
	Manuel Valls Morató	Independent	11/11

(1) The directors gave specific instructions to a proxy for meetings from which they were absent.



## Regulation and functioning

The Risk Committee is regulated by article 68 of the Articles of Association and article 19 of the Board of Directors Regulation, and it has its own terms of reference approved by the Board of Directors on 27 May 2021 that regulate its organisation and functioning.

In accordance with the Board of Directors Regulation, the Risk Committee comprises at most five directors, appointed by the Board of Directors, none of whom may be an executive director; they must have the appropriate knowledge, skill and experience to fully understand and oversee the Bank's risk strategy and risk appetite; at least two of them must be independent directors; in any event, the Chairman of the Committee must be appointed from among its members who are independent directors. The Secretary shall be the Secretary of the Board of Directors or, as the case may be, the Deputy Secretary of the Board of Directors. In the exercise of its functions, the Risk Committee may directly request the information it sees fit from both the Chief Risk Officer and from the departments that report to him/her, including notably the Internal Control Division, the Credit Risk Control Division, the Validation Division and the Regulatory Compliance Division; and in accordance with its Regulations, the Committee meets as often as necessary and at least once every two months, when convened by its Chairman, at his own initiative or at the request of any member of the Committee, or whenever the Board of Directors or its Chairman requests the issuance of a report or the adoption of proposals and, in any case, whenever appropriate for performing its functions.

## Functions

Its functions are focused on supervising and exercising oversight to ensure that all the risks of the Bank and its consolidated Group are accepted, controlled and managed appropriately, and reporting to the full Board on the performance of the functions corresponding to it, in accordance with the law, the Articles of Association, the Board of Directors Regulation and its own terms of reference. The main functions of the Risk Committee are as follows:

1. To supervise the implementation of the Global Risk Policy.
2. To report quarterly to the full Board on the levels of risk assumed, the investments made and the evolution thereof, as well as on the repercussions that may arise for the Group's income from variations in interest rates and their compliance with the VAR approved by the Board itself.
3. To follow up and detect if any of the approved thresholds is exceeded, and to ensure the activation of action plans established for this purpose.
4. To report to the Remuneration Committee on whether employee remuneration programmes are consistent with the Bank's risk, capital and liquidity levels.

5. To advise and support the Board of Directors on the monitoring of the Bank's risk appetite and overall risk strategy, taking into account all types of risks, to ensure that they are in line with the Bank's business strategy, objectives, corporate culture and values.
6. To assist the Board of Directors in monitoring the implementation of the Bank's risk strategy and the corresponding limits set.
7. To monitor the implementation of the Bank's capital and liquidity management strategies, as well as all other relevant risks, to assess their alignment with the approved strategy and risk appetite.
8. To recommend to the Board of Directors any adjustments to the risk strategy deemed necessary as a result of, inter alia, changes in the Bank's business model, market developments or recommendations made by the risk control function.
9. To advise on the appointment of external consultants in the field of the Bank's supervisory activity.
10. To analyze a range of possible scenarios, including stress scenarios, to assess how the Bank's risk profile would react to external and internal events.
11. To monitor consistency between all major financial products and services offered to customers and the Bank's business model and risk strategy. The Risk Committee shall assess the risks associated with the financial products and services offered and shall take into account the consistency between the prices assigned to such products and services and the benefits obtained.
12. To assess the recommendations of the internal or external auditors and to verify the proper implementation of the measures taken.
13. To coordinate with the Audit and Control Committee in relation to the latter's functions relating to supervising and assessing the effectiveness of the internal control and risk management policies and systems as a whole, covering financial and non-financial risks relating to the Institution, including operational, technological, legal, social, environmental, political, reputational and corruption-related risks, and to ensure that the main direct or indirect risks are reasonably identified, measured and controlled, as well as to discuss with the auditor any significant weaknesses in the internal control system detected during the course of the audit. To this end, meetings may be held with senior managers of the Bank's business units to explain business trends and associated risks and, where appropriate, to submit recommendations or proposals to the Board of Directors and the corresponding timeframe for their follow-up.
14. To report to the plenary of the Board on the development of the functions corresponding to it, in accordance with this article and other legal, statutory or regulatory provisions applicable to it.

## Activities during the year

The main issues that arose in relation to the matters within the Committee's remit and the main activities carried out by the Committee in 2024 are described below:

### Global Risk Framework and Risk Appetite Statement

One of the main functions of the Risk Committee is to take responsibility for proposing the Risk Appetite Statement (RAS) to the Board of Directors for approval, both for the Group and for the various geographies, in accordance with the established governance.

During 2024, it reported favourably to the Board of Directors on the annual review of the Group's Global Risk Framework Policy, which determines the common ground for risk management and control, and of the Risk Appetite Framework (RAF) Policy, which establishes the structure and mechanisms associated with the governance, definition,

disclosure, management, measurement, monitoring and control of the Group's Risk Appetite and coordination of same with the subsidiaries.

Additionally, in accordance with the provisions of the Global Risk Framework Policy, in 2024 the Risk Committee reported favourably to the Board of Directors on the update of the Group's risk profile and the Group's inventory of material risks.

In 2024, the Risk Appetite Statement (RAS) was updated several times to ensure that it is complete and complies with regulatory requirements and market best practices.

The RAS was strengthened during the year through the inclusion of new metrics:

- i. Strategy risk.
- ii. Counterparty risk.
- iii. Asset quality risk.
- iv. Concentration risk.
- v. CSRBB risk.
- vi. Fraud risk, and
- vii. Model risk.

New credit risk, reputational risk and fraud risk metrics were also incorporated into the Group's RAS based on the geographical footprint of both TSB and Mexico.

## **Risk management and control policies**

The Group's risk governance provides for the risk policy framework to be reviewed regularly and in the event of significant changes.

In this context, as part of the development of the Global Risk Framework, the Risk Committee also analyzed and subsequently reported favourably to the Board of Directors, and submitted for its approval, the update of the policies on risk control, which lay the groundwork for the Risk Control Function, in order to offer a 360-degree view of all risks, and ensure compliance with the risk strategy, as well as the update to the policies for managing and controlling risk, such as: credit, solvency, operational, technology, IRRBB and CSRBB, liquidity, market, foreign exchange, model, reputational, conduct and compliance risks, among others, which explicitly set out the basic principles and procedures that must govern the management and control of all the Group's material risks and incorporate the requirements established by regulation.

In line with Group policy governance, the Risk Committee reported favourably to the Board of Directors on the approval of the following new policies:

- Banco Sabadell Group tax risk

## **Regular monitoring of the Risk Appetite Statement**

The Risk Committee monitored all the Group's material risks broadly on a regular basis.

To this end, the Risk Committee analyzes and discusses the fundamental aspects and the status of the material metrics in the Risk Appetite Statement, as well as the evolution of the loan book's domestic and international exposure.

The Risk Committee's reporting consists of:

- a. Regularly reviewing a scorecard that reflects trends in the main metrics and additional information on material risks in accordance with the current risk taxonomy, and ensuring that they conform to the established risk appetite.
- b. Monographic risk analyses, which are detailed in the following section.

- c. Reporting and proposal of adaptation plans (protocol triggering, changes in guidelines, etc.) derived from the analysis of risk evolution.

In addition, a monthly CRO Note is submitted to the Risk Committee, providing input from the head of 2LoD to facilitate discussions and focus attention on those matters that are considered most critical or on which additional insight is sought from the Committee members.

## Other regular monitoring tasks

Additionally, as part of the risk monitoring function entrusted to the Risk Committee, it also regularly:

- a) Monitored how ICO-guaranteed transactions are managed.
- b) Monitored the risk profile of new loans and discounts.
- c) Tracked minimum pricing and RaRoC of new production.
- d) Monitored the material exposures reviewed previously by the Credit Delegated Committee.
- e) Tracked the performance of non-performing assets (NPA).
- f) Monitored staging and provisioning.
- g) Monitored leveraged transactions.
- h) Tracked the execution of action plans arising from on-site and off-site inspections and targeted reviews conducted by the supervisory authority.
- i) Performed quarterly tracking of resolution planning.
- j) Performed quarterly monitoring of the ICAAP outcome and economic capital.
- k) Monitored structural risks: liquidity, IRRBB and CSRBB.
- l) Performed quarterly monitoring of 2LoD for the main risks and issues at TSB

The Risk Committee also approved the Annual Activity Plan for the Risk Control function.

The Risk Committee was informed about the various types of risks through specific monographic analyses. The monographs provide detailed information on the most relevant aspects related to the evolution of risk, changes in the economic and regulatory environment that directly affect the Bank, their potential impact on the Bank, the management and control framework in place to mitigate risk and the monitoring carried out through the RAS.

Specifically, the following monographs and reports were presented in 2024:

Operational Risk Monograph; Fraud Risk Monograph; Conduct Risk Monograph; Market Risk Monograph; Country Risk Monograph; Technology and Data Risk Monograph; Financial Institution Risk Monograph; Counterparty Risk Monograph; Structural Balance Sheet Risk (IRRBB, CSRBB, liquidity and currency risk) Monograph; Model Risk Monograph.

Performance in 2024 was shaped by macroeconomic, geopolitical, environmental and industry events, including notably:

- a) Stabilization of inflation due to better-than-expected global growth, which enabled central banks to begin cutting interest rates.
- b) The global geopolitical environment continued to be unstable, with a series of uncertainties and threats derived from the military conflicts in Ukraine and the Middle East, as well as the outcome of the US presidential elections, with the risk of a worsening of trade and/or financial tensions at a global level.
- c) In May, BBVA issued a tender offer for 100% of Banco Sabadell's capital stock.



- d) In October, flash floods seriously affected several regions of Spain, particularly Valencia.

As a result, over the year a range of assessments and analyses of the potential impacts on the Bank of all such risks were submitted to the Risk Committee. Specifically:

- a) Throughout 2024, IRRBB was monitored on a monthly basis, given the scenario of rising interest rates; the Bank's structural risks (liquidity, IRRBB and CSRBB) were monitored on a quarterly basis.
- b) In relation to BBVA's hostile takeover bid, the Risk Committee was presented with the actions being taken to prevent, mitigate and monitor the risks that could arise as a result of the bid. In addition, in July and November, the Risk Committee was informed that the indicators established to monitor the potential risks of the takeover bid had not triggered any alerts that might entail the materialization of any risk in future.
- c) As a result of Donald Trump's election victory in the United States, the Risk Committee examined the update of the macroeconomic and financial scenarios with a view to making recommendations to the Board of Directors.
- d) Following the flash floods in Spain in October 2024, an analysis was conducted of the potential impact that this event might have on the bank's loan book and the conclusions were presented to the Risk Committee in November.

## Risk models

The Banco Sabadell Group has extensive experience in the use of internal models for supporting its decision-making process. In recent years, the Group has stepped up efforts to control and supervise the risks involved in their use.

In 2024, the Risk Committee reported favourably to the Board of Directors on the annual review of the Group's validation policy, which regulates the operation and activities of the Validation function as the 2LoD of the Group's internal models. The Committee also reported on the review of model risk policies.

The Risk Committee was presented with the annual monograph on model risk, which introduced a new second-tier RAS metric for model risk.

The Risk Committee approved the Validation function's Annual Activity Plan for 2024 and was briefed on the 2023 activity report.

The Risk Committee and the Board of Directors were briefed on the self-assessment of overdue supervisory obligations regarding the IRB credit risk models used to calculate regulatory capital requirements. It was reported that deadline extensions had been requested. The timetable for fulfilment was discussed.

In addition, a favourable report was submitted to the Board of Directors on the material change in the LGD model for the property development loan book, as a result of resolution of remediation plans put in place by the supervisory authority.

Moreover, the Risk Committee was briefed on the annual monitoring of IRB models for enterprise, property development, corporate and group loan books and project finance.

In relation to the credit risk provisioning models, the Risk Committee was informed of the results of their annual review.

With regard to the ICAAP, the Risk Committee reported favourably to the Board of Directors on the internal models for calculating economic capital for all prominent risks identified in the Risk Assessment, taking into consideration the proportionality and complexity criteria established in the ECB's guidelines on the ICAAP. The Committee also reported favourably on LGD models used to calculate provisions for financial planning and the ICAAP.

## Financial planning, Capital (ICAAP) and Liquidity (ILAAP) self-assessment, and Recovery Plan reports

In 2024, the Risk Committee reviewed:

- Processes for assessing the Group's capital adequacy and liquidity position. In particular, the Committee reviewed in detail the contents of the ICAAP reports for 2023, following the Committee members' challenge of the contents and the ensuing debate, and taking into account the opinion of Validation regarding the internal models used for calculating economic capital. It also considered whether the approach applied in producing the ICAAP reports allows for full and consistent measurement of risks among the different quantifications based on the vulnerabilities inherent to the business model, the efficient allocation of capital by business unit considering all risks, the continuous holistic process of identifying vulnerabilities, and the complete and continuous measurement of capital needs. The Committee also assessed the contents of the concise statement to be signed by the directors in connection with the ICAAP.

The Committee assessed the contents of the Internal Liquidity Adequacy Assessment Process (ILAAP) regarding the outcome of identifying and assessing the materiality of liquidity risks, the preliminary assessment of climate risk, the Liquidity Contingency Plan, the result of the Stress Test exercises and the result of the ILAAP 2023 and the Working Priorities established for 2024, as well as the concise statement to be made by the Board of Directors, together with the 2LoD reports. These Risk Control and Validation reports from 2LoD support the pertinent qualitative and quantitative reviews in order to verify that the internal processes and the methodologies and assumptions used provide sound results and remain appropriate for both the current situation and potential future developments.
- Analysis of the risks associated with the financial projections for 2025-2029.
- The Recovery Plan.

In this process, the Committee was supported by the Finance Division and the Internal Control Division, providing assurance that the reports faithfully reflect the Group's situation in the areas analyzed.

In addition, the Risk Committee reported favourably to the Board of Directors on the scenarios used in the Strategic Corporate Processes referred to above.

The Committee was informed of the annual update of the Recovery Plan, as well as of the main improvements, focused on the evolution of the proposed stress scenarios.

Throughout the year, the Risk Committee was informed of the progress with the 2024 climate risk stress test exercise conducted by the EBA. .

## Other business

The Risk Committee reviewed various aspects of technology risk in 2024, including most notably:

- i. progress with disaster recovery capabilities and testing,
- ii. an update on the progress and risks of significant projects in the field of technology, including the risk assessment performed by the second line of defence,
- iii. progress report on the DORA programme,
- iv. TSB's technology and digital fraud risk status.
- v. a review of the cybersecurity status, including a presentation of the main events, risks and lines of action to mitigate them,
- vi. the aggregated results of the cyber resilience stress test and of the Risk Data Aggregation Targeted Review.

In the area of sustainability, new environmental risk indicators linked to credit risk were added, while the monitoring of decarbonization pathways in new portfolios was stepped up and reported regularly to the Risk Committee. In November, the Risk Committee was informed of the mechanisms for managing environmental risk affecting credit risk that have been implemented by the Bank.

The Risk Committee was informed during 2024 about a series of 2LoD reports on developments in the credit risk control framework, focusing particularly on: (i) developments in the admission process that have helped enhance the credit quality of new production in the individuals and companies segment; (ii) individual analysis of significant borrowers; (iii) improvements in the credit risk monitoring process; and (iv) the re-appraisal process. The situation of certain credit portfolios and their management and control framework was also reported: e.g., digital infrastructures and the government loan book, leveraged transactions, mortgages and project finance. The Risk Committee was also informed of the various reports by the SSM in its ordinary or specific supervisory actions, as well as the SREP 2024 evaluation.

The Risk Committee was also informed of the various reports by the SSM in its ordinary or specific supervisory actions, as well as the SREP 2024 evaluation.

With regard to compliance, the Risk Committee approved the Annual Plan of Activities for the Compliance function and monitored its execution regularly, and was informed of, and debated, the fundamental aspects of the MiFID compliance report and referred it to the Board for its information.

The annual Expert Report on the Prevention of Money Laundering and Terrorist Financing was also presented to the Risk Committee.

It was also informed of the annual report by the Customer Care Service (SAC), as well as the report on the processing of personal data (General Data Protection Regulation), and the data protection risk report.

The Risk Committee also reported favourably to the Remuneration Committee on the suitability of the composition of the Identified Staff and of the degree to which their objectives align with the Bank's risk profile and capital and liquidity levels.

The Risk Committee reviewed and approved its Activities Plan for 2024, which set out the mandatory issues to be discussed at the meetings proposed in the year and indicated the purpose required in connection with each issue.

It approved the schedule of Risk Committee meetings for 2025.

Additionally, in January 2025 the Risk Committee performed an internal self-assessment of its own performance in 2024, with satisfactory results.

More information is available in the Report on the Committee's activities in 2024, which is available in the "Corporate Governance and Remuneration Policy/ Committee Reports" section of the Banco Sabadell Group corporate website ([www.grupobancsabadell.com](http://www.grupobancsabadell.com)).



# 5. Related-party transactions and intercompany transactions (D) (D.1, D.2, D.3, D.4, D.5, D.6 and D.7)

## 5.1. Procedure for the approval of related-party and intercompany transactions, and the bodies empowered for this purpose (D.1, D.2, D.3, D.4, D.5 and D.7)

Law 5/2021, of 12 April, amending the consolidated text of the Capital Companies Law, approved by Legislative Royal Decree 1/2010, of 2 July, and other financial regulations, with regard to the promotion of long-term shareholder involvement in listed companies, introduced Chapter VII bis, Related-party Transactions, into the Capital Companies Law. Banco Sabadell is a listed company, so this system of rules applies to directors and shareholders involved in related-party transactions.

### Competent bodies

Under that regulation, related-party transactions whose amount or value is 10% or more of the total value of the assets per the company's last approved balance sheet require approval from the General Meeting of Shareholders. The Board of Directors has the power to approve any other related-party transaction, and this power may not be delegated.

The Audit and Control Committee must issue a report on any related-party transaction before it is approved by the General Meeting of Shareholders or the Board of Directors. The Committee's report must assess whether the transaction is fair and reasonable from the standpoint of the company and, if applicable, of the shareholders other than the related party, and it must set out the assumptions on which the assessment is based and the methods used.

The Capital Companies Law, at Article 529 duovicies.2, prohibits a director who is conflicted by a related-party transaction or who represents a conflicted shareholder from taking part in deliberation and voting on related decisions under Article 228.c) of the Law.

This duty is set out in Banco Sabadell's Policy on Conflicts of Interest and Related-Party Transactions in connection with Directors and Senior Management, which prescribes that a director or member of senior management must refrain from attending or taking part in deliberation or votes concerning any matter in which he or she is conflicted by a related-party transaction. The duty to refrain extends to meetings of the Board or of any other company body, committee or department concerned with the transaction or related decision-making. Moreover, a conflicted director or senior manager may not access confidential information touching on the related-party transaction.

Banco Sabadell records in the minutes of the meetings of the Board or of any other body of which the conflicted director is a member that he/she withdrew from the meeting while the matter in which the director is conflicted by a related-party transaction was being dealt with.

In addition, pursuant to Article 529.duovicies.1 of the Capital Companies Law, when the General Meeting of Shareholders is called upon to decide on a related-party transaction, a conflicted shareholder is deprived of the right to vote, except where the proposed resolution was

approved by the Board without a majority of independent directors voting against. No such event arose.

In 2023, an additional function was assigned to the Credit Delegated Committee in accordance with Banco Sabadell's Policy on Conflicts of Interest and Related-Party Transactions in connection with Directors and Senior Management. The Policy prescribes that when a transaction within the Committee's remit (credit, refinancing or restructuring, sale of foreclosed assets, etc.) might qualify as a related-party transaction, the Committee must be informed by means of a reasoned report by the Compliance Division (without prejudice to the powers to approve credit transactions on the basis of their amount). The Committee must always be informed if the value of a credit transaction exceeds €1,000,000 and a director of Banco Sabadell, or a related party, sits on the board of the borrower.

In these cases, if, in accordance with the criteria established by international accounting standards, especially IAS 24, as referred to in Article 529 vices of the Capital Companies Law, the Compliance Division considers that it does not constitute a related-party transaction, it must submit to the Committee a report setting out the reasons for this conclusion. The Credit Delegated Committee must review the information, reach a conclusion as to whether or not the transaction qualifies as a related-party transaction, in which case it must report the transaction to the Audit and Control Committee for assessment and subsequent submission to the Board.

In addition, the Credit Delegated Committee must be provided with the same information on related-party transactions that the Compliance Division submits each year to the Audit and Control Committee.

#### **Delegation of powers to approve related-party transactions**

In accordance with the aforementioned regulations, the Board of Directors may delegate the approval of related-party transactions that meet the following conditions:

- (i) transactions between companies in the same group that are carried out in the ordinary course of business and at arm's-length, and
- (ii) transactions arranged on the basis of contracts with standardised terms and conditions that are applicable en masse to a large number of customers, carried out at prices or rates that are set on a broad basis by the supplier of the good or service, where the amount does not exceed 0.5% of the company's net turnover.

Pursuant to the provisions of the Capital Companies Law, the Board of Directors of Banco Sabadell resolved to empower the Bank's Compliance Division to review whether transactions with related parties should be considered as related-party transactions for the purposes of the Capital Companies Law and, if so, to approve them if they meet the aforementioned conditions.

The approval of such transactions by the Compliance Division by delegation from the Board does not require a prior report from the Audit and Control Committee.

#### **Internal reporting and control procedure**

The internal procedure for regular reporting and control of related-party transactions that are approved using powers delegated by the Board was adopted by the latter at its meeting of 1 July 2021. The procedure is as follows:

On an annual basis, the Compliance Division must report to the Audit and Control Committee on the outcome of the reviews of related-party transactions for the purpose of verifying the fairness and transparency of such transactions and, if applicable, compliance with the applicable regulations for them to be approved by the Compliance Division by delegation, providing the following details:

- Number of transactions reviewed.



- Related-party transactions approved by the Compliance Division in exercise of the delegation of the Board of Directors.
- Related-party transactions escalated to the Board of Directors for approval.
- Other information to support the aforementioned verification and compliance checks.

Coupled with the above procedure, the Compliance Division has its own review procedure to determine whether or not a transaction qualifies as a related-party transaction for the purposes of the Capital Companies Law.

### **Intercompany transactions**

Intercompany transactions are subject to the same approval procedures as customer transactions, requiring at least the approval of the Group Risk Transactions Committee and at most the approval of the Board of Directors.

### **Transactions in 2024**

There were no transactions that were material because of their size or nature between the Bank or any Group undertaking and the Bank's significant shareholders.

There were no material transactions with directors and executives of the Bank other than those classified as "related-party transactions" under Article 529 vicies of the Capital Companies Law that were conducted with the appropriate approvals and, where appropriate, disclosed in accordance with Article 529 unvicies et seq. of the Capital Companies Law. Those that did take place were performed in the normal course of the Bank's business or on an arm's-length basis or on terms generally available to any employee. There is no record of any transactions being performed other than on an arm's-length basis with persons or entities related to directors or senior managers.

On 24 April 2024, following a favourable report from the Audit and Control Committee, the Board approved a related-party transaction with Acerinox, S.A., consisting of a bilateral loan of €150 million, granted to Acerinox, S.A., bearing interest at 3.75%, with a 2-year grace period and a 5-year half-yearly straight-line repayment schedule. The transaction was signed on 27 June 2024. The transaction qualifies as a related-party transaction because Banco Sabadell directors Laura González Molero and George Donald Johnston III are independent directors at Acerinox, S.A. In addition, both are members of that company's audit committee; Ms. González Molero is chairwoman of its appointments and remuneration and corporate governance committee, and Mr. Johnston is a member of its executive committee.

This transaction, combined with another three transactions concluded in the past twelve months, exceeded 2.5% of revenue as reported in Banco Sabadell's consolidated financial statements for 2023. The transaction was accordingly disclosed, with an attached report from the Audit and Control Committee, as a disclosure of "Other relevant information" filed with the Spanish National Securities Market Commission (CNMV) on 27 June and 12 July 2024 (registration numbers 29.404 and 29.678), and also on the Banco Sabadell website ([www.grupbancsabadell.com](http://www.grupbancsabadell.com)), as required under Article 529 unvicies of the Capital Companies Law. As stated in the regulatory disclosure and on the Banco Sabadell website ([www.grupbancsabadell.com](http://www.grupbancsabadell.com)), two of the three transactions were approved by the Board on 24 April 2024 following a favourable report from the Audit and Control Committee (the report was itself attached to the regulatory disclosure). The third transaction was approved by the Compliance Division as a related-party transaction in its opinion of 28 September 2023, using powers delegated by the Board on 1 July 2021. The three transactions were: renewal of a multi-company credit facility (one of the borrowers being Acerinox, S.A.) in the amount of

€80 million, bearing interest at 3-month Euribor + 0.90% and maturing in 3 years; renewal of a multi-company credit facility (one of the borrowers being Acerinox, S. A.) in the amount of USD 15 million, bearing interest at SOFR 3m + 1% and maturing in 3 years; and renewal of a multi-company credit facility (drawable by either or both of Acerinox, S.A. and Acerinox Europa, S.A.U.) in the amount of USD 20 million, bearing interest at SOFR 3m + 1.10% and maturing in 1 year.

The balances of transactions with related parties are disclosed in note 40 to the Group's consolidated financial statements and in note 36 to the separate financial statements.

The Bank is not controlled by any other entity, listed or otherwise, in the meaning of article 42 of the Commercial Code.

## **5.2. Mechanisms established for detecting, determining and resolving possible conflicts of interest between the company and/or its group, and its directors, executives or significant shareholders (D.6)**

Banco Sabadell has mechanisms for detecting, determining and resolving conflicts of interest between the Bank and/or its Group, and its directors, executives or significant shareholders.

1. The Banco Sabadell Group General Policy on Conflicts of Interest and the Banco Sabadell General Policy on Conflicts of Interest are internal rules approved by the Board of Directors of Banco Sabadell and they are reviewed once per year. These policies are intended to be effective in identifying, assessing, managing, mitigating, preventing or ultimately disclosing potential or actual conflicts of interest. The Compliance Division is responsible for correctly applying those policies and, when necessary, it will urge the other departments in the Group to which they apply to take the necessary action.
2. The Policy on Conflicts of Interest and related party transactions in connection with Directors and Senior Management, approved by the Board of Directors on 24 March 2022 and last revised on 21 March 2024, establishes the necessary measures for managing conflicts of interest of directors and senior management and their related parties in connection with corporate transactions or non-bank activities and also with ordinary banking business.

The Group's Risk Transactions Committee analyzes all credit operations carried out by directors, senior management and their related parties and makes proposals to the Board of Directors for their approval.

Royal Decree 84/2005, implementing Law 10/2014, of 26 June, on the Regulation, Supervision and Solvency of Credit Institutions, sets out the requirements in connection with disclosure of transactions by directors, senior executives and their related parties to the competent authority and for authorization by the latter.

3. In 2021, the Board of Directors approved an extensively revised and updated version of the Group's Code of Conduct in order to bring it into line with regulatory requirements, supervisory guidelines and reports, and market standards. The Code contains a catalogue of principles, obligations and duties that are binding upon all members of the Group. It also defines the criteria to be followed to ensure ethical and responsible conduct, both in relationships within the Group itself and in relationships with customers, suppliers, shareholders, investors and other stakeholders. All members of the

Group were required to expressly adopt the Group's Code of Conduct.

4. The Banco Sabadell Group's Internal Rules of Conduct in connection with the securities markets (IRC), approved by the Board of Directors on 24 May 2018 and updated in September 2021, are applicable to the members of the Bank's Board of Directors, and to all executives and employees whose work is directly or indirectly related to the Institution's activities and services in the field of the securities markets or who have frequent or habitual access to insider information related to the Bank itself or Group companies.

Section 4 of the IRC sets out the mechanisms for identifying, preventing and resolving possible conflicts of interest that are detected by persons bound by the IRC, who are obliged to declare any significant relations of a financial, family or other nature with customers of the Bank in connection with services related to the securities markets or to companies listed on the stock exchange, as well as any other relationships that, in the opinion of an external neutral observer, might compromise the impartiality of the persons concerned.

5. Banco Sabadell Group's Corporate Ethics Committee is responsible for fostering ethical conduct throughout the organization and for giving advice to the Board of Directors, via the Audit and Control Committee, and advising the corporate and business units on decisions involving issues that might lead to conflicts of interest.

The Committee is also responsible for overseeing the Group's compliance with its obligations as set out in the Code of Conduct and in the Internal Rules of Conduct in connection with the securities market.

To achieve its objectives, the Corporate Ethics Committee can call upon the resources of the Compliance Division, and has been given extensive powers by the Board to gain access to all the documents and information it requires to perform its supervisory function.

6. Under the Board of Directors Regulation, all Board members are bound by a duty of loyalty and confidentiality and are required to disclose any interest they may have in the company itself or in other companies outside the Group.

Specifically, Article 29 of the Regulation states that a director may not provide professional services to Spanish companies whose corporate purpose coincides wholly or partly with that of the company. An exception is made for offices they hold in companies in the Group. Directors must notify the Appointments and Corporate Governance Committee before accepting any executive appointment in another company or institution.

Article 31 of the Board of Directors Regulation states that directors must inform the company of any company shares which they own directly or through companies in which they hold a significant stake.

They must also disclose any shares held, directly or indirectly, by their close relatives. Directors must also inform the company of all positions that they hold and activities that they perform in other companies or entities and, generally, of any fact or situation that may be material in connection with their performance as directors of the company.

7. The Capital Companies Law establishes that directors have a duty to avoid conflicts of interest, and it lists the situations in which a director must abstain from acting and, in any case, establishes the duty to notify the other directors and, where appropriate, the Board of Directors of any situation where their interests, or those of their related parties, may be in conflict, directly or indirectly, with the interests of the company.



# 6. Risk control and management systems (E)

## 6.1. Scope of the Bank's Risk Control and Management System, including that relating to tax risks (E.1)

To manage and control risk, the Banco Sabadell Group has defined a Global Risk Framework whose purpose is to establish the basic common principles relating to the Group's risk management and control activity, including all actions associated with the identification, decision, measurement, evaluation, monitoring and control of the risks to which the Group is exposed. These activities include the functions performed by the overall Group's areas and business units.

With the Global Risk Framework, the group seeks to:

- Address risk through a structured approach that is consistent Group-wide.
- Encourage an open, transparent risk management and control culture by promoting the involvement of the entire organization.
- Facilitate decision-making.
- Align risk acceptance with the risk strategy and risk appetite.
- Understand the risk environment in which it operates.
- Ensure that, in accordance with the Board's guidelines, critical risks are identified, understood, managed and controlled in an efficient manner.

The Global Risk Framework is applied to all the Group's business lines and entities on a proportionate basis, having regard to their size, the complexity of their activities and the materiality of the risks assumed.

To ensure that risk management and control are effective, the Group's Global Risk Framework must comply with the following principles:

- Risk Governance and involvement of the Board of Directors through the three lines of defence model.
- Alignment the Group's business strategy with risk appetite set by the Board of Directors.
- Integration of the risk culture, focusing on aligning remuneration to the risk profile.
- Holistic vision of risk that translates into the definition of the taxonomy of first- and second-tier risks on the basis of their nature.
- Alignment with stakeholder interests.

The Global Risk Framework is composed of the following elements:

- Global Risk Framework Policy.
- Risk Appetite Framework (RAF).
- Risk Appetite Statement (RAS).
- Specific policies for the material risks to which the Group (i.e. Banco Sabadell and its subsidiaries) is exposed.

The Global Risk Framework Policy provides a general framework for establishing other policies related to risk management and control by determining common aspects that apply to the various risk management and control policies.

The Group promotes a risk culture composed of a set of values, beliefs, knowledge and attitudes related to risk that is shared by all

members of the organization and helps to manage and control risks efficiently while avoiding undesired behaviour.

The Board of Directors of Banco Sabadell has approved the Group's tax strategy. That strategy is governed by the principles of efficiency, prudence, transparency and minimization of tax risk, it is broadly aligned with the Banco Sabadell Group's business strategy.

## **6.2. Bodies of the Bank responsible for drawing up and executing the risk control and management system, including tax risk (E.2)**

The functions of Banco Sabadell's Board of Directors include identifying the Group's main risks and implementing and monitoring the appropriate internal control and information systems, including challenges and tracking and strategic planning of the Group and oversight of management of the material risks and their alignment with the profile defined by the Group.

To this end, it participates directly (or through the Bank's Risk Committee) in monitoring the risk strategy, including the definition of risk appetite, RAF, RAS and policies; monitoring the implementation of the risk culture throughout the organization, and in reviewing the adequacy of the organizational structure to that strategy.

The Board of Directors is the body responsible for establishing the general guidelines on the organizational distribution of the risk management and control functions and for determining the main lines of strategy in this respect, ensuring their consistency with the Group's short- and long-term strategic objectives, as well as with the business plan, capital and liquidity planning, risk capacity and remuneration programmes and policies.

The Board of Directors has indelegable responsibility for: (i) determining the tax strategy; (ii) approving investments or operations considered strategic by virtue of their amount or special characteristics, strategic nature or particular tax risks, unless their approval corresponds to the General Meeting; (iii) approving the creation of special-purpose vehicles or entities resident in jurisdictions designated as tax havens, and the acquisition of shares in such undertakings; and (iv) the approval of any other transactions or operations of a comparable nature whose complexity might impair the transparency of Banco Sabadell and its Group.

Additionally, the Credit Delegated Committee, the Risk Committee, the Remuneration Committee and the Audit and Control Committee are involved in the Group's Global Risk Framework and, therefore, in risk management and control. Moreover, a number of Committees and Divisions have a significant involvement in the risk management.

Specifically, the following committees have been created and have risk control and management functions within the Global Risk Appetite Framework:

- Technical Risk Committee (CTR), the body entrusted with supervising risk management and control in the Bank, meets on a monthly basis and has the following functions:
  - (i) supporting the Risk Committee in fulfilling its functions (which include determining, proposing, reviewing and tracking the body of regulations relating to risk, the Risk Appetite Statement and the frameworks associated with each portfolio and/or risk; supervising the institution's risk on an overall level; tracking the tolerance thresholds of first- and second-tier metrics in the RAS on the basis of established governance, and any adaptation plans);



(ii) monitor, examine and, if appropriate, express approval in relation to matters within the remit of the Committee (approve RAS metrics in accordance with established governance rules; propose to the Risk Committee, for subsequent submission to the Board for approval, any material change in internal models as defined in the Banco Sabadell Model Risk Management and Control Policy, in accordance with its governance; approve asset allocation, based on the policies and metrics set out in the various credit risk frameworks);

(iii) tracking management of doubtful assets and foreclosed assets that together make up the Non-Performing Assets (NPAs), and reporting on this to the Risk Committee; and

(iv) analysing ad-hoc issues in specific portfolios or risk classes, for referral and inclusion in risk management.

- Group Risk Transactions Committee: a management body responsible for overseeing the quality of the Group's credit risk and developing the credit risk acceptance policy for approval by the Board of Directors; it meets on a weekly basis and has the following functions:

(i) approval of credit transactions, including transactions/limits for countries and banks, and of specific criteria in line with the policies under the established delegation of powers;

(ii) delegating powers to lower echelons (autonomies) in accordance with the established delegation of powers, monitoring their use, and referring proposals for changes to the Credit Delegated Committee; and

(iii) monthly reporting to the Credit Delegated Committee of the transactions approved and performed in the previous month.

- NPA Monitoring and Management Committee (CSyGAP): a management body responsible for coordinating the recovery cycle, including avoiding and containing default by promoting forward-looking strategies; it meets once per month and has the following functions:

(i) monitoring the performance of the Bank's loan book, on a sub-portfolio basis, with a focus on anticipation, identifying returns by sector/sub-portfolio, and setting limits in sectors/sub-portfolios with greater emerging risk;

(ii) establish management priorities to be communicated to the business units based on the portfolios/sectors/exposures to be focused on at any given time in order to anticipate potential default and a potential classification as non-performing, including monitoring and management of significant emerging risks with a potential impact on the credit portfolio;

(iii) ensuring coordination between the Risk Division and the business units to reduce the potential for default and delinquency;

(iv) monitoring the portfolio of non-performing assets and the recovery strategy for those assets; and

(v) establishing frameworks, tools and/or algorithms to facilitate decision-making for both monitoring sub-portfolios and managing non-performing assets.

- Assets and Liabilities Committee (ALCO): a management body responsible for optimising and monitoring the management of structural risk in the Banco Sabadell Group's balance sheet, particularly its ALCO portfolio, in accordance with guidelines, objectives and policies defined by the Bank's Board of Directors; it meets every month and has the following functions:

(i) approving and tracking macroeconomic and financial scenarios generated by the Group's Studies Division. Additionally, it must be informed regularly of economic, financial, political and

geopolitical events and, generally, of other external factors capable of influencing the Group's structural risks;

(ii) approving and tracking management of the structural risks in the balance sheet by the Balance Sheet Management unit at Banco Sabadell Spain and the Group, including liquidity risk, Interest Rate Risk in the Banking Book (IRRBB), Credit Spread Risk in the Banking Book (CSRBB) and currency risk;

(iii) delegating monitoring of market risk to the Investment and Liquidity Committee (CIL), and receiving regular reports on this issue;

(iv) optimizing the balance sheet structure vis-à-vis those structural risks in accordance with the guidelines, goals and policies defined by the Board of Directors;

(v) approving risk-adjusted pricing strategies taking account of transfer pricing (FTP) and other transaction costing. As a critical parameter of IRRBB and liquidity risk, approving, at least once per quarter, the liquidity premiums (LTP) that, together with the base rates (ITP), lead to the transfer prices for commercial asset and liability transactions;

(vi) monitoring and defining management guidelines in relation to the structural liquidity position, securities issues, interest rate risk, the ALCO portfolio, transfer prices and the structural currency position;

(vii) functions related to corporate structural risks (GROUP) and local risks at Banco Sabadell Management Unit (UGB BS) level:

- Centralised coordination and supervision of the corporate management function (corporate function)
- Monitoring of financial activity by the Group and UGB BS, with a breakdown of margins, business evolution, product performance, etc.
- Tracking hedges arranged at UGB BS level to manage IRRBB.

(viii) activating and, as appropriate, closing down the Liquidity Contingency Plan, with the possibility of delegating management of a liquidity crisis situation to the Investment and Liquidity Committee (CIL).

- Internal Control Body (OCI): a management body responsible for implementing the policies and procedures established in the Law on the prevention of money laundering and terrorist finance; it meets once per quarter and has the following functions:

(i) deciding whether to notify the Spanish government's anti-money laundering agency (SEPBLAC) of transactions or events likely to be related to money laundering or terrorist financing;

(ii) deciding on reporting to the Commission for the Surveillance of Terrorist Financing Activities of any information related to any event or transaction with respect to which there is an indication or certainty that it is related to the financing of terrorism.

(iii) approving files arising from alerts raised by employees which, after analysis by the Money Laundering and Terrorist Finance Prevention Division (DPBCFT), it is decided not to notify to SEPBLAC;

(iv) approving proposals for responses to requests by SEPBLAC for information about customers and/or transactions;

(v) deciding on whether to maintain or terminate business relationships with customers that are analyzed, on the basis of the established procedure;

(vi) authorising or denying:

- Proposals to establish business relationships with resident financial institutions classified as having above-average high risk.

- The establishment and/or maintenance of business relationships with politically exposed persons or their related parties.
  - The establishment and/or maintenance of business relationships with Spanish-resident customers, whether Spanish nationals and/or those who were born in countries that present strategic deficiencies in their systems for combating money laundering and terrorist financing and are listed in the European Commission's decision adopted in accordance with the provisions of Article 9 of EU Directive 2015/849;
  - (vii) authorising or denying:
    - Exception requests from customers in connection with alerts about unusual transactions.
    - Exception requests from customers operating in countries with certain international restrictions.
    - Exception requests from customers with transactions that require prior authorization.
    - Proposals for corporate transactions in accordance with the Group's Anti-Money Laundering Manual 4815;
  - (viii) approving the annual training plan on the prevention of money laundering and terrorist financing;
  - (ix) approving updates to the internal regulation manuals on the prevention of money laundering and terrorist financing of the Bank and the domestic Group companies that are subject to the Law;
  - (x) designating the members of the delegated committee of the internal control body (OCI) to perform the functions delegated to them with respect to any decision that cannot wait until the OCI's next scheduled meeting; any actions they take must be reported to the next meeting;
  - (xi) approving special analysis files arising from court orders, and on the cancellation, maintenance or restriction of business relations with the analyzed customers;
  - (xii) approving reports regarding material information on possible breaches of the law on the prevention of money laundering and terrorist financing that have been communicated by the Bank's employees, executives or agents, including anonymous reports;
  - (xiii) approving the PMLTF Risk Assessment Report (Self-assessment Report) of the group and of Banco de Sabadell, S.A.
- Corporate Ethics Committee (CEC): this committee reports directly to the Board of Directors, which is the highest body with responsibility for adopting policies in connection with the corporate reputation and ethics. Its main mission is to promote ethical behaviour throughout the organization to ensure compliance with the principles of conduct set out in the Code of Conduct, the Internal Rules of Conduct in connection with the Securities Market (RIC), the Criminal Liability Prevention Policy, the General Policy on Conflicts of Interest and the Anti-Corruption Policy of the Banco Sabadell Group. To this end, the CEC has the following functions:
- (i) proposing amendments to keep the Group's Code of Conduct up to date at all times;
  - (ii) making proposals to the Bank's Board of Directors with regard to any measures required to promote ethical behaviour throughout the organization;
  - (iii) advising the Board of Directors and the Group's corporate and business units on decisions involving aspects that may result in conflicts of values and/or interest, and any matters related to its mission;
  - (iv) monitoring compliance with the provisions of the Group's Code of Conduct and the codes of conduct governing employees and external suppliers of goods and services:

(v) responding to queries, concerns and conflicts that may arise in relation to compliance with the provisions of the Code of Conduct while ensuring confidentiality where appropriate and guaranteeing the absence of reprisals in this connection;

(vi) warning parties involved in potential breaches through the People Division, when the parties are Group employees, or through the Secretary of the Board of Directors of Banco Sabadell, when the parties are members of the Board of Directors;

(vii) fulfilling the functions assigned to it by the Internal Code of Conduct in connection with the Securities Market (RIC);

(viii) monitoring the working, compliance and execution of the Group's Crime Risk and Anti-Corruption Organization and Management Model in accordance with the Criminal Liability Prevention Policy.

The Chief Compliance Officer (CCO) is responsible for the design, monitoring and continuous improvement of the Crime Risk and Anti-Corruption Organization and Management Model in accordance with the provisions of the Criminal Liability Prevention Policy.

The CCO will report to the CEC on the performance of the Crime Risk and Anti-Corruption Organization and Management Model, and on any noteworthy incident or aspect in this area, and the CCO or the CEC may escalate suspicious events or conduct or matters related to the crime compliance targets and, therefore, to the Criminal Liability Prevention Policy and the Crime Risk and Anti-Corruption Organization and Management Model, and, if necessary, to the Board of Directors through that Committee or directly via the CRO;

(ix) supervising all cases of market abuse and reporting them to the CNMV;

(x) reviewing, by delegation from the Board of Directors, the reporting by the Compliance Division on the opinions issued with respect to the review of transactions conducted by Banco Sabadell or its subsidiaries with related parties, in accordance with the internal procedure for disclosure and regular oversight established by the Board of Directors.

The CEC is also responsible for ensuring compliance with the Banco Sabadell Group Policy on the Internal Reporting System and Protection of Reporting Persons and the related Procedure, and for acting as head of the Group's Internal Reporting System (except with respect to the Group's subsidiaries in Mexico and the United Kingdom), appointing the CCO as Secretary of the CEC, and managing and supervising its operation, and protecting good-faith whistleblowers under the terms of the Policy and the Procedure.

- UK Steering Committee: a management body responsible for providing a business overview of TSB Banking Group plc and TSB Bank plc and their subsidiaries and reviewing proposals to be presented to TSB's governing bodies that require validation by the Group. It performs its functions in accordance with the TSB-Banco Sabadell relationship framework and its Terms of Reference.

## 6.3. Main risks (E.3)

The Group has established a taxonomy of risks that includes the risks to which it is exposed in the performance of its activities. Specifically, it identifies the following first-tier and second-tier risks:

### 6.3.1. Strategy risk

Risk of losses (or negative impacts in general) as a result of the adoption or subsequent implementation of strategic decisions. It also includes the inability of the Group's business model to adapt to changes in the environment in which it operates. This risk includes:

- Solvency risk: the risk of not having sufficient capital, in terms of quality or quantity, to achieve the strategic and business objectives, withstand operating losses or fulfil regulatory requirements and/or the expectations of the market where it operates.
- Business risk: the possibility of incurring losses as a result of adverse events with a negative impact on the capacity, strength and recurrence of the income statement, whether its viability (short term) or its sustainability (medium term).
- Reputational risk: the risk, present or future, that the Bank's ability to compete may be negatively affected by: i) acts or omissions made by or attributed to the Group, senior management or its governing bodies; ii) or for maintaining business relationships with counterparties with a questionable reputation such as to create a negative perception on the part of its stakeholders (regulators, employees, customers, shareholders, investors and society in general).
- Environmental risk: the risk of loss arising from present and potential future impacts of environmental risk factors on counterparties or invested assets, and on aspects affecting financial institutions as legal persons. Environmental factors are related to the quality and functioning of natural systems and environments, and include factors such as climate change and environmental degradation. All of them can positively or negatively impact the financial performance or solvency of an entity, sovereign state or individual. Those factors may be mainly physical (deriving from climate change and environmental degradation, including an increased frequency of extreme weather events and gradual changes in climate patterns and in ecosystem equilibria) and transitional (resulting from the process of adjustment towards an environmentally-stable economy: lower emissions, higher energy efficiency, and lower consumption of natural resources, inter alia).

### 6.3.2. Credit risk

The possibility that losses may be incurred as a result of borrowers failing to meet their obligations or through losses in value due simply to deterioration in borrower quality. This risk includes:

- Borrower default risk: the risk that borrowers fail to honour their payment obligations in a timely manner; it also includes the risk of fraud in applications for credit and the risk of dilution arising, for example, from a business dispute..
- Concentration risk: the level of exposure to a group of economic groups which, due to their importance, might generate significant credit losses in the event of an adverse economic situation.
- Counterparty risk: a type of credit risk that arises where, in a transaction involving derivatives or repos with deferred settlement or

on margin, the counterparty defaults before the final settlement of the transaction cash flows.

- Country risk: the risk arising in the debts of a country, taken as a whole, as a result of reasons inherent to the country's sovereignty and economic and political situation, i.e. for circumstances other than regular credit risk. It manifests itself in a debtor's potential inability to honour their foreign currency payment obligations to external creditors due, among other reasons, to the country preventing access to foreign currency, the inability to transfer it, or the non-enforceability of legal action against borrowers for reasons of sovereignty, war, expropriation or nationalization. Country risk affects not only debts contracted with a State or entities guaranteed by it but also all private debtors that belong to such State and who, for reasons outside their control and not at their volition, find themselves generally unable to honour debts.
- Non-performing asset (NPA) risk: the risk of incurring higher costs or losses associated with managing doubtful and/or foreclosed assets.
- Equity risk: the risk of incurring losses or of an impairment of the Group's solvency as a result of adverse movements in market prices, losses on sales or the insolvency of medium and long-term investments made through capital instruments. It refers basically to the Group's portfolio of equity holdings (listed and unlisted), including the portfolio of associates over which it exerts significant influence.

### 6.3.3. Finance risk

The possibility of obtaining insufficient returns or having insufficient liquidity such as to prevent compliance with requirements and future expectations. This risk includes:

- Liquidity risk: the possibility of incurring losses as a result of the Bank being unable, albeit temporarily, to honour payment commitments due to a lack of liquid assets, or of it being unable to access the markets to obtain finance at a reasonable price. Accordingly, liquidity risk is inherent to the Bank's funding structure and market conditions.
- Exchange rate risk: the possibility of incurring losses on net positions in currencies other than the functional currency arising from investments in the equity of subsidiaries or in the endowment funds of foreign branches.
- Interest Rate Risk in the Banking Book (IRRBB): the interest rate risk on positions that are not part of the trading book (IRRBB), i.e. the potential current or future losses to an entity's capital or earnings as a result of adverse fluctuations in interest rates.
- Market risk: arising from the possibility of loss in the market value of financial asset positions due to variations in risk factors with an impact on their market prices or volatility or the correlation between them. This refers in particular to trading positions.
- Credit Spread Risk in the Banking Book (CSRBB): risk of loss in the equity and P&L accounts of an entity driven by changes of the market price for credit risk, for liquidity and for potentially other characteristics of credit-risky instruments, which is not captured by another existing prudential framework such as IRRBB or by expected credit/(jump-to-) default risk. CSRBB captures the risk of an instrument's changing spread while *prima facie* disregarding idiosyncratic events and assuming the same level of creditworthiness, i.e., how the credit spread is moving within a certain rating / PD range.



## 6.3.4. Operational risk

Operational risk is defined as the risk of losses resulting from failures or inadequacies in processes, people and internal systems or from external events. This definition includes, but is not limited to, compliance risk, model risk and information and communication technology (ICT) risk, but does not include strategy risk or reputational risk. This risk includes:

- Fraud risk: the possibility, present or future, of losses arising from actions, by employees or by third parties, with the intent to defraud, misappropriate, or evade regulations, laws or company policies.
- Conduct risk: broadly speaking, the possibility, current or future, of losses arising from the inadequate provision of financial services or any other activity carried out by the Institution, due to improper conduct vis-à-vis customers (current or potential), employees (respect for human rights, equality, well-being, inclusion, or workplace safety and hygiene), shareholders and suppliers, markets, political parties or society in general, including cases of wilful or negligent conduct.
- Process risk: the possibility of incurring losses due to failures in process management, execution or delivery or to inadequate processes.
- Technology risk (or ICT risk): the risk, present or future, of losses due to inadequacy or failures in the hardware and software of technical infrastructures that may compromise the availability, integrity, accessibility, confidentiality or traceability of infrastructure, applications and data, or the impossibility of changing technology platforms in a reasonable time scale and at a reasonable cost in the face of changes in the needs of the environment or the business. Also included are security risks resulting from inadequacy or failures in internal processes or external events, including cyber attacks and inadequate physical security at data processing centres.
- Outsourcing risk: the risk, present or future, of losses arising from the use of a third party's resources and/or media to perform, on a normalised stable, permanent basis, certain processes of the outsourcing company, which inherently entails exposure to a series of underlying risks, such as operational risk, including conduct risk, information and communication technology (ICT) risk, reputational risk, concentration risk and lock-in risk.
- Talent/management risk: the risk of incurring losses due to events arising from the Group's relations with employees, associated, for example, with the non-availability of suitable profiles, staff rotation and replacement, employee dissatisfaction, etc.
- Model risk: the risk, present or future, to an institution as a result of decisions based primarily on the results of internal models, due to errors in the design, application or use of those models.
- Data aggregation risk: the risk associated with inappropriate processing and/or consideration of data within the entity that might affect the accuracy, preparation, dissemination and, where appropriate, publication of relevant reporting used in decision making, including, but not limited to, data risk and regulatory and financial reporting risk.
- Compliance risk: the risk of incurring legal or administrative sanctions, significant monetary losses or an impairment of reputation due to breach of laws, regulations, internal rules, or codes of conduct applicable to the banking industry.
- Tax risk: the probability of failing to comply with the objectives set out in the Group's tax strategy from a dual perspective due to either internal or external factors:
  - (i) Firstly, the probability of failing to comply with tax obligations that may result in a failure to pay taxes that are due or the

occurrence of any other event that impairs attainment of the Bank's goals.

(ii) Secondly, the probability of paying taxes not actually due, thus impairing the position of shareholders or other stakeholders.

## 6.4. Levels of risk tolerance, including tax risk (E.4)

The risk appetite is a key element in setting the risk strategy, since it determines the scope. The risk appetite that the Group is willing to assume in order to achieve its objectives is approved by the Board of Directors.

The Group has a Risk Appetite Framework (RAF) that sets out the governance framework regulating the risk appetite and, consequently, establishes the structure and mechanisms associated with the governance, definition, disclosure, management, measurement, monitoring and control of the Group's Risk Appetite as established by Banco Sabadell's Board of Directors.

Effective implementation of the RAF requires an appropriate combination of policies, processes, controls, systems and procedures to achieve a set of defined objectives, and to do so in an effective and continuous manner.

The Group also has a Risk Appetite Statement (RAS), which is a key element in determining the risk strategy, as it defines both qualitative aspects and quantitative metrics expressed in terms of capital, asset quality, liquidity, profitability or any other magnitude that is considered to be pertinent.

The qualitative aspects essentially enable the Group to define its position vis-à-vis certain risks when they are difficult to quantify.

The purpose of the quantitative metrics defined in the RAS is to provide objective elements for comparing the Group's situation with respect to the proposed risk management goals and challenges.

These quantitative metrics follow a hierarchical structure, as established in the RAF, structured in three levels: Board metrics (tier one), Executive metrics (tier two) and Operational metrics (tier three). Each level of metrics has its own mechanisms for approval, monitoring and action when thresholds are breached.

In order to be able, at an early stage, to detect a potential deterioration in the risk position and, consequently, be in a position to better monitor and oversee the situation, the RAS sets out a system of thresholds associated with quantitative metrics. These thresholds reflect the desirable risk levels for each metric, as well as the levels to be avoided, exceedance of which may trigger adaptation plans aimed at redressing the situation. The thresholds are graduated on the basis of severity, enabling preventive action to be taken before excessive levels are reached. Whether some or all the thresholds are set for a given metric will depend on its nature and its hierarchy within the RAS metric structure.

In addition to the Group's RAF and RAS, each subsidiary has a Local RAF and a Local RAS, which, based on the principle of proportionality, develop adapting it to the local situation.

As for tax risk, one of the main principles of the tax strategy referred to in section "6.1 Scope of the Bank's Risk Control and Management System, including that relating to tax risks (E1)" above is to minimise tax risk. This statement applies to all risks identified in section "6.3 Main risks (E3)" above.

## 6.5. Risks, including tax risks, that materialised during the year (E.5)

Finance inherently involves risk, and the materialization of such risk is inherent to the Group's business. The Group provides detailed information of the risks in Note 4 "Risk Management" in the Notes to the Consolidated Financial Statements of Banco Sabadell Group, which are available on the corporate website ([www.grupobancosabadell.com](http://www.grupobancosabadell.com) – Information for shareholders and investors – Financial information – Annual Reports).

## 6.6. Response and supervision plans for the Bank's main risks, including tax risks, as well as the procedures applied by the Bank to ensure that the Board of Directors responds to emerging challenges (E.6)

In accordance with the provisions of the Risk Appetite Framework (RAF), the Group's Risk Appetite Statement (RAS) has a solid governance process which ensures its proper deployment to all participants in the decision-making process. Consequently, the RAS follows a set of guidelines for approval/review, regular monitoring and oversight (including notification of breaches) and deployment to Group subsidiaries.

Specifically, the mechanisms for regular tracking of the RAS ensure a high degree of involvement at all times by the Group's governing bodies, which must have an updated vision of compliance and adaptation to the Risk Appetite defined for the Group, making it possible to make informed decisions. Accordingly, depending on their nature and hierarchy, the metrics in the Group RAS are reported regularly to different echelons (including the Board of Directors and the Risk Committee) and committees, and there is a procedure for giving notice of breaches.

In the event of a breach, the RAF identifies the Governing Bodies and Committees that must receive notice of the breach, as well as the need to define an Adaptation Plan, and defines its main characteristics, such as the parties responsible for approving it, deadlines, and mandatory content.

The main mechanisms implemented by the Group for monitoring and supervising risks are the following:

- Risk governance through the definition of the Risk Appetite in the RAS (via quantitative metrics and qualitative aspects) and the set of risk policies.
- Evaluation of the risk profile through a systematic process that provides a comprehensive view of the risks and risk tracking.
- Regular reporting of risks, mainly via the Risk Committee scorecard, which facilitates risk tracking. Specifically, that reporting covers at least the principal risks, maintaining a balance between qualitative data and comments, and, where possible, it incorporates prospective measures, information on risk appetite limits and emerging risks. Oversight is also exercised to ensure a homogeneous integrated vision at Group level, without prejudice to including the local perspective.
- Forward-looking risk management by using stress scenarios in cases where this is considered to be meaningful, which also makes it possible to identify new risks.

The Group has also established an organizational model for assigning and coordinating risk control responsibilities based on the three lines of defence. This model is elaborated upon, for each risk,

in the policies that make up the Group's body of regulations, in which specific responsibilities are established for each of the three lines of defence. In this regard, the risk policies set out and assign responsibilities, as appropriate, to the following functions:

- The first line of defence is directly responsible for the business and is in charge of identifying, quantifying, mitigating and managing risks based on an established framework. Accordingly, it is responsible for maintaining sufficient effective internal controls and for implementing corrective actions to remedy deficiencies in its processes and controls, and for defining a strategy for each risk.
- The second line of defence must ensure that the first line of defence is properly designed and fulfils its assigned functions, and it provides advice on continuous improvement. It is in charge of crosschecking the identification of current and emerging risks by the first line of defence, and of assessing the adequacy and effectiveness of their control environments. It also performs an annual risk assessment of the Group's risk profile.
- The third line of defence assists the Group in meeting its objectives by providing a systematic disciplined approach to assessing the adequacy and effectiveness of governance processes and of risk management and internal control activities in the organization.

More information regarding the systems for controlling the risks to which the Group is exposed can be found in the Annual Report, specifically Note 4 "Risk Management" of the Notes to the Consolidated Financial Statements of Banco Sabadell Group, available on the corporate website: [www.grupobancosabadell.com](http://www.grupobancosabadell.com) – Shareholder and Investor Information – Financial Information – Annual Reports.



# 7. Internal Control and Risk Management Systems in relation to the Financial Reporting Process (ICFR) (F)

## 7.1. Control environment (F.1)

### 7.1.1. Governance and governing bodies

Article 5 of the Board of Directors Regulation states that the Board of Directors is an instrument of supervision and control with responsibility for identifying the company's and the consolidated Group's main risks and implementing and monitoring suitable internal control and reporting systems, as well as setting policies on the reporting and disclosure of information to shareholders, the markets and the general public.

In addition, as provided in Article 16 of its Regulation, the Board of Directors delegates supervision of internal control systems to the Audit and Control Committee.

The functions of the Group's Internal Audit Division include supporting the Audit and Control Committee in supervising the proper design and implementation and effective functioning of the risk management and control systems, which include ICFR and ICSR.

The responsibilities of the Internal Control Division include ensuring effective control of all risks related to ICFR, as well as compliance with the established procedures and the alignment of risk management with the defined risk appetite.

The Finance Division contributes to implementing the general framework of the internal control systems that are rolled out across the entire organization.

Part of that contribution materialises in responsibility for designing and implementing internal control systems for financial reporting that ensure the accuracy of the financial information that is generated.

### 7.1.2. Positions of responsibility

The design and review of the organizational structure is the responsibility of the Global Organization and Corporate Projects Division, based on Banco Sabadell Group's Master Plan and current banking regulations. That Division analyzes and adapts the functions and organizational structure of each Division to bring it into line with the established objectives and the current regulations. Modifications to the organizational structure of the members of the Management Committee are submitted to the Board of Directors for approval, while modifications to the organizational structure of the reports to the members of the Management Committee are presented to the Management Committee for approval.

At the same time, the details of all the departments/units/offices are sent on a monthly basis to the People Division showing all the modifications that have been made, so that they can be equipped with the resources considered necessary to perform their duties.

The organization chart of Banco Sabadell Group arising from the above process addresses all the departments, areas and divisions into which Banco Sabadell Group is divided. This organization chart is



complemented by the policies and procedures of each Division, which determine the framework for action and the responsibilities of each unit of the Bank.

### 7.1.3. Code of conduct

The Banco Sabadell Group has a Group Code of Conduct that has been reviewed and updated and has been accepted by the personnel. The text, which was approved by the Board of Directors, is available to all members of the Group and they are required to expressly adhere to it. Its fundamental principles include a commitment to transparency and, in particular, it reflects the commitment to make all financial and corporate information available to shareholders. The purpose is to comply strictly with Banco Sabadell Group's obligation to offer reliable financial reporting prepared in accordance with the regulations so as to present a true and fair view of the company. It also sets out the responsibilities of its employees and executives to ensure this is so, via both proper discharge of their duties and notification to the governing bodies of any circumstance which might affect this commitment.

There is a Corporate Ethics Committee whose functions include fostering ethical behaviour throughout the organization, making proposals and advising both the Board of Directors and the various corporate and business units in connection with decisions that refer to issues that may lead to conflicts of values and/or interests.

Among the tasks carried out by the Corporate Ethics Committee is the analysis of compliance with the Code of Conduct or any other code or self-regulation that exists. In order to perform its functions, it has access to the human and material resources of the Compliance Division. If, as a consequence of exercising its functions, it detects any non-compliance, it must advise the People Division for the application of corrective actions and sanctions. Additionally, the Corporate Ethics Committee has been designated by the Board of Directors as being in charge of supervision and compliance with the crime risk and anti-corruption organization and management model, and is also the body in charge of the internal information system.

The Crime Risk and Anti-Corruption Organization and Management Model is re-assessed every year and, as a sign of their commitment to it, personnel are required to sign on to the main underlying policies, the Criminal Liability Prevention Policy and the Anti-Corruption Policy.

In 2022, AENOR Internacional S.A.U. conducted a full audit of the model to verify and certify that Banco Sabadell's model met the requirements of UNE 19601 for criminal compliance management systems and ISO 37001 for anti-bribery management systems. The bank obtained both certificates in early 2023. After passing a follow-up audit by AENOR, the certificates remained in place in 2024. The auditors identified no non-conformities with the model.

### 7.1.4. Whistleblower channel

As part of the commitment to a culture of ethics and compliance, there is an Internal Information System in place for reporting, generally, any actions or omissions that may constitute a breach of current legislation, the Banco Sabadell Group Code of Conduct or other internal regulations of the Group (including regulations on the prevention of money laundering and combating the financing of terrorism).

As the Group's controlling company, Banco Sabadell has a Whistleblower Channel available to its stakeholders and subsidiaries (except in Mexico and the United Kingdom, which have their own

channels), branches and representative offices in other countries, as a formal mechanism for reporting irregularities or infringements, and which forms part of the Group's Internal Information System, one of the guiding principles of its operation being the protection of the person presenting a query or report.

The Whistleblower Channel, hosted on a platform that can be accessed via the web (<https://canaldenunciasgrupo.bancsabadell.com>), is the primary means of reporting, detecting and managing possible irregularities that might jeopardise this commitment or entail a criminal offence. Any employee of the Group or any person related to it (subcontracted personnel, freelance service providers, suppliers, etc.) must report any information or indication of non-compliance with the Code of Conduct or of the possible commission of a crime of which they become aware.

Reports may be made openly or anonymously; in all cases, there is an assurance of confidentiality with respect to the identity of the person making a communication, of any other person involved, as well as any information provided, the protection of personal data, the right of defence, the presumption of innocence and the right to honour of all persons affected, and there is also a guarantee that there will not be any reprisals where the channel is used in good faith.

The Bank operates a policy and a procedure to enable and protect whistleblowers. The policy is published on the whistleblower platform and the corporate website. Both documents are also available on the corporate intranet to Group employees and anyone with a connection to the Group, where the principles and safeguards of the whistleblower channel and the way in which whistleblowing reports are handled step by step are described.

## 7.1.5. Training

As regards training and refresher programmes and particularly regarding the financial reporting process, the Finance Division provides training on the basis of emerging needs in order to address any new issues arising in connection with the Bank's internal accounting/finance processes, applicable national and international regulations, together with training in the use of software, the goal being to facilitate management and oversight of the financial reporting process. The professionals in the Finance Division also participate regularly in workshops and events that deal with matters of accounting and prudential regulations that are applicable to the Bank.

Training is taught chiefly by internal professionals of Banco Sabadell Group and by external experts who are specialists in the subject area.

In addition, the People Division places a series of financial training courses at the disposal of Banco Sabadell Group employees, which they can take online. The most notable courses refer to IFRS (International Financial Reporting Standards), financial mathematics, financial analysis and general tax matters.

The Internal Audit Division has a training plan in place for all its professionals which includes a Higher Specialist Programme in Internal Auditing of Credit Institutions (PSAI) at a prestigious academic institution. The course covers areas such as accounting principles and financial reporting, the basics of auditing, and financial risk monitoring and management. Furthermore, in 2024 members of the Internal Audit Division took part in workshops, among others, on sustainability and the updates introduced by Corporate Sustainability Reporting Directive 2022/2464 (CSRD). Additionally, a large number of auditors are certified to the Internal Control – Integrated Framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

## 7.2. Evaluation of financial reporting risks (F.2)

Banco Sabadell Group's process of identifying the risk of error or the probability of fraud in financial reporting is documented in a manual which sets out the frequency, methods, types of risks and other basic features of the process.

The process covers all the financial reporting objectives (existence and occurrence; integrity; valuation; presentation, itemization and comparability; and rights and obligations) and focuses on identifying risks of material error based on transaction complexity, quantitative and qualitative materiality, complexity of the calculations and application of judgements and estimations, updated on a quarterly basis. In any event, if (i) circumstances not previously identified leading to the possibility of errors in the financial information, or (ii) material changes to the operations of Banco Sabadell Group arise during the year, the Finance Division evaluates the risks to be added to those already identified.

The process is subject to continuous assessment, considering aspects that may lead to modifications of the internal control model, such as regulatory changes and developments in the macroeconomic environment, the incorporation of new products, the modification of processes to generate financial information, or the identification of one-off transactions.

Once they have been identified, they are reviewed so as to analyze the potential risks of error for these types of transactions in each financial reporting objective. In the case of one-off transactions (i.e. quite complex non-recurring transactions), a specific analysis is performed on a half-yearly basis to assess whether new risks have arisen that need to be mitigated.

The process for identifying the consolidation scope is detailed in section "7.3. Control activities (F.3, F.6)" of this document.

In addition, the process considers the risk of error in certain processes not linked to specific transaction types but which are especially important in view of their impact on financial reporting, such as the process of reviewing judgements and estimates, significant accounting policies and the closing and consolidation process. In this respect, and with a view to covering the risks of these processes, Banco Sabadell Group has the control activities described in the next section "7.3 Control activities (F.3, F.6)" of this document. It should also be noted that the risk identification process takes into account the possible effects of other types of risks (operational, technology, financial, legal, reputational, environmental, etc.), insofar as these may affect the financial statements.

The aforementioned process is conducted and documented by the Global Financial Control Division and is supervised ultimately by the Audit and Control Committee.

## 7.3. Control activities (F.3, F.6)

### 7.3.1. Procedures for reviewing and authorising financial reporting

The procedure for reviewing and authorising Banco Sabadell Group's financial reporting to the markets commences with a review by the Finance Division. The separate and consolidated financial statements and the condensed interim consolidated financial statements for the six months ended 30 June are reviewed by the Audit and Control Committee prior to authorization for issue by the Board, as established in the Board

Regulations. In accordance with its terms of reference, the Audit and Control Committee reads and discusses the information with the heads of the Finance and Internal Audit Divisions and with the external auditors prior to submission to the Board of Directors.

Once the Audit and Control Committee has vetted the information and either approved it or attached its comments, the CFO and CEO of Banco Sabadell certify the content of the financial statements and submit them to the Board of Directors for authorization. The consolidated condensed financial statements for the six-month period ended 30 June are audited by the statutory auditor. This audit is purely voluntary.

The Audit and Control Committee reviews the quarterly financial disclosures (income statement and trend of the main balance sheet items) before they are submitted to the Board of Directors. In addition, it tracks the most significant technical and accounting aspects, and the results, on a monthly basis.

With regard to the activities and controls directly relating to transactions that may have a significant impact on the financial statements, Banco Sabadell Group has descriptions of the controls in place to mitigate the risk of material error (intentional or otherwise) in the information reported to the markets. For the critical areas of Banco Sabadell Group, special emphasis is placed on developing solid descriptions of the activities and controls.

These descriptions contain information on what form the control activity should take, its purpose (risk to be mitigated), the party responsible for executing it and the frequency. The descriptions cover controls on the proper accounting, measurement, presentation and disclosure of these areas.

The Banco Sabadell Group also has procedures for mitigating the risk of error in processes not related to specific transactions. In particular, there are procedures defined for the accounting close which include the consolidation process and review procedures for material judgements and estimates, which are escalated to senior management and reported to the Audit and Control Committee.

With regard to the consolidation process within the accounting close, procedures have been implemented to ensure proper identification of the consolidation scope. In particular, the Banco Sabadell Group conducts a monthly analysis of the consolidation scope, requesting the necessary information from all subsidiaries; the analysis covers all types of corporate structures.

Judgements and estimates are reviewed at different levels by members of the Finance Division. In addition, in its financial statements the Banco Sabadell Group describes the most important areas in which judgements and estimates are made, together with the key assumptions made in this connection. It also has procedures for reviewing accounting estimates. The main judgements and estimates made relate to the determination of a significant increase in the risk of financial assets, impairment losses on certain financial assets and off-balance sheet exposures, actuarial calculations relating to pension liabilities and commitments, the useful lives of tangible and intangible assets and their impairment losses, measurement of goodwill, provisions and the classification of contingent liabilities, the fair value of certain unlisted financial assets, the fair value of real estate assets and the recoverability of non-monetisable deferred tax assets and tax credits.

The Banco Sabadell Finance Division has implemented a software application that includes and formalises all the ICFR controls referred to above while, at the same time, ensuring ongoing identification of new risks to be considered and updates to mitigating controls in each accounting close. This application enables the controls to be validated on time and properly with the aim of guaranteeing the reliability of the financial reporting. The software features are designed to take account of the recommendations in the CNMV's guide entitled "Internal Control over Financial Reporting in Listed Companies," based on the principles and

good practices contained in the COSO report (Committee of Sponsoring Organizations of the Treadway Commission).

In addition, in order to make the ICFR validation process more robust, the controls involved in ICFR are certified for the closing of the financial statements for the year and for the consolidated condensed financial statements for the six-month period ended 30 June. This process consists of three sequential levels of certification and flows hierarchically through the organization to the members of the Management Committee.

## 7.3.2. Internal control policies and procedures over information systems

Banco Sabadell Group uses information systems to maintain an adequate record and control of its operations and is, consequently, highly dependent on them working properly.

As part of the process to identify risks of error in financial reporting, Banco Sabadell Group identifies which systems and applications are important in each of the areas or processes considered to be material. The identified systems and applications include those used directly in preparing the financial information and those that are important for ensuring that the controls to mitigate the risk of errors are effective.

The design and implementation of the applications define a methodological framework that establishes various points of control to ensure that the solution complies with user requirements and meets the required standards of reliability, efficiency and maintainability.

Any change regarding infrastructures or applications is handled via the change management service, which defines the change approval flow, which may be escalated to the Change Committee, with a definition of the impact and the possibility of roll-back.

The Technology Division sets out, in control policies and standards, the measures for managing and protecting the information systems to ensure the availability, integrity and confidentiality of data, and the resilience of systems in response to disruptions and cyberthreats. Such measures include:

- Measures to ensure secure access to data: access control, recertification, two-factor authentication, system protection against malware.
- Measures to ensure monitoring and response to technological disruptions and cyber events: systems for monitoring and correlating security event, equipment monitoring and incident response (24x7), scheduled technical and business continuity testing, data back-up and restoration.
- Measures to safeguard change management in infrastructure and data: technical and functional testing, change approval process.

This Division also engages in continuous review and assessment of information systems and security controls to ensure that the protection, prevention, detection, response and recovery measures are commensurate with the technological threats. The cybersecurity and resilience status is reported periodically to bodies such as the Board of Directors, the Risk Committee and the Management Committee.

### 7.3.3. Internal control policies and procedures for outsourced activities and appraisals

Banco Sabadell Group regularly examines whether activities carried out by third parties are material to the financial reporting process or might indirectly affect its reliability. To date, Banco Sabadell Group has not outsourced processes with a material impact on financial reporting. However, Banco Sabadell Group regularly uses reports from independent experts for measuring transactions that may materially affect the financial statements.

In 2024, the activities outsourced to third parties (assessments, appraisals and calculations by independent experts) were connected with real estate valuations, valuing equity holdings, measuring post-employment benefits for employees, reviewing goodwill/cash generating units and the recoverability of deferred tax assets and review of the fair value of financial assets recognised at amortised cost.

The units of Banco Sabadell Group responsible for these operations exercise oversight on the work of the external experts to check their competence, skills, accreditation and independence together with the validity of the data and methods used and the reasonableness of the assumptions applied, as described in the preceding section “7.3.1 Procedures for reviewing and authorising financial reporting”.

## 7.4. Information and reporting (F.4)

### 7.4.1. Function in charge of accounting policies

The Accounting Regulation and Financial Reporting Division (under the Group Accounting and Reporting Division) is the unit responsible for identifying and defining the accounting policies that affect the Banco Sabadell Group and for responding to queries concerning accounting from the subsidiaries and business units.

The Group Accounting and Reporting Division is responsible for informing Banco Sabadell Group senior management regarding new accounting standards, the results of their implementation and their impact on the financial statements of Banco Sabadell Group.

The functions of the Technical Committee on Accounting and Financial Disclosures include reviewing and updating policies related to financial reporting, approving the general accounting criteria and procedures, approving and reporting on the accounting treatment adopted by the Management Committee and the Audit and Control Committee, and determining the transactions that, in accordance with the established procedures, need to be cross-checked by an independent accounting expert.

Banco Sabadell Group has guides on accounting procedure that conform to the needs, requirements and dimension of Banco Sabadell Group; they set out and explain the rules for preparing financial reporting and describe how to apply the rules to Banco Sabadell's specific operations. These documents not only refer explicitly to the standards applied to each type of transaction but also elaborate upon and interpret them.

These documents are updated at least once per year. Significant modifications are notified to the dependent companies to which they are applicable.



## 7.4.2. Mechanisms for preparing financial reporting

The main IT systems and applications used in generating financial reporting by Banco Sabadell Group are centralised and interconnected. There are procedures and controls that monitor system development and maintenance, as well as their proper performance, continuity and security.

During consolidation and the preparation of the financial reporting, inputs such as the financial statements issued by Group subsidiaries are used in the established formats, together with the rest of the financial information required both for accounting harmonization and for meeting the disclosure requirements.

Banco Sabadell Group has consolidation software that incorporates a series of controls to ensure that the information received from subsidiaries is reliable and is processed properly, notably checks to ensure consolidation entries were posted correctly, an analysis of variations in all balance sheet and income statement items, variations in the results obtained with respect to proper insertion of Group undertakings' financial statements, the monthly and annual budget, and specific checks on the financial statements, in which the balance sheet and profit and loss account items are cross-checked.

The Banco Sabadell Group also relies on an IT tool for the preparation of the annual financial statements and directors' reports and the consolidated condensed financial statements and directors' report for the six-month period ending 30 June. The software makes it possible to add checks to ensure that the information in the accounts is internally coherent and that the arithmetic totals of the financial statements and the tables contained in the notes to financial statements are correct.

## 7.5. Supervision of system operation (F.5)

### 7.5.1. ICFR supervision

In accordance with the Board of Directors Regulation, the Audit and Control Committee is entrusted with oversight of Internal Audit. Additionally, the Audit and Control Committee's functions include advising the Board of Directors on the Internal Audit plan, assessing the outcome of each audit, and prioritising and tracking corrective measures.

The Bank's Internal Audit Division reports directly to the Audit and Control Committee, which grants it hierarchical and functional independence from the rest of Banco Sabadell's departments and positions the function at an appropriate level of the organization.

On the basis of its policy, which was approved by the Board of Directors, the functions of the Internal Audit Division include supporting the Audit and Control Committee in supervising the proper design and implementation, and the effective functioning, of the risk management and control systems.

The Internal Audit Plan that the Board of Directors approved at a meeting on 31 January 2024, based on a favourable report by the Audit and Control Committee, set out, inter alia, the actions to be implemented with respect to the areas or processes considered to have the highest residual risk on the basis of a risk assessment exercise. The actions set out in the Plan were implemented in 2024, prioritised as necessary to comply with the supervisor's requirements and to take account of the significant changes and exceptional transactions in the year, in some of which a review was conducted of the financial control environment and, in particular, the proper identification of risks in processes, as well as the

sufficiency, design, implementation and effective operation of financial existing controls. The general controls on reporting systems indicated in the preceding section, “7.3.2 Internal control policies and procedures over information systems”, are reviewed every year.

At each financial close, the Finance Division assesses the internal control model, considering its periodicity, the risks in the financial reporting processes, and the adequacy and effectiveness of the controls that mitigate them, and it produces and custodies evidence that each specific control was performed. The Finance Division also continuously evaluates aspects that may lead to changes in the internal control model — including regulatory changes, the introduction of new products, and amendments to Banco Sabadell's processes — and identifies the risks associated with them and designs controls to mitigate them; it also reviews the criticality of the controls and the changes in the materiality of processes with an accounting impact.

The responsibilities of the Internal Control Division include ensuring effective control of all risks related to ICFR, as well as compliance with the established procedures and the alignment of risk management with the defined risk appetite.

In addition to the aforementioned supervisory activities carried out by the ICFR Division, the Audit and Control Committee and the Internal Audit Division, in 2024 the external auditor reviewed the information relating to the ICFR, with no adverse findings in the auditor's report on “Information on ICFR” as indicated in section “7.6 External auditors' report (F.7)” in this report.

## 7.5.2. Detecting and managing weaknesses

The Audit and Control Committee meets at least once every three months (prior to the publication of the regulated disclosures) in order to obtain and analyze the necessary information to fulfil the functions entrusted to it by the Board of Directors in connection with supervising the process of producing and presenting the mandatory financial disclosures.

These meetings carry out an in-depth review of the annual and half-yearly accounts and the interim financial statements of the company together with the rest of the information made available to the market. To carry out this process, the Audit and Control Committee first receives all the documentation and meets with the CFO, the internal audit units and the external auditor (in the case of the annual and half-yearly accounts) in order to ensure proper application of the current accounting standards and the reliability of the financial reporting. In addition, this discussion process assesses any ICFR weaknesses that were identified, the proposals to correct them and the status of any actions that have been taken.

The Group's auditor has direct access to the Group's senior management and holds regular meetings to obtain the necessary information and to report on any control weaknesses detected during the audit. With regard to the latter, the external auditor submits a report each year to the Audit and Control Committee detailing any internal control weaknesses that were detected and any action plans that were implemented to remedy them.

## 7.6. External auditors' report (F.7)

Banco Sabadell Group submitted the ICFR information supplied to the markets for 2024 to the external auditor for review. The report by the external auditor (KPMG Auditores, S.L.) will be attached as an annex to this annual report on corporate governance once it is available.

The scope of the auditor's review is determined by "Guía de Actuación y Modelo de Informe del Auditor referidos a la Información relativa al Sistema de Control Interno sobre la Información Financiera (SCIIF) de las Entidades Cotizadas", issued by means of Circular E14/2013, dated 19 July 2013, of the Instituto de Censores Jurados de Cuentas de España.

## 8. Degree of compliance with corporate governance recommendations (G)

The degree to which Banco Sabadell complies with the recommendations in the Code of Good Governance for Listed Companies is detailed in section G of the Statistical Annex to the Annual Report on Corporate Governance 2024 attached to this report.

## 9. Other information (H)

Since 2017, Banco Sabadell has adopted the Code of Good Tax Practices approved by the Large Company Forum on 20 July 2010 and applies its recommendations.

Banco Sabadell is a member of the Large Company Forum and voluntarily files an "Annual Tax Transparency Report"<sup>4</sup> with the Spanish tax authorities (AEAT).

Additionally, through its UK subsidiary, in 2014 it adopted the "Code of Practice on Taxation for Banks" promoted by the UK tax authorities, and is in compliance with its contents.

In April 2012, Banco Sabadell adopted the Code of Good Practice for the protection of mortgagors experiencing financial hardship (Royal Decree-Law 6/2012 of 9 March) and, on 16 December 2022, Banco Sabadell adopted the Code of Good Practices for mortgage debtors at risk of vulnerability (Royal Decree-Law 19/2022 of 22 November), and continues to adhere to it following the amendments made to the Code in December 2023 and to Royal Decree-Law 7/2024 of 11 November 2024.

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This annual corporate governance report was approved by Banco Sabadell's Board of Directors at a meeting on:

**29/01/2025**

No directors abstained or voted against the adoption of this report.

The English version is a translation of the original in Spanish and is provided for information purposes only. In case of discrepancy, the original version in Spanish shall prevail.

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<sup>4</sup> The "Annual Tax Transparency Report" for 2023 was filed with the AEAT in October 2024.

# Statistical annex

## **ISSUER IDENTIFICATION DATA**

Date of end of reference year: 31/12/2024

Tax ID number: A-08000143

Company name:

**BANCO DE SABADELL, S.A.**

Business address:

AV. ÓSCAR ESPLÁ N. 37 (ALICANTE)

## A. OWNERSHIP STRUCTURE

**A.1. Complete the following table on the capital stock and related voting rights, including any shares with loyalty voting rights, as of year-end:**

Indicate whether the Articles of Association provide for double votes for loyalty:

- ☐ Yes  
☒ No

Date of last change	Share capital (€)	No. of shares	No. of voting rights
11/12/2023	680,027,680.87	5,440,221,447	5,440,221

Indicate whether there are different classes of shares, with different associated rights:

- ☐ Yes  
☒ No

**A.2. Detail direct and indirect owners of significant stakes at year-end, including directors with a significant stake:**

Name of shareholder	Voting rights attributed to the shares ( % )		Voting rights through financial instruments ( % )		Total voting rights ( % )
	Direct	Indirect	Direct	Indirect	
BLACKROCK INC.	0.00	6.20	0.00	0.10	6.30
DIMENSIONAL FUND ADVISORS, LP	0.00	3.73	0.00	0.00	3.73
DON DAVID MARTÍNEZ GUZMÁN	0.00	3.56	0.00	0.00	3.56
ZURICH INSURANCE GROUP LTD	0.00	3.02	0.00	0.00	3.02

**Detail the indirect holding:**

Name of indirect shareholder	Name of direct shareholder	Voting rights attributed to the shares ( % )	Voting rights through financial instruments ( % )	Total voting rights ( % )
BLACKROCK INC.	Subsidiaries of BLACKROCK INC.	6.20	0.10	6.30
DIMENSIONAL FUND ADVISORS, LP	Funds and accounts advised or sub-advised by Dimensional Fund Advisors LP or its subsidiaries	3.73	0.00	3.73
DON DAVID MARTÍNEZ GUZMÁN	FINTECH EUROPE S.À.R.L.	3.56	0.00	3.56
ZURICH INSURANCE GROUP LTD	ZURICH INSURANCE COMPANY LTD, 100% owned by ZURICH INSURANCE GROUP LTD	3.02	0.00	3.02

**A.3. Detail the shareholdings at year-end, regardless of the percentage, of the members of the Board of Directors who hold voting rights attributed to shares of the company or through financial instruments, excluding the directors identified in section A.2 above:**

Name of director	Voting rights attributed to the shares ( % )		Voting rights through financial instruments ( % )		Total voting rights ( % )	Voting rights that can be transferred through financial instruments ( % )	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
JOSEP OLIU CREUS	0.10	0.04	0.00	0.00	0.14	0.00	0.00
PEDRO FONTANA GARCIA	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CÉSAR GONZÁLEZ-BUENO MAYER WITTGENSTEIN	0.02	0.00	0.00	0.00	0.02	0.00	0.00
AURORA CATÁ SALA	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ANA COLONQUES GARCÍA-PLANAS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LLUÍS DEULOFEU FUGUET	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MARÍA JOSÉ GARCÍA BEATO	0.01	0.00	0.00	0.00	0.01	0.00	0.00
MIREYA GINÉ TORRENS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LAURA GONZÁLEZ MOLERO	0.00	0.00	0.00	0.00	0.00	0.00	0.00



Name of director	Voting rights attributed to the shares ( % )		Voting rights through financial instruments ( % )		Total voting rights ( % )	Voting rights that can be transferred through financial instruments ( % )	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
GEORGE DONALD JOHNSTON III	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ALICIA REYES REVUELTA	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MANUEL VALLS MORATÓ	0.00	0.00	0.00	0.00	0.00	0.00	0.00
DAVID VEGARA FIGUERAS	0.01	0.00	0.00	0.00	0.01	0.00	0.00
PEDRO VIÑOLAS SERRA	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Voting rights held by members of the Board of Directors ( % )	3.77
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**Detail the indirect holding:**

Name of director	Name of direct shareholder	Voting rights attributed to the shares ( % )	Voting rights through financial instruments ( % )	Total voting rights ( % )	Voting rights that can be transferred through financial instruments ( % )
No data					

**Detail the total percentage of voting rights represented on the Board:**

Total % of voting rights represented on the Board of Directors	3.77
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**A.7. Indicate whether shareholders' agreements that affect the company have been notified to the company as provided in articles 530 and 531 of the Capital Companies Law. If so, briefly describe the agreements and list the shareholders involved:**

- ☐ Yes  
☒ No

**Indicate if the company is aware of any concerted action among its shareholders. If so, give a brief description:**

- ☐ Yes  
☒ No

**A.8. Indicate if any natural or legal person exercises or can exercise control over the company in accordance with article 5 of the Securities Market Law. If so, identify that person:**

- ☐ Yes  
☒ No

**A.9. Complete the next tables about the company's own shares:**

**At year-end:**

No. of direct shares	No. of indirect shares (*)	Total % of share capital
78,840,390	0	1.45

**(\*) Through:**

Name of direct shareholder	No. of direct shares
No data	0

**A.11. Estimated free float:**

	%
Estimated free float	81.82

**A.14. Indicate whether the company has issued securities that are not traded on a regulated market in the European Union.**

☐ Yes

☒ No

## B. GENERAL MEETING OF SHAREHOLDERS

**B.4. Indicate the attendance data for the general meetings held in the year to which this report refers and the two previous years:**

	Attendance data				
Date of General Meeting	% in attendance	% represented	% remote voting		Total
			E-voting	Other	
24/03/2022	0.26	55.44	0.29	0.44	56.43
Of which free float	0.08	55.43	0.29	0.38	56.18
23/03/2023	0.26	60.68	0.44	0.54	61.92
Of which free float	0.10	60.66	0.44	0.54	61.74
10/04/2024	0.23	60.40	0.50	0.66	61.79
Of which free float	0.07	56.79	0.50	0.66	58.02

**B.5. Indicate whether any item on the agenda of the general meetings held during the year was not approved by the shareholders, for any reason:**

- ☐ Yes  
☒ No

**B.6. Indicate whether there are any restrictions in the Articles requiring a minimum number of shares to attend the General Meeting or to vote by distance means:**

- ☒ Yes  
☐ No

Number of shares required to attend the General Meeting	1000
Number of shares required to vote by distance means	1000

## C. STRUCTURE OF THE COMPANY'S ADMINISTRATION

### C.1. Board of Directors

**C.1.1. Maximum and minimum number of directors envisaged in the articles, and the number established by the general meeting:**

<b>Maximum number of directors</b>	15
<b>Minimum number of directors</b>	11
<b>Number of directors established by the general meeting</b>	15

**C.1.2. Complete the next table with the members of the board:**

<b>Name of director</b>	<b>Representative</b>	<b>Director category</b>	<b>Board position</b>	<b>Date of first appointment</b>	<b>Date of latest appointment</b>	<b>Appointment procedure</b>
JOSEP OLIU CREUS		Other external	CHAIRMAN	29/03/1990	23/03/2023	GENERAL MEETING DECISION
PEDRO FONTANA GARCÍA		Independent	DEPUTY CHAIRMAN	27/07/2017	24/03/2022	GENERAL MEETING DECISION
CÉSAR GONZÁLEZ-BUENO MAYER WITTGENSTEIN		Executive	CEO	17/12/2020	26/03/2021	GENERAL MEETING DECISION
AURORA CATÁ SALA		Independent	DIRECTOR	29/01/2015	23/03/2023	GENERAL MEETING DECISION
ANA COLONQUES GARCÍA-PLANAS		Independent	DIRECTOR	10/04/2024	10/04/2024	GENERAL MEETING DECISION
LLUÍS DEULOFEU FUGUET		Independent	DIRECTOR	28/07/2021	24/03/2022	GENERAL MEETING DECISION
MARÍA JOSÉ GARCÍA BEATO		Other external	DIRECTOR	24/05/2018	23/03/2023	GENERAL MEETING DECISION
MIREYA GINÉ TORRENS		Independent	DIRECTOR	26/03/2020	10/04/2024	GENERAL MEETING DECISION
LAURA GONZÁLEZ MOLERO		Independent	DIRECTOR	26/05/2022	23/03/2023	GENERAL MEETING DECISION
GEORGE DONALD JOHNSTON III		Independent	LEAD INDEPENDENT DIRECTOR	25/05/2017	24/03/2022	GENERAL MEETING DECISION
DAVID MARTÍNEZ GUZMÁN		Proprietary	DIRECTOR	27/03/2014	24/03/2022	GENERAL MEETING DECISION
ALICIA REYES REVUELTA		Independent	DIRECTOR	24/09/2020	26/03/2021	GENERAL MEETING DECISION
MANUEL VALLS MORATÓ		Independent	DIRECTOR	22/09/2016	26/03/2021	GENERAL MEETING DECISION

Name of director	Representative	Director category	Board position	Date of first appointment	Date of latest appointment	Appointment procedure
DAVID VEGARA FIGUERAS		Executive	DIRECTOR	28/05/2015	23/03/2023	GENERAL MEETING DECISION
PEDRO VIÑOLAS SERRA		Independent	DIRECTOR	23/03/2023	23/03/2023	GENERAL MEETING DECISION

<b>Total number of directors</b>	15
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Indicate any directors who stepped down in the reporting period, due to resignation, removal or any other reason:

Name of director	Category at time of removal	Date of last appointment	Date of removal	Specialised committees of which he/she was a member	Indicate whether the removal took place before the end of tenure
JOSÉ MANUEL MARTÍNEZ MARTÍNEZ	Independent	24/03/2022	10/04/2024	Appointments and Corporate Governance Committee and Remuneration Committee	YES

**C.1.3. Complete the next table with the members of the board and their category:**

EXECUTIVE DIRECTORS		
Name of director	Position in the company's organisation chart	Profile
CÉSAR GONZÁLEZ-BUENO MAYER WITTGENSTEIN	CEO	<p>BANKING/RETAIL &amp; CORPORATE BANKING/FINANCIAL/REGULATORY/INTERNATIONAL / DIGITAL &amp; IT (Digital Transformation)</p> <p>Dual degrees in Law and Business Administration from ICADE, Madrid, and an MBA from Yale School of Management, Connecticut (USA). Founder and CEO of ING Direct, N.V. Branch in Spain (1998-2010), General Manager for Spain, France, Italy and United Kingdom of ING Direct, N.V. (2004-2010), Regional Head of Europe at ING Bank (2010-2011), CEO of Novagalicia Banco (now Abanca) (2011-2013), CEO of Gulf Bank (2014-2016), CEO of ING Spain and Portugal (2017-2019), and non-executive director of TSB Bank, PLC and TSB Banking Group, PLC which are both part of the Banco Sabadell Group (2020-2021). He is Chairman of Banco Sabadell, S.A., IBM, SabCapital, S.A. de C.V., SOFOM, E.R. and Sabadell Consumer Finance, S.A.U., all of which are part of the Banco Sabadell Group, and member of the Board of Trustees of Ciudad Escuela de los Muchachos Foundation.</p>
DAVID VEGARA FIGUERAS	DIRECTOR GENERAL MANAGER	<p>FINANCIAL / RISKS / ACADEMIC / REGULATORY.</p> <p>A graduate in economics from the Autonomous University of Barcelona, he holds an MA in economics from the London School of Economics. Formerly Secretary of State for the Economy in the Spanish government (2004-2009), Deputy Director of the International Monetary Fund (2010-2012) and Deputy Chief Executive Officer, Banking in the European Stability Mechanism (2012-2015). Member of the Supervisory Board of Hellenic Corporation of Assets and Participations, S.A. (2016-2022), and non-executive director of TSB Bank, PLC and TSB Banking Group, PLC, both of which are part of the Banco Sabadell Group (2020-2022). Associate professor in the Department of Economics, Finance and Accounting at ESADE (2015- 2018). Currently, Independent director of Amadeus IT Group, S.A., member of the Board of Trustees of the Pasqual Maragall Foundation, trustee for life of the Gala-Salvador Dalí Foundation, Chairman of the Advisory Board of Roca Junyent, S.L.P., and Chairman of Foro Tertulias Hispano-Británicas.</p>

<b>Total number of executive directors</b>	2
<b>% of total Board</b>	13.33%

PROPRIETARY EXTERNAL DIRECTORS		
Name of director	Name of the significant shareholder whom the director represents or who proposed his/her appointment	Profile
DAVID MARTÍNEZ GUZMÁN	FINTECH EUROPE, S.À.R.L.	<p>BUSINESS / FINANCE / INTERNATIONAL</p> <p>Degree in Electrical &amp; Mechanical Engineering from the National Autonomous University of Mexico, Diploma in Philosophy from Universitas Gregoriana (Italy), and MBA from Harvard Business School. Founder in 1987 of Fintech Advisory, which manages the Fintech Investments Limited fund (New York and London). Director of listed companies Alfa, S.A.B., Vitro, S.A.B., Cemex, S.A.B. and unlisted company ICA Tenedora S.A. de C.V.</p> <p>Fintech Europe, S.À.R.L. (FE) is wholly owned by Fintech Investments Ltd. (FIL) which is the investment fund managed by Fintech Advisory Inc (FAI). FAI is owned 100 % by Mr. David Martínez Guzmán. Consequently, the shareholding now held by FE is considered to be controlled by Mr. David Martínez Guzmán.</p>

Total number of proprietary directors	1
% of total Board	6.67%



INDEPENDENT EXTERNAL DIRECTORS	
Name of director	Profile
PEDRO FONTANA GARCÍA	<p><b>BANKING / RETAIL BANKING / BUSINESS.</b></p> <p>Degree in Business from ESADE (Barcelona) and MBA from Harvard Graduate School of Business Administration, Boston, Massachusetts (USA). Regional Manager of Banco de Comercio (1978-1982), General Manager of Banca Mas Sardá (1983-1988), CEO of NH Hoteles (1989-1990), General Manager of COOB'92 (1990-1993), General Manager of Turisme de Barcelona (1993-1994), Chairman of Banca Catalana (1994-1999), General Manager of BBVA Catalonia (2000-2009), Executive Chairman of AREAS (Elior Group) (2012-2017), Deputy General Manager of Elior Group, S.A. (2017-2018), nominee of EMESA Corporación Empresarial, S.L. on the board of listed company Elior Group, S.A. (2018-2019), and director of Fira Internacional de Barcelona (2011-2023). Currently, Independent director of Grupo Indukern, S.L. and of Pax Lux Equityco, S.A., Chairman of My Chef Ristorazione Commerciale, S.P.A., and director of MdF Family Partners, S.A. Honorary President of Asociación para el Progreso de la Dirección - Catalonia Chapter, Chairman of the Board of Trustees of Fundació Privada Cercle d'Economia, trustee of Fundació Barcelona Mobile World Capital, Member of the boards of trustees of Universitat Ramon Llull Fundació, Fundació Grupo Sifu, of Fundació Formació y Futuro and of Fundació Acció Solidària Contra l'Atur.</p>
AURORA CATÁ SALA	<p><b>BUSINESS / CONSULTING / FINANCE / HUMAN RESOURCES</b></p> <p>Degree in Industrial Engineering (major in Industrial Organization) from the Polytechnic University of Catalonia and MBA and PADE from IESE Barcelona. Formerly CFO of Nissan Motor Ibérica, S.A. (1990-1996), General Manager of RTVE Cataluña (1996-1999), Managing Director of Planeta 2010 (1999-2003), General Manager of Audiovisual Media at Recoletos Grupo de Comunicación (2003-2008), Partner of Seeliger y Conde (2009-2020), independent director of Institut Català de Finances (2014), independent director of Atresmedia Corporación de Medios de Comunicación, S.A. (2009-2021), director of Sabadell Information Systems, S.A., Banco Sabadell's technology subsidiary (2020-2022), Chairman of Barcelona Global (2020-2022), independent director of Atrys Health, S.A. (2021-2024) and Deputy Chairman of 37th America's Cup Events. Formerly held a number of directorships. Currently, independent director of Repsol, S.A., member of the Executive Committee of IESE alumni, trustee of Fundació Cellnex and secretary general of Fundació CIDOB.</p>

INDEPENDENT EXTERNAL DIRECTORS	
Name of director	Profile
ANA COLONQUES GARCÍA-PLANAS	<p><b>BUSINESS/ FINANCE/ AUDITOR</b></p> <p>Degree in Business Administration and MBA from ESADE. Auditor at Deloitte (2006-2010), specialized in auditing financial institutions. Risk analyst at Banco Sabadell (2010-2011). Director of Iberdrola España, S.A. (2021-2024). Currently, CFO and executive director and deputy-secretary of Porcelanosa, S.A., holding other positions in governing bodies at Porcelanosa Group companies. Independent Director of Iberdrola, S.A. and member of the Appointments Committee of Iberdrola, S.A. Member of the Valencia Regional Board of the Asociación Española de Directivos.</p>
LLUÍS DEULOFEU FUGUET	<p><b>BANKING/RETAIL BANKING/DIGITAL &amp; IT (Digital Transformation)/BUSINESS/CONSULTING</b></p> <p>Degree in Telecommunications Engineering from the Polytechnic University of Catalonia and has completed the "Finance for Executives" programme at ESADE and the PDG at IESE (Barcelona). Senior Manager at Andersen Consulting (1988-1994), Head of Technical Services &amp; Development of New Projects at Acesa (1994-2001), Chief Technology Officer at La Caixa (2001-2011), Managing Director for Internal Resources and Efficiency at Abertis Infraestructuras (2011-2014). Managing Director of Sanef (2014-2018) y Deputy CEO of Cellnex Telecom (2018-2020). Founder and director of Acesa Telecom (now Cellnex Telecom), and founder and director of Parc Logístic de la Zona Franca, as well as Vice President of Fundació Catalana de Recerca i Innovació and Trustee of Fundación Barcelona Digital, as well as director of numerous undertakings such as e-La Caixa, Abertis Telecom, Invercaixa Gestió, Sanex, Xfera, Cellnex Telecom, Hispasat, and DDST-Tradia. He has been a director of Sabadell Digital, S.A.U., Banco Sabadell's technology subsidiary, since 2020. Chairman of Fundación Cellnex.</p>
MIREYA GINÉ TORRENS	<p><b>FINANCIAL/ACADEMY/GOVERNANCE/DIGITAL &amp; IT (Digital Transformation)</b></p> <p>BA and MA (Cum Laude) in Economics from Pompeu Fabra University, and PhD from the University of Barcelona. Director of International Initiatives, Wharton Research Data Services (WRDS) since 2012. She is currently professor and director of the Department of Financial Management at IESE Business School. Researcher at the European Corporate Governance Institute since 2018. A member of the World Economic Forum's network of experts (corporate governance) since 2019, and member of the Center for Economic Policy since 2020. Independent director of Sabadell Asset Management (2018-2020). Proprietary director of Sabadell Consumer Finance, S.A.U.</p>

INDEPENDENT EXTERNAL DIRECTORS	
Name of director	Profile
LAURA GONZÁLEZ MOLERO	<p>CORPORATE/INTERNATIONAL/GOVERNANCE/CONSULTING</p> <p>Degree in Pharmacy, major in industrial pharmacy, from Madrid Complutense University (1989). MBA from IE Business School (1999) and executive management courses and programmes at prestigious international business schools (IMD Business School, Harvard Business School, Kellogg Business School and INSEAD). Vice-Chairman of Serono for Iberia (2006-2007), CEO of Merck S.L. (2007-2011) and Chairman for LatAm (2012-2014), both in Merck Group, Chairman for LatAm of Bayer Health Care Pharmaceuticals (2014-2016), independent director of Grupo Leche Pascual (2009-2017), of Bankia, S.A. (2018-2021), and of Grupo Ezentis, S.A. (2016-2022). Currently, Independent director of Viscofan, S.A. and independent director of Acerinox, S.A. President of the Asociación para el Progreso de la Dirección, member of the Advisory Board of Integrated Service Solutions, S.L. and member of the Advisory Board of Leadership &amp; Executive Search Advisory Services Iberia, S.L. (N2GROWTH IBERIA).</p>
GEORGE DONALD JOHNSTON III	<p>BANKING / CORPORATE BANKING / INTERNATIONAL</p> <p>BA in Political Science from Middlebury College, Vermont (USA) and MA in International Economics and Latin American Studies from Johns Hopkins University School of Advanced International Studies, Washington DC. (USA). Executive director at Salomon Brothers (1979-1990), Director of Bankers Trust International and member of its Global Executive Committee (1992-1999), Group Head of M&amp;A for Europe and Member of the Europe Executive Committee and of the Global Operating Committee within the investment banking division of Deutsche Bank (1999-2005), Chairman of the M&amp;A Group for Europe at Deutsche Bank (2005-2010). Currently, lead independent director of Acerinox, S.A. and independent director of Merlin Properties, SOCIMI, S.A.</p>

INDEPENDENT EXTERNAL DIRECTORS	
Name of director	Profile
ALICIA REYES REVUELTA	<p>BANKING/RETAIL &amp; CORPORATE BANKING/FINANCIAL/ INTERNATIONAL / ESG / DIGITAL &amp; IT (DIGITAL TRANSFORMATION) / ACADEMIC / GOVERNANCE</p> <p>Dual degrees in Law and Business Administration from ICADE, Madrid. PhD in Quantitative Methods and Financial Markets from ICADE. Formerly held a number of directorships. Country Manager of Bear Stearns for Iberia (2002-2006), Global Head of Structuring of Financial Institutions and Global Head of Insurance Solutions and Strategic Capital Derivatives at Barclays Capital (2010-2014). Partner of Olympo Capital (2014-2015). She was formerly independent director (2015-2016), CEO for the EMEA business (2016-2020) and Acting Chairman (2019) of Wells Fargo Securities International Ltd. Non-executive director of TSB Bank, PLC and TSB Banking Group, PLC, both in the Banco Sabadell Group (2021-2022). Chairman of Momentus Securities (2023). Formerly guest lecturer at the Institute of Finance and Technology of the Engineering Faculty, University College London (UCL) and trustee of UK NGO Fareshare. Currently, independent director of Ferrovial, S.E. and of KBC Group N.V., and director of KBC BANK. N.V. Independent member of the General and Supervisory Board of EDP Energias de Portugal S.A. Trustee of Maria Luisa de Cartassac Foundation.</p>

INDEPENDENT EXTERNAL DIRECTORS	
Name of director	Profile
MANUEL VALLS MORATÓ	<p>AUDITOR/FINANCE</p> <p>Degree in Economics and Business Studies from the University of Barcelona and a post-graduate qualification in Business Administration from IESE/University of Navarra; he is a registered auditor and a member of Spain's official register of auditors since its creation. Partner of PwC (1988-2013), Head of the Audit Division at PwC (2006-2013) and Chairman of PwC Auditores (2006-2011). Independent member of the Governing Board of Institut Català de Finances (2015-2016), and director of Sabadell Information Systems, S.A., Banco Sabadell's technology subsidiary (2020-2022). Currently, lead Independent Director of listed company Renta Corporación Real Estate, S.A. and Chairman of the Audit, Control and Risk Committee at COBEGA, S.A.</p>
PEDRO VIÑOLAS SERRA	<p>BANKING/CORPORATE BANKING/BUSINESS/FINANCE/</p> <p>Degree in Business Administration from the University of Barcelona, and Degree in Business Administration and MBA from ESADE and the Polytechnic University of Catalonia. He has held a number of positions in the Barcelona Stock Exchange (1988-1997): Director of the Research Department, Deputy General Manager in charge of the Research and Corporate Development Department, Finance, Market Supervision, International Relations and subsidiaries. CEO of Filo (1997-2002), a listed real estate group. Partner &amp; CEO of Grupo Financiero Riva y Garcia (2003-2008). He has been director of Grupo Mecanotubo (2006-2010), of SIIC de Paris (2010-2014) and of Grupo Electro Stocks (2011-2020). He has been CEO of Inmobiliaria Colonial, Socimi, S.A. since 2008 and Deputy Chairman since 2019, holding other positions in governing bodies at Colonial Group companies. He is an independent director of Blue Self Storage, S.L., director of the European Real Estate Association and trustee of Fundación ESADE.</p>

<b>Total number of independent directors</b>	10
<b>% of total Board</b>	66.67%

Indicate whether any director classified as independent receives, from the company or the same group, any amount or benefit under a heading other than director remuneration, or holds or has held, during the last year, a business relationship with the company or any other company in its group, either in his/her own name or as a significant shareholder, director or senior manager of an institution that holds or has held such a relationship.

If yes, give the reasons why it is considered that the director qualifies as an independent director.

Name of director	Description of the relationship	Disclosure with rationale
No data		

**OTHER EXTERNAL DIRECTORS**

Identify the other external directors and detail the reasons why they cannot be classified as proprietary or independent, and any relations they have with the company, its executives or its shareholders:

<b>Name of director</b>	<b>Reason</b>	<b>Company, executive or shareholder to which he/she is related</b>	<b>Profile</b>
JOSEP OLIU CREUS	Performed executive functions until 26 March 2021 and in accordance with the Capital Companies Law.	BANCO DE SABADELL, S.A.	<p><b>BANKING/RETAIL &amp; CORPORATE BANKING/FINANCIAL/ACADEMIC/BUSINESS/INTERNATIONAL</b></p> <p>Degree in Economics from the University of Barcelona and a PhD in Economics from the University of Minnesota (USA). Professor of Economic Theory at the University of Oviedo. Head of Studies and Strategy (1983-1984) and Head of Planning (1984-1987) at Spain's National Institute of Industry (INI). Appointed Director/General Manager of Banco Sabadell in 1990. Chairman of Banco Sabadell since 1999. Non-executive Chairman of Exea Empresarial, S.L. and the latter's representative as Chairman of Puig, S.L., Representative of Exea Ventures, S.A. as Chairman of Exea Ventures, S.L. Director of Puig Brands, S.A. Chairman of the Banco Sabadell Foundation, member of FEDEA (Fundación de Estudios de Economía Aplicada), and member of the Board of Trustees of the Princess of Asturias Foundation and the Princess of Girona Foundation.</p>

OTHER EXTERNAL DIRECTORS			
Identify the other external directors and detail the reasons why they cannot be classified as proprietary or independent, and any relations they have with the company, its executives or its shareholders:			
Name of director	Reason	Company, executive or shareholder to which he/she is related	Profile
MARÍA JOSÉ GARCÍA BEATO	Desempeñó funciones ejecutivas hasta el 31 de marzo de 2021 y de acuerdo con la Ley de Sociedades de Capital.	BANCO DE SABADELL, S.A.	<p><b>BANKING / LAW / REGULATORY / GOVERNANCE</b></p> <p>Degree in Law and Diploma in Criminology. Spanish State Attorney (1991). Former positions include State Attorney at the Madrid High Court of Justice, Legal Counsel at the Data Protection Agency, State Attorney as consultant to the State Legal Service, Head of the General Secretariat of Communications, and State Attorney at the National Court. Chief of Staff and Under-Secretary at the Ministry of Justice (2000-2004). She has been General Counsel (2005-2008) and General Secretary (2008-2021) and an executive director (2018-2021) of Banco Sabadell. Independent director of listed company Red Eléctrica Corporación, S.A. (2012-2021), director of Papelera Guipuzcoana de Zicuñaga, S.A.U. (2022), and non-executive director of MdF Family Partners, S.A. (2021-2024). Currently, independent director of ACS, Actividades de Construcción y Servicios, S.A., independent director of Iberpapel Gestión, S.A. and independent member of the General and Supervisory Board of EDP Energias de Portugal S.A. Member of the Boards of Trustees of the Banco Sabadell Foundation, the Spanish Banking Association Foundation and the ACS Foundation.</p>

<b>Total number of other external directors</b>	2
<b>% of total Board</b>	13.33%

Indicate any changes in each director's status in the period.

Name of director	Date of change	Previous category	Current category
No data			



**C.1.4. Complete the following table with information on the number of female directors at the end of the last four years, and their category:**

	Number of female directors				% of total directors in each category			
	2024	2023	2022	2021	2024	2023	2022	2021
<b>Executive</b>								
<b>Proprietary</b>								
<b>Independent</b>	5	4	4	3	50.00	40.00	40.00	30.00
<b>Other external</b>	1	1	1	1	50.00	50.00	50.00	50.00
<b>Total</b>	6	5	5	4	40.00	33.33	33.33	26.67

**C.1.11. List any positions of director, administrator or representative of same held in other undertakings, listed or otherwise, by the directors or representatives of directors who are members of the company's board:**

Director or representative	Name of entity, listed or otherwise	Position
MR. JOSEP OLIU CREUS	EXEA EMPRESARIAL, S.L.	CHAIRMAN
MR. JOSEP OLIU CREUS	PUIG, S.L.	CHAIRMAN'S REPRESENTATIVE
MR. JOSEP OLIU CREUS	EXEA VENTURES, S.L.	CHAIRMAN'S REPRESENTATIVE
MR. JOSEP OLIU CREUS	PUIG BRANDS, S.A.	DIRECTOR
MR. JOSEP OLIU CREUS	BARCELONA GRADUATE SCHOOL OF ECONOMICS FUNDACIÓN PRIVADA	TRUSTEE
MR. JOSEP OLIU CREUS	FUNDACIÓ BOSCH I CARDELLACH	TRUSTEE
MR. JOSEP OLIU CREUS	FUNDACIÓN DE ESTUDIOS DE ECONOMÍA APLICADA	TRUSTEE
MR. JOSEP OLIU CREUS	FUNDACIÓ PRIVADA BANC SABADELL	CHAIRMAN
MR. JOSEP OLIU CREUS	FUNDACIÓN PRINCESA DE GIRONA	TRUSTEE
MR. JOSEP OLIU CREUS	FUNDACIÓN PRINCESA DE ASTURIAS	TRUSTEE
MR. PEDRO FONTANA GARCÍA	GRUPO INDUKERN, S.L.	DIRECTOR
MR. PEDRO FONTANA GARCÍA	PAX LUX EQUITYCO, S.A.	DIRECTOR
MR. PEDRO FONTANA GARCÍA	MY CHEF RISTORAZIONE COMMERCIALE, S.P.A.	CHAIRMAN
MR. PEDRO FONTANA GARCÍA	GARNIEL, S.L.	SOLE ADMINISTRATOR
MR. PEDRO FONTANA GARCÍA	ASOCIACIÓN PARA EL PROGRESO DE LA DIRECCIÓN – APD CATALUÑA	HONORARY CHAIRMAN
MR. PEDRO FONTANA GARCÍA	MDF FAMILY PARTNERS, S.A.	DIRECTOR
MR. PEDRO FONTANA GARCÍA	FUNDACIÓN BARCELONA MOBILE WORLD CAPITAL	TRUSTEE
MR. PEDRO FONTANA GARCÍA	FUNDACIÓN PRIVADA CERCLE D'ECONOMÍA	CHAIRMAN
MR. PEDRO FONTANA GARCÍA	UNIVERSIDAD RAMON LLULL FUNDACIÓ	TRUSTEE
MR. PEDRO FONTANA GARCÍA	FUNDACIÓN GRUPO SIFU	TRUSTEE
MR. PEDRO FONTANA GARCÍA	FUNDACIÓN FORMACIÓN Y FUTURO	TRUSTEE
MR. PEDRO FONTANA GARCÍA	FUNDACIÓ ACCIÓ SOLIDÀRIA CONTRA L'ATUR	TRUSTEE

Director or representative	Name of entity, listed or otherwise	Position
MR. CÉSAR GONZALEZ-BUENO MAYER WITTGENSTEIN	SABADELL CONSUMER FINANCE, S.A.U.	CHAIRMAN
MR. CÉSAR GONZALEZ-BUENO MAYER WITTGENSTEIN	BANCO SABADELL, S.A. IBM	CHAIRMAN
MR. CÉSAR GONZALEZ-BUENO MAYER WITTGENSTEIN	SABCAPITAL, S.A. DE C.V., SOFOM E.R.	CHAIRMAN
MR. CÉSAR GONZALEZ-BUENO MAYER WITTGENSTEIN	FUNDACIÓN CIUDAD ESCUELA DE LOS MUCHACHOS	TRUSTEE
MS. AURORA CATÁ SALA	REPSOL, S.A.	DIRECTOR
MS. AURORA CATÁ SALA	BOZO CONSULTING, S.L.	JOINT ADMINISTRATOR
MS. AURORA CATÁ SALA	LIZARD INVERSIONES, S.L.	JOINT ADMINISTRATOR
MS. AURORA CATÁ SALA	FUNDACIÓN CELLNEX	TRUSTEE
MS. AURORA CATÁ SALA	FUNDACIÓN CIDOB	SECRETARY GENERAL
MS. ANA COLONQUES GARCÍA-PLANAS	PORCELANOSA, S.A.	DIRECTOR AND DEPUTY-SECRETARY
MS. ANA COLONQUES GARCÍA-PLANAS	PORSAFIN GRUPO, AIE	CHAIRMAN AND CEO
MS. ANA COLONQUES GARCÍA-PLANAS	PORCELANOSA BATIMAT, S.A.	JOINT ADMINISTRATOR
MS. ANA COLONQUES GARCÍA-PLANAS	GAMA-DECOR, S.A.	JOINT ADMINISTRATOR
MS. ANA COLONQUES GARCÍA-PLANAS	KRION SOLID SURFACE, S.A.	JOINT ADMINISTRATOR
MS. ANA COLONQUES GARCÍA-PLANAS	L'ANTIC COLONIAL, S.A.	JOINT ADMINISTRATOR
MS. ANA COLONQUES GARCÍA-PLANAS	BUTECH BUILDING TECHNOLOGY, S.A.	JOINT ADMINISTRATOR
MS. ANA COLONQUES GARCÍA-PLANAS	NOKEN DESIGN, S.A.	JOINT ADMINISTRATOR
MS. ANA COLONQUES GARCÍA-PLANAS	URBAN INCENTIVES, S.L.	JOINT ADMINISTRATOR
MS. ANA COLONQUES GARCÍA-PLANAS	IBERDROLA, S.A.	DIRECTOR
MS. ANA COLONQUES GARCÍA-PLANAS	MOSEL INTERNATIONAL SL	DIRECTOR
MS. ANA COLONQUES GARCÍA-PLANAS	ASOCIACION ESPAÑOLA DE DIRECTIVOS - COMUNIDAD VALENCIANA	DIRECTOR
MR. LLUÍS DEULOFEU FUGUET	SABADELL DIGITAL, S.A.U.	DIRECTOR
MR. LLUÍS DEULOFEU FUGUET	EIXAMPLE 2 ASSESSORS, S.L.	JOINT ADMINISTRATOR
MR. LLUÍS DEULOFEU FUGUET	FUNDACIÓN CELLNEX	CHAIRMAN
MS. MARÍA JOSÉ GARCÍA BEATO	ACS, ACTIVIDADES DE CONSTRUCCION Y SERVICIOS, S.A.	DIRECTOR
MS. MARÍA JOSÉ GARCÍA BEATO	IBERPAPEL GESTIÓN, S.A.	DIRECTOR

Director or representative	Name of entity, listed or otherwise	Position
MS. MARÍA JOSÉ GARCÍA BEATO	EDP ENERGIAS DE PORTUGAL, S.A.	DIRECTOR
MS. MARÍA JOSÉ GARCÍA BEATO	FUNDACIÓ PRIVADA BANC SABADELL	TRUSTEE
MS. MARÍA JOSÉ GARCÍA BEATO	FUNDACIÓN ASOCIACIÓN ESPAÑOLA DE BANCA	TRUSTEE
MS. MARÍA JOSÉ GARCÍA BEATO	FUNDACIÓN ACS	TRUSTEE
MS. MIREYA GINÉ TORRENS	SABADELL CONSUMER FINANCE, S.A.U.	DIRECTOR
MS. MIREYA GINÉ TORRENS	REAL ANALYSYS, S.L.	SOLE ADMINISTRATOR
MS. LAURA GONZÁLEZ MOLERO	ACERINOX, S.A.	DIRECTOR
MS. LAURA GONZÁLEZ MOLERO	VISCOFAN, S.A.	DIRECTOR
MS. LAURA GONZÁLEZ MOLERO	ASOCIACIÓN PARA EL PROGRESO DE LA DIRECCIÓN	CHAIRMAN
MR. GEORGE DONALD JOHNSTON III	ACERINOX, S.A.	LEAD INDEPENDENT DIRECTOR
MR. GEORGE DONALD JOHNSTON III	MERLIN PROPERTIES, SOCIMI, S.A.	DIRECTOR
MR. GEORGE DONALD JOHNSTON III	YANKEE KINGDOM ADVISORY, LLC	SOLE ADMINISTRATOR
MR. DAVID MARTÍNEZ GUZMÁN	ALFA, S.A.B. DE C.V.	DIRECTOR
MR. DAVID MARTÍNEZ GUZMÁN	CEMEX, S.A.B. DE C.V.	DIRECTOR
MR. DAVID MARTÍNEZ GUZMÁN	VITRO, S.A.B. DE C.V.	DIRECTOR
MR. DAVID MARTÍNEZ GUZMÁN	ICA TENEDORA, S.A. DE C.V.	DIRECTOR
MS. ALICIA REYES REVUELTA	FERROVIAL, S.E.	DIRECTOR
MS. ALICIA REYES REVUELTA	KBC GROUP, N.V.	DIRECTOR
MS. ALICIA REYES REVUELTA	KBC BANK, N.V.	DIRECTOR
MS. ALICIA REYES REVUELTA	EDP ENERGIAS DE PORTUGAL, S.A.	DIRECTOR
MS. ALICIA REYES REVUELTA	FRIDAY HOUSE MADRID, S.L.	SOLE ADMINISTRATOR
MS. ALICIA REYES REVUELTA	MARIA LUISA DE CARTASSAC FOUNDATION	TRUSTEE
MR. MANUEL VALLS MORATÓ	RENTA CORPORACIÓN REAL ESTATE, S.A.	LEAD INDEPENDENT DIRECTOR
MR. MANUEL VALLS MORATÓ	COBEGA, S.A. (Audit, Control and Risk Committee)	CHAIRMAN
MR. MANUEL VALLS MORATÓ	ERBERA M&A, S.L. (DORMANT)	JOINT ADMINISTRATOR
MR. DAVID VEGARA FIGUERAS	AMADEUS IT GROUP, S.A.	DIRECTOR
MR. DAVID VEGARA FIGUERAS	FUNDACIÓN PASQUAL MARAGALL	TRUSTEE
MR. DAVID VEGARA FIGUERAS	FUNDACIÓN GALA-SALVADOR DALÍ	TRUSTEE
MR. PEDRO VIÑOLAS SERRA	INMOBILIARIA COLONIAL, SOCIMI, S.A.	DEPUTY CHAIRMAN AND CEO
MR. PEDRO VIÑOLAS SERRA	SOCIÉTÉ FONCIÈRE LYONNAISE	CHAIRMAN
MR. PEDRO VIÑOLAS SERRA	UTOPICUS INNOVACIÓN CULTURAL, S.L.	CHAIRMAN
MR. PEDRO VIÑOLAS SERRA	INMOCOL TORRE EUROPA, S.A.	DIRECTOR

Director or representative	Name of entity, listed or otherwise	Position
MR. PEDRO VIÑOLAS SERRA	COLONIAL TRAMIT, S.L.	ADMINISTRATOR'S REPRESENTATIVE
MR. PEDRO VIÑOLAS SERRA	INMOCOL ONE, S.A.	ADMINISTRATOR'S REPRESENTATIVE
MR. PEDRO VIÑOLAS SERRA	INMOCOL TWO, S.L.	ADMINISTRATOR'S REPRESENTATIVE
MR. PEDRO VIÑOLAS SERRA	COLONIAL LAB, S.L.	ADMINISTRATOR'S REPRESENTATIVE
MR. PEDRO VIÑOLAS SERRA	COLONIAL LIVING, S.L.	ADMINISTRATOR'S REPRESENTATIVE
MR. PEDRO VIÑOLAS SERRA	BLUE SELF STORAGE, S.L.	DIRECTOR'S REPRESENTATIVE
MR. PEDRO VIÑOLAS SERRA	VALUE BASED MANAGEMENT, S.L.	SOLE ADMINISTRATOR
MR. PEDRO VIÑOLAS SERRA	FUNDACIÓN ESADE	TRUSTEE
MR. PEDRO VIÑOLAS SERRA	EUROPEAN PUBLIC REAL ESTATE ASSOCIATION	DIRECTOR

## COMMENTS

The positions indicated in foundations and other non-profit undertakings listed above relate to members of the Board of Trustees or their nominees. Below is a list of undertakings in which the directors of Banco de Sabadell, S.A. hold remunerated positions: ACERINOX, S.A.; ACS, ACTIVIDADES DE CONSTRUCCION Y SERVICIOS, S.A.; ALFA, S.A.B. DE C.V.; AMADEUS IT GROUP, S.A.; BLUE SELF STORAGE, S.L.; CEMEX, S.A.B. DE C.V.; COBEGA, S.A.; EDP ENERGIAS DE PORTUGAL, S.A.; EXEA EMPRESARIAL, S.L.; FERROVIAL, S.E.; IBERDROLA, S.A.; IBERPAPEL GESTIÓN, S.A.; GRUPO INDUKERN, S.L.; ICA TENEDORA, S.A. DE C.V.; INMOBILIARIA COLONIAL, SOCIMI, S.A.; KBC BANK, N.V., KBC GROUP, N.V.; MDF FAMILY PARTNERS, S.A.; MERLIN PROPERTIES, SOCIMI, S.A.; MOSEL INTERNATIONAL, S.L.; MY CHEF RISTORAZIONE COMMERCIALE, S.P.A.; PAX LUX EQUITYCO, S.A.; PORCELANOSA, S.A.; PUIG BRANDS, S.A.; REAL ANALYSIS, S.L.; RENTA CORPORACIÓN REAL ESTATE, S.A.; REPSOL, S.A.; SABADELL CONSUMER FINANCE, S.A.(only the independent director of Banco Sabadell); SABADELL DIGITAL, S.A.U.; VISCOFAN, S.A.; VITRO, S.A.B. DE C.V.

**Indicate any other remunerated activities of the directors or representatives of the directors, whatever their nature, other than those indicated in the table above.**

Director or representative	Other remunerated activities
MS. ANA COLONQUES GARCÍA-PLANAS	HEAD OF FINANCIAL DEPARTMENT OF PORCELANOSA, S.A.
MS. MARÍA JOSÉ GARCÍA BEATO	ATTORNEY (FREELANCE PROFESSIONAL)
MS. MIREYA GINÉ TORRENS	PROFESSOR AND HEAD OF THE DEPARTMENT OF FINANCE MANAGEMENT (IESE BUSINESS SCHOOL)
MS. LAURA GONZÁLEZ MOLERO	MEMBER OF THE ADVISORY BOARD OF ISS (INTEGRATED SERVICES SOLUTIONS, S.L.)
MS. LAURA GONZÁLEZ MOLERO	MEMBER OF THE ADVISORY BOARD OF LEADERSHIP & EXECUTIVE SEARCH ADVISORY SERVICES IBERIA, S.L.(N2GROWTH IBERIA)
MR. DAVID VEGARA FIGUERAS	CHAIRMAN OF THE ADVISORY BOARD OF ROCA JUNYENT, S.L.P.

**C.1.12. Indicate whether the company has established rules about the maximum number of directorships that board members can hold; describe any such rules and detail where they are regulated:**

- ☒ **Yes**  
☐ **No**

**C.1.13. Indicate the amounts of the following items of the overall remuneration for the Board of Directors:**

Remuneration earned by the Board of Directors in the year (thousand euro)	9,172
Vested amount accumulated by current directors in long-term savings plans (thousand euro)	4,951
Amount of funds accumulated by current directors in long-term savings plans with non-vested financial rights (thousand euro)	6,044
Vested amount accumulated by former directors in long-term savings plans (thousand euro)	3,908

**C.1.14. Indicate senior management members who are not executive directors and the total remuneration accrued to them in the year:**

Name	Position(s)
MR. MARC ARMENGOL DULCET	GENERAL MANAGER
MR. GONZALO BARETTINO COLOMA	SECRETARY GENERAL
MS. ELENA CARRERA CRESPO	GENERAL MANAGER
MR. CRISTÓBAL PAREDES CAMUÑAS	GENERAL MANAGER
MR. CARLOS PAZ RUBIO	GENERAL MANAGER
DON MARCOS PRAT ROJO	GENERAL MANAGER
MS. SÒNIA QUIBUS RODRÍGUEZ	GENERAL MANAGER
MR. JORGE RODRÍGUEZ MAROTO	GENERAL MANAGER
MR. CARLOS VENTURA SANTAMANS	GENERAL MANAGER
MS. NÚRIA LÁZARO RUBIO	ASSISTANT GENERAL MANAGER - HEAD OF INTERNAL AUDIT

Number of female senior executives	2
% of total senior executives	18.2
Total remuneration of senior management (in thousand euro)	8,318

**C.1.15. Indicate whether there were any amendments to the board regulation in the year:**

☐ Yes

☒ No

**C.1.21. Detail whether there are specific requirements, other than those relating to directors, for appointing the Chairman of the Board of Directors:**

☒ Yes

☐ No

**C.1.23. Indicate if the articles or board regulation establish a term limit for independent directors or other requirements for them that are stricter than those provided by law, other than those provided in the regulations:**

☐ Yes

☒ No

**C.1.25. Indicate the number of board of directors' meetings held in the year. Also, state the number of times that the Chairman did not attend Board meetings. Proxies granted with specific instructions are not counted as absences.**

<b>Number of Board meetings</b>	15
<b>Number of Board meetings held without the chairman</b>	0

**Indicate the number of meetings held by the lead director with the other directors, without any executive director being present:**

<b>Number of meetings</b>	3
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**Indicate the number of meetings held by board committees in the year:**

<b>Number of meetings of the Strategy and Sustainability Committee</b>	15
<b>Number of meetings of the Credit Delegated Committee</b>	35
<b>Number of meetings of the Audit and Control Committee</b>	11
<b>Number of meetings of the Appointments and Corporate Governance Committee</b>	13
<b>Number of meetings of the Remuneration Committee</b>	12
<b>Number of meetings of the Risk Committee</b>	11

**C.1.26. Indicate the number of board of directors' meetings held in the year, and give data on attendance by members:**

<b>Meetings which were attended in person by at least 80 % of directors</b>	15
<b>Attendance in person as a % of the total number of votes during the year</b>	97.73
<b>Meetings at which all the directors were present in person or for which they granted proxy with specific instructions</b>	15
<b>Votes cast with all directors actually present or having granted proxy with specific instructions, as a % of total votes in the year</b>	100.00

**C.1.27. Indicate whether the separate and consolidated financial statements that are presented for board approval are certified beforehand:**

- ☒ **Yes**  
☐ **No**

**Identify the person(s) that certified the company's separate and consolidated financial statements for board authorisation:**

<b>Name</b>	<b>Position</b>
MR. CÉSAR GONZÁLEZ-BUENO MAYER WITTGENSTEIN	CEO
MR. SERGIO ALEJANDRO PALAVECINO TOMÉ	GENERAL MANAGER—CHIEF FINANCIAL OFFICER



**C.1.29. Is the board secretary a director?**

- ☐ Yes  
☒ No

If the secretary is not a director, complete the following table:

Name of secretary	Representative
MR. MIQUEL ROCA I JUNYENT	

**C.1.31. State whether the Company changed its external auditor during the year. If so, identify the incoming and outgoing auditor:**

- ☐ Yes  
☒ No

If there was a disagreement with the outgoing auditor, describe it:

- ☐ Yes  
☒ No

**C.1.32. Indicate whether the audit firm performs work for the company and/or its group other than auditing and, if so, state the fees received for such work and those fees as a percentage of the total fees billed to the company and/or its group:**

- ☒ Yes  
☐ No

	Company	Group companies	Total
Fees for work other than auditing (thousand euro)	738	133	871
Fees for work other than auditing / Total audit fees (%)	24.61	1.67	7.94

**C.1.33. State whether or not the auditors' report on the previous year's financial statements was qualified. If it was, state the reasons given by the Chairperson of the Audit Committee to the shareholders at the General Meeting of Shareholders to explain the content and scope of the qualification or exception.**

- ☐ Yes  
☒ No

**C.1.34. Indicate the number of consecutive years that the current audit firm has been auditing the financial statements of the company and/or the consolidated financial statements of its group. Also, indicate the number of years audited by the current audit firm as a percentage of the total number of years in which the financial statements have been audited:**

	<b>Separate</b>	<b>Consolidated</b>
<b>Number of consecutive years</b>	5	5

	<b>Individuales</b>	<b>Consolidadas</b>
<b>No. of years audited by the current audit firm / No. of years that the company or its group has been audited ( %)</b>	11.36	12.50

**C.1.35. State and detail any procedures in place to ensure that directors can obtain the information they need to prepare in good time for meetings of the governing bodies:**

- ☒ **Yes**  
☐ **No**

<b>Detail the procedure</b>
<p>The Bank has procedures for providing the directors with the necessary information and material sufficiently in advance to prepare for meetings of the Board of Directors and its committees.</p> <p>Article 21.1 of the Board of Directors Regulation establishes that the notice of meeting must always include the agenda, which must contain, among other items, information about subsidiaries and Board committees, and proposals and suggestions by the Chairman and other Board members and the Bank's General Managers, to be received no less than five days in advance of the Board meeting; such proposals must be accompanied by the appropriate material for distribution to the directors.</p> <p>Additionally, article 25 provides that:</p> <ol style="list-style-type: none"> <li>1. Directors are vested with the broadest powers to be informed about any aspect of the company, to examine its books, records, documents and other background information on the company's transactions and to inspect all of its installations. The right to information extends to subsidiaries, both domestic and foreign.</li> <li>2. So as not to disturb the ordinary running of the company, requests by directors for information must be channelled through the Chairman or the Board Secretary, who must attend to the director's requests by giving the information directly, providing appropriate access to individuals at the relevant level of the organisation, or providing the means by which the director may carry out the desired examination and inspection on site.</li> </ol> <p>Banco Sabadell has a procedure for providing the directors with the necessary material to prepare for meetings of the Board of Directors and its committees in a confidential and encrypted way, using the Diligent Boards software running on iPads. Information for Board meetings is circulated to the directors one week in advance, and it is elaborated upon or updated in the boardbook as needed; hence, they are duly informed.</p>

**C.1.39 Identify and detail, individually, in the case of directors, and in overall terms, in other cases, any agreements between the company and its directors and senior executives or employees that contain indemnities, guarantees or severance clauses in the event of their resignation or unfair dismissal or if the contractual relationship is terminated due to a takeover bid or other transaction.**

<b>Number of beneficiaries</b>	40
<b>Type of beneficiary</b>	<b>Description of agreement</b>
CEO, DIRECTOR-GENERAL MANAGER (CRO) AND 38 EXECUTIVES	<p>The Chief Executive Officer's contract contains a post-contractual non-competition clause of two years' duration providing two years' fixed remuneration, including the portion of annual contributions to pension plans that are not classified as discretionary pension benefits, in the event of the Chief Executive Officer's termination due to (i) a decision by the Bank, without this being due to a breach of the Chief Executive Officer's duties, or (ii) a change of control; and a non-competition clause of one year's fixed remuneration and one year's duration for all other cases. The application of this non-competition clause is limited geographically to Spain, the United Kingdom and Mexico, where the Bank's main activity is concentrated. The CRO's contract contains a post-contractual non-competition clause with a duration of two years, applicable at most up to the first date of ordinary retirement, providing for two years' fixed remuneration.</p> <p>There are 27 executives whose contracts contain a clause providing indemnity in the amount of up to two years' fixed remuneration for cases of unfair dismissal and some limited cases of change of control. Seven other executives have a post-contractual non-competition clause with a duration of two years, lasting at most until the first date of ordinary retirement, that provide the amount of two years' fixed remuneration, and the contracts of four executives contain a clause providing up to one year's fixed remuneration in the event of unfair dismissal and a post-contractual non-competition clause for a maximum of one year until the first date of ordinary retirement that provides the amount of one year's fixed remuneration.</p>

**State whether, outside the cases provided for in the regulations, such contracts must be reported and/or approved by the decision-making bodies of the company or group. If so, specify the procedures, cases and nature of the parties responsible for approving or disclosing:**

	<b>Board of Directors</b>	<b>General Meeting of Shareholders</b>
<b>Body that authorises the clauses</b>	X	
	Yes	No
<b>Is the General Meeting informed of the clauses?</b>	X	

## C.2. BOARD COMMITTEES

**C.2.1 List all the committees of the Board of Directors, their members and the proportion of executive, proprietary, independent and other external directors that comprise them:**

Strategy and Sustainability Committee		
Name	Position	Category
Josep Oliu Creus	Chairman	Other external
Lluís Deulofeu Fuguet	Member	Independent
Pedro Fontana García	Member	Independent
María José García Beato	Member	Other external
César González-Bueno Mayer	Member	Executive
George Donald Johnston III	Member	Independent

% executive directors	16.67
% proprietary directors	0.00
% independent directors	50.00
% other external directors	33.33

Credit Delegated Committee		
Name	Position	Category
Pedro Fontana García	Chairman	Independent
Lluís Deulofeu Fuguet	Member	Independent
César González-Bueno Mayer	Member	Executive
Alicia Reyes Revuelta	Member	Independent
Pedro Viñolas Serra	Member	Independent

% executive directors	20.00
% proprietary directors	0.00
% independent directors	80.00
% other external directors	0.00

Audit and Control Committee		
Name	Position	Category
Manuel Valls Morató	Chairman	Independent
Ana Colonques García-Planas	Member	Independent
Laura González Molero	Member	Independent
Pedro Viñolas Serra	Member	Independent

% executive directors	0.00
% proprietary directors	0.00
% independent directors	100.00
% other external directors	0.00

Identify the directors who are members of the audit committee and have been appointed taking into account their knowledge and experience in accounting or audit matters, or both, and state the date on which the Chairman of this committee was appointed.

Names of directors with experience	MR. MANUEL VALLS MORATÓ/ MS. ANA COLONQUES GARCÍA-PLANAS/ MS. LAURA GONZÁLEZ MOLERO/ MR. PEDRO VIÑOLAS SERRA
Date of appointment of the Chairman	30/06/2023

Appointments and Corporate Governance Committee		
Name	Position	Category
Pedro Fontana García	Chairman	Independent
Aurora Catá Sala	Member	Independent
María José García Beato	Member	Other external
Mireya Giné Torrens	Member	Independent

% executive directors	0.00
% proprietary directors	0.00
% independent directors	75.00
% other external directors	25.00

Remuneration Committee		
Name	Position	Category
Mireya Giné Torrens	Chairman	Independent
Ana Colonques García-Planas	Member	Independent
Laura González Molero	Member	Independent

% executive directors	0.00
% proprietary directors	0.00
% independent directors	100.00
% other external directors	0.00

Risk Committee		
Name	Position	Category
George Donald Johnston III	Chairman	Independent
Aurora Catá Sala	Member	Independent
Alicia Reyes Revuelta	Member	Independent
Manuel Valls Morató	Member	Independent

% executive directors	0.00
% proprietary directors	0.00
% independent directors	100.00
% other external directors	0.00

**C.2.2 Complete the following table with information on the number of female directors on the committees of the Board of Directors at the end of the last four financial years:**

2024			2023		2022		2021	
	Number	%	Number	%	Number	%	Number	%
Strategy and Sustainability Committee	1	16.67*	1	16.67*	1	16.67*	1	16.67*
Credit Delegated Committee	1	20.00	1	20.00	2	40.00	2	40.00
Audit and Control Committee	2	50.00	1	25.00	2	50.00	1	25.00
Appointments and Corporate Governance Committee	3	75.00	3	75.00	2	50.00	2	50.00
Remuneration Committee	3	100.00	2	66.67	2	50.00	1	25.00
Risk Committee	2	50.00	2	50.00	2	50.00	2	50.00

\* 20 % in the area of Sustainability

## D. RELATED-PARTY AND INTERCOMPANY TRANSACTIONS

**D.2 Give details of any transactions that are material, because of their size or nature, between the company or its subsidiaries and shareholders holding 10 % or more of the voting rights or represented on the board of directors of the company, indicating the competent body for their approval and whether any shareholder or director who was affected abstained. Where competency in this matter lies with the general meeting, indicate whether the motion was approved by the board without a majority of the independent directors voting against:**

Name of shareholder or any of its dependent companies	% Stake	Name of the company or subsidiary	Amount (thousand euro)	Approving body	Identification of the significant shareholder or director who has abstained	The proposal to the General Meeting, if any, was approved by the Board without the majority of independents voting against
No data.						

Name of shareholder or any of its dependent companies	Nature of relationship	Type of transaction and other information required to assess it
No data.		

**D.3 Give itemised details of any transactions that are material, because of their size or nature, between the company or any dependent company and the company's directors or executives, including transactions with undertakings that the director or executive controls or jointly controls, indicating the competent body for their approval and whether any of the shareholders or directors involved abstained. Where competency in this matter lies with the general meeting, indicate whether the motion was approved by the board without a majority of the independent directors voting against:**

Name of the directors or their controlled or jointly controlled entities	Name of the company or subsidiary	Relationship	Amount (thousand euro)	Approving body	Identification of the significant shareholder or director who has abstained	The proposal to the General Meeting, if any, was approved by the Board without the majority of independents voting against
No data.						

Name of the directors or their controlled or jointly controlled entities	Type of transaction and other information required to assess it
No data.	

**D.4 Give itemised details of any intercompany transactions that are material, because of their size or nature, between the company and its controlling company or with other companies in the controlling company's group, including the listed company's own dependent companies, unless no other related party of the listed company has an interest in such subsidiaries or such subsidiaries are wholly owned, directly or indirectly, by the listed company.**

In any event, provide details of any intercompany transactions carried out with organisations based in countries or territories that are considered to be tax havens:



Name of the group institution	Brief description of transaction and other information that is necessary to assess it	Amount (thousand euro)
No data.		

**D.5 Give itemised details of any transactions that are material, because of their size or nature, between the company or any dependent company and parties who are classified as related parties in accordance with the International Accounting Standards adopted by the EU that have not been disclosed in the preceding sections.**

Name of related party	Brief description of transaction and other information that is necessary to assess it	Amount (thousand euro)
ACERINOX, S.A.		150000

On 24 April 2024, following a favourable report from the Audit and Control Committee, the Board approved a related-party transaction with Acerinox, S.A., consisting of a bilateral loan of €150 million, granted to Acerinox, S.A., bearing interest at 3.75%, with a 2-year grace period and a 5-year half-yearly straight-line repayment schedule. The transaction was signed on 27 June 2024. The transaction qualifies as a related-party transaction because Banco Sabadell directors Laura González Molero and George Donald Johnston III are independent directors at Acerinox, S.A. In addition, both are members of that company's audit committee; Ms. González Molero is chairwoman of its appointments and remuneration and corporate governance committee, and Mr. Johnston is a member of its executive committee.

This transaction, combined with another three transactions concluded in the past twelve months, exceeded 2.5% of revenue as reported in Banco Sabadell's consolidated financial statements for 2023. The transaction was accordingly disclosed, with an attached report from the Audit and Control Committee, as a disclosure of "Other relevant information" filed with the Spanish National Securities Market Commission (CNMV) on 27 June and 12 July 2024 (registration numbers 29.404 and 29.678), and also on the Banco Sabadell website ([www.grupbancsabadel.com](http://www.grupbancsabadel.com)), as required under Article 529unvicies of the Capital Companies Law. As stated in the regulatory disclosure and on the Banco Sabadell website ([www.grupbancsabadel.com](http://www.grupbancsabadel.com)), two of the three transactions were approved by the Board on 24 April 2024 following a favourable report from the Audit and Control Committee (the report was itself attached to the regulatory disclosure). The third transaction was approved by the Compliance Division as a related-party transaction in its opinion of 28 September 2023, using powers delegated by the Board on 1 July 2021. The three transactions were: renewal of a multi-company credit facility (one of the borrowers being Acerinox, S.A.) in the amount of €80 million, bearing interest at 3-month Euribor + 0.90% and maturing in 3 years; renewal of a multi-company credit facility (one of the borrowers being Acerinox, S. A.) in the amount of USD 15 million, bearing interest at SOFR 3m + 1% and maturing in 3 years; and renewal of a multi-company credit facility (drawable by either or both of Acerinox, S.A. and Acerinox Europa, S.A.U.) in the amount of USD 20 million, bearing interest at SOFR 3m + 1.10% and maturing in 1 year.

## **G. DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS**

**Indicate the degree of compliance by the company with the recommendations of the Good Governance Code for Listed Companies.**

**If any recommendation is not followed or is followed only in part, give a detailed explanation of the reasons so that shareholders, investors and the market in general have sufficient information to be able to evaluate the company's course of action. Explanations of a general nature will not be sufficient.**

1. That the articles of incorporation of listed companies should not limit the maximum number of votes that may be cast by one shareholder or contain other restrictions that hinder the takeover of control of the company through the acquisition of its shares on the market.

**Complies ☒ Explain ☐**

2. That when the listed company is controlled by another entity, whether listed or not, in the meaning of Article 42 of the Commercial Code and has, directly or through its subsidiaries, business relations with said entity or any of its subsidiaries (other than the listed company) or carries out activities related to those of any of them it should make accurate public disclosures on:

- a. The respective areas of activity and possible business relationships between the listed company or its subsidiaries and the parent company or its subsidiaries.
- b. The mechanisms in place to resolve any conflicts of interest that may arise.

**Complies ☐ Complies partially ☐ Explain ☐ Not applicable ☒**

3. That, during the Ordinary General Meeting, as a complement to the distribution of the written annual corporate governance report, the Chairman of the Board of Directors should inform shareholders orally, in sufficient detail, of the most significant aspects of the company's corporate governance, and in particular:

- a. Any changes since the last ordinary general meeting.
- b. The specific reasons for which the company does not follow any of the recommendations of the Code of Corporate Governance and any alternative rules that are applicable in this matter.

**Complies ☒ Complies partially ☐ Explain ☐**

4. That the company should define and promote a policy on communication and contact with shareholders and institutional investors, within the framework of their involvement in the company, and with proxy advisors that complies in all aspects with rules against market abuse and gives equal treatment to similarly situated shareholders. And that the company should publish this policy on its website, including information on how it has been put into practice and identifying the contact persons or those responsible for implementing it.

And that, without prejudice to the legal obligations regarding dissemination of inside information and other types of regulated information, the company should also have a general policy regarding the communication of economic-financial, non-financial and corporate information through such channels as it may consider appropriate (communication media, social networks or other channels) that helps to maximise the dissemination and quality of information available to the market, investors and other stakeholders.

**Complies ☒ Complies partially ☐ Explain ☐**

5. That the Board of Directors should not submit to the General Meeting any proposal for delegation of powers allowing the issue of shares or convertible securities with the exclusion of pre-emptive rights in an amount exceeding 20 % of the capital at the time of delegation.

And that whenever the Board of Directors approves any issue of shares or convertible securities with the exclusion of pre-emptive rights, the company should immediately publish the reports referred to by company law on its website.

**Complies** ☒      **Complies partially** ☐      **Explain** ☐

6. That listed companies that prepare the reports listed below, whether under a legal obligation or voluntarily, should publish them on their website with sufficient time before the Ordinary General Meeting, even if their publication is not mandatory:

- a. Report on the auditor's independence.
- b. Reports on the performance of the Audit Committee and the Appointments and Remuneration Committees.
- c. Report by the Audit Committee on related-party transactions.

**Complies** ☒      **Complies partially** ☐      **Explain** ☐

7. That the company should transmit in real time, through its website, the proceedings of the General Meeting of Shareholders.

And that the company should have mechanisms in place allowing the delegation and casting of votes by means of data transmission and even, in the case of companies of large capitalisation and to the extent that it is proportionate, attendance and active participation in the General Meeting to be conducted by such remote means.

**Complies** ☒      **Complies partially** ☐      **Explain** ☐

8. That the audit committee should ensure that the annual accounts that the Board of Directors submits to the General Meeting of Shareholders are prepared in accordance with the accounting regulations. And that in cases in which the auditor has included a qualification or reservation in its audit report, the Chairman of the audit committee should clearly explain to the general meeting the opinion of the audit committee on its content and scope, making a summary of this opinion available to shareholders at the time when the meeting is called, alongside the other Board proposals and reports.

**Complies** ☒      **Complies partially** ☐      **Explain** ☐

9. That the company should permanently publish on its website the requirements and procedures for certification of share ownership, the right of attendance at the General Meeting of Shareholders, and the exercise of voting or issuing a proxy.

And that such requirements and procedures promote attendance and the exercise of shareholder rights in a non-discriminatory fashion.

**Complies** ☒      **Complies partially** ☐      **Explain** ☐

10. That when a duly authenticated shareholder has exercised his or her right to complete the agenda or to make motions in advance of the General Meeting of Shareholders, the company:

- a. Should immediately distribute such complementary items and new motions.

- b. Should publish the attendance, proxy and remote voting card specimen with the necessary changes such that the new agenda items and alternative motions can be voted on in the same terms as those proposed by the Board of Directors.
- c. Should submit all these items or alternative proposals to a vote and apply the same voting rules to them as to those formulated by the Board of Directors including, in particular, assumptions or deduction regarding votes for or against.
- d. That after the General Meeting of Shareholders, a breakdown of the voting on said additional items or alternative proposals be communicated.

**Complies** ☒      **Complies partially** ☐      **Explain** ☐      **Not applicable** ☐

11. That if the company intends to pay premiums for attending the General Meeting of Shareholders, it should establish in advance a general policy on such premiums and this policy should be stable.

**Complies** ☐      **Complies partially** ☐      **Explain** ☐      **Not applicable** ☒

12. That the Board of Directors should perform its functions with a unity of purpose and independence of criterion, treating all similarly situated shareholders equally and being guided by the best interests of the company, which is understood to mean the pursuit of a profitable and sustainable business in the long term, promoting its continuity and maximising the economic value of the business.

And that in pursuit of the company's interest, in addition to complying with applicable law and rules and conducting itself on the basis of good faith, ethics and a respect for commonly accepted best practices, it should seek to reconcile its own company interests, when appropriate, with the interests of its employees, suppliers, clients and other stakeholders that may be affected, as well as the impact of its corporate activities on the communities in which it operates and on the environment.

**Complies** ☒      **Complies partially** ☐      **Explain** ☐

13. That the Board of Directors should be of an appropriate size to perform its duties effectively and in a collegial manner, which makes it advisable for it to have between five and fifteen members.

**Complies** ☒      **Explain** ☐

14. That the Board of Directors should approve a policy aimed at favouring an appropriate composition of the Board of Directors and that:

- a. Is concrete and verifiable.
- b. Ensures that proposals as to the appointment or re-election are based upon a prior analysis of the skills required by the Board of Directors; and
- c. Favours knowledge, experience, age and gender diversity. For these purposes, it is considered that the measures that encourage the company to have a significant number of female senior executives favour gender diversity.

That the result of the prior analysis of the skills required by the Board of Directors be contained in the supporting report from the appointments committee published upon calling the General Meeting of Shareholders to which the ratification, appointment or re-election of each director is submitted.

The appointments committee will verify compliance with this policy each year and detail its findings in the annual corporate governance report.

**Complies** ☒      **Complies partially** ☐      **Explain** ☐

15. That proprietary and independent directors should constitute a substantial majority of the Board of Directors and that the number of executive directors be kept to a minimum, taking into account the complexity of the corporate group and the percentage of equity holding of executive directors.

And that the number of female directors should represent at least 40 % of the members of the Board of Directors before the end of 2022 and thereafter, and no less than 30 % prior to that date.

**Complies** ☒      **Complies partially** ☐      **Explain** ☐

16. That the number of proprietary directors as a percentage of the total number of non-executive directors are not greater than the proportion of the company's share capital represented by those directors and the rest of the capital.

This criterion may be relaxed:

- a. In large cap companies where few equity stakes attain the legal threshold for classification as significant shareholdings.
- b. In the case of companies where a plurality of shareholders is represented on the Board of Directors without ties among them.

**Complies** ☒      **Explain** ☐

17. That the number of independent directors should represent at least half of the total number of directors.

That, however, when the company does not have a high level of market capitalisation or in the event that it is a large-cap company with one shareholder or a group of shareholders acting in concert who together control more than 30 % of the company's share capital, the number of independent directors should represent at least one third of the total number of directors.

**Complies** ☒      **Explain** ☐

18. That companies should publish the following information on its directors on their website, and keep it up to date:

- a. Professional and biographical profile.
- b. Any other Boards of Directors to which the directors belong, regardless of whether or not they are listed companies, as well as any other remunerated activities engaged in, regardless of type.
- c. Category of directorship, indicating, in the case of proprietary directors, the shareholder that they represent or to which they are connected.
- d. Date of their first appointment as a member of the company's Board of Directors, and any subsequent reelections.
- e. Company shares and share options that they own.

**Complies** ☒      **Complies partially** ☐      **Explain** ☐

19. That the annual corporate governance report, after verification by the appointments committee, should explain the reasons for the appointment of any proprietary directors at the proposal of shareholders whose holding is less than 3 %. It should also explain, if applicable, why formal requests from shareholders for presence on the Board were not honoured, when their shareholding was equal to or exceeded that of other shareholders whose proposal for proprietary directors was honoured.

**Complies** ☐      **Complies partially** ☐      **Explain** ☐      **Not applicable** ☒

20. That proprietary directors representing significant shareholders should resign from the Board when the shareholder they represent disposes of its entire holding. They should also resign, in a proportional fashion, in the event that said shareholder reduces its holding to a level that requires a decrease in the number of proprietary directors.

**Complies** ☐      **Complies partially** ☐      **Explain** ☐      **Not applicable** ☒

21. That the Board of Directors should not propose the dismissal of any independent director before the completion of the director's term provided for in the articles of incorporation unless the Board of Directors finds just cause and a prior report has been prepared by the appointments committee. Specifically, just cause is considered to exist if the director takes on new duties or commits to new obligations that would interfere with his or her ability to dedicate the time necessary for attention to the duties inherent to his or her post as a director, fails to complete the tasks inherent to his or her post, or is affected by any of the circumstances which would cause the loss of independent status in accordance with applicable law.

The dismissal of independent directors may also be proposed as a result of a public offering, merger or other similar corporate operations entailing a change in the shareholder structure of the company, provided that such changes in the structure of the Board of Directors are the result of application of the proportionate representation criterion provided in Recommendation 16.

**Complies** ☒      **Explain** ☐

22. That companies should establish rules requiring that directors inform the Board of Directors and, where appropriate, resign from their posts, when circumstances arise which affect them, whether or not related to their actions in the company itself, and which may harm the company's standing and reputation, and in particular requiring them to inform the Board of Directors of any criminal proceedings in which they appear as suspects or defendants, as well as of how the legal proceedings subsequently unfold.

And that, if the Board is informed or becomes aware in any other manner of any of the circumstances mentioned above, it must investigate the case as quickly as possible and, depending on the specific circumstances, decide, based on a report from the Appointments and Remuneration Committee, whether or not any measure must be adopted, such as the opening of an internal investigation, asking the director to resign or proposing that he or she be dismissed. And that these events must be reported in the annual corporate governance report, unless there are any special reasons not to do so, which must also be noted in the minutes. This without prejudice to the information that the company must disseminate, if appropriate, at the time when the corresponding measures are implemented.

**Complies** ☒      **Complies partially** ☐      **Explain** ☐

23. That all directors clearly express their opposition when they consider any proposal submitted to the Board of Directors to be against the company's interests. In particular, independent directors and other directors not subject to potential conflicts of interest should challenge any decision that might harm the interests of shareholders lacking board representation.

Furthermore, when the Board of Directors makes significant or repeated decisions about which the director has serious reservations, the director should draw the appropriate conclusions and, in the

event the director decides to resign, explain the reasons for this decision in the letter referred to in the next recommendation.

This recommendation also applies to the secretary of the Board of Directors, even if he or she is not a director.

**Complies** ☐      **Complies partially** ☐      **Explain** ☐      **Not applicable** ☒

24. That whenever, due to resignation or resolution of the General Meeting, a director leaves before the completion of his or her term of office, the director should explain the reasons for this decision, or in the case of non-executive directors, their opinion of the reasons for cessation, in a letter addressed to all members of the Board of Directors.

And that, without prejudice to all this being reported in the annual corporate governance report, insofar as it is relevant to investors, the company must publish the cessation as quickly as possible, adequately referring to the reasons or circumstances adduced by the director.

**Complies** ☒      **Complies partially** ☐      **Explain** ☐      **Not applicable** ☐

25. That the appointments committee should make sure that non-executive directors have sufficient time available in order to properly perform their duties.

And that the Board regulations establish the maximum number of company Boards on which directors may sit.

**Complies** ☒      **Complies partially** ☐      **Explain** ☐

26. That the Board of Directors meet frequently enough to be able to effectively perform its duties, and at least eight times per year, following a schedule of dates and agendas established at the beginning of the year and allowing each director individually to propose other items that do not originally appear on the agenda.

**Complies** ☒      **Complies partially** ☐      **Explain** ☐

27. That director absences occur only when absolutely necessary and be quantified in the annual corporate governance report. And when absences do occur, that the director appoint a representative with instructions.

**Complies** ☒      **Complies partially** ☐      **Explain** ☐

28. That when directors or the secretary express concern regarding a proposal or, in the case of directors, regarding the direction in which the company is headed and said concerns are not resolved by the Board of Directors, such concerns should be included in the minutes at the request of the director expressing them.

**Complies** ☐      **Complies partially** ☐      **Explain** ☐      **Not applicable** ☒

29. That the company should establish adequate means for directors to obtain appropriate advice in order to properly fulfil their duties including, should circumstances warrant, external advice at the company's expense.

**Complies** ☒      **Complies partially** ☐      **Explain** ☐

30. That, without regard to the knowledge necessary for directors to complete their duties, companies make refresher courses available to them when circumstances make this advisable.

**Complies** ☒      **Complies partially** ☐      **Explain** ☐



31. That the agenda for meetings should clearly indicate those items on which the Board of Directors is to make a decision or adopt a resolution so that the directors may study or gather all relevant information ahead of time.

When, in exceptional circumstances, the Chairman wishes to bring urgent matters for decision or resolution before the Board of Directors which do not appear on the agenda, prior express agreement of a majority of the directors shall be necessary, and said consent shall be duly recorded in the minutes.

**Complies** ☒      **Complies partially** ☐      **Explain** ☐

32. That directors be periodically informed of changes in shareholding and of the opinions of significant shareholders, investors and rating agencies of the company and its group.

**Complies** ☒      **Complies partially** ☐      **Explain** ☐

33. That the Chairman, as the person responsible for the efficient workings of the Board of Directors, in addition to carrying out the duties assigned by law and the articles of incorporation, should prepare and submit to the Board of Directors a schedule of dates and matters to be considered; organise and coordinate the periodic evaluation of the Board as well as, if applicable, the chief executive of the company, should be responsible for leading the Board and the effectiveness of its work; ensuring that sufficient time is devoted to considering strategic issues, and approve and supervise refresher courses for each director when circumstances make this advisable.

**Complies** ☒      **Complies partially** ☐      **Explain** ☐

34. That when there is a lead director, the articles of incorporation or Regulations of the Board of Directors should confer upon him or her the following powers in addition to those conferred by law: to chair the Board of Directors in the absence of the Chairman and deputy Chairmen, should there be any; to reflect the concerns of non-executive directors; to liaise with investors and shareholders in order to understand their points of view and respond to their concerns, in particular as those concerns relate to corporate governance of the company; and to coordinate a succession plan for the Chairman.

**Complies** ☒      **Complies partially** ☐      **Explain** ☐      **Not applicable** ☐

35. That the secretary of the Board of Directors should pay special attention to ensure that the activities and decisions of the Board of Directors take into account such recommendations regarding good governance contained in this Good Governance Code as may be applicable to the company.

**Complies** ☒      **Explain** ☐

36. That the Board of Directors meet in plenary session once a year and adopt, where appropriate, an action plan to correct any deficiencies detected in the following:

- a. The quality and efficiency of the Board of Directors' work.
- b. The workings and composition of its committees.
- c. Diversity in the composition and skills of the Board of Directors.
- d. Performance of the Chairman of the Board of Directors and of the chief executive officer of the company.
- e. Performance and input of each director, paying special attention to those in charge of the various Board committees.

In order to perform its evaluation of the various committees, the Board of Directors will take a report from the committees themselves as a starting point and for the evaluation of the Board, a report from the appointments committee.

Every three years, the Board of Directors will rely for its evaluation upon the assistance of an external advisor, whose independence shall be verified by the appointments committee.

Business relationships between the external adviser or any member of the adviser's group and the company or any company within its group must be specified in the annual corporate governance report.

The process and the areas evaluated must be described in the annual corporate governance report.

**Complies** ☒ **Complies partially** ☐ **Explain** ☐

37. That if there is an executive committee, it must contain at least two non-executive directors, at least one of whom must be independent, and its secretary must be the secretary of the Board of Directors.

**Complies** ☐ **Complies partially** ☐ **Explain** ☐ **Not applicable** ☒

38. That the Board of Directors must always be aware of the matters discussed and decisions taken by the executive committee and that all members of the Board of Directors receive a copy of the minutes of meetings of the executive committee.

**Complies** ☐ **Complies partially** ☐ **Explain** ☐ **Not applicable** ☒

39. That the members of the audit committee, in particular its Chairman, be appointed in consideration of their knowledge and experience in accounting, audit and risk management issues, both financial and non-financial.

**Complies** ☒ **Complies partially** ☐ **Explain** ☐

40. That under the supervision of the audit committee, there should be a unit in charge of the internal audit function, which ensures that information and internal control systems operate correctly, and which reports to the non-executive Chairman of the Board or of the audit committee.

**Complies** ☒ **Complies partially** ☐ **Explain** ☐

41. That the person in charge of the unit performing the internal audit function should present an annual work plan to the audit committee, for approval by that committee or by the Board, reporting directly on its execution, including any incidents or limitations of scope, the results and monitoring of its recommendations, and present an activity report at the end of each year.

**Complies** ☒ **Complies partially** ☐ **Explain** ☐ **Not applicable** ☐

42. That in addition to the provisions of applicable law, the audit committee should be responsible for the following:

1. With regard to information systems and internal control:
  - a. Supervising and evaluating the process of preparation and the completeness of the financial and non-financial information, as well as the control and management systems for financial and non-financial risk relating to the company and, if applicable, the group - including operational, technological, legal, social, environmental, political and reputational risk, or risk related to corruption - reviewing compliance with regulatory requirements, the

appropriate delimitation of the scope of consolidation and the correct application of accounting criteria.

- b. Ensuring the independence of the unit charged with the internal audit function; proposing the selection, appointment and dismissal of the head of internal audit unit; proposing the budget for this service; approving or proposing its orientation and annual work plans for approval by the Board, making sure that its activity is focused primarily on material risks (including reputational risk); receiving periodic information on its activities; and verifying that Bank's senior management takes into account the conclusions and recommendations of its reports.
- c. Establish and supervise a mechanism to enable employees and other persons connected with the company, such as directors, shareholders, suppliers, contractors or subcontractors, to report potentially significant irregularities, including financial and accounting irregularities, or of any other nature, related to the company that they notice within the company or its group. This mechanism must guarantee confidentiality and, in any case, provide for cases in which the communications can be made anonymously, respecting the rights of the whistleblower and the person reported.
- d. Generally ensuring that internal control policies and systems are effectively applied in practice.

2. With regard to the external auditor:

- a. In the event that the external auditor resigns, examining the circumstances leading to such resignation.
- b. Ensuring that the remuneration paid to the external auditor for its work does not compromise the quality of the work or the auditor's independence.
- c. Making sure that the company informs the CNMV of the change of auditor, along with a statement on any differences that arose with the outgoing auditor and, if applicable, the contents thereof.
- d. Ensuring that the external auditor holds an annual meeting with the Board of Directors in plenary session in order to make a report regarding the tasks performed and the development of the company's accounting situation and risks.
- e. Ensuring that the company and the external auditor comply with applicable rules regarding the provision of services other than auditing, limits on the concentration of the auditor's business, and, in general, all other rules regarding auditors' independence.

**Complies** ☒

**Complies partially** ☐

**Explain** ☐

43. That the audit committee be able to require the presence of any employee or manager of the company, even stipulating that he or she appears without the presence of any other member of management.

**Complies** ☒

**Complies partially** ☐

**Explain** ☐

44. That the audit committee be kept abreast of any corporate and structural changes operations planned by the company in order to perform an analysis and draw up a prior report to the Board of Directors on the economic conditions and accounting implications and, in particular, any exchange ratio involved.

**Complies** ☒

**Complies partially** ☐

**Explain** ☐

**Not applicable** ☐

45. That the risk management and control policy identify or determine, as a minimum:

- a. The various types of financial and non-financial risks (including operational, technological, legal, social, environmental, political and reputational risks and risks relating to corruption) which the company faces, including among the financial or economic risks contingent liabilities and other off-balance sheet risks.
- b. A risk control and management model based on different levels, which will include a specialised risk committee when sector regulations so require or the company considers it to be appropriate.
- c. The level of risk that the company considers to be acceptable.
- d. Measures in place to mitigate the impact of the risks identified in the event that they should materialise.
- e. Internal control and information systems to be used in order to control and manage the aforementioned risks, including contingent liabilities.

**Complies** ☒

**Complies partially** ☐

**Explain** ☐

46. That under the direct supervision of the audit committee or, if applicable, of a specialised committee of the Board of Directors, an internal risk management and control function should exist, performed by an internal unit or department of the company which is expressly charged with the following responsibilities:

- a. Ensuring the proper functioning of risk management and control systems and, in particular, that they adequately identify, manage and quantify all material risks affecting the company.
- b. Actively participating in drawing up the risk strategy and in important decisions regarding risk management.
- c. Ensuring that the risk management and control systems adequately mitigate risks as defined by the policy laid down by the Board of Directors.

**Complies** ☒

**Complies partially** ☐

**Explain** ☐

47. That in designating the members of the appointment and remuneration committee — or of the appointments committee and the remuneration committee if they are separate — care be taken to ensure that they have the knowledge, aptitudes and experience appropriate to the functions that they are called upon to perform and that the majority of said members are independent directors.

**Complies** ☒

**Complies partially** ☐

**Explain** ☐

48. That large-cap companies have separate Appointments and Remuneration Committees.

**Complies** ☒

**Complies partially** ☐

**Explain** ☐

49. That the appointments committee consult the Chairman of the Board of Directors and the chief executive of the company, especially in relation to matters concerning executive directors.

And that any director be able to ask the appointments committee to consider potential candidates that he or she considers suitable to fill a vacancy on the Board of Directors.

**Complies** ☒

**Complies partially** ☐

**Explain** ☐

50. That the remuneration committee exercise its functions independently and that, in addition to the functions assigned to it by law, it should be responsible for the following:

- a. Proposing the basic conditions of employment for senior executive to the Board of Directors.
- b. Verifying compliance with the company's remuneration policy.
- c. Periodically reviewing the remuneration policy applied to directors and senior executives, including share- based remuneration systems and their application, as well as ensuring that their individual remuneration is proportional to that received by the company's other directors and senior executives.
- d. Ensuring that potential conflicts of interest do not impair the independence of external advice given to the committee.
- e. Verifying the information on remuneration of directors and senior executives contained in the various corporate documents, including the annual report on directors' remuneration.

**Complies** ☒

**Complies partially** ☐

**Explain** ☐

51. That the remuneration committee should consult the Chairman and the chief executive of the company, especially on matters relating to executive directors and senior executives.

**Complies** ☒

**Complies partially** ☐

**Explain** ☐

52. That the rules regarding the composition and workings of the supervision and control committees should appear in the Regulations of the Board of Directors and that they should be consistent with those applying to legally mandatory committees in accordance with the foregoing recommendations, including:

- a. That they be composed exclusively of non-executive directors, with a majority of independent directors.
- b. That their chairpersons be independent directors.
- c. That the Board of Directors select members of these committees taking into account their knowledge, skills and experience and the duties of each committee; discuss their proposals and reports; and require them to render account of their activities and of the work performed in the first plenary session of the Board of Directors held after each committee meeting.
- d. That the committees be allowed to avail themselves of outside advice when they consider it necessary to perform their duties.
- e. That their meetings be recorded and the minutes be made available to all directors.

**Complies** ☒

**Complies partially** ☐

**Explain** ☐

**Not applicable** ☐

53. That verification of compliance with the company's policies and rules on environmental, social and corporate governance matters, and with the internal codes of conduct be assigned to one or divided among more than one committee of the Board of Directors, which may be the audit committee, the appointments committee, a specialised committee on sustainability or corporate social responsibility or such other specialised committee as the Board of Directors, in the exercise of its powers of self-organisation, may have decided to create. And that such committee be composed exclusively of non-executive directors, with a majority of these being independent directors, and that the minimum functions indicated in the next recommendation be specifically assigned to it.

**Complies** ☒

**Complies partially** ☐

**Explain** ☐

54. The minimum functions referred to in the foregoing recommendation are the following:

- a. Monitoring of compliance with the company's internal codes of conduct and corporate governance rules, also ensuring that the corporate culture is aligned with its purpose and values.
- b. Monitoring the application of the general policy on communication of economic and financial information, non-financial and corporate information, and communication with shareholders and investors, proxy advisors and other stakeholders. The manner in which the entity communicates and handles relations with small and medium-sized shareholders must also be monitored.
- c. The periodic evaluation and review of the company's corporate governance system, and environmental and social policy, with a view to ensuring that they fulfil their purposes of promoting the interests of society and take account, as appropriate, of the legitimate interests of other stakeholders.
- d. Supervision of the company's environmental and social practices to ensure they are in alignment with the established strategy and policy.
- e. Supervision and evaluation of the way in which relations with the various stakeholders are handled.

**Complies** ☒

**Complies partially** ☐

**Explain** ☐

55. That environmental and social sustainability policies identify and include at least the following:

- a. The principles, commitments, objectives and strategy relating to shareholders, employees, clients, suppliers, social issues, the environment, diversity, tax responsibility, respect for human rights, and the prevention of corruption and other unlawful conduct
- b. Means or systems for monitoring compliance with these policies, their associated risks, and management.
- c. Mechanisms for supervising non-financial risk, including that relating to ethical aspects and aspects of business conduct.
- d. Channels of communication, participation and dialogue with stakeholders.
- e. Responsible communication practices that impede the manipulation of data and protect integrity and honour.

**Complies** ☒

**Complies partially** ☐

**Explain** ☐

56. That director remuneration be sufficient in order to attract and retain directors who meet the desired professional profile and to adequately compensate them for the dedication, qualifications and responsibility demanded of their posts, while not being so excessive as to compromise the independent judgement of non-executive directors.

**Complies** ☒

**Explain** ☐

57. That only executive directors should receive variable remuneration linked to corporate results and personal performance, as well as remuneration in the form of shares, options or rights to shares, or instruments referenced to the share price and long-term savings plans such as pension plans, retirement schemes or other provident schemes.

Consideration may be given to delivering shares to non-executive directors as remuneration providing this is conditional upon their holding them until they cease to be directors. The foregoing

shall not apply to shares that the director may need to sell in order to meet the costs related to their acquisition.

**Complies** ☒      **Complies partially** ☐      **Explain** ☐

58. That as regards variable remuneration, remuneration policies should incorporate the necessary limits and technical safeguards to ensure that such remuneration is in line with the professional performance of its beneficiaries and not based solely on general developments in the markets or in the sector in which the company operates, or other similar circumstances.

And, in particular, that variable remuneration components:

- a. Are linked to pre-determined and measurable performance criteria and that such criteria take into account the risk incurred to achieve a given result.
- b. Promote the sustainability of the company and include non-financial criteria that are geared towards creating long term value, such as compliance with the company's rules and internal operating procedures and with its risk management and control policies.
- c. Are based on balancing the attainment of short-, medium- and long-term objectives, so as to allow remuneration of continuous performance over a period long enough to be able to assess its contribution to the sustainable creation of value, such that the elements used to measure performance are not associated only with one-off, occasional or extraordinary events.

**Complies** ☒      **Complies partially** ☐      **Explain** ☐      **Not applicable** ☐

59. Que el pago de los componentes variables de la remuneración quede sujeto a una comprobación 59. That the payment of variable remuneration components be subject to sufficient verification that previously established performance or other conditions have effectively been met. Entities must include in their annual report on director remuneration the criteria for the time required and methods used for this verification depending on the nature and characteristics of each variable component.

That, additionally, companies consider the inclusion of a reduction ('malus') clause for the deferral of the payment of a portion of variable remuneration components that would imply their total or partial loss if an event were to occur prior to the payment date that would make this advisable.

**Complies** ☒      **Complies partially** ☐      **Explain** ☐      **Not applicable** ☐

60. That remuneration related to company results should take into account any reservations that might appear in the external auditor's report and that would diminish said results.

**Complies** ☒      **Complies partially** ☐      **Explain** ☐      **Not applicable** ☐

61. That a material portion of executive directors' variable remuneration be linked to the delivery of shares or financial instruments referenced to the share price.

**Complies** ☒      **Complies partially** ☐      **Explain** ☐      **Not applicable** ☐

62. That once shares or options or financial instruments have been allocated under remuneration systems, executive directors be prohibited from transferring ownership or exercising options or rights until a term of at least three years has elapsed.

An exception is made in cases where the director has, at the time of the transfer or exercise of options or rights, a net economic exposure to changes in the share price for a market value



equivalent to at least twice the amount of his or her fixed annual remuneration through the ownership of shares, options or other financial instruments.

The foregoing shall not apply to shares that the director may need to sell in order to meet the costs related to their acquisition or, following a favourable assessment by the Appointments and Remuneration Committee, to deal with such extraordinary situations as may arise and so require.

**Complies** ☒      **Complies partially** ☐      **Explain** ☐      **Not applicable** ☐

63. That contractual arrangements should include a clause allowing the company to demand repayment of the variable remuneration components in the event that payment was not in accordance with the performance conditions or when payment was made based on data subsequently shown to have been inaccurate.

**Complies** ☒      **Complies partially** ☐      **Explain** ☐      **Not applicable** ☐

64. That payments for contract resolution should not exceed an amount equivalent to two years of total annual remuneration and should not be paid until the company has been able to verify that the director has fulfilled all previously established criteria or conditions for payment.

For the purposes of this recommendation, payments for contractual resolution will be considered to include any payments the accrual of which or the obligation to pay which arises as a consequence of or on the occasion of the termination of the contractual relationship between the director and the company, including amounts not previously vested of long-term savings schemes and amounts paid by virtue of post- contractual non-competition agreements.

**Complies** ☒      **Complies partially** ☐      **Explain** ☐      **Not applicable** ☐

Indicate whether any board members voted against or abstained with respect to the approval of this report.

☐ Yes  
☒ No

I declare that the details include in this statistical schedule coincide and are consistent with the descriptions and details included in the annual corporate governance report published by the Company.

The English version is a Translation of the original in Spanish and is provided for information purposes only. In case of discrepancy, the original version in Spanish shall prevail.