

# **Regulations of the Appointments Committee of Banco de Sabadell, S.A.**

This document is a translation of a Spanish language document which was approved by the Board of Directors of Banco de Sabadell, S.A. on 24/10/2019. The Spanish version of this document will prevail in the event of any discrepancy or dispute.

REGULATIONS OF THE APPOINTMENTS COMMITTEE OF  
BANCO DE SABADELL, S.A.

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## **CHAPTER I. PREAMBLE**

### **ARTICLE 1. PURPOSE**

1. The purpose of these Regulations is to determine, within the framework of the Articles of Association and the Regulations of the Board of Directors, the principles of action, remit and functions, as well as the basic rules for the organisation and operation of the Appointments Committee of Banco de Sabadell, S.A. (hereinafter, the Committee).

### **ARTICLE 2. INTERPRETATION**

1. These Regulations shall be interpreted in accordance with the applicable legal regulations, the Articles of Association and the Regulations of the Board of Directors of Banco de Sabadell, S.A.
2. In the event of any doubt or discrepancy in the interpretation of these Regulations, the provisions of the Law or the Articles of Association shall prevail, or failing that, it shall be resolved by majority vote in the Committee itself and, if this is not obtained, by the Chair.

### **ARTICLE 3. APPROVAL, AMENDMENT AND PUBLICATION**

1. The Regulations shall only be approved or modified by the Board of Directors by a resolution adopted by a two-thirds majority of the Directors in attendance. The proposal for approval or amendment may be made at the request of the Chairman of the Board of Directors, the Chair of the Committee or of any of the members of the Committee, who in this case must necessarily submit their proposal in writing and with a reasoned explanation.
2. In any case, it must be modified when an amendment of the current legislation, of the Articles of Association or of the Regulations of the Board of Directors makes it necessary to do so.
3. Directors are obliged to be aware of and comply with these Regulations. The Regulations shall be published on the Entity's website for public knowledge.

## **CHAPTER II. COMMITTEE FUNCTIONS**

### **ARTICLE 4. FUNCTIONS**

In addition to those expressly provided for in these Regulations, the Appointments Committee has all the functions assigned to it by law, the Articles of Association and the Regulations of the Board of Directors, as well as those attributed to it by the Board of Directors' decision, for information, consultation or advice, without being responsible for decision-making, except in those specific cases where a policy approved by the Board of Directors assigns the decision.

Its main functions are as follows:

1. Make proposals to the Board of Directors for the appointment of independent Directors for their appointment by co-optation or for their submission for decision at the Annual General Meeting, in addition to any proposals for re-appoint or removal of such Directors.
2. Advise on proposals for the appointment of the remaining proprietary, other external or executive Directors, for their appointment by co-optation or for their submission for decision at the Annual General Meeting, in addition to any proposals for re-appoint or remove them.
3. Ensure that the qualitative composition of the Board of Directors complies 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. Therefore, it must define the duties and aptitudes required of the candidates to fill each vacancy, as well as the time commitment deemed necessary for the proper performance of their duties.
4. Ensure that, when filling new vacancies or appointing new Directors, the selection procedures favour diversity of experiences and knowledge, facilitate the selection of female Directors and, in general, do not suffer from implicit biases that may imply any discrimination.
5. Assess the suitability, skills, knowledge and experience required of the Board of Directors' members, as well as their commitment after the relevant authorities have authorised their appointment.
6. Advise on proposals for the appointment and removal of senior managers and of the Identified Staff and assess their suitability.
7. Advise on the basic conditions of the Executive Directors contracts and, where appropriate, on their specific contracts, which must be approved by the Board and be included as an Appendix to the minutes.
8. Examine and organise the succession plans for the Chairman of the Board and the Bank's Chief Executive Officer and, where appropriate, make proposals to the Board and, where appropriate, comply with the provisions of the Succession Plan duly approved and published.
9. Establish a target for representation of the gender that is less represented on the Board of Directors and draw up guidelines on how to achieve that target.
10. Assess regularly, and at least once a year, the structure, size and composition of the Board of Directors and its Committees, and advise the Board on the most adequate configuration, reporting on proposals relating to the appointment or removal of its members.

11. Propose to the Board of Directors the assignment of the Directors to the corresponding category, their retention in this category in the event of re-appointment or their modification when appropriate.
12. Annually review the Directors' category and report to the Board of Directors for inclusion in the Annual Corporate Governance Report.
13. Advise the Board of Directors on the proposals regarding the appointment of the Vice-Chairman or Vice-Chairmen, as the case may be.
14. Advise the Board of Directors on the proposals relating to the appointment of the Secretary and, where appropriate, of the Deputy Secretary of the Board of Directors, who may or may not be Directors.
15. Make proposals to the Board of Directors for the appointment, removal or re-appointment of the Lead Independent Director.
16. Draw up and regularly update a matrix of competencies for the Board of Directors, assessing the knowledge, skills and experiences of its members and of the Board as a whole, for its approval by the Board of Directors.
17. Regularly review and propose to the Board the modification of the policies regarding the selection and diversity of the Board of Directors' members, and annually verify their compliance, reporting to the Board of Directors on the degree of compliance.
18. Advise annually on the assessment of the Board of Directors' operation, as well as the performance of the Chairman's and the Chief Executive Officer's duties.
19. Submit to the Board of Directors the assessments of the Board Committees with the outcomes of their assessment together with a proposal for an action plan or with recommendations to correct the possible weaknesses detected or to improve the Board's operation or that of its Committees.
20. Regularly design and organise programmes to update the Directors' knowledge.
21. Review, at least once a year, the execution and quality of the initial and onboarding training and of the Directors' Training Programme, and to report to the Board of Directors.

## **CHAPTER III. COMPOSITION**

### **ARTICLE 5. COMPOSITION**

1. The Committee shall comprise at most of five Directors, appointed by the Board of Directors, none of whom may be an executive director, and at least two of them must be independent Directors. The Chair shall be one of the independent Directors.
2. The Committee may submit to the Board of Directors a proposal to amend the Articles of Association to change the number of its members so that the Committee has a more suitable composition for its effective operation. In turn, the Board of Directors shall present it at the General Shareholders' Meeting if it deems it appropriate.
3. The Committee members as a whole shall have the knowledge and experience appropriate to the duties they are called upon to perform, bearing in mind that some of them have specific experience in the following areas: corporate governance, analysis and strategic assessment of human resources, Directors' and senior managers' selection and performance of Senior Management functions. The appointment of the Committee members shall seek to promote diversity, both in terms of gender and professional experience, skills, sectoral knowledge, international experience and geographical origin.

## **CHAPTER IV. APPOINTMENT AND REMOVAL OF MEMBERS**

### **ARTICLE 6. APPOINTMENT**

1. The Committee members shall be appointed by the Entity's Board of Directors from among its Directors.
2. The Committee shall have a Chair, appointed by the Board of Directors with the vote in favour of two-thirds of its members, appointed from among the independent Directors that are part of it.
3. The Board of Directors shall also appoint the Committee Secretary and, where appropriate, a Deputy Secretary, who may or may not be members of the Board of Directors.

### **ARTICLE 7. REMOVAL**

The members of the Committee shall cease to hold office:

1. when they cease to be Directors of the Entity;
2. by resolution of the Board of Directors of the Entity; or

3. when they become Executive Directors.

## **CHAPTER V. OPERATION OF THE COMMITTEE**

### **ARTICLE 8. COMMITMENT AND COMMITTEE MEETINGS**

1. The Committee shall meet as often as necessary and at least once every three months, upon convocation by its Chair, whether at the Chair's own initiative or that of any member of the Committee, or whenever the Board of Directors or its Chairman requests the issue of a report or the adoption of proposals and, in any case, when such a meeting is deemed convenient for the correct discharge of its duties. In any event, the Committee shall meet once a year to report on the operation of the Board. The Committee meetings shall be set in the annual calendar.
2. The Committee shall draw up an annual work plan which shall include, as a minimum, specific objectives for the year, an annual calendar of meetings taking into account the meeting calendar of the Board of Directors and the date on which the Annual General Meeting is to be held in order to prepare, where appropriate, the reports to be presented on the matters to be dealt with in these meetings, the systematic organisation of information and the meeting agenda by planning fixed sections for topics to be dealt with on a regular basis and topics to be dealt with only at certain meetings, annual training needs, and where appropriate, the programme of preparatory working sessions or meetings on specific topics, or as far as is foreseeable, the need for external experts to advise on the development of any task.
3. The Committee Chair shall preside over the meetings, set the Agenda and moderate the meetings' discussions and debates, encouraging its members to participate freely in the debates, without being affected by internal or external pressures.
4. As Directors and members of the Committee, these members must act with independence of judgement and action with respect to the rest of the organisation, must carry out their work with the utmost diligence, competence and professional commitment, fulfil their obligations of loyalty and maintain the utmost confidentiality with respect to the information to which they have had access in the exercise of their functions, even when they have ceased to hold that office.

### **ARTICLE 9. NOTICE OF MEETING**

1. The notice of the meeting shall be given at least five days in advance, except in the case of urgent meetings, by the Committee Secretary to each of its members by letter, e-mail or any other reliable means of communication, and shall be authorised by the Chair or the Secretary by instruction of the Chair.
2. The documentation shall be made available to Directors three days in advance, with the exception of documentation which, due to its characteristics and deadlines for submission, must be submitted in an exceptional and justified manner within a

shorter time period, or which would not be appropriate to submit for reasons of confidentiality.

3. It shall not be necessary to call the Committee meetings in advance when all its members are present and unanimously accept its holding and the items on the Agenda to be discussed.

#### **ARTICLE 10. QUORUM**

1. The Committee shall be quorate by the presence of a majority of its members, either personally or by proxy in another of its members to whom they have delegated.
2. In the Chair's absence, the meeting shall be chaired by the Director with the greatest seniority on the Committee and, in the event of coincidence, by the oldest.
3. In the Secretary's absence, the Deputy Secretary, if any, shall act as such, or, failing that, the person designated by the Committee for this purpose.

#### **ARTICLE 11. RESOLUTIONS**

1. Resolutions shall be adopted by a majority of its members, in attendance or represented. In the event of a tie, the Chair shall have a casting vote.
2. The Committee Secretary shall draw up the minutes for each of the meetings held, which shall be approved at the same meeting or at the next meeting thereafter. The minutes shall be signed by the Chair and the Committee Secretary or by those who have carried out these functions at the meeting in question.
3. The content of such meetings shall be reported to the Board of Directors at its next subsequent meeting, at which resolutions shall also be adopted on its proposal or prior to its report, or the resolutions adopted by the Committee shall be ratified as necessary.

#### **ARTICLE 12. ATTENDANCE**

The Committee may request the attendance of those executives, including those who are Directors, it deems appropriate, notifying the General Director(s) to this effect so that the General Director(s) may arrange for their attendance. The Committee may also call other Directors, executives or professionals of the Entity or of Banco Sabadell Group, external experts, as well as any member of the managing bodies of the investee companies, their presence being limited to those items on the agenda to which they are called.

## **ARTICLE 13. TRAINING, ACCESS TO INFORMATION AND RESOURCES**

1. The Entity, through the Board of Directors' Secretariat, shall ensure that the Committee has sufficient resources to carry out its functions.
2. The Committee may obtain information on any aspect of the Entity, having free access to any type of information or documentation available to the Entity relating to matters that fall within the Committee's remit and which it deems necessary for the discharge of its functions. Likewise, it may, at the expense of the Entity, seek the advice of external professionals for the best performance of its functions. The Committee shall ensure that any conflicts of interest do not impair the independence of external advice.
3. In order not to disturb the ordinary management of the Entity, the exercise of the powers of information and advice shall be channelled through the Committee's Secretariat, who shall deal with the Committee's requests by providing the information directly, presenting the relevant individuals at the appropriate level of the organisation or arranging the measures so that it may carry out the desired evaluation and inspection procedures "in situ".
4. The Committee may have a training plan, within the framework of the Board's general plan or one specific to the Committee, to ensure that the knowledge necessary for the discharge of its duties and responsibilities is kept up-to-date and, in particular, in relation to corporate governance, analysis and strategic assessment of human resources, Directors' and senior managers' selection and other aspects deemed appropriate.

## **CHAPTER VI. ASSESSMENT**

### **ARTICLE 14. ASSESSMENT**

1. As part of the annual assessment provided for in the Board's Regulations, the Committee shall assess its performance autonomously in order to strengthen its operation and improve planning for the next financial year, seeking the opinion of its members, and when deemed appropriate, and in any case every three years, shall be assisted by an external consultant.
2. The Committee shall coordinate the assessment with the Board of Directors' Chairman, informing the Board of Directors of the aspects assessed, the results of these assessments and the actions proposed for continuous improvement.

## **CHAPTER VI. INFORMATION TO OTHER BODIES OF THE ENTITY AND TO SHAREHOLDERS**

### **ARTICLE 15. RELATIONS WITH THE ANNUAL GENERAL MEETING, THE BOARD OF DIRECTORS AND OTHER COMMITTEES**

1. The Committee shall produce the Report on its operation and activities. This report shall be made available to shareholders when the Ordinary General Shareholders' Meeting is called, after its submission to the Board of Directors.
2. In addition to the provisions of Articles 11.3 and 14.2 of these Regulations, the Committee Chair shall regularly inform the Board of Directors of its activities and shall advise on and propose the measures it deems advisable to implement within the scope of its duties.
3. Adequate coordination shall be maintained between the Entity's Appointments Committee and the rest of the Board Committees and, in particular, with the Remuneration Committee, to which end joint meetings of both Committees may be held when deemed appropriate.