

## **AGENDA ITEM ONE: PROPOSED RESOLUTION**

Approve the Financial Statements—Balance Sheet, Profit and Loss Account, Statement of Changes in Net Equity, Cash Flow Statements, and Notes to the Financial Statements—as well as Directors' Report of Banco de Sabadell, S.A. and its consolidated group, all corresponding to the financial year ending 31 December 2012; grant discharge to the Directors of Banco de Sabadell, S.A. for the financial year that commenced on 1 January 2012 and ended on 31 December 2012; and the proposal for application of income from that financial year, consisting of the following distribution:

To voluntary reserves	11,030,088.90 Euros
To legal reserve	4,520,354.31 Euros
To reserves for investment in the Canary Islands	57,549.68 Euros
To dividends:	29,595,550.17 Euros
Dividend to be paid as from 5.04.2013	0.01 Euros per share

### **JUSTIFICATION:**

In accordance with the provisions of the Commercial Code, the Capital Companies Act and other applicable legal provisions, the Financial Statements and their various component documents were authorised by the Board of Directors at a meeting on 24 January 2013, on the basis of the proposal drawn up by the Bank's Executive Committee based on the separate and consolidated balance sheets and profit and loss accounts for the financial year 2012 presented and verified by the Bank's Audit and Control Committee.

The Directors' Report was also approved at that meeting and includes the Annual Corporate Governance Report approved by the Board of Directors on that date.

The proposal for the distribution of income was drawn up in accordance with the criteria set out in the notes to financial statements.

The proposal for the distribution of income is in line with the Bank's results for 2012; the bank also proposes a supplementary dividend in the form of treasury shares to enhance earnings per share without impairing the process of strengthening capital.

## **AGENDA ITEM TWO: PROPOSED RESOLUTION**

Approve shareholder remuneration that is supplementary to the 2012 dividend, consisting of the distribution in kind of part of the issue premium reserve through the delivery, to shareholders of Banco de Sabadell, S.A., of shares of the Company which are held in treasury stock.

The remuneration to be delivered will be the equivalent of distributing €0.02 gross per entitled share, i.e. a payment in kind out of the voluntary issue premium reserve amounting to a total of at most €59,191,100.34.

For the purposes of this decision, the reference value of each share to be delivered will be the average of the weighted share price in the *Sistema de Interconexión Bursátil* (Spain's Electronic Market) in the five sessions prior to the date of the General Meeting, i.e. 26 March 2013 (the "**Reference Value**").

The number of shares to be delivered to each shareholder will be determined by the product of €0.02 and the shareholder's total number of shares divided by the Reference Value, rounded down to the nearest whole number, any excess ("**Excess**") resulting from such rounding being paid in cash to the shareholder.

The shares will be delivered on 5 April 2013 using the systems and mechanisms established by *Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.* (IBERCLEAR); accordingly, shareholders of record of Banco de Sabadell, S.A. in the registers held by member entities of *Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.* (IBERCLEAR) at the close of trading on 26 March 2013 will be entitled to collect the distribution in kind.

Banco de Sabadell, S.A., acting as Agent Bank for these purposes, will coordinate and perform with IBERCLEAR and its member entities the processes and transactions that are necessary or merely advisable to implement the distribution in kind, all in conformity with the procedure and terms set out in this decision and those which are established by the Board of Directors of Banco de Sabadell, S.A., as needed.

The shares delivered and the Excess paid in cash represent gross amounts and, accordingly, any withholdings and prepayments that may be required by law will be for the account of the shareholders. Shareholders will also be liable for any commissions or expenses that may be charged for the distribution by member entities of IBERCLEAR or the depositories in accordance with current legislation. However, Banco de Sabadell, S.A. will not charge any commission to shareholders whose shares are deposited in the Banco Sabadell Group and who are beneficiaries of this transaction.

**JUSTIFICATION:**

The supplementary dividend for 2012, whose distribution is proposed under Agenda item One, represents a total shareholder remuneration of 0.03 Euros. The distribution and total remuneration are consistent with the prudent, conservative risk management policy applied by the Bank in recent years, which has enabled it to maintain a sound balance sheet.

## **AGENDA ITEM THREE: PROPOSED RESOLUTION**

### **1. First motion under Agenda item Three**

Appoint, at the suggestion of the Appointments and Remuneration Committee and in accordance with the provisions of Article 51 of the Articles of Association, Mr José Manuel Martínez Martínez, holding ID Card No. 22.394.123-N, as an Independent Director for a term of five years. This appointment is made to fill the vacancy currently existing on the Board as a result of the resignation of Mr Francesc Casas Selvas.

#### **JUSTIFICATION:**

In coherence with the provisions of article 51, it is hereby proposed to appoint Mr José Manuel Martínez Martínez as a member of the Board of Directors for a five-year term. Mr Martínez is currently Honorary Chairman of MAPFRE, of which he was Chairman from 2007 to March 2012. He has participated extensively in many business organisations, foundations and universities, as detailed in the report submitted by the Appointments and Remuneration Committee to the Board of Directors. He is, consequently, an ideal candidate for director and is understood to fulfil all of the necessary requirements for consideration.

This appointment for Independent Director is made to fill the vacancy on the Board resulting from the resignation of Mr Francesc Casas Selvas. This is based on the proposal made to the Board of Directors by the Appointments and Remuneration Committee for the reasons (notably his professional capacity and his suitability for this position) and in line with the criteria set out in that Committee's report, which has been provided to the shareholders as part of the documentation on this agenda item.

### **2. Second motion under Agenda item Three**

Ratify, at the proposal of the Appointments and Remuneration Committee, the appointment, by co-optation by the Board of Directors, of Mr Antonio Vitor Martins Monteiro, holding ID Card No. Y2737963-B, as a Proprietary Director, and approve, in accordance with article 51 of the Articles of Association, his appointment as a member of the Board of Directors for a term of five years as from this date.

#### **JUSTIFICATION:**

In conformity with article 51 of the Bank's Articles of Association, within the limits established in that article, and in accordance with article 244 of the Capital Companies Act, it is proposed to ratify the appointment, by co-

optation by the Board of Directors, of Mr Antonio Vitor Martins Monteiro, holding ID Card No. Y2737963-B, who is Chairman of the Board of Directors of Banco Comercial Portugués, S.A., as detailed in the report submitted by the Appointments and Remuneration Committee to the Board of Directors setting out the various posts he has held in the Portuguese diplomatic corps, which make him an ideal candidate for Director, in the category of Proprietary, to fill the vacancy in the Board resulting from the resignation of Mr Carlos Jorge Ramalho dos Santos Ferreira, approving his appointment as a member of the Board of Directors for a term of five years from this date. This is based on the proposal made to the Board of Directors by the Appointments and Remuneration Committee for the reasons (notably his professional capacity and his suitability for this position) and in line with the criteria set out in that Committee's report, which has been provided to the shareholders as part of the documentation on this agenda item.

### **3. Third motion under Agenda item Three**

Re-appoint, at the proposal of the Appointments and Remuneration Committee and in accordance with the provisions of Article 51 of the Articles of Association, Mr José Manuel Lara Bosch, holding ID Card No. 46.204.247-F, as a member of the Board of Directors of Banco de Sabadell, S.A. for a term of five years, with the status of independent director.

#### **JUSTIFICATION:**

In accordance with the provisions of article 51, it is proposed to re-appoint Mr José Manuel Lara Bosch as a member of the Board of Directors with the status of independent director since the term for which he was appointed has concluded. This is based on the proposal made to the Board of Directors by the Appointments and Remuneration Committee for the reasons (notably his professional capacity, his suitability for this position, and his satisfactory performance as a director this far) and in line with the criteria set out in that Committee's report, which has been provided to the shareholders as part of the documentation on this agenda item.

### **4. Fourth motion under Agenda item Three**

Re-appoint, at the proposal of the Appointments and Remuneration Committee and in accordance with the provisions of Article 51 of the Articles of Association, Mr Jaime Guardiola Romojaro, holding ID Card No. 37.688.964-Z, as a member of the Board of Directors of Banco de Sabadell, S.A. for a term of five years, with the status of executive director.

**JUSTIFICATION:**

In accordance with the provisions of article 51, it is proposed to re-appoint Mr Jaime Guardiola Romojaro as a member of the Board of Directors with the status of executive director since the term for which he was appointed has concluded. This is based on the proposal made to the Board of Directors by the Appointments and Remuneration Committee for the reasons (notably his professional capacity, his suitability for this position, and his satisfactory performance as a director this far) and in line with the criteria set out in that Committee's report, which has been provided to the shareholders as part of the documentation on this agenda item.

#### **AGENDA ITEM FOUR: PROPOSED RESOLUTION**

Grant the Board of Directors of Banco de Sabadell, S.A. powers as broad as may be required by law so that, in accordance with the provisions of article 297.1.b) of the Capital Companies Act, it may increase share capital, on one or several occasions, in the amount(s), on the date(s) and on the terms and conditions that the Board of Directors may determine, with power to delegate to the Executive Committee or the persons it considers appropriate, up to the maximum limit and within the maximum term contemplated in the Act, being authorised to determine the characteristics of the shares, to freely offer any new shares that were not subscribed in any pre-emptive subscription period(s), to determine that, in the event of incomplete subscription, the capital increase be made only in the amount actually subscribed, and to amend the wording of the article of the Articles of Association on share capital.

The delegation of powers includes authorisation to set all of the terms and conditions of any capital increase(s) resolved by virtue of this delegation in accordance with the limits envisioned in article 297.1.b of the Capital Companies Act, especially as regards determining any share premium; issuing preference shares, non-voting shares, or redeemable shares and other financial instruments or securities referenced or related to the Bank's shares that may entail an increase in share capital; applying for listing and delisting of the shares issued; and taking any other steps that may be necessary to ensure that the new shares resulting from the capital increase(s) are listed on Spanish and foreign stock markets, in accordance with the procedures established by each stock market. It also includes the power, where appropriate, to override pre-emptive subscription rights in connection with share issues made under this delegation of powers in cases in which this is in the corporate interest, pursuant to the provisions of Article 506 of the Capital Companies Act.

The Board of Directors is expressly empowered, with powers as broad as may be required by law, to delegate to the Executive Committee or the persons that it considers appropriate, and without prejudice to any existing delegations or empowerments, to remedy, clarify, interpret, complete, specify and render more precise, as appropriate, the adopted resolutions, and, in particular, remedy any defects, omissions or errors that may be observed.

The Board of Directors is also expressly empowered, as broadly as may be required by law, with the power to sub-delegate to the Executive Committee or the persons it considers appropriate, and without prejudice to any existing delegations or empowerments, to perform all of the actions and processes necessary or merely advisable for the execution and implementation of the capital increase and, in particular, the following:

- (i) drafting, signing and presenting to the CNMV, if necessary, the prospectus for the capital increase or any equivalent document, in

compliance with the provisions of the Securities Market Act and Royal Decree 1310/2005, on the listing of securities on the official secondary markets and primary and secondary offerings, assuming liability for its content, and drafting, signing and presenting such supplements to same as may be necessary, requesting vetting and registration of same by the CNMV and issuing the regulatory and other disclosures that may be necessary or advisable;

- (ii) drafting, if necessary, the International Offering Memorandum to facilitate dissemination of the information about the capital increase to international shareholders and investors, and assuming liability for its content;
- (iii) drafting, signing and presenting any documentation or additional or supplementary information as may be necessary before the CNMV, the Stock Exchange Governing Companies, and any other competent authority or body, Spanish or foreign, to obtain authorisation, vetting and subsequent implementation of the capital increase;
- (iv) appearing before the notary of their choice and expressing this capital increase decision as a public instrument, and taking such steps as may be necessary and approving and formalising such public or private documents as may be necessary or advisable to render this capital increase resolution fully enforceable in all of its aspects and contents, and particularly remedying, clarifying, interpreting, completing, specifying and rendering more precise, as appropriate, the adopted resolution, and, in particular, remedying any defects, omissions or errors that may be observed by the Mercantile Registry in its verbal or written feedback;
- (v) negotiating, signing and granting such public and private documents as may be necessary in connection with the capital increase in accordance with standard practice for this type of transaction, including, in particular, an underwriting and/or placement contract, which may include among its provisions the declarations and guarantees by the Company that are habitual in this type of contract, agency contracts, protocols and draft agreements relating to such underwriting/placement contracts, and any that may be advisable for the implementation of the capital increase, reaching an agreement on fees and other terms and conditions it considers appropriate, including any compensation for the underwriters;
- (vi) drafting and publishing such advertisements as may be necessary or advisable;
- (vii) declaring that the capital increase has been completed, upon expiration of the subscription period and following payment for the shares finally subscribed, and granting such public and private documents as may be necessary to execute the capital increase;



## **JUSTIFICATION:**

The object of the proposed capital increase resolution, in accordance with the provisions of Article 297.1.b) of the Capital Companies Act, lies in the power of the General Meeting to delegate to the Board of Directors, with the power to delegate in turn to the Executive Committee or the persons it considers appropriate, the power to increase capital, on one or several occasions, in an amount not exceeding in any circumstances half the existing share capital at the date of the authorisation, within a maximum period of five years as from the date of the resolution of the General Meeting and provided in all cases that the capital increase is made by means of monetary contributions.

The General Meeting thus grants to the Board an instrument that is contemplated in the Capital Companies Act and enables it to increase capital within the limits established by the Act, as it sees fit in the company's interests, with no need to convene and hold a General Meeting of Shareholders. The aim is to provide the Board of Directors with an agile, flexible mechanism for responding appropriately to the Bank's needs, in light of the market environment in which it operates.

The delegation as provided in article 297.1.b) of the Capital Companies Act makes it possible to grant the Board of Directors the necessary degree of flexibility to attend to the Bank's needs at all times. All the foregoing is expressed in greater detail in the report issued by the directors of the company in compliance with articles 297.1 (relating to article 286) and 506 of the Capital Companies Act, which report is contained in the documentation provided to the shareholders.

Approval of this motion will render null and void the equivalent delegation approved on 31 May 2012 by the Bank's Ordinary General Meeting under item six of the agenda, in the amount not yet used.

## **AGENDA ITEM FIVE: PROPOSED RESOLUTION**

Delegate in favour of the Board of Directors of Banco de Sabadell, S.A., in accordance with the provisions of article 319 of the Mercantile Register Regulation, for a period of three years as from the date hereof, the power to issue, on one or several occasions, non-convertible bonds, whether subordinated or otherwise, under this name (*obligaciones no convertibles*), preference shares, short-term bonds or other similar instruments, mortgage covered bonds and any other fixed-income securities in the amount of 60 billion euro (€60,000,000,000).

The Board is also hereby expressly authorized to implement a programme to issue, on one or several occasions, commercial paper, under this or any other name, for a period of three years as from the date hereof.

The Board may freely determine the terms and conditions of the securities, including but not limited to, the total amount of each issue or programme and the maturities, yields and other terms and conditions applicable to each issue or programme, being able to establish the redemption measures referred to in article 430 of the Capital Companies Act, to the extent that it is applicable. The Board may also, in general, and with no restrictions whatsoever, take all public or private steps that may be necessary or that it may deem appropriate for execution of this resolution, including, where appropriate, appointment of the Commissioner and approval of the fundamental rules governing the legal relationship between the Bank and the Syndicate of holders of the securities issued.

Authorize the Board additionally so that, where it sees fit, and subject to obtaining the necessary authorisations and, where necessary, the approval of the Assemblies of the Syndicates of holders of the securities in question, it may modify the terms of the issue and, in particular, the redemption, maturities and yields of any fixed-income securities issued under this delegation of powers.

The Board is also hereby expressly authorised to delegate these powers, in accordance with the provisions of the Capital Companies Act.

It is noted that, in accordance with Additional Provision 4 of Act 26/1988 and Article 510 of the Capital Companies Act, the limitation regarding the issuance of bonds established in article 405.1 of the Capital Companies Act does not apply.

### **JUSTIFICATION:**

The aim of the delegation of power by the General Meeting in favour of the Board of Directors, in accordance with the provisions of the Capital Companies Act, in order that it may make issues, on one or several occasions, whether subordinated or otherwise, of non-convertible bonds,

under that name (*obligaciones no convertibles*), preference issues, short-term bonds or other similar instruments, mortgage covered bonds and any other fixed-income securities, and in order that it may implement programmes to issue commercial paper, is to provide the Board of Directors with the instruments necessary to enhance performance of the Bank's activities, granting it more room for manoeuvre and the quick response capacity required in the highly competitive environment in which it operates.

## **AGENDA ITEM SIX: PROPOSED RESOLUTION**

Delegate to the Board of Directors of Banco de Sabadell, S.A., in accordance with the general rules on issuance of debt securities and with the provisions of articles 285-290, 297 and 511 of the Consolidated Text of the Capital Companies Act, approved by Legislative Royal Decree 1/2010 (the "**Capital Companies Act**") and 319 of the Mercantile Register Regulation, the power to issue debt securities, preference shares and any other securities representing part of a debt that are convertible into newly-issued shares of the Company and/or are exchangeable for existing shares of the Company, and warrants or analogous securities giving entitlement, directly or indirectly, to subscribe for or acquire shares of the Company, whether newly-issued or pre-existing, in accordance with the following conditions:

1. The securities for whose issuance the Board of Directors is empowered under this resolution may be issued at one or more times at any time within at most five (5) years from the date of adoption of this resolution.
2. The maximum total amount of the issue(s) to be made under this delegation is two billion euro (€2,000,000,000.00) or the equivalent in another currency.
3. When using the powers granted hereby, the acts which the Board is empowered to perform include, but are not limited to, the following: determining, for each issue, the amount, place of issue (Spain or other countries), and currency and, in the event of using a foreign currency, the equivalent in euros; the name, whether bonds (bonos) or debentures (obligaciones), subordinated or otherwise, preference shares and any others allowed by law; the date(s) of issuance; the number of securities and their nominal value, which, in the case of bonds, debentures, preference shares and other securities, may not be less than the par value of the shares; in the case of warrants and analogous securities, the issue price and/or premium, the strike price (which may be fixed or variable) and the procedure, term and other conditions applicable to the exercise of the right to subscribe for the underlying shares or the overriding of that right, as appropriate; the yield, which may be fixed or variable, with payment being at the discretion of the Company or obligatory, the dates and procedures for the payment of coupons, where appropriate; whether the securities are perpetual or amortisable and, in the latter case, the term of amortisation and the maturity date; the reimbursement rate, premiums and batches, the collateral; the form of representation, whether by certificates or book entries; the form of subscription; the degree of seniority of the securities and any subordination clauses; the legislation applicable to the issue; and generally any other condition of the issue, including the appointment of a Commissioner, where appropriate, and approval of the fundamental rules to govern the relations between the Bank and the Syndicate of holders of the securities to be issued, where it is necessary to form such a Syndicate.

Moreover, the Board of Directors is empowered so that, where it sees fit, and subject to obtaining the necessary authorisations and, where necessary, the approval of the Assemblies of the Syndicates of holders of the securities in question, it may modify the terms of any fixed-income securities issued under this authorisation and their respective maturities and any yields they accrue.

4. For the purposes of determining the rules and forms of conversion and/or exchange, the following criteria are established:

4.1 Convertible and/or exchangeable debentures and bonds, and preference shares:

- i. The securities (bonds, debentures, preference shares and any others allowed by law) that are issued under this resolution will be convertible into new shares of the Bank and/or exchangeable for existing shares of the Company in accordance with the conversion and/or exchange ratio to be established by the Board of Directors and which may be determined at the time of issuing the securities or consist of a variable ratio, and the Board is also empowered to determine whether they are convertible or exchangeable, and to determine whether conversion and or exchange is mandatory or voluntary and, in the event that it is voluntary, whether this is at the election of the holder or the issuer, with the frequency and in the term to be established in the issuance resolution, which may not exceed thirty (30) years from the date of issuance.
- ii. Where the issue is convertible and exchangeable, the Board may also establish that the issuer reserves the right to choose at any time between conversion into new shares or exchange for existing shares of the Company, specifying the nature of the shares to be delivered at the time of conversion or exchange, and it may even choose to deliver a combination of new and existing shares of the Company and even settle the difference in cash. In any event, the issuer will apply equal treatment to all holders of fixed-income securities that are converted and/or exchanged on the same date.
- iii. For the purposes of conversion and/or exchange, the securities representing part of a debt claim will be valued at their nominal value and the shares at the fixed price determined in the resolution adopted by the Board of Directors by making use of this delegation, or at the price that is determinable on the date(s) indicated in the Board resolution based on the stock market price of the Bank's shares on the date(s) or in the period(s) taken as a reference

in the resolution, with or without a discount, and, in any event, amounting to at least the higher of the average price of the shares on the electronic market of the Spanish stock exchanges where the Bank's shares are listed, using the closing prices of the 15 calendar days prior to the date of conversion or exchange, and the closing market price of the share on that same electronic market on the date preceding the date of conversion or exchange. Additionally, a discount not exceeding 25% may be established with respect to that minimum share price.

- iv. During conversion and/or exchange, any fraction of a share corresponding to the holder of debentures, bonds or preference shares will be rounded down to the next whole number and the difference in this case will be paid in cash.
- v. In no event may the value of the share used for converting the debentures into shares be less than the par value. As provided in article 415 of the Capital Companies Act, debentures may not be converted into shares if the par value of the former is less than the nominal value of the latter.
- vi. At the time of approving an issue of convertible debentures under this authorisation granted by the General Meeting, the Board of Directors must issue a report setting out and specifying, on the basis of the foregoing criteria, the conditions and forms of conversion applying specifically to the issue in question. That report must be accompanied by the auditors' report referred to in article 414.2 of the Capital Companies Act.

4.2 Warrants and other analogous securities giving entitlement, directly or indirectly, to subscribe for or acquire newly-created or pre-existing shares of the Company.

The Board of Directors is empowered to determine, in the broadest terms, the criteria applicable to the exercise of the right to subscribe for or acquire shares of the Company arising from securities of this class that are issued under this delegation, applying the criteria established in section 4.1 above, with the necessary modifications to be compatible with the legal and financial rules governing this class of securities.

- 5. As far as possible, in the conversion and/or exchange for shares of the securities issued under this delegation, the holders will have all rights granted to them under the current legislation, especially the right to be protected by anti-dilution clauses.
- 6. The delegation to the Board of Directors also includes, but is not limited to, the following powers:

- i. The power to set out and specify the conditions and forms of conversion, exchange and/or exercise of the rights to subscribe for and/or acquire shares arising from the securities to be issued, having regard to the criteria established in item 4 above.
- ii. The power, as provided by article 511 of the Capital Companies Act, for the Board of Directors to override, either fully or partially, the shareholders' pre-emptive subscription right when necessary to raise funds in the domestic or international markets or when it is in the Company's interests in any other way. In any case, if the Board decides to override the pre-emptive subscription right in relation to a specific issue of convertible debentures, preference shares, or warrants or analogous securities that it decides to make under this authorisation, it must, at the time of approving the issue and in accordance with the applicable regulations, issue a report detailing the specific reasons in connection with the Company's interests that justify the measure, which must be accompanied by a report by an auditor other than that of the Company, appointed by the Mercantile Registry as referred to in articles 414 and 417.2.b of the Capital Companies Act by reference from article 511 of that Act. Those reports will be made available to shareholders and disclosed to the first Shareholders' Meeting held after the decision to issue.
- iii. The power to increase capital in the amount needed to meet requests for conversion and/or exercise of the right to subscribe for shares. That power may be exercised only if the sum of the capital increase performed to cater for the issuance of convertible debentures, preference shares, or warrants and analogous securities and any other capital increases decided upon under authorisations granted by this General Meeting does not exceed the limit of one-half of the capital stock as provided in article 297.1 b) of the Capital Companies Act. This authorisation to increase capital includes the power to issue and place in circulation, at one or more times, the shares necessary to cater for the conversion and/or exercise of the right to subscribe for shares, as well as the power to redraft the article in the Articles of Incorporation relating to the share capital figure and, if necessary, the power to cancel any part of that capital increase that is not necessary for the conversion into shares and/or the exercise of the right to subscribe for shares. As provided in article 304.2 of the Capital Companies Act, shareholders will not have pre-emptive subscription rights in

capital increases made to issue new shares for the conversion of debentures.

7. The Board of Directors is empowered to apply, where appropriate, to list, on official or unofficial secondary markets, organised or otherwise, in Spain or other countries, the convertible and/or exchangeable debentures and/or bonds, preference shares or warrants issued under this delegation and the shares issued to cater for conversion of the convertible debentures and/or bonds, preference shares or warrants, and the Board of Directors is also empowered, as broadly as may be required by law, to take any necessary steps before the competent authorities of the various domestic or foreign securities markets to achieve such listing.

At successive General Meetings of Shareholders, the Board of Directors will inform shareholders of any use it has made of the delegation.

The delegation to the Board of Directors, which includes the express power to delegate to the Executive Committee or director(s) that it wishes, includes the broadest powers that may be necessary under law to interpret, apply, execute and implement the resolutions to issue securities that are convertible or exchangeable for shares of the Company, at one or more times, and the corresponding capital increases, and the Board is also empowered to remedy and complement the same where necessary, and to fulfil any requirements that may be applicable by law to achieve those outcomes, with the power to remedy omissions or defects in those resolutions that are pointed out by any authorities, functionaries or bodies, whether domestic or foreign, and it is also empowered to adopt such decisions and grant such public or private documents as may be considered necessary or advisable for the adaptation of these decisions to issue convertible or exchangeable securities and the corresponding capital increase on the basis of the verbal or written feedback from the Mercantile Registrar or, generally, from any other competent authorities, functionaries or institutions, whether domestic or foreign.

#### **JUSTIFICATION:**

The purpose of the delegation by the General Meeting to the Board of Directors, in accordance with the Capital Companies Act and complementary legislation, so that it may issue shares that are convertible and/or exchangeable for shares of the Company, as well as warrants and analogous securities giving entitlement, directly or indirectly, to subscribe for or acquire shares of the Company, and the power to override shareholders' pre-emptive subscription rights, is to provide the Bank's governing body with the room for manoeuvre and the capacity to respond that is required in the competitive environment in which the Bank operates, and it is in line with authorisations granted by the General Meeting in preceding years.



## **AGENDA ITEM SEVEN: PROPOSED RESOLUTION**

Revoke the resolution adopted at the General Meeting on 31 May 2012 in the part not executed, and authorise the Company so that, either directly or through any of its subsidiaries, and within a maximum period of five years as from the date of this General Meeting, it may acquire, at any time and as often as it sees fit, shares of Banco de Sabadell, S.A. by any of the means admitted by law, including against profit for the year and/or unrestricted reserves, and in order that it may subsequently sell or cancel any shares thus acquired or, where appropriate, deliver them to employees or directors of the Company 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 matching articles of the Capital Companies Act.

Approve the limits or conditions of these acquisitions, 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, shall not exceed, at any time, the legal limit established at any time by the legislation in force (currently ten per cent of share capital), complying in all cases with all the limits for acquisition of treasury shares established by the stock market regulators in the markets on which Banco de Sabadell, S.A. shares are listed.
- The acquisition, including any shares previously acquired by the Bank (or a person acting in his own name but on the bank's behalf) and held by it, does not lead to equity being less than the amount of capital plus legal reserves and reserves required by 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 treasury shares shall be made in accordance with general stock market rules and regulations.

In cases where disposal or delivery are not expected, reduce the share capital in order to cancel any treasury shares that the Bank may hold on its balance sheet, against profits or unrestricted reserves and in the amount that may be considered appropriate or necessary at any time, up to and including all treasury shares held as of that date.

Authorise the Board of Directors, with the power to sub-delegate this authorisation to the person or persons that it sees fit, to execute the foregoing Resolutions, and in particular the resolution on capital reduction, which may be made on one or several occasions and within a maximum period of five years from the date of adoption of this resolution, taking all steps and actions and obtaining all authorisations that may be necessary or required under the Capital Companies Act and other applicable legislation and, in particular, authorise the Board so that, within the period and limits established for such execution, it may: set the date(s) of any specific capital reduction(s), their

timing and advisability, determine the amount of the capital reduction; determine the use to be made of the amount thus reduced, furnishing, where necessary, any guarantees and complying with any conditions that may be required by law; amend the wording of Article 7 of the Articles of Association to the new amount of capital; apply for delisting of the shares that are cancelled; and generally adopt any decisions that may be necessary for that cancellation and the consequent reduction of capital; and appoint the persons to formalise these decisions.

**JUSTIFICATION:**

The purpose of the proposed resolution is in keeping with general practice on the part of listed companies, in the interest of shareholders, as envisaged and regulated in the Capital Companies Act and as approved by the General Meeting habitually in the past.

## **AGENDA ITEM EIGHT: PROPOSED RESOLUTION**

Submit, for an advisory vote, the Report on remuneration policy, in accordance with the provisions of article 61.ter of the Securities Market Act, whose text is included in its entirety in the documentation made available to the Shareholders regarding this item of the agenda.

### **JUSTIFICATION:**

In line with international best practices in terms of remuneration, and in accordance with article 61.ter of the Securities Market Act, the Report on remuneration policy includes complete, clear and comprehensible information about the Company's remuneration policy approved by the Board of Directors. In compliance with the aforementioned precept, the Company has made the Report on remuneration available to the shareholders prior to submitting it to an advisory vote.

## **AGENDA ITEM NINE: PROPOSED RESOLUTION.**

Approve a system of paying the variable remuneration accrued in 2012 by executive directors and other executives belonging to the "Identified Group", by the delivery of options on shares of Banco de Sabadell, S.A. (hereafter "**SREO 2012**" or the "**System**"), with the following basic features:

**a)** Objective: The SREO 2012 will consist in establishing the possibility for the beneficiaries to elect to receive all or part of the variable remuneration accrued during 2012 and approved by the Board of Directors of Banco de Sabadell, S.A. (hereinafter "Banco Sabadell"), in the form of Options on shares of Banco Sabadell (hereinafter "Options" or "Option"). Every Option will grant the Beneficiary the right to receive, after a specific Vesting and Appreciation Period, a cash payment amounting to the difference between the Final Value of the share of Banco Sabadell on that date and the Strike Price of the Option in accordance with the System.

**b)** Recipients: those executives who make up the Identified Group according to Banco Sabadell, consisting of the Executive Directors, members of Senior Management and Executives of Banco Sabadell whose remuneration is supervised by the Bank's Appointments and Remuneration Committee, as a function of their level of responsibility, risk-taking capacity and remuneration situation in accordance with the provisions of Royal Decree 771/2011, of 3 June.

The number of recipients is 27, three of whom are Executive Directors, five are members of Senior Management and 19 are other Executives as defined above.

**c)** Beneficiaries: the recipients of SREO 2012 are the beneficiaries who voluntarily decide to participate in this programme.

The System allows Executive Directors to choose, on a voluntary basis, to receive up to 100% of their variable remuneration accrued in 2012 in the form of Options, and the other Recipients to choose, on a voluntary basis, to receive 50% of their variable remuneration accrued in 2012 in the form of Options.

**d)** Definition of the Options on shares of Banco Sabadell:

(i) As regards application of SREO 2012:

**Option Grant Date:** 27 March 2013

**Vesting and Appreciation Period:** three (3) years from the Option Grant Date, i.e. until 27 March 2016.

**Exercise Date:** 29 March 2016, the first trading day immediately following the end of the Vesting and Appreciation Period, when the Options will be exercised automatically.

**Option Strike Price:** the arithmetic mean of the Banco Sabadell share price at market close during the five (5) trading days prior to 20 February 2013, which is the day before the meeting of the Appointments and Remuneration Committee; that amount is 1.712 euros.

**Final Share Value:** the arithmetic mean of the share's closing price in the ten (10) trading sessions prior to the Option Exercise Date.

**Payment Date:** the day on which the wages for March 2016 are paid.

- (ii) Each Option gives the Beneficiary the right to receive, after the Vesting and Appreciation Period, the difference between the Final Value of the Banco Sabadell share and the Options Strike Price, in cash.
- (iii) The options will be granted irrevocably without prejudice to the application of exceptions deriving from the deferral rules applicable to remuneration for Executives.
- (iv) They are non-transferable and, therefore, non-tradeable, except as provided in the event of death.
- (v) Options do not afford the condition of shareholder or any right associated with being a shareholder.

**e)** Individual assignment of options:

The individual assignment of the number of Options to each Beneficiary as part of SREO 2012 is determined by the amount of 2012 variable remuneration accrued by each Beneficiary, having consideration for the fact that the Executive Directors may choose to receive 100% of their variable remuneration in Options, and all other participants may choose to receive up to 50%.

The Chairman may receive 2,865,329 options; the Managing Director 2,521,489; and the Comptroller General 687,679. The five (5) members of Senior Management may receive a total of 1,091,835 options, and the rest of the "Identified Group" may receive a total of at most 1,917,385 options.

**f)** Duration of SREO 2012:

SREO 2012 will commence on the Option Grant Date, i.e. 27 March 2013, and will conclude after the three (3) year Vesting and Appreciation Period has elapsed, i.e. on 31 March 2016.

**g)** Option Settlement:

Following the Vesting and Appreciation Period, the Beneficiary will be entitled to receive, in cash, the increase in the value of the share, i.e. the difference, on the Payment Date, between the Final Value and the established Strike Price.

**h)** Settlement:

The rights inherent to the Options will be settled on the Payment Date, except insofar as the exemptions resulting from the deferral rules applicable to Executive remuneration are applicable.

**i)** Hedging:

SREO 2012 has been hedged by signing a counterparty contract, in accordance with the general market rules.

Without prejudice to the general provisions of Agenda item Eleven, to empower, on a joint and several basis and without distinction, the Board of Directors, the Executive Committee, the Chairman, the Managing Director, the Secretary and Deputy Secretary of the Board of Directors of Banco de Sabadell, S.A., with the power to sub-delegate to the persons they see fit, so that they may:

- i)** Implement SREO 2012, with the power to specify and elaborate as required the rules contained herein, the contents of the General Conditions of same, and the contractual documents to be signed with the beneficiaries or third parties, with the power also to ratify, as necessary, any steps taken for this purpose up to that time.
- ii)** Negotiate, agree, amend, sign, rectify and replace counterparty and liquidity contracts with the financial institutions that they freely designate, in the terms and conditions that are deemed to be appropriate.
- iii)** Adapt the content of SREO 2012 as set out above to the circumstances or corporate transactions that might arise during its term which, in their opinion, have a material effect on the objectives and basic conditions established initially.

**JUSTIFICATION:**

The proposed system seeks to offer an alternative voluntary approach consisting of enabling the Identified Group, comprising Executive Directors, members of Senior Management, and those Executives of Banco Sabadell whose remuneration is supervised by the Bank's Appointments and Remuneration Committee, to choose to receive part of all of their variable remuneration in the form of Options on shares of Banco Sabadell, thereby linking their remuneration to the actual appreciation of the share price over a three-year period. It allows Executive Directors to choose to receive up to 100% of their remuneration in this way, and other Executives in the Identified Group to receive up to 50%, in accordance with the provisions of Royal Decree 771/2011, of 3 June.

SREO 2012 aligns the interests of shareholders and executives by linking future remuneration to the performance of the Banco Sabadell share. Accordingly, the incentive to be collected under SREO 2012 depends entirely on achieving an increase in the Banco Sabadell share price during the three (3) year vesting period.

## **AGENDA ITEM TEN: PROPOSED RESOLUTION**

Re-appoint, in accordance with the provisions of Article 264 of the Capital Companies Act, and following the corresponding proposal submitted by the Audit and Control Committee to the Board of Directors, the audit firm PricewaterhouseCoopers Auditores, S.L., with Tax ID Num. B-79031290, as auditor of the Company's and of the consolidated Group's financial statements for another one-year term.

### **JUSTIFICATION:**

As the previous term of appointment has expired, the Company must appoint an Auditor. Re-election of the incumbent firm is proposed, under the terms of the aforementioned article of the Capital Companies Act.



## **AGENDA ITEM ELEVEN: PROPOSED RESOLUTION**

To expressly authorise the Chairman of the Board of Directors of Banco de Sabadell, S.A., Mr José Oliu Creus, the Secretary, Mr Miquel Roca i Junyent, and the Deputy Secretary of the Board, Ms María José García Beato, or the persons who may replace them in their respective posts of Chairman, Secretary and Deputy Secretary, in order that any one of them, without distinction, may, on behalf of the Bank:

Take such steps as may be necessary to obtain the necessary authorisations or registrations from the Bank of Spain, Ministry of Economy and Competitiveness, Directorate-General of the Treasury and Finance Policy, and the National Securities Market Commission. Appear before a Notary for the purpose of executing the adopted resolutions in a public instrument, and take all steps that may be appropriate or necessary to achieve complete execution and registration thereof, as and when appropriate, in the corresponding public registries and, in particular, in the Mercantile Registry of the Province; this authorisation shall include the power to correct, clarify, interpret, specify or supplement, where appropriate, the adopted resolutions in any public instruments or documents that may be executed for implementation thereof and, in particular, any defects, omissions or errors, of form or content, that may impede registration of the resolutions adopted and of their consequences in the Mercantile Registry of the Province, and to incorporate, on their own authority, any modifications that may be necessary to this effect or that may be indicated verbally or in writing by the Mercantile Registrar or required by the competent authorities, with no need for further consultation with the General Meeting.

Take, in name of the Bank, all legal steps that may be necessary for execution and successful implementation of the aforesaid resolutions.