

**ANNEX I
ANNUAL REPORT ON CORPORATE
GOVERNANCE OF LISTED COMPANIES**

IDENTIFICATION PARTICULARS OF ISSUER

DATE OF YEAR END

31/12/2015

TAX NUMBER

A-08000143

CORPORATE NAME

BANCO DE SABADELL, S.A.

CORPORATE ADDRESS

PL. DE SANT ROC, 20 - SABADELL (BARCELONA)

ANNUAL REPORT ON CORPORATE GOVERNANCE OF LISTED COMPANIES

A OWNERSHIP STRUCTURE

A.1 Complete the following table showing the share capital of the company:

Last change on (date)	Share capital (€)	Number of shares	Number of voting rights
02/12/2015	679,905,624.00	5,439,244,992	6,799,056

State whether there are different classes of shares with different rights attached to them:

Yes No X

Type	Number of shares	Unit nominal value	Unitary number of voting rights	Different rights

A.2 List the direct and indirect holders, other than Directors, of significant interests in the company at the end of the year:

Name or corporate name of shareholder	Number of direct voting rights	Number of indirect voting rights	% of total voting rights
MR JAIME GILINSKI BACAL		509,249	7.49%
WINTHROP SECURITIES LTD	0	209,699	3.08%
BLACKROCK INC.	0	204,441	3.01%
FIDELITY INTERNATIONAL LIMITED	0	76,738	1.13%

Name or corporate name of indirect shareholder	Via: Name or corporate name of direct shareholder	Number of voting rights
MR JAIME GILINSKI BACAL	ITOS HOLDING S.A.R.L.	509,249
WINTHROP SECURITIES LTD	FINTECH INVESTMENTS LTD	209,699
BLACKROCK INC.	VARIAS FILIALES DE BLACKROCK INC.	204,441
FIDELITY INTERNATIONAL LIMITED	VARIAS INSTITUCIONES DE INVERSIÓN COLECTIVA	76,738

Name or corporate name of shareholder	Date of operation	Description of operation
BLACKROCK INC.	17/12/2015	3% of share capital has been exceeded

List the most significant changes in the share ownership structure during the financial year:

Following various changes in the threshold throughout the year, the shareholding company BLACKROCK INC appears as a shareholder of over 3% of share capital at 17 December.

A.3 Complete the following tables showing members of the Board of Directors of the company, who possess voting rights attached to shares in the company:

Name of corporate name of Director	Number of direct voting rights	Number of indirect voting rights	% of total voting rights
MR JOSÉ OLIU CREUS		0	0.09%
MR JOSÉ JAVIER ECHENIQUE LANDIRIBAR	149	0	0.00%
MR JAIME GUARDIOLA ROMOJARO	602	307	0.01%
MS AURORA CATÁ SALA	12	0	0.00%
MR HÉCTOR MARÍA COLONQUES MORENO	127	3,522	0.05%
MR JOAQUÍN FOLCH-RUSIÑOL CORACHÁN	0	22,803	0.34%
MS MARIA TERESA GARCIA-MILÀ LLOVERAS	83	0	0.00%
MR JOSÉ MANUEL LARA GARCÍA	0	0	0.00%
MR JOAN LLONCH ANDREU	1,972	0	0.03%
MR DAVID MARTÍNEZ GUZMÁN	20	0	0.00%
MR JOSÉ MANUEL MARTÍNEZ MARTÍNEZ	87	0	0.00%
MR JOSÉ RAMÓN MARTÍNEZ SUFRATEGUI	1,997	666	0.04%
MR ANTÓNIO VÍTOR MARTINS MONTEIRO	14	0	0.00%
MR JOSÉ LUIS NEGRO RODRÍGUEZ	2,775	0	0.04%
MR DAVID VEGARA FIGUERAS	64	0	0.00%

Name of corporate name of indirect shareholder	Via: Name or corporate name of direct shareholder	Number of voting rights
MR JAIME GUARDIOLA ROMOJARO	OTHER SHAREHOLDERS	307
MR HÉCTOR MARÍA COLONQUES MORENO	OTHER SHAREHOLDERS	3,552
MR JOAQUÍN ROLCH-RUSIÑOL CORACHÁN	OTHER SHAREHOLDERS	22,803
MR JOSÉ RAMÓN MARTÍNEZ SUFRATEGUI	OTHER SHAREHOLDERS	666

Total percentage of voting rights held by members of the Board of Directors	0.60%
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Complete the following tables showing members of the Board of Directors of the company, who possess voting rights attached to shares in the company:

Name or corporate name of Director	Number of direct voting rights	Number of indirect voting rights	Number of equivalent shares	% of total voting rights
MR JOSÉ OLIU CREUS	9,274	0	7,420,216	0.14%
MR JAIME GUARDIOLA ROMOJARO	7,621	0	6,097,639	0.11%
MR JOSÉ LUIS NEGRO RODRÍGUEZ	2,810	0	2,248,581	0.04%

A.4 Indicate, where applicable, any connections of a family, business, contractual or corporate nature existing between any holders of significant interests, where known to the company, other than those of minor importance or arising in the normal course of business:

A.5 Indicate, where applicable, any connections of a business, contractual or corporate nature existing between any holders of significant interests and the company and/or its group, other

than those of minor importance or arising in the normal course of business:

A.6 Indicate whether the company has been notified of any shareholder agreements affecting it pursuant to the provisions of Articles 530 and 531 of the Public Limited Companies Act. If applicable, briefly describe them and list the shareholders bound by the agreement:

Yes

No

Parties to the shareholders' agreement
LLOYDS TSB BANK PLC
BANCO DE SABADELL, S.A.

% of share capital affected: 1.55%

Brief description of agreement:

Undertaking by Lloyds TSB Bank not to transfer Banco Sabadell shares until 30 April 2015.

Significant Event number 190278 dated 8/7/2013

Parties to the shareholders' agreement
MR JOAQUÍN FOLCH-RUSIÑOL CORACHÁN
MR JOSE MANUEL LARA BOSCH
MR ISAK ANDIC ERMAY
MR JOSÉ OLIU CREUS
MR MIGUEL BÓSSER ROVIRA
MR HÉCTOR MARÍA COLONQUES MORENO

% of share capital affected: 2.42%

Brief description of agreement:

Signed on 27/07/06 to establish restrictions on the free transfer of their shares in the company.

Significant Event number 69323 dated 2/8/2006.

State whether the company is aware of the existence of concerted actions between its shareholders. If applicable, give a brief description of them:

Yes

No

If, during the financial year, there has been any change in, or cessation of, any such shareholders' agreements or concerted actions, expressly indicate this:

A.7 State whether there is any individual or corporate entity that is exercising or is able to exercise control over the company pursuant to Article 5 of the Stock Market Act. If applicable, give names:

Yes

No

Observations

A.8 Complete the following tables to show the company's holdings of its own shares:

At the financial year-end:

Number of directly held shares	Number of indirectly held shares (*)	Total % of company capital
114,844,636	0	2.11%

(*) Via

Give details of any significant changes during the financial year, pursuant to the provisions of Royal Decree 1362/2007:

Banco Sabadell adhered to the CNMV (Spanish Securities and Exchange Commission) recommendations of 18 July 2013 on the announcement of discretionary treasury portfolio operations.

Pursuant to Article 40 of Royal Decree 1362/2007, the CNMV must be notified whenever an operation or acquisition which, when added to those carried out since the previous announcement, amounts to a total in excess of 1% of the issuer's voting rights. No disposals or sales will be carried out to this effect. The following operations have been announced in 2015:

A.9 State the terms and deadline of any authorisation given by the General Shareholders' Meeting to the Board of Directors to issue, repurchase or transfer the company's own shares.

The current mandate corresponds to the resolution adopted by the Ordinary General Meeting of Shareholders of Banco de Sabadell, S.A. held on 28 May 2015, item twelve on the Agenda, in the following terms:

"Revoke the resolution of item ten adopted at the General Meeting on 27 March 2014 in the part not executed, and authorise Banco de Sabadell, S.A. so that, either directly or through any of its subsidiaries, and within a maximum period of five years 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, and in accordance with Articles 146, 509 and matching Articles of the Public Limited 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 on 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 share capital plus legal 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."

A.9 bis Estimated floating capital:

	%
Estimated floating capital	82.58

A.10 State whether there are any restrictions on the transfer of shares and/or any restrictions on voting rights. Specifically, give details on the existence of any type of restrictions that may hinder the taking of control of the company through the acquisition of its shares on the market.

Yes

No

A.11 State whether the General Meeting has resolved to adopt measures to neutralise a takeover bid under the provisions of Act 6/2007.

Yes

No

If so, describe the measures adopted and the terms under which the restrictions will be ineffective:

A.12 State whether the company has issued securities that are not traded on an EC regulated market.

Yes

No

If applicable, state the different categories of shares, and for each category of shares, the rights and obligations conferred.

B GENERAL SHAREHOLDERS' MEETING

B.1 State whether there are any differences in the quorum for the General Meeting with respect to the minimums laid down in the Public Limited Companies Act (*Ley de Sociedades de Capital*, LSC).

Yes

No

B.2 State whether there are any differences with the rules established in the Public Limited Companies Act (*Ley de Sociedades de Capital*, LSC) for the adoption of company resolutions:

Yes

No

Describe the differences with the rules established by the Public Limited Companies Act.

B.3 State the rules applicable to the amendment of the company's Articles of Association. Specifically, give details of the majorities envisaged for the amendment of the Articles of Association, as well as, where applicable, the rules envisaged for the implementation of the rights of shareholders in the amendment of the Articles of Association.

The modification of the bank's Articles of Association is governed by the provisions of the Public Limited Companies Act and in the bank's Articles of Association, and where applicable may require authorisation from the Bank of Spain, in line with the powers attributed to the latter by Article 10 of Royal Decree 84/2015 of 13 February, implementing Law 10/2014 of 26 June on the organisation, supervision and solvency of credit institutions.

In those cases in which the law provides that amendments be adopted by the General Meeting, the following requisites must be met:

- Administrators or, where applicable, shareholders who are authors of the proposal should formulate a written report with the justification of the same.
- The points that are to be amended should be expressed at the meeting with due clarity.
- The text announcing the meeting should include mention of the right of all shareholders to examine, at the company headquarters, the entire text of the proposed amendment and the associated report, and to request the delivery or sending of such documents free of charge.
- The resolution should be adopted by the Meeting in accordance with the provisions of Article 44 of the Articles of Association:

Article 44.

In order for an Ordinary or Extraordinary Shareholders' Meeting to validly adopt a resolution to issue bonds, reduce or increase the share capital, change the legal form of the company, merge or de-merge the company or, generally, make any amendment to the Articles of Association, the Meeting, if at first call, must be attended by shareholders holding not less than 50 per cent of the subscribed voting shares, in person or by proxy.

If at second call, 25 per cent of capital shall suffice.

Where those present represent less than 50 per cent of the subscribed voting shares, any of the resolutions referred to in the preceding paragraph shall require a majority of two-thirds of the votes validly cast at the Meeting. The Shareholders' Meeting may grant authorisation to the Board of Directors, for a period of not more than three years, to issue non-convertible bonds, to be denominated as such, treasury bonds, or similar securities, on one or more occasions, provided that the volume of bonds outstanding at any time does not exceed the limits specified by the law.

If adopted by the special majorities provided in this Article, such a resolution may empower the Board to freely determine the total amount, the interest rates and any other terms of each issue.

Any amendment to the Articles of Association imposing further obligations on the shareholders shall require the acquiescence of all those concerned.

B.4 Give details of attendances at General Meeting held during the year to which this report refers and those of the preceding year:

Date of General Meeting	% present in person	% represented	Attendance		Total
			% distance vote		
			Electronic vote	Other	
27/03/2014	1.62%	66.61%	0.00%	0.00%	68.23%
28/05/2015	1.84%	65.03%	0.00%	0.00%	66.87%

B.5 State whether the Articles of Association require ownership of a minimum number of shares for attending General Meetings:

Yes

No

Number of shares required to attend the General Meeting	800
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B.6 Repealed section

B.7 Give the address and explain how access may be had to corporate governance information and other information on the General Meetings that must be made available to shareholders via the company's website.

The information is available on the Group's corporate website (www.grupobancosabadell.com), and can be accessed directly via the tab "Shareholder and Investor Information" that is listed on its homepage.

C ORGANISATIONAL STRUCTURE OF THE COMPANY

C.1 Board of Directors

C.1.1 Maximum and minimum number of Directors envisaged in the Articles of Association:

Maximum number of Directors	15
Minimum number of Directors	11

C.1.2 Complete the following table of members of the Board:

Name or corporate name of Director	Representative	Category of Directorship	Post on the Board	Date of first appointme	Date of most recent	Method of election
MR JOSÉ OLIU CREUS		EXECUTIVE	CHAIRMAN	29/03/1990	28/05/2015	RESOLUTION OF SHAREHOLDER S' MEETING
MR JOSÉ JAVIER ECHENIQUE LANDIRIBAR		INDEPENDENT COORDINATOR	DEPUTY CHAIRMAN	18/09/2010	28/05/2015	RESOLUTION OF SHAREHOLDER S' MEETING
MR JAIME GUARDIOLA ROMOJARO		EXECUTIVE	MANAGING DIRECTOR	27/09/2007	26/03/2013	RESOLUTION OF SHAREHOLDER S' MEETING

MS AURORA CATÁ SALA		INDEPENDENT	DIRECTOR	29/01/2015	28/05/2015	RESOLUTION OF SHAREHOLDER S' MEETING
MR HÉCTOR MARÍA COLONQUES MORENO		INDEPENDENT	DIRECTOR	31/10/2001	31/05/2012	RESOLUTION OF SHAREHOLDER S' MEETING
MR JOAQUÍN FOLCH-RUSIÑOL CORACHÁN		NON-EXECUTIVE	DIRECTOR	16/03/2000	28/05/2015	RESOLUTION OF SHAREHOLDER S' MEETING
MS MARIA TERESA GARCIA-MILÀ LLOVERAS		INDEPENDENT	DIRECTOR	29/03/2007	31/05/2012	RESOLUTION OF SHAREHOLDER S' MEETING
MR JOSÉ MANUEL LARA GARCÍA		INDEPENDENT	DIRECTOR	19/03/2015	28/05/2015	RESOLUTION OF SHAREHOLDER S' MEETING
MR JOAN LLONCH ANDREU		INDEPENDENT	DIRECTOR	28/11/1996	31/05/2012	RESOLUTION OF SHAREHOLDER S' MEETING
MR DAVID MARTÍNEZ GUZMÁN		PROPRIETARY	DIRECTOR	27/03/2014	27/03/2014	RESOLUTION OF SHAREHOLDER S' MEETING
MR JOSÉ MANUEL MARTÍNEZ MARTÍNEZ		INDEPENDENT	DIRECTOR	26/03/2013	26/03/2013	RESOLUTION OF SHAREHOLDER S' MEETING
MR JOSÉ RAMÓN MARTÍNEZ SUFRATEGUI		INDEPENDENT	DIRECTOR	18/09/2010	28/05/2015	RESOLUTION OF SHAREHOLDER S' MEETING
MR ANTÓNIO VÍTOR MARTINS MONTEIRO		PROPRIETARY	DIRECTOR	20/09/2012	26/03/2013	RESOLUTION OF SHAREHOLDER S' MEETING
MR JOSÉ LUIS NEGRO RODRÍGUEZ		EXECUTIVE	DIRECTOR	31/05/2012	31/05/2012	RESOLUTION OF SHAREHOLDER S' MEETING
MR DAVID VEGARA FIGUERAS		INDEPENDENT	DIRECTOR	28/05/2015	28/05/2015	RESOLUTION OF SHAREHOLDER S' MEETING

Total number of executive directors	15
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Give the names of all Members of the Board who ceased to act in that capacity during the period:

Name or corporate name of director	Office held at time of cessation	Date ceased
MR JOSÉ MANUEL LARA BOSCH (deceased)	Independent	31/01/2015
MR JOSÉ PERMANYER CUNILLERA	Non-executive	28/05/2015

C.1.3 Complete the following tables relating to the status of members of the Board:

EXECUTIVE DIRECTORS

Name or corporate name of director	Office or position held in the company
MR JOSÉ OLIU CREUS	Chairman
MR JAIME GUARDIOLA ROMOJARO	Managing Director
MR JOSÉ LUIS NEGRO RODRÍGUEZ	Director General Manager

Total number of Executive Directors	3
% of total Board members	20%

PROPRIETARY NON-EXECUTIVE DIRECTORS

Name or corporate name of director	Name or significant shareholder nominating or represented by the Non-executive Director
MR ANTÓNIO VÍTOR MARTINS MONTEIRO	BANCO COMERCIAL PORTUGUES, S.A.
MR DAVID MARTÍNEZ GUZMÁN	FINTECH INVESTMENTS LTD

Total number of proprietary non-executive directors	2
% of total Board members	13.33%

INDEPENDENT NON-EXECUTIVE DIRECTORS

Name or corporate name of director:
MR JOSÉ JAVIER ECHENIQUE LANDRIBAR
Profile:
BUSINESS

Name or corporate name of director:
MS AURORA CATÁ SALA
Profile:
BUSINESS

Name or corporate name of director:
MR HÉCTOR MARÍA COLONQUES MORENO
Profile:
BUSINESS

Name or corporate name of director:
MS MARIA TERESA GARCIA-MILÀ LLOVERAS
Profile:
ACADEMIC

Name or corporate name of director:
MR JOSÉ MANUEL LARA GARCÍA
Profile:
BUSINESS

Name or corporate name of director:
MR JOAN LLONCH ANDREU
Profile:
BUSINESS/ACADEMIC

Name or corporate name of director:
MR JOSÉ MANUEL MARTÍNEZ MARTÍNEZ
Profile:
BUSINESS

Name or corporate name of director:
MR JOSÉ RAMÓN MARTÍNEZ SUFRATEGUI
Profile:
BUSINESS

Name or corporate name of director:
MR DAVID VEGARA FIGUERAS
Profile:
FINANCIAL

Total number of independent directors	9
% of total Board members	60%

State whether any director classed as independent receives from the company, or from the group, any amount or benefit for any item other than director's remuneration, or maintains or has maintained, during the last year, a business relationship with the company or with any company in the group, whether in their own name or as a significant shareholder, director or senior executive of any organisation that maintains or has maintained such a relationship.

None.

When applicable, include a reasoned statement from the Board regarding the reasons for which it considers that said director is able to perform functions as an independent director.

OTHER NON-EXECUTIVE DIRECTORS

Identify all other non-executive directors and give the reasons why they cannot be considered as Proprietary Directors or Independent Directors, and their relationship with the company, its executives or with its shareholders:

Name or corporate name of Director:
MR JOAQUÍN FOLCH-RUSIÑOL CORACHÁN

Company, director or shareholder with whom they have a relationship:
NOT APPLICABLE

Reasons:

In 2015 the category of Mr Joaquín Folch-Rusiñol Corachán has changed from independent director to non-executive director by application of Article 529.duodecies 4.i) of the Public Limited Companies Act.

Total number of non-executive directors	1
% of total Board members	6.67%

Indicate, where applicable, any changes in the status of any Director during the period:

Name or social name of Director	Date of change	Previous category	Current category
MR JOAQUÍN FOLCH-RUSIÑOL CORACHÁN	28/05/2015	Independent	Other Non-executive

C.1.4 Complete the following table with information relating to the number of female directors during the last 4 years, as well as the nature of these directors:

	Number of female directors				% of total directors of each type			
	Year 2015	Year 2014	Year 2013	Year 2012	Year 2015	Year 2014	Year 2013	Year 2012
Executive	0	0	0	0	0.00%	0.00%	0.00%	0.00%
Proprietary	0	0	0	0	0.00%	0.00%	0.00%	0.00%
Independent	2	2	2	2	22.22%	25.00%	22.22%	25.00%
Other Non-Executive	0	0	0	0	0.00%	0.00%	0.00%	0.00%
Total:	2	2	2	2	13.33%	14.29%	14.29%	13.33%

C.1.5 Explain, where applicable, any measures taken to try to include in the Board of Directors a sufficient number of women to allow a balanced presence between men and women to be achieved.

Explanation of the measures
<p>The Board of Directors has adopted active policies that allow, as far as possible, the promotion of gender diversity within the organisation.</p> <p>Over recent years 4 female directors have joined the Board of Directors and there are plans to continue these policies to fill vacancies occurring in the Board.</p> <p>Specifically, of the two new members appointed to the Board of Directors in 2015, one was a woman, and she was also appointed as a member of the Appointments Committee and of the Remuneration Committee, and is the Chairwoman of the latter.</p>

C.1.6 Explain, where applicable, any measures agreed by the Appointments Committee to establish procedures that ensure that the recruitment processes are not implicitly biased against the appointment of female Directors and that the company deliberately seeks and includes among potential candidates, women who meet the required professional profile

Explanation of the measures
<p>At the General Meeting held on 28 May 2015, shareholders approved a modification of the Articles of Association which established one of the tasks of the Appointments Committee to be the setting of a target representation for women on the Board of Directors and the proposal of ways in which this target can be achieved.</p> <p>The Appointments Committee is responsible for ensuring that in the recruitment process of directors the diversity of experience and knowledge and the person's abilities are favoured, fostering the incorporation of women into the Board of Directors in all cases.</p> <p>The selection process for recruiting Directors does not have any implicit bias that prevents the incorporation of women on the Board.</p> <p>At the end of 2015, women made up 13.33% of the Company's Board of Directors, and 22.22% of Independent Directors. Women had been appointed as Directors of two of the five Board Committees.</p>

When, despite the measures that, if applicable, have been adopted, there are few or no female directors, explain the reasons why:

Explanation of the measures

C.1.6 bis Explain the conclusions reached by the Appointments Committee regarding the fulfilment of the policy for the recruitment of Directors and, in particular, on how this policy is promoting the target that by 2020 women make up, at least, 30% of the total members of the Board of Directors.

The Appointments Committee has verified the policy followed in 2015 as regards to the recruitment of Directors, and has concluded that throughout the year, three new Board members were appointed: Ms Aurora Catá Sala, Mr José Manuel Lara García and Mr David Vegara Figueras, who have knowledge and experience in Human Resources, business and financial sectors, respectively. The aforementioned Directors were recruited through a transparent process and after a comparative analysis against other candidates. Their files were analysed and their suitability to the post was approved by the European Central Bank.

In 2015, a female Director was appointed, and she is also a member of the Appointments Committee and of the Retribution Committee, and she is Chairwoman of the latter.

C.1.7 Explain how shareholders with significant holdings are represented on the board.

Mr David Martínez Guzmán has been a Director since 27 March 2014, linked to the shareholder Fintech Investments Ltd.

C.1.8 Give the reasons, if any, why Proprietary Directors have been appointed by shareholders with a holding of less than 3% of the capital:

State whether the company has refused any formal requests for a presence on the Board from shareholders with holdings that are the same as or larger than those of other shareholders at whose request proprietary directors have been appointed. If so, give the reasons for the refusal:

Yes

No

C.1.9 State whether any Directors resigned before the end of their term of office, whether they explained to the Board their reasons for doing so, and in what form, and if the whole Board was informed in writing, indicate below, as a minimum, the reasons they gave:

Name of director:

MR JOSÉ MANUEL LARA BOSCH

Reason for cessation:

Director and Deputy Chairman, Mr José Manuel Lara Bosch, passed away on 31 January 2015.

Name of director:

MR JOSÉ PERMANYER CUNILLERA

Reason for cessation:

On 23 April 2015 he announced he would stand down, effective from the date of the General Meeting on 28 May 2015, in a letter addressed to each member of the Board, indicating that although he would not cease to belong to and collaborate with Banco Sabadell through its Foundation, after a long professional career in Banco Sabadell he believed that the time had come to collaborate with Banco Sabadell in a less intense way, which would also allow a renewal to take place in terms of the composition of the Board and would also independent directors to be appointed in line with the current Corporate Governance regulations.

C.1.10 Indicate the powers delegated to the Managing Director(s), if any:

Name or corporate name of director:

MR JAIME GUARDIOLA ROMOJARO

Brief description:

The powers of the Managing Director are set out in section H.

C.1.11 Name any members of the Board holding office as administrators or senior executives of other companies in the same group as the listed company:

Name or corporate name of director	Corporate name of the company in the group	Office held	Do they have executive responsibilities?
MR JOSÉ OLIU CREUS	AURICA XXI, S.C.R. DE RÉGIMEN SIMPLIFICADO, S.A.	CHAIRMAN	No
MR JOSÉ OLIU CREUS	BANSABADELL HOLDING, S.L. SOCIEDAD UNIPERSONAL	CHAIRMAN	No
MR JOSÉ OLIU CREUS	BANSABADELL INVERSIÓ DESENVOLUPAMENT, S.A.U.	CHAIRMAN	No
MR JOSÉ OLIU CREUS	SÍNIA RENOVABLES, S.C.R. DE RÉGIMEN SIMPLIFICADO, S.A.U.	CHAIRMAN	No
MR JAIME GUARDIOLA ROMOJARO	AURICA XXI, S.C.R. DE RÉGIMEN SIMPLIFICADO, S.A.	DIRECTOR	No
MR JAIME GUARDIOLA ROMOJARO	BANSABADELL INVERSIÓ DESENVOLUPAMENT, S.A.U.	DIRECTOR	No
MR JAIME GUARDIOLA ROMOJARO	BANCO SABADELL, S.A. I.B.M. (MEXICO)	CHAIRMAN	No

MRJAIME GUARDIOLA ROMOJARO	SÍNIA RENOVABLES, S.C.R. DE RÉGIMEN SIMPLIFICADO, S.A.U.	DIRECTOR	No
MRJOAN LLONCH ANDREU	BANCSABADELL D'ANDORRA, S.A.	DIRECTOR	No
MR JOAN LLONCH ANDREU	BANSABADELL HOLDING, S.L. SOCIEDAD UNIPERSONAL	DIRECTOR	No
MR JOSÉ LUIS NEGRO RODRÍGUEZ	BANSABADELL FINANCIACIÓN, E.F.C. S.A.	CHAIRMAN	No
MR JOSÉ LUIS NEGRO RODRÍGUEZ	BANSABADELL HOLDING, S.L. SOCIEDAD UNIPERSONAL	DIRECTOR	No

C.1.12 List, where applicable, any Directors of the company reported to the company to be members of the Board of Directors of other companies quoted on official stock markets, other than companies in the same group:

Name or corporate name of director	Corporate name of the company in the group	Office held
MRJOSÉ JAVIER ECHENIQUE LANDIRIBAR	ACS ACTIVIDADES DE LA CONSTRUCCIÓN Y SERVICIOS, S.A.	DIRECTOR
MR JOSÉ JAVIER ECHENIQUE LANDIRIBAR	ENCE ENERGÍA Y CELULOSA, S.A.	DIRECTOR
MR JOSÉ JAVIER ECHENIQUE LANDIRIBAR	REPSOL, S.A.	DIRECTOR
MS AURORA CATÁ SALA	ATRESMEDIA CORPORACIÓN DE MEDIOS DE COMUNICACIÓN, S.A.	DIRECTOR
MR JOSÉ MANUEL LARA GARCÍA	ATRESMEDIA CORPORACIÓN DE MEDIOS DE COMUNICACIÓN, S.A.	DIRECTOR
MR DAVID MARTÍNEZ GUZMÁN	ALFA, S.A.B. DE C.V.	DIRECTOR
MR DAVID MARTÍNEZ GUZMÁN	VITRO, S.A.B. DE C.V.	DIRECTOR
MR ANTÓNIO VÍTOR MARTINS MONTEIRO	BANCO COMERCIAL PORTUGUES, S.A.	CHAIRMAN
MR ANTÓNIO VÍTOR MARTINS MONTEIRO	SOCO INTERNACIONAL PLC	DIRECTOR

C.1.13 State, and where applicable explain, whether the company has any rules on the number of boards to which its Directors may belong:

Yes

No

Explanation of the rules
The applicable law is 10/2014 of 26 June, on the organisation, supervision and solvency of credit institutions, that fixes the maximum number of posts on Boards of Directors that the Directors of credit institutions may hold. Generally, in larger or more complex credit institutions, Directors may not simultaneously hold more offices than the following: (i) one executive office and two non-executive offices, or (ii) four non-executive offices.

C.1.15 Indicate the global remuneration of the Board of Directors:

Remuneration of the Board of Directors (thousand euro)	7,870
Amount of the global remuneration that corresponds to the consolidated rights of Directors in pension matters (thousand euro)	29.269
Amount of the global remuneration that corresponds to the consolidated rights of previous Directors in pension matters (thousand euro)	0

C.1.16 Name any senior executives who are not also Executive Directors, and state the total

remuneration earned during the year:

Name or corporate name	Office(s) held
MS MARÍA JOSÉ GARCÍA BEATO	DEPUTY SECRETARY OF THE BOARD – GENERAL SECRETARY
MR MIQUEL MONTES GÜELL	GENERAL MANAGER
MR TOMÁS VARELA MUIÑA	GENERAL MANAGER
MR CARLOS VENTURA SANTAMANS	GENERAL MANAGER
MR FERNANDO PÉREZ-HICKMAN MUÑOZ	GENERAL MANAGER
MR RAMÓN DE LA RIVA REINA	DEPUTY GENERAL MANAGER
MR ENRIC ROVIRA MASACHS	DEPUTY GENERAL MANAGER
MS NURIA LÁZARO RUBIO	GENERAL ASSISTANT DIRECTOR – DIRECTOR OF INTERNAL AUDITING

Total remuneration of senior management (thousand euro)	6,941
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C.1.17 Identify, if applicable, any members of the Board who are also Board members of companies of significant shareholders and/or in companies in the group:

Identify, if applicable, relevant relationships apart from those contemplated in the previous section, of members of the Board that connect them with significant shareholders and/or in companies in the group:

C.1.18 State whether there have been any changes in the Regulations of the Board of Directors during the year:

Yes

No

Description of the changes
<p>The Board of Directors agreed to modify Articles 5, 7, 8, 10, 11, 12, 13, 14, 15, 19, 22 and 23 of the Regulations of the Board of Directors, and added Article 14 bis.</p> <p>The modification of the aforementioned Articles was the result of the need to adapt the text of the Regulations of the Board of Directors to the regulatory changes in Corporate Governance, in particular those indicated in Law 31/2014 of 3 December, modifying the Public Limited Companies Act for the improvement of corporate governance, Law 10/2014 of 26 June on the organisation, supervision and solvency of credit institutions and the Code of Good Governance of listed companies.</p> <p>This modification was submitted to the General Meeting held on 28 May 2015 for acknowledgement.</p>

C.1.19 Describe the procedures for recruitment, appointment, re-election, evaluation and removal of Directors. Specify the responsible person or body, the procedures to be followed and the criteria to be employed in each case.

Under Articles 51, 54, 56 and 62 of the Articles of Association and Articles 14, 19 and 20 of the Regulations of the Board of Directors and the Procedure for assessing the suitability of members of the Board and holders of key offices at Banco Sabadell, the procedures for the appointment, re-election, assessment, and removal of Directors are as follows:

Selection

It is one of the basic responsibilities of the Appointments Committee, in accordance with the provisions of Article 62 of the Articles of Association, to submit proposals for the co-opted appointment of Independent Directors, to the Board of Directors, and to submit them for approval at the General Meeting, and to submit proposals for the co-opted appointment of other Directors to the General Meeting for approval. Verification of the suitability of the Director must also be requested from the European Central Bank.

Appointment

Members of the Board of Directors are appointed by the shareholders at the General Meeting. Equally, any vacancies on the Board shall be filled at the General Meeting, unless the Board, in the interests of the company, decides to co-opt directors under the terms of the Public Limited Companies Act. Directors who are co-opted onto the Board shall hold office until the date of the next General Meeting.

Re-election

Directors shall hold office for a maximum term of five years, after which they may be re-elected.

Assessment

The Appointments Committee is responsible, inter alia, for assessing the suitability, competencies, knowledge and experience necessary to be appointed to the Board of Directors, and submits proposals for the co-opted appointment of independent Directors to the Board or to the shareholders at the General Meeting for approval. It also informs the Board of Directors of proposals for the co-opted appointment of other Directors and submits them to the General Meeting for approval. The Committee is responsible for the selection and continuous assessment of suitability of members of the Board of Directors, for which it analyses the reports and proposals submitted to it by the Secretary of the Board, produced by the Bank's General Secretariat, regarding commercial and professional standing, knowledge and experience, and willingness to observe good governance, in application of the requirements defined in Act 10/2014 of 26 June on the organisation, supervision and solvency of credit institutions. Furthermore, it will evaluate the profile of the most suitable people to form part of the different committees and will submit the corresponding proposals to the Board. Specifically it will take measures to ensure compliance with the required qualitative composition of the Board of Directors

Removal

Directors will cease in office at the end of the period for which they were appointed or as decided by the General Meeting or the Board of Directors under the authority vested in them by the law or the Articles of Association. The Appointments Committee is responsible for submitting proposals for the removal of independent directors to the General Meeting, and for reporting the proposals for the removal of other directors. At present, the Board has no such authority. Article 51 of the Articles of Association states that the General Meeting may resolve upon the removal of a Director at any time.

Restrictions

The following persons may not be members of the Board of Directors:

- a) Persons who are minors.
- b) Persons who are barred by law, are insolvent or are undischarged bankrupts, or have been convicted of crimes that prohibit them from holding public office or who have been found guilty of serious infringements or the law or of the Articles of Association, and those who by reason of their office may not carry on business.
- c) Government officials whose duties are related to, or have a bearing on, the business of the Bank.
- d) Shareholders who are overdrawn with the Bank due to defaults on overdue obligations.
- e) Persons involved in any legal incompatibilities or limitations that prevent them from holding office.

C.1.20 Explain the extent to which the Board of Directors' annual assessment has given rise to important changes in its internal organisation and regarding the procedures applicable to its activities:

Description of modifications
<p>The bank carries out an annual assessment of the operation of the Board of Directors, the Audit and Control Committee, the Appointments Committee and the Remuneration Committee, in terms of: Governance model, Ideal composition of the Board of Directors and its effective operation.</p> <p>The conclusions of the assessment carried out on 19 February 2015 were positive, and no aspects of its internal operation were found to affect its satisfactory status.</p> <p>Notwithstanding the above, the bank carried out an Action Plan to implement measures to adapt the governance bodies of Banco Sabadell to the requirements of the new corporate governance regulations.</p> <p>The Board of Directors submitted a proposal at the General Meeting for the modification of internal corporate governance regulations, including the adaptation of internal regulations to the new regulatory framework of banking organisation and supervision and corporate governance introduced in Act 10/2014, and the reforms of the Public Limited Companies Act for the improvement of corporate governance.</p>

C.1.20 bis Describe the assessment process and the areas assessed by the Board of Directors, with the assistance of, if applicable, an external consultant, regarding diversity and competencies, its operation and the composition of its committees, the performance of the Chairman of the Board of Directors and company's Chief Executive, as well as the performance and contribution of each Director

In line with the Regulation of the Board of Directors, the Board has carried out an assessment of its operation based on an analysis of its composition, the frequency, duration and attendance of its meetings, the way in which meetings are convened, the content of the agenda, the adequacy of the documents and information provided to directors in preparation for the meetings, the items addressed in the meetings and the tasks undertaken by the Board, as well as the operation and development of the meetings and the structure and composition of delegated committees, which in turn carry out an evaluation of their performance which is then submitted to the Board of Directors. The assessment of the performance of the Board includes an assessment of the performance of the Chairman, the Managing Director, the Secretary and the Deputy Secretary.

C.1.20 ter Describe, if applicable, the business relationships that the consultant or any of the group's companies has with the company or any of the companies in its group.

C.1.21 Describe the circumstances in which Directors are required to resign.

In accordance with the provisions of Article 20 of the Regulations of the Board of Directors, directors shall be required to resign:

- a) When they fall under a situation of incompatibility or disqualification as established in the law or the Articles of Association.
- b) If they are arraigned fro alleged criminal acts or are subject to a disciplinary procedure by the supervisory authorities for a serious or very serious violation.
- c) When their continuance on the Board might jeopardise the company's interests.

C.1.22 Repealed section

C.1.23 Are qualified rather than legal majorities required for some types of resolution?:

Yes

No

If so, describe the differences.

C.1.24 State whether there are any special requirements for holding office as Chairman of the Board other than those applicable to Directors.

Yes

No

C.1.25 State whether the Chairman has a casting vote:

Yes

No

Matters on which there is a casting vote
The casting vote applies to all resolutions of the Board of Directors.

C.1.26 State whether the Articles of Association or the Regulations of the Board of Directors establish any age limit for Directors:

Yes

No

Chairman age limit

Managing Director age limit

Director age limit

C.1.27 Indicate whether any limits exist in the Articles of Association or Board Regulations, different to those legally established, on length of term of office for independent Directors:

Yes

No

Maximum number of years in office	

C.1.28 State whether the Articles of Association or Regulations of the Board of Directors establish specific guidelines for voting by proxy on the Board of Directors, how this is done and, particularly, the maximum number of proxy votes a Director may have, as well as whether there are any limitations as regards to the different categories to which they can delegate, other than those imposed by the law.. If so, give brief details of such guidelines.

Article 57 of the Articles of Association, which set forth that non-executive Directors may only delegate to another non-executive director.

C.1.29 State the number of meetings of the Board of Directors held during the year. Also indicate, if applicable, the number of meetings of the Board from which the Chairman was absent.

For the calculation, representations made with specific instructions will be considered as attendances.

Number of meetings of the Board of Directors	12
Number of meetings of the Board of Directors from which the Chairman was absent	0

If the Chairman is an executive director, indicate the number of meetings held in which no executive directors attended or were represented, and which were presided over by the coordinating director

Number of meetings	0
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State the number of meetings of the various Committees of the Board of Directors held during the year:

Number of meetings of the Executive Committee	35
Number of meetings of the Audit and Control Committee	7
Number of meetings of the Appointments Committee	6
Number of meetings of the Remuneration Committee	6
Number of meetings of the Risk Committee	8

C.1.30 State the number of meetings of the Board of Directors held during the year with the attendance of all its members. For the calculation, representations made with specific instructions will be considered as attendances:

Number of meetings attended by all Directors	10
Number of attendances as a percentage of the total number of votes during the year	98.80%

C.1.31 State whether the individual and consolidated annual accounts submitted to the Board of Directors for formal approval have been certified in advance:

Yes No

If so, specify which person(s) certified the individual and consolidated annual accounts of the company, for formulation by the Board:

Name	Office held
MR JOSÉ OLIU CREUS	CHAIRMAN
MR JAIME GUARDIOLA ROMOJARO	MANAGING DIRECTOR
MR TOMÁS VARELA MUIÑA	GENERAL MANAGER – FINANCIAL MANAGER

C.1.32 Explain, if applicable, any procedures established by the Board of Directors to prevent the individual and consolidated annual accounts being submitted to the General Meeting with qualifying statements in the Audit Report.

The bank's internal departments will draw up the annual accounts clearly and in a way that gives a true and fair picture of the company's net worth, financial situation and results, and shall correctly apply generally accepted accounting principles to all the relevant financial and accounts information.

The Audit and Control Committee will review the individual and consolidated annual accounts of the company, for their submission to the Board of Directors, ensuring their compliance with legal requirements and the correct application of generally accepted accounting principles. If any exceptions are noted, the Committee should work to ensure they are resolved.

Should the annual accounts ultimately include qualified exceptions, the annual report of the Audit and Control Committee will contain a section in which the relevant discrepancies that have arisen are clearly indicated.

C.1.33 Is the Secretary to the Board of Directors a Director?

Yes

No

If the Secretary is not a Director, complete the following table:

Name or corporate name of secretary	Representative
MR MIQUEL ROCA JUNYENT (SECRETARY) / MS MARÍA JOSÉ GARCÍA BEATO (DEPUTY SECRETARY)	

C.1.34 Repealed section.

C.1.35 Indicate, if they exist, any mechanisms established by the company to preserve the Independence of external auditors, financial analysts, investment banks and rating agencies.

Article 61 of the Articles of Association states in relation to the auditors:

The Audit and Control Committee shall be established consisting of not more than five non-executive directors appointed by the Board of Directors, of whom at least two shall be independent directors, and one shall be appointed taking into consideration their knowledge and experience in terms of accounting, auditing, or both. The Board of Directors shall appoint its Chairperson from among its independent directors, with a vote in favour from two-thirds of its members (...).

The Audit and Control Committee has the following functions: (...)

4. Proposing to the Board of Directors, for submission to the General Meeting, the 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, striving 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 could jeopardise their independence, to be reviewed by the Committee, and any others related to the process of performing the audit functions and in the audit rules."

The Regulations of the Board of Directors similarly states in Article 30: "Relations between the Board and the company's external auditors shall be channelled through the Audit and Control Committee".

The Audit Committee in 2015 comprised 3 independent Directors. The Regulations of the Audit and Control Committee include the provisions of the Articles of Association and the Regulations of the Board of Directors, and state in Section 3 of Article 21 that because of their status as Directors and members of the Committee, these members must act with independence of criteria and action with respect to the rest of the organisation (...).

And finally, with respect to complying with the regulation on independence, the Audit and Control Committee reviews, and issues a report to the Board of Directors, regarding:

1. the main services other than auditing provided by the external auditors in order to ensure that they comply with the requirements of independence established in the Consolidated Text of the Accounting and Auditing Act, issued by Legislative Royal Decree 1/2011, of 1 July, and in the Auditing Technical Standards issued by the Spanish Institute of Accounting and Auditing.
2. the relative importance of fees generated in the Group with respect to the annual income of the external auditors.
3. through confirmation received from the external auditors, the company's procedures and tools in relation with complying with the regulation on independence, in order to ensure compliance with the independence requirements established in the Consolidated Text of the Accounting and Auditing Act, issued by Legislative Royal Decree 1/2011, of 1 July.

The Bank observes the principles of transparency and non-discrimination of the legislation in force regarding its relationships with other market participants. Specifically, the bank: (i) makes concerted efforts not to provide financial analysts with any information that could place them in a privileged position compared to other market participants, (ii) regularly uses the services of the three prestigious credit rating agencies and (iii) in those cases where the bank receives advisory services from investment banks for certain operations, and during the process of these advisory services, and the investment banks receive inside information, the bank includes the person or persons with access to this information in its systems, and expressly communicates these institutions on their obligation to respect, and ensure that others respect, their confidentiality commitment. Similarly, the bank acts in accordance with the provisions of its General Policy on the Conflicts of Interest, which is mainly based on the identification, recording, management and avoidance or elimination of eventual conflicts of interests.

C.1.36 State whether the company has changed its external auditor during the year. If so, name

the outgoing and incoming Auditor:

Yes

No

If there were any disagreements with the outgoing auditor, give details of these:

Yes

No

C.1.37 Indicate whether the firm of auditors carries out any non-auditing work for the company and/or the group and, if so, state the amount paid for such work and the percentage that it represents of the total amount charged by the auditors to the company and/or the group:

Yes

No

	Company	Group	Total
Amount charged for non-auditing work (thousand euro)	858	490	1,348
Amount charged for non-auditing work as a percentage of total amount charged by the auditors	41.96%	14.43%	24.77%

C.1.38 State whether the Auditor's report on the annual accounts of the previous year contains any qualifying statements (reservations or exceptions). If so, state the reasons given by the Chairman of the Audit Committee to explain the content and scope of such qualifying statements.

Yes

No

C.1.39 State the number of consecutive years for which the current auditors have been auditing the annual accounts of the company and/or the group. Also state the number of years for which accounts have been audited by the current Auditors, as a percentage of the total number of years for which the annual accounts have been audited:

	Company	Group
Number of consecutive years	33	31
Number of years for which accounts have been audited by current auditors / Number of years for which the company accounts have been audited (in %)	94.29%	100.00%

C.1.40 State and detail any procedures in place to ensure that Directors are able to obtain independent advice:

Yes

No

Detail of procedure
Notwithstanding the general authorities of the Board of Directors, which include the possible engagement of independent advisers and ordering independent reports or services, Article 21 of the Audit and Control Committee's Rules of Procedure establishes members' right to obtain independent professional advice in order to better perform their duties.

C.1.41 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 Board and committees:

Yes

No

Detail of procedure

Pursuant to Article 17 of the Regulations of the Board, the Board of Directors will be called with at least five days' notice. The notice will always include the meeting's agenda, which should set out, inter alia, all business concerning subsidiary companies and delegated committees, and all proposals and suggestions put forward by the Chairman and other members of the Board and by the General Manager(s) of the bank, these proposals being accompanied by any related documents for distribution to the Directors.

These documents and materials are provided to members of the Board in a confidential manner through iPads, encrypted using Diligent Boards software.

In addition, Article 21 provides that:

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.

2. 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 organisation, or providing the means by which the Director may carry out the desired formal examination and inspection on site.

C.1.42 State and, where applicable, detail any rules in place that oblige the Directors to report and, if appropriate, resign in any circumstances that might jeopardise the company's credit and reputation:

Yes

No

Describe the rules

In accordance with the provisions of Article 20 of the Regulations of the Board of Directors, Directors shall be required to resign:

- a) When they fall under a situation of incompatibility or disqualification as established in the law or the Articles of Association.
- b) If they are arraigned for alleged criminal acts or are subject to a disciplinary procedure by the supervisory authorities for a serious or very serious violation.
- c) When their continuance on the Board might jeopardise the company's interests.

The above notwithstanding the application of the guidelines relating to suitability assessment that will be carried out by the Bank following the procedure approved by the Board of Directors.

C.1.43 State whether any member of the Board of Directors has informed the company that he has faced criminal charges or has been committed to trial for any of the offences listed in Article 213 of the Public Limited Companies Act:

Yes

No

State whether the Board of Directors has studied the case. If so, give a reasoned explanation of the decision taken as to whether or not the Director should remain in office or, where applicable, explain the actions taken by the Board of Directors until the date of this report or that it plans to take.

Yes

No

C.1.44 Detail any significant agreements that the company has signed and that may enter into force, be modified or expire upon a change of control of the company deriving from a public takeover bid, and its effects.

C.1.45 Identify in overall terms, and indicate, in detail, any agreements between the company and its Directors and senior executives or employees that include compensations, guarantee or severance clauses, in the event of their resignation or unfair dismissal or if the contractual relationship is terminated due to a public takeover bid or other kinds of operations.

Number of beneficiaries: 29

Type of beneficiary:

Executive directors, senior management and other members of the identified staff.

Description of Agreement:

Compensation clause of 2 (or exceptionally 3) years' payments for cases of unfair dismissal or some limited cases of change of control.

State whether such contracts must be reported and/or approved by the decision-making bodies of the company or group:

	Board of Directors	General Meeting
Clauses approved by	Yes	No

	Yes	No
Are the clauses reported to the General Meeting?	X	

C.2 Committees of the Board of Directors

C.2.1 Give details of all Committees of the Board of Directors, their members, and the proportion of proprietary and independent directors that form them:

Executive Committee

Name	Office held	Category
MR JOSÉ OLIU CREUS	CHAIRMAN	Executive
MR JOSÉ JAVIER ECHENIQUE LANDIRIBAR	MEMBER	Independent
MR JAIME GUARDIOLA ROMOJARO	MEMBER	Executive
MR JOSÉ MANUEL MARTÍNEZ MARTÍNEZ	MEMBER	Independent
MR JOSÉ LUIS NEGRO RODRÍGUEZ	MEMBER	Executive
MR DAVID VEGARA FIGUERAS	MEMBER	Independent

% of executive directors	40.00%
% of proprietary directors	0.00%
% of independent directors	60.00%
% of non-executive directors	0.00%

Explain the tasks and responsibilities assigned to this committee, describe its organisation and operative rules and procedures and summarise its most important activities carried out during the year.

Article 60 of the Articles of Association and Article 12 of the Regulations of the Board state that the Executive Committee shall be responsible for coordinating the executive management of the bank, adopting all necessary agreements and resolutions within the powers granted to the committee by the Board and monitoring the Bank's normal activities. It is required to report all decisions taken during their meetings to the Board of Directors, without prejudice to other responsibilities assigned to the Committee by the Articles of Association and the Regulations of the Board.

The Executive Committee shall be formed by a maximum of five directors who will be appointed by the Board itself with a vote in favour from two thirds of its members, and the variety and the proportion of different director categories shall be similar to that of the Board. The Chairman of the Board shall also be the Chairman of the Executive Committee. All resolutions agreed on by the Committee shall be recorded in a minute book which shall be signed, for each resolution, by the Chairman and the Secretary or, if applicable, by the persons who have carried out their responsibilities at the corresponding meeting.

The Executive Committee shall convene as many times as required by its Chairman or by the Deputy Chairman when standing in for the Chairman. Any person may attend their meetings, whether they form part of the company or not, provided that they have been invited to attend following agreement by the Committee or by its Chairman, for the purposes agreed upon which shall relate to the resolution of the matter being addressed.

The Secretary of the Committee shall be appointed by the Board, and they can be a Director or otherwise. In the event of absence or illness of the appointed Secretary, the Board of Directors shall also appoint a person to stand in for them.

In 2015 the Executive Committee has monitored the Bank's normal activities, adopting the relevant resolutions and decisions whilst acting within the powers granted to the committee by the Board of Directors. It has also analysed and reviewed other matters, informing the delegated committees which need to be aware of them, and has also informed the Board of Directors for the adoption of the corresponding agreements.

Indicate whether the composition of the delegated or executive committee reflects the involvement with the Board of the different directors in line with their category:

Yes

No

Audit and Control Committee

Name	Office held	Category
MS MARIA TERESA GARCIA-MILÀ LLOVERAS	CHAIRMAN	Independent
MR JOAN LLONCH ANDREU	MEMBER	Independent
MR JOSÉ RAMÓN MARTÍNEZ SUFRATEGUI	MEMBER	Independent

% of proprietary directors	0.00%
% of independent directors	100.00%
% of other non-executive directors	0.00%

Explain the tasks and responsibilities assigned to this committee, describe its organisation and operative rules and procedures and summarise its most important activities carried out during the year.

Article 61 of the Articles of Association and Article 13 of the Regulations of the Board of Directors expressly demands the existence of an Audit and Control Committee, which has its own Regulations to regulate the basic rules of organisation, operation and governance.

The purpose of the Audit and Control Committee is to review the Internal Audit report to contrast banking and accounting good practices at the different levels of the organisation, and to ensure that appropriate measures are taken to deal with any incorrect methods or conducts. It also ensures that the measures, policies and strategies established by the Board are duly implemented.

Responsibilities established by law also apply to the Audit and Control Committee, including:

- a) Reporting any issues raised by shareholders regarding their competency at the General Meeting.
- b) Supervising the efficiency of the company's internal control procedures, internal audits and, where applicable, the risk management systems, including fiscal risk management systems, and discussing any significant weaknesses of the internal control system detected during the audit with the account or company auditors.
- c) Supervising the drafting and presentation process of the regulated financial information.
- d) Proposing appointments of external account auditors to the Board of Directors, for their submission at the General Meeting, establishing the conditions for their recruitment, the scope of their professional responsibilities and, as appropriate, their renewal or non-renewal; reviewing the fulfilment of the audit contract, ensuring that the opinions regarding the annual accounts and the main content of the audit report have been written in a clear and precise manner.
- e) Report on the annual accounts, quarterly and biannual income statements and prospectuses that must be sent to the regulatory or supervisory bodies, ensuring fulfilment of the corresponding legal requirements and the correct application of generally accepted accounting principles, and notifying any proposals to change these principles.
- f) Establish the corresponding relationships with external auditors to receive information on any issues which may put their Independence at risk. These must be examined by the Committee, together with any others related to the process of

development of accounts auditing and audit regulations.

g) Report on all issues submitted for their consideration by the Board of Directors within their scope of responsibility.

h) Any other responsibilities attributed to the Committee by law or by the Articles of Association and their implementing regulations, in addition to any derived from the rules of good conduct which are of general application.

The Committee shall be formed of a maximum of five Directors appointed by the Board of Directors, all of whom must be non-executive directors and at least two of whom shall be independent directors, and one of whom shall be appointed based on their knowledge and experience in accounting, auditing or both. The Board shall appoint the Committee's Chairman from among independent directors who form part of the Committee, with a vote in favour from two thirds of their members. The Board shall also appoint the Committee's Secretary, who must not be a Director. The Secretary shall prepare the minutes of each meeting, which shall be approved during the meeting to which it relates or in the following meeting. The Board of Directors shall be made aware of the content of these meetings by reading these minutes in the meeting immediately after it.

The Committee meets on at least a quarterly basis, when convened by its Chairman, when the Committee itself or any of its members calls a meeting or when convened by the Chairman of the Board of Directors or by external auditors, in order to perform its allocated responsibilities.

The Audit and Control Committee, in accordance with the responsibilities attributed to it by Law, the Articles of Association, the Regulations of the Board and its own Regulations, has reviewed and published all of the reports within its scope of responsibility and has reviewed and provided information on corporate activities. It has also provided information to the Board of Directors for the modification of Articles of Association and the Regulations of the Board in order to adapt the Bank's internal regulations to the new regulatory framework of credit institutions and listed companies related to corporate governance. Additionally, it has submitted a proposal to the Board for the modification of the Regulations of the Board of Directors and it has approved the modification of the Regulations of the Audit Committee.

State the Director forming part of the audit committee who has been appointed based on their knowledge and experience in accounting, auditing or both, and state the number of years during which the Chairman of this committee has held that position.

<u>Name of director with experience</u>	Ms Maria Teresa Garcia-Milà Lloveras
<u>Number of years during which the Chairperson has held that position</u>	0

Appointments Committee

Name	Office held	Category
MR HÉCTOR MARÍA COLONQUES MORENO	CHAIRMAN	Independent
MS AURORA CATÁ SALA	MEMBER	Independent
MR JOSÉ JAVIER ECHENIQUE LANDIRIBAR	MEMBER	Independent
MR JOAQUÍN FOLCH-RUSIÑOL CORACHÁN	MEMBER	Non-executive

% of proprietary directors	0.00%
% of independent directors	75.00%
% of other non-executive directors	25.00%

Explain the tasks and responsibilities assigned to this committee, describe its organisation and operative rules and procedures and summarise its most important activities carried out during the year.

The Appointments Committee is regulated in Article 62 of the Articles of Association and in Article 14 of the Regulations of the Board. Without prejudice to the responsibilities defined in the Law, the Articles of Association, by the Board or by the Regulations, the Appointments Committee shall have, at least, the following basic responsibilities:

a) submit proposals for the appointment of independent directors to the Board of Directors for their co-opted appointment or to the General Shareholders' Meeting for approval, in addition to proposals for the re-election or dismissal of directors;

b) report on proposals for the appointment of the remaining directors for their appointment by co-option or for their submission for approval at the General Meeting, in addition to proposals for the re-election or dismissal of directors;

c) ensure fulfilment with the terms of Article 54 of the Articles of Association regarding the qualitative composition of the Board of Directors;

- d) evaluate the suitability, skills, knowledge and experience required to form part of the Board of Directors;
- e) report on the proposals for the appointment or dismissal of senior management members;
- f) report on the proposals for the appointment or dismissal of directors, including those forming part of the Identified Staff;
- g) provide information regarding the basic terms and conditions of the contracts of executive directors and senior management members;
- h) review and organise the succession plans for the positions of Chairman of the Board of Directors and Chief Executive Director of the Bank and, where applicable, put forward proposals to the Board;
- i) establish a gender diversity target for the Board of Directors and devise plans on how to achieve this target;

The Appointments Committee shall be formed by a maximum of five directors appointed by the Board of Directors, all non-executive, and at least two of whom must be independent directors. The Board will appoint the Chairman from among the independent directors forming part of the Appointments Committee with a vote in favour from two thirds of its members.

The Appointments Committee shall meet whenever the Board or its Chairman requests the submission of a report on the adoption of new proposals and whenever such meetings are necessary for the Committee to carry out its activities. In any event, the Committee must meet once a year to give an advance report on the assessment of the operation of the Board.

Since its creation on 28 May 2015, replacing the Appointments and Remuneration Committee, the Appointments Committee has proposed changes to the composition of the delegated committees to the Board of Directors, and has informed the Board of the proposal for the appointment of senior managers and members of the identified staff, evaluating their suitability to the proposed office. It has also provided information on the proposals for the appointment or dismissal of senior management of companies forming part of the Group and the managers of subsidiaries and investees.

Remuneration Committee

Name	Office held	Category
MS AURORA CATÁ SALA	CHAIRMAN	Independent
MR HÉCTOR MARÍA COLONQUES MORENO	MEMBER	Independent
MR JOSÉ JAVIER ECHENIQUE LANDIRIBAR	MEMBER	Independent
MR JOAQUÍN FOLCH-RUSIÑOL CORACHÁN	MEMBER	Non-executive

% of proprietary directors	0.00%
% of independent directors	75.00%
% of other non-executive directors	25.00%

Explain the tasks and responsibilities assigned to this committee, describe its organisation and operative rules and procedures and summarise its most important activities carried out during the year.

The Remuneration Committee is regulated in Article 63 of the Articles of Association and in Article 14-bis of the Regulations of the Board. Without prejudice to the responsibilities defined in the Law, the Articles of Association, by the Board or by the Regulations, the Remuneration Committee shall have, at least, the following basic responsibilities:

- a) submit the directors' remuneration policy to the Board of Directors for approval.
- b) propose the remuneration policy for General Directors or persons carrying out senior management tasks reporting directly to the Board, members of Executive Committees or Managing Directors, in addition to the individual remuneration and other contractual terms and conditions of Executive Directors, ensuring compliance with said policies.
- c) periodically review the remuneration policy.
- d) provide information regarding schemes for remuneration through shares and/or options.
- e) periodically review the general remuneration principles, in addition to the remuneration schemes of all employees, evaluating the adherence to these principles.
- f) ensure the transparency of remuneration schemes.
- g) ensure that any conflicts of interest do not affect the neutrality of external advisory services.
- h) verify the information relating to remuneration included in different corporate documents, including the Directors'

Remuneration Report.

The Remuneration Committee shall be formed of a maximum of five directors appointed by the Board of Directors, all non-executive, at least two of whom must be independent directors. The Board will appoint the Chairman from among the independent directors forming part of the Committee with a vote in favour from two thirds of its members.

The Remuneration Committee shall meet whenever the Board or its Chairman requests the submission of a report or the adoption of new proposals and whenever such meetings are necessary for the Committee to carry out its activities. In any event, the Committee must meet once a year to prepare information on the remuneration of Directors for the Board of Directors to approve and include in its annual public documentation.

Since its creation on 28 May 2015, replacing the Appointments and Remuneration Committee, the Remuneration Committee has proposed the Group Objectives for 2015 and individual objectives for members of the Identified Staff to the Board of Directors and has reviewed and modified these as necessary. It has also approved salary criteria applicable to expatriated Directors and has analysed TSB's remuneration structure.

Risk Committee

Name	Office held	Category
MR JOSÉ MANUEL MARTÍNEZ MARTÍNEZ	CHAIRMAN	Independent
MR JOAN LLONCH ANDREU	MEMBER	Independent
MS MARIA TERESA GARCIA-MILÀ LLOVERAS	MEMBER	Independent
MR DAVID VEGARA FIGUERAS	MEMBER	Independent

% of executive directors	0.00%
% of proprietary directors	0.00%
% of independent directors	100.00%
% of other non-executive directors	0.00%

Explain the tasks and responsibilities assigned to this committee, describe its organisation and operative rules and procedures and summarise its most important activities carried out during the year.

The Risk Committee has adapted its responsibilities and constitution to the provisions of Law 10/2014 of 26 June on the Organisation, Supervision and Solvency of Credit Institutions and is regulated in Article 64 of the Articles of Association and in Article 15 of the Regulations of the Board. Its responsibilities are centred on supervising and ensuring the appropriate acceptance, control and management of all of the risks of the bank and its consolidated group, and reports to the full Board on the development of its responsibilities, in accordance with the provisions of the Law, Articles of Association and Regulations of the Board, including:

- a) supervising the implementation of the Risk Appetite Framework;
- b) setting out and submitting proposals to the full Board on the annual limits of investments in the real estate market, as well as applicable criteria and volumes for the different types of investment in the real estate market;
- c) reporting to the full Board on the development of its activities, in line with this Article and other applicable legal provisions or Articles of Association;
- d) reporting to the full Board on a quarterly basis on the levels of risk accepted by the bank, on investments made and their evolution, as well as any repercussions on the Group's income that may arise from fluctuations in interest rates and the adherence of these investments to the VaR approved by the Board;
- e) monitoring and detecting any breaches of the approved tolerance thresholds, ensuring that the established contingency plans in this regard are activated;
- f) reporting to the Remuneration Committee on whether the employees' Remuneration Schemes are consistent with the Bank's risk, capital and liquidity levels.

The Risk Committee shall be formed of a maximum of five directors appointed by the Board of Directors, all non-executive, who have the required knowledge, skills and experience to fully understand and control the risk strategy and appetite of the bank, and at least two of whom must be independent directors. The Board will appoint the Chairman from among the independent directors forming part of the Committee with a vote in favour from two thirds of its members.

In the course of its activities, the Risk Committee may directly request information from both the General Managing Director of Risks and the Risk Control Director.

The Risk Committee shall hold meetings on at least a bimonthly basis and whenever it is convened by its Chairman, at its own

initiative or by any member of the Committee, or when convened by the Chairman of the Board of Directors.

During 2015, the Risk Committee has analysed and reviewed the Risk Appetite Statement and the Risk Management Policy, submitting proposals for its modification to the Board for approval. It has also reviewed and informed the Appointments and Remuneration Committees on the coherence of employees' and directors' remuneration schemes, and has put forth proposals to modify the 2015 Objectives of the Identified Staff to include the Bank's risk, capital and liquidity levels. It has reviewed and provided information on the proposal for the internal capital and liquidity assessment report for 2014 for its approval by the Board of Directors and has informed the Board of the modification of Article 51 of the Articles of Association and Article 23 of the Regulations of the Board of Directors, as these needed to be adapted to the new applicable regulations in force regarding conflicts of interest.

C.2.2 Complete the following table with information relating to the number of female directors who have been members of the Board of Directors' Committees during the last four years:

	Number of female directors							
	Year 2015		Year 2014		Year 2013		Year 2012	
	Number	%	Number	%	Number	%	Number	%
Executive Committee	0	0%	0	0%	0	0%	0	0%
Audit and Control Committee	1	33.33%	2	50%	2	50%	2	50%
Appointments Committee	1	25%	0	0%	0	0%	0	0%
Remuneration Committee	1	25%	0	0%	0	0%	0	0%
Risk Committee	1	25%	1	25%	0	0%	0	0%

C.2.3 Repealed section

C.2.4 Repealed section

C.2.5 State whether there are any rules of procedure for Board committees, the place where these rules are available for consultation and any changes made to the rules during the year. Also specify whether any voluntary annual report has been drawn up on the activities of each committee.

Section C.2.1 details those articles of the Articles of Association or of the Regulations of the Board of Directors containing the rules of procedure and responsibilities of the different committees.

At the General Meeting held on 28 May 2015, shareholders approved the modification of provisions of the Articles of Association related to the operation of the Delegated Committees of the Board of Directors, thereby modifying Article 59, establishing the Delegated Committees that the Board is legally obliged to create, and a new article, Article 60, was introduced to regulate the Executive Committee. Article 59-bis was modified to regulate the composition, rules of procedure and responsibilities of the Audit and Control Committee and was renumbered as Article 61. Article 59-ter was modified to regulate the Appointments Committee and was renumbered as Article 62. Articles 63 and 64 were introduced to regulate the Remuneration Committee and the Risk Committee, respectively.

In line with the aforementioned modification of the Articles of Association, Articles 11, 12, 13, 14 and 15 were modified, and Article 14-bis was introduced into the Regulations of the Board of Directors. These articles are all associated with the operation of the Board's Delegated Committees.

The current text of the Articles of Association and the Regulations of the Board, which includes the aforementioned modifications, are available on the website (www.grupobancosabadell.com), under the section "Shareholder and Investor Information", section "Corporate Governance".

Furthermore, the Audit and Control Committee has drawn up Internal Regulations, setting out its duties and procedures, which have been modified in accordance with the approved text of the Articles of Association

and the Regulations of the Board of Directors. Specifically, Article 4 has been modified to include new responsibilities and Articles 7 and 8, on the regulation of the composition of the Committee have also been modified. These Regulations have been filed with the Mercantile Registry and are also available on the website (www.grupobancosabadell.com – Shareholder and Investment Information – Corporate Governance – Regulations of the Board of Directors).

All the committees prepare an annual self-assessment report of their activities, which is submitted to the bank's Board of Directors for evaluation.

C.2.3 Repealed section

D INTERGROUP AND RELATED TRANSACTIONS

D.1 State, where applicable, the procedure of the approval of intergroup transactions and those with related parties.

Procedure for the approval of related transactions
The Audit and Control Committee will carry out the review of related transactions prior to their approval by the Board of Directors.

D.2 Give details of any transactions that are significant for their size or nature, between the company or any group undertakings and significant shareholders of the company:

Name or corporate name of significant shareholder	Name or corporate name of the company or undertaking of the group	Nature of the relationship	Type of transaction	Amount (in thousands of euros)
Jaime Gilinski Bacal	Banco Sabadell, SA.		According to significant event 229.193 of 1 October 2015, Banco Sabadell acquired 8,238,084 shares from Colombian bank Banco GNB Sudameris, S.A., representing 4.99% of its share capital, whose majority shareholder is the company Starmites Corporation, S.a.r.l., owned by the Gilinski family.	\$50,000 (in thousands of dollars)

D.3 Give details of any transactions that are significant for their size or nature, between the company or any group undertakings and directors or senior managers of the company:

D.4 List any significant transactions carried out by the company with other companies in the same group, which have not been eliminated in the preparation of the consolidated financial statements and do not, having regard to their nature or purpose, form part of the company's normal course of business.

In any event, details will be provided on any intergroup transactions carried out with organisations based in countries or territories that are considered to be tax havens:

D.5 State the value of transactions carried out with other related parties.

0 (in thousands of euros).

D.6 Specify the mechanisms established to detect, identify and resolve possible conflicts of interest arising between the company and/or the group and its directors, senior managers or significant shareholders.

1. Under the Regulations of the Board of Directors, 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 25 of the Regulations states that a director may not provide professional services to Spanish companies whose corporate purposes, or any part thereof, are similar to those of the company. An exception is made for offices they hold in companies in the same Group. Before accepting any management post in another company or undertaking, a Director must notify the Appointments and Remuneration Committee.

Article 27 of the Regulations of the Board of Directors 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 actions as directors of the company.

2. The Banco Sabadell group's Code of Conduct provides a set of rules for the guidance of all persons employed by the group and its stakeholders (customers, suppliers, shareholders, authorities and the local community) based on principles which we consider fundamental to carrying on business.

It expressly contemplates the rules applicable to possible conflicts of interest with customers and suppliers and sets out guidelines for such cases.

3. Banco Sabadell group's Internal Rules of Conduct (IRC) in the securities market, approved by the Board of Directors on 26 November 2009, is applicable to the members of the Bank's Board of Directors, and to all management staff and employees whose work is directly or indirectly related with the activities and services in the field of the stock markets or who have frequent or habitual access to significant information related to the Bank itself or Group companies.

The text of the IRC contains, in its section four, the mechanisms for identifying, preventing and resolving possible conflicts of interest that may be detected by persons concerned, who are obliged to declare any significant relations of a financial, family or other nature, with customers of the Bank for services related to the stock markets or to companies listed on the Stock Exchange, as well as any other relationships that, in the opinion of an external and neutral observer, could comprise the impartiality of persons concerned.

4. The Banco Sabadell group's general policy regarding conflicts of interest is an internal set of regulations laying down the criteria and procedures to be followed to guarantee that decisions taken within the Banco Sabadell group with respect to the provision of investment services are made so as to avoid, eliminate or, in the ultimate instance, reveal any conflict of interest to the customer. The Compliance Department is responsible for correctly applying the general conflicts of interest policy, and when necessary it will urge the other departments in the Group to which it applies to take the necessary action.

The Credit Operations committee analyses of all credit operations carried out by Directors, Senior Managers and related persons and will submit them to the Board of Directors for approval. Similarly, RD 84/2005 implementing Law 10/2014 of 26 June on the Organisation, Supervision and Solvency of credit institutions, sets out communication and/or authorisation requirements relating to operations of Directors, Senior Managers and persons associated with the Bank of Spain.

5. The Banco Sabadell group's Corporate Ethics Committee is responsible for fostering ethical conduct throughout the organisation and for making proposals and giving advice to the Board of Directors and the different corporate and business units on decisions involving issues that could 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 or in the Internal Rules of Conduct in the sphere of the stock market.

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

D.7 Is more than one company in the Group listed in Spain?

Yes

No

Identify the subsidiaries listed in Spain:

Listed subsidiary companies

Indicate whether they have defined publicly and with precision the respective areas of activity and possible business relationships between them, as well as those of the listed subsidiary company with other companies in the group;

Yes

No

Define the possible business relationships between the parent company and the listed subsidiary company, and between the latter and the rest of the group companies

Identify the mechanisms established to resolve any possible conflicts of interest between the listed subsidiary and the other companies in the group:

Mechanisms for resolving possible conflicts of interest

E RISK CONTROL AND MANAGEMENT SYSTEMS

E.1 Explain the scope of the company's Risk Management System, including that of fiscal risks.

At Banco Sabadell Group, the Risk Management system is based on the Strategic Risk Framework contained in the Risk Appetite Statement, the associated management policies and the reporting system and overall governance model of the risk function, which contemplate the fiscal risk under the terms described hereafter.

The system applies throughout the group, and its management is consolidated by area, business unit or activity, subsidiary and geographical location at corporate level.

E.2 Identify the bodies of the company responsible for drawing up and executing the Risk Management System, including for fiscal risk.

The Board of Directors is the body responsible for establishing general directives on the organisational distribution of risk management and control functions, as well as determining the main strategic lines in this respect. Therefore, the Board is the body responsible for approving the Strategic Risk Framework and ensuring its consistency with the Entity's short- and long-term strategic objectives, together with the business plan, capital planning, risk-taking capacity and compensation schemes.

Within the Board itself there is a Risk Committee which is responsible for ensuring compliance with the Risk Appetite Statement (RAS) approved by the Board and the associated risk management policies, whose duties are detailed in C.2.1. In addition, another 3 committees participate in risk management and control: the Executive Committee, responsible for coordinating the executive management of the Bank and responsible for approving transactions and limits of risk groups that exceed the established norms and for approving asset allocation proposals within the Strategic Risk Framework, the Audit and Control Committee, which supervises the efficacy of the risk management systems, and the Appointments and Remuneration Committee, which ensures that the Group's remuneration practices are coherent with its risk profile, avoiding inappropriate risk-taking and promoting sound and effective risk management.

The main department involved in the risk management and control process is the Risk Department. The head is the General Managing Director and it is the ultimate party responsible for the Bank's risk management at executive level. It reports directly to the Chairman's office and, together with the Financial Department and Managing Director, develops the Strategic Risk Framework. Its functions are carried out through the following departments:

- Risk Control Department: (i) it proposes and develops the Strategic Risk Framework within the General Risk Department; (ii) monitors and systematically analyses the evolution of all major risks and verifies the suitability of same for the established policies; (iii) proposes the guidelines, methodology and strategy for all risk management; (iv) defines and establishes the risk management model, develops internal advanced measurement systems, applying the supervisory requirements to enable the quantification and discrimination of risks and applies same to the business management; and (v) establishes procedures to optimise the credit approval function.

- Risk Management Department: (i) manages and integrates the different exposures in accordance with the pre-determined levels of autonomy, via selective acceptance of the risk to ensure its quality, achieve growth and optimise the business profitability; (ii) aligns the priorities of the strategic plan and the vision of the Risk Management Department in all segments, identifying the initiatives to be developed as regards risks; and (iii) develops the risk management framework of the market, balance sheet, countries and banks.

Additionally, other executive bodies are involved in the risk management and control process:

- Financial Department: (i) supports the Managing Director and General Managing Director (Chief Risk Officer) to develop the Strategic Risk Framework and (ii) as part of the planning, budgeting and management control processes it calculates and assigns capital in keeping with the Bank's strategy, ensuring the risk variable is taken into account in all decisions and oversees the specific risk measurement models, ensuring their standardisation in terms of generally accepted principles and methodologies and particularly with regard to the supervisory authorities. It also develops and manages the stress test analysis framework.

- Operations and Corporate Development Department: This manages the entire real estate exposure of the Group, developer credit portfolio and real estate assets on the bank's balance sheet together with recovery processes.

- Treasury and Money Market Department: responsible for managing the liquidity of the Bank and the management and compliance with its regulatory coefficients and ratios. It also manages the risk of the treasury shares, interest rate risk and exchange rate risk and ledgers of various types, basically due to the operational flows with both internal and external clients, originating from the activity of the Distribution units and Financial Department, branch network and branches.

- Compliance Department: promotes and seeks to ensure the highest possible level of compliance with the legislation in force and with the Group's professional ethics, thereby mitigating compliance risk, which is understood to be the risk of incurring legal or administrative sanctions, significant financial losses or reputational losses for non-compliance with laws, regulations, standards, self-regulations and codes of conduct applicable to banking activities.

(The description continues in section H)

E.3 Indicate the main risks, including fiscal risks, that may affect business targets being achieved.

1. Credit and concentration risk: Losses due to a breach of payment obligations on the part of borrowers or impairment of the loan quality of the same. This includes counterparty risk and Country risk.
2. Liquidity risk: incapability to honour payment commitments, due to a lack of liquid assets or inability to access the markets for refinancing at a reasonable cost.
3. Market risk: Losses in value of positions held in financial assets due to a variation of the risk factors which affect their prices or stock prices.
4. Structural risks: possibility of incurring losses due to interest rates variations or net structural positions in foreign currency.
5. Operational risk: possibility of loss resulting from inadequate or failed internal processes, people or systems including reputational, technological or model risk.
6. Business risk: losses arising from adverse events that negatively affect the capacity, strength and recurrence of the income statement or the capacity to honour the needs of funding due to impairment of assets and solvency.
7. Fiscal risk: possible breach or uncertainty associated with the interpretation of the tax law of jurisdictions in which ordinary business is carried out.
8. Compliance risk: possibility of legal or administrative sanctions, significant financial losses or reputational losses for non-compliance with laws, regulations, internal standards and codes of conduct applicable to banking activities.

E.4 Identify whether the organisation has a high risk tolerance level, including fiscal risk.

The chief element of the Strategic Risk Framework approved by the Board of Directors is the Risk Appetite Statement. The Group understands the Risk Appetite Statement as the quantity and diversity of risks that the Banco Sabadell Group seeks and tolerates in order to achieve its business objectives, maintaining a balance between profitability and risk.

The statement comprises the quantitative metrics and qualitative elements that, in conjunction, define the risk appetite levels of the Bank, both globally and for each of the major risks assumed during the course of its ordinary business.

This statement applies to all risks identified in section E.3, above.

E.5 State what risks, including fiscal risks, have materialised during the year.

The Group provides detailed information of the risks in the Annual Report which is available on the corporate website (www.grupobancosabadell.com – section Information for shareholders and investors – Financial information – Annual Reports), specifically under heading 4 of the consolidated directors' report.

E.6 Explain the response and supervision plans for the company's main risks, including fiscal risks.

The Strategic Risk Framework establishes the different monitoring systems for major risks. This monitoring, at the highest level, is carried out by the Risk Control Committee. More frequent and detailed monitoring is carried out by the Risk Department and the Technical Risk Committee.

The management of risk is supported by robust control procedures to ensure compliance with pre-set limits, clearly defined responsibilities in the identification and monitoring of indicators and early warnings, and the use of advanced risk assessment methodologies.

The Group has risk control systems suited to the commercial banking business and activities in which it operates and to the desired risk profile. These control systems are embodied in procedures for the approval, monitoring, mitigation or recovery of risks of the types described above, and are themselves subject to supervision.

Risk assessment also forms part of the control system and is established through advanced measuring methodologies. In this

regard, the Basel Committee on Banking Supervision has been working on a new capital adequacy framework for financial institutions, known as the New Basel Capital Accord (Basel Committee), a fundamental principle of which is that banks' regulatory capital requirements should be more closely related to the risks actually incurred, based on internal risk measurement models and previously validated parameters and internal estimates.

The Bank has an advanced methodology in place that ensures that risks incurred can be reliably assessed and actively managed, following the guidelines defined by the Basel Committee in developing the different components required to complete its risk measurement systems.

On the basis of the measures of risk provided by these new methodologies, the bank has developed a consolidated risk measurement model with a common internal unit of measurement, allocated capital, the purpose of which is to determine the necessary capital requirement on the basis of internal parameters appropriate to ensure a specified level of solvency. Evaluating risk in terms of an assigned capital requirements means that the risk can be related to return, from individual customer up to business unit level. Banco Sabadell has also developed an analytical Pricing system associated with the risk, which provides this assessment and incorporates it within the transaction pricing process.

With regard to credit risk, the bank has implemented advanced measurement models based on internal data, tailored to particular counterparty segments and categories (businesses, retailers, individuals, mortgages and consumer, property developers, project finance, structured financing, financial institutions and countries), thus allowing transactions to be differentiated on the basis of risk and assessments to be made of the probability of default or the degree of severity in the event of default actually occurring.

In terms of fiscal risk, the bank has a fiscal risk management policy whose objective is to ensure compliance with fiscal commitments, while guaranteeing an adequate return for our shareholders. The Fiscal Advice department establishes criteria and advises on the taxation applicable to different Departments responsible for the settlement of different taxes. The various Departments are responsible for establishing procedures and controls to guarantee the correct operation and payment of the corresponding settlements, and these are subject to review by the Internal Audit department.

In the Annual Report, available on the corporate website, more information is provided regarding the risk control systems that govern Group activity: www.grupobancosabadell.com – Shareholder and Investor Information – Financial Information – Annual Reports.

F INTERNAL RISK CONTROL AND MANAGEMENT SYSTEMS IN RELATION TO THE PROCESS OF ISSUING FINANCIAL INFORMATION (SCIIF)

Describe the mechanisms entailed in the risk control and management systems with regard to the financial information process (SCIIF) of your company.

F.1 The organisation's control environment

Provide details, highlighting the main characteristics of, as a minimum:

F.1.1. Which bodies and/or functions are responsible for: (i) the existence and maintenance of an adequate and effective SCIIF; (ii) its implementation; and (iii) its supervision.

The Regulations of the Board of Directors, in their Article 5, state that the Board of Directors is an instrument of supervision and control whose responsibility is 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 disclosing of information to shareholders, the markets and the general public.

In addition, as provided by Article 13 of its Regulations, the Board of Directors delegates the supervisory role of the internal control systems to the Audit and Control Committee.

The group's Internal Auditing Department has, among its functions, that of supporting the Audit and Control Committee in supervising the correct design, implementation, and effective functioning of the risk management and control systems, which include the SCIIF.

The Group's Financial Department contributes to implementing the general framework of the internal control systems that are rolled out across the entire organisation.

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

F.1.2. The following elements, if any, with regard to the process in which the financial reporting is formulated:

- Departments and/or mechanisms charged with: (i) the design and review of the organisational structure; (ii) clearly defining lines of responsibility and authority, with an adequate distribution of tasks and

functions; and (iii) that sufficient procedures exist for their correct dissemination within the company.

The design and review of the organisational structure is the responsibility of the Organisation and Services Department which, based on the Master Plan of the Banco Sabadell group (whose habitual periodicity is three years), analyses and reviews the needs for resources of each General Division for compliance. This review is carried out regularly and not only is the necessary workforce decided, but also the structural organisation of each unit. Once an agreement has been reached, it is submitted to the Steering Committee for approval and referral to each of the general divisions.

At the same time the details of all the departments/units/offices are sent on a monthly basis to the Human Resources Department showing all the modifications that have been made so as to equip them with the resources considered necessary to perform their duties.

The organisational chart of the Banco Sabadell group arising from the above process addresses all the departments, areas and divisions into which the Banco Sabadell group is divided. This organisational chart is supplemented by a "process map" giving greater details of the various areas of the Banco Sabadell group. These include the functions and responsibilities assigned to the same, detailing those related to the presentation, analysis and review of the financial reporting. Both the organisational chart of the Banco Sabadell group and the process map are contained on the Corporate Intranet to which all staff have access.

- Code of conduct, approval body, degree of dissemination and instruction, principles and values included (indicating whether there are specific mentions in the register of operations and production of financial information), the body entrusted with analysing non-compliance and with proposing corrective actions and sanctions.

The Banco Sabadell group has a General Code of Conduct approved by the Board of Directors and available via the corporate intranet that includes amongst its fundamental principles the commitment to transparency and especially with regard to shareholders, and reflects the commitment to place at their disposal all the financial and corporate information. The above is carried out to strictly comply with the Banco Sabadell group's obligation to offer reliable financial reporting prepared in accordance with the applicable regulations, presenting a fair and true image of the company. It also includes the responsibilities of its employees and offices to ensure this is so, both via 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 powers include the fostering of ethical behaviour throughout the organisation, proposing and advising both the Board of Directors and the various corporate and business units in making decisions that include aspects that may lead to conflicts of values.

Among the different tasks carried out by the Corporate Ethics Committee, is that of analysing compliance with the Code of Conduct or any other code or self-regulation that exists. In order to carry out its tasks it has access to the material and human resources of the Compliance Department. If, as a consequence of exercising its functions, it detects any non-compliance, it must advise the Human Resources Department for the application of corrective actions and sanctions if applicable.

- A whistle-blowing channel, that allows reporting to the auditing committee of any irregularities of a financial or accounting nature, as well as possible non-compliance with the code of conduct and irregular activities in the organisation, reporting where applicable if of a confidential nature.

The Banco Sabadell group has and fosters the use of a whistleblowing channel to report all types of irregularities and especially give notification of possible breaches of the General Code of Conduct. The notifications received are treated confidentially and once addressed by the Corporate Ethics Committee (comprising 1 chairperson and 5 members appointed by the Board of Directors) are reported, if applicable, to the Audit and Control Committee. This channel is managed internally and the reporting method comprises a mailbox with the address 0901CEC@bancsabadell.com.

- Training programmes and regular updating for staff involved in the preparation and review of financial information, as well as in the evaluation of the SCIIF, and which cover, as a minimum, accounting standards, auditing, internal control and risk management.

As regards the training and refresher programs and particularly the preparation process of the financial reporting, the Banco Sabadell group's Financial Department has put in place a face-to-face training plan that basically addresses areas such as the internal accounting/financial operations of the company, analysis of current regulations and drafts of the new national and international accounting standards, analysis of the situation of the national and international economic environment together with the use of IT tools to facilitate the management and control of the financial reporting.

These training sessions are programmed based on two criteria:

- Sessions scheduled at the start of the year by selecting the areas considered of maximum interest by the Financial Department.
- Sessions scheduled during the current year in the event any subject arises whose prompt dissemination is considered important (drafts of new accounting standards, evolution of the economic environment, etc.).

These training sessions are aimed not only at Financial Department personnel but also extend to other departments (Audit, Risk Control, Asset transformation, etc.) in accordance with the content of the sessions.

The face-to-face training is taught chiefly by internal professionals of the Banco Sabadell group and by external experts who are specialists in each subject area.

In addition, the Human Resources Department places at the disposal of Banco Sabadell group employees a series of financial training courses which employees can take online. Chief amongst these courses are those affecting the AIS-IFRS (International Financial Reporting Standards), financial mathematics, General Accounting Plan and general tax matters.

The Internal Audit Department has a training plan in place for all the management professionals which includes a Higher Program of Internal Auditing for financial institutions, taught by a renowned academic institution, that covers areas such as the accounting principles and financial reporting, the basics of auditing and the monitoring and management of financial risks. In 2015, 12 audit professionals completed the program, which brings the current total of certified persons to 78.

F.2 Evaluation of financial reporting risks

Provide information on, at least:

F.2.1. What are the chief characteristics of the risk identification process, including error or fraud, in relation to:

- If the process exists and is documented.

The process of identifying error risks or probability of fraud in financial reporting applied by the Banco Sabadell group is documented in the relevant procedure which sets out the frequency, methods, types of risks and other basic guidelines to the process.

- Whether the process covers all the financial reporting objectives (existence and occurrence; integrity; valuations; presentation, itemisation and comparability; and rights and obligations), if it is updated and how often.

The process covers all the financial reporting objectives (existence and occurrence; integrity; valuation; presentation, itemisation and comparability; and rights and obligations) and focuses on identifying risks of material error based on the complexity of the transactions, quantitative and qualitative importance, complexity of the calculations and application of judgements and estimations, updated on an annual basis. Should, during the course of the year, there appear, (i), circumstances not previously identified which reveal possible errors in the financial information or (ii), material changes to the operations of the Banco Sabadell group, the Finance Department evaluates the existence of those risks to be added to those already identified.

The process is structured such that, on a half-yearly basis, an analysis is conducted to identify which areas or processes and in which companies and locations important transactions are generated.

Once they have been identified, they are reviewed so as to analyse the potential risks of error for these types of transactions in each aim of the financial reporting.

- The existence of an identification process of the scope of consolidation, taking into account, amongst others, the possible existence of complex corporate structures, instrumental or special purpose entities.

As regards the existence of an identification process of the scope of consolidation, this is described in section F.3.1. of this document.

- If the process takes into account the effects of other types of risks (operational, technological, financial, legal, reputational, environmental, etc.) insofar as they affect the financial statements.

In addition, the process considers the possibility of risks of error in certain processes not linked to the type of specific transaction, but especially important in view of its impact on the preparation of the information reported, such as the review process of judgements and estimations and significant accounting policies or the closing and consolidation process. In this respect, and with a view to covering the risks of these processes, the Banco Sabadell group has the control activities mentioned in section F.3.1. 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, technological, financial, legal, reputational, environmental, etc.), insofar as these may affect the financial statements.

- What governing body of the companies supervises the process.

The aforementioned process is conducted and documented by the Banco Sabadell group's Financial Department and is supervised ultimately by the Audit and Control Committee.

F.3 Control activities

Report, pointing out the chief characteristics, of at least:

F.3.1. Review and authorisation procedures for financial reporting and description of the SCIIF, to be published in the securities markets, indicating those responsible, together with documentation describing the flows of activities and controls (including those related to the risk of fraud) of the various types of transactions that may have a significant effect on the financial statements, including the accounting closing procedure and specific review of the judgements, estimations, evaluations and major projections.

The review and authorisation procedures of the financial reporting of the Banco Sabadell group published in the markets commence with a review by the Finance Department. The individual and consolidated annual accounts and half-yearly financial reports are reviewed by the Audit and Control Committee prior to being drawn up by the Board of Directors, as set forth in the Regulations of the Board. In accordance with the provisions of its Regulations, the Audit and Control Committee reads and discusses the information with the persons responsible for the Finance Department, Internal Audit and the external auditors, as the steps prior to submission to the Board of Directors.

Once the Audit and Control Committee has reviewed the information and lent its agreement or observations to be added, the Financial Director, together with the Chairman and the Managing Director of the Banco Sabadell group sign the accounts and submit them to the Board of Directors for drafting.

With regard to the quarterly information, the Audit and Control Committee reviews the critical financial information (profit and loss account and evolution of the key balance sheet figures) prior to submitting it to the Board of Directors.

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

- Loan investment
- Portfolio of fixed income and issuances carried out
- Equities portfolio
- Customer deposits
- Derivatives
- Foreclosed real estate assets

These descriptions contain information on what form the control activity should take, their purpose (risk to be mitigated), the party responsible for executing them and the frequency. The descriptions cover controls on the proper recording, valuation, presentation and itemisation of said areas.

The Banco Sabadell group also has procedures aimed at mitigating the risks of error in processes not related to specific transactions. In particular, there are procedures defined for the closing processes which include the consolidation process or specific review procedures of important judgements and estimates, which are scaled to senior management when appropriate.

With regard to the consolidation process used in the closing process, procedures have been put in place to ensure correct identification of the scope of consolidation. In particular, for example, the Banco Sabadell group conducts a monthly analysis of the consolidation scope, requesting the information necessary from all the subsidiaries, with the analysis covering all types of corporate structures.

The review of judgements and estimates is carried out at different levels by members of the Financial Department. In addition, the Banco Sabadell group includes in its annual accounts the most important areas in which there are parameters for judgement and estimates together with the key assumptions made by the Banco Sabadell group with regard to same. In addition, it has procedures in place to review the accounting estimates made by the group. The chief estimations refer to impairment losses of certain financial assets, the actuarial calculations relating to liabilities and pension commitments, the useful life of tangible and intangible assets, the valuation of goodwill, the fair value of the non-listed financial assets and the fair value of real estate assets.

F.3.2. Internal control policies and procedures on the information systems (amongst others, access security, change control, operation of the same, operating continuity and segregation of functions) that support the major processes of the bank with regard to the formulation and publication of financial reporting.

The Banco Sabadell group uses information systems to maintain an adequate record and control of its operations and is therefore highly dependent on their proper functioning.

As part of the process to identify risks of error in the financial reporting, the Banco Sabadell group identifies which systems and applications are important in each of the areas or processes considered significant. The systems and applications identified include those directly used in preparing the financial information and those important for the effectiveness of the controls to mitigate the risk of errors occurring in same.

The design and implementation of the applications defines a methodological framework that establishes the different points of control to ensure that the solution obtained complies with the requirements requested by the user and that the quality level meets the standards of reliability, efficiency and maintainability required.

Any change regarding infrastructures or applications is managed via the change management operations service that defines the flow for the approval of same, which may be scaled to the Change Committee to define the impact and possible repercussions.

The Information Security and Operational Continuity Department of the Banco Sabadell group has in place policies aimed at covering security as regards access via the segregation of functions and definition of virtual roles and resources and the continuity of operations with the creation of BRS centres and periodic operating tests.

F.3.3. Internal control policies and procedures aimed at supervising the management of activities subcontracted to third parties including the evaluation, calculation and valuation entrusted to independent experts that may significantly impact the financial statements.

The Banco Sabadell group periodically reviews which activities carried out by third parties are relevant for the process of preparing the financial reporting or may indirectly affect its reliability. To date, the Banco Sabadell group has not outsourced processes with a major impact on the financial reporting. However, the Banco Sabadell group does recurrently use the reports of independent experts for evaluations about operations that may potentially affect the financial statements in a significant manner.

For 2015, the activities sourced out to third parties relating to valuations and calculations of independent experts have referred to property appraisals, the post-employment benefits of the bank's employees, valuation of derivatives and the price purchase allocation of TSB Banking Group plc.

The units of the Banco Sabadell group responsible for these operations carry out controls on the work of these experts, aimed at verifying their competence, skills, accreditation or independence together with the validity of the data and methods used and the reasonability of the assumptions applied as described in section F.3.1.

F.4 Information and reporting

Report, pointing out the chief characteristics, of at least:

F.4.1. A specific function responsible for defining the accounting policies and keeping them up to date (accounting policies department or area) and to resolve doubts or conflicts arising from their interpretation, maintaining fluid communications with the persons responsible for the operations within the organisation, together with an updated accounting policies manual reported to all units that operate in the bank.

The Financial Information Regulation Unit (under the Financial Reporting Department) is solely responsible for identifying, defining and communicating the accounting policies that affect the Banco Sabadell group and for responding to queries concerning accounting that may be made by subsidiaries and the different business units.

The Financial Reporting Department is responsible for informing the Senior Management of the Banco Sabadell group regarding the new accounting standards, the results of their implementation and their impact on the financial statements of the Banco Sabadell group.

The Banco Sabadell Group has guides on accounting procedures that are adapted to the needs, requirements and dimension of the Banco Sabadell group in which the rules for preparing the financial reporting are explained and how they must be applied to the specific operations of the bank. These documents not only explicitly refer to the standards applied to each type of transaction but also develop and explain their interpretation so as to adapt exactly to each type of transaction.

These documents are periodically updated and at least once a year and include the standards applicable for the year 2015. Significant modifications are reported to the companies to which they are applicable.

F.4.2. Mechanisms for gathering and preparing the financial reporting with uniform formats, application and use by all the units of the bank or group, supporting key financial statements and notes as well as detailed information about the SCIIF.

The chief IT systems and applications used in generating the financial reporting by the Banco Sabadell group are centralised and interconnected. There are procedures and controls that ensure the proper development and maintenance of these systems and their correct functioning, continuity and security.

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

The Banco Sabadell group has a series of controls implemented to ensure the reliability and correct treatment of the information received from subsidiaries, chief amongst which are the controls of proper consolidation entries, analysis of variations in all asset items and results, variations to the results obtained regarding the monthly budget and controls over the statements of the Bank of Spain in which different balance sheet items and profit or loss account are interrelated.

F.5 System operation supervision

Report, pointing out the chief characteristics of, at least:

F.5.1. The supervision of the SCIIF performed by the Audit Committee, and of whether the entity has an internal audits system that is empowered to support the committee in supervising the internal monitoring system, including the SCIIF. Also provide information on the scope of evaluation of the SCIIF carried out during the year and the procedure by which the head of assessment reports the results, whether the bank has an action plan setting out the possible corrective measures and whether its impact on the financial reporting has been considered.

The Banco Sabadell group has the Internal Audit Department, which is subordinate directly to the Chairman of the Bank and reports to the Group's Audit and Control Committee. According to Article 13.6 of the Regulations of the Board, it is the responsibility of the Audit and Control Committee to monitor the internal audit services, reviewing the appointment and replacement of managers.

The Audit and Control Committee of the Banco Sabadell group approved, in January 2014, the Strategic Plan of the internal audit function for the year 2015 which includes aspects relating to the general criteria to be applied as regards the specific supervisory activities of the SCIIF. One of the Internal Audit Department's missions is to support the Audit and Control Committee in supervising the correct design, implementation and effective operation of the risk monitoring and management systems, which includes the SCIIF. The corresponding assessment reports issued by Internal Audit with regard to the evaluation of the SCIIF have been reviewed by members of the Audit and Control Committee, in turn evaluating the weaknesses identified in said reports. Lastly, the Committee has approved the action plan designed by the Internal Audit Department for remedying the aforementioned control weaknesses.

The Internal Audit has a multi-year supervisory plan (Plan) of the SCIIF that comprises 3 years, approved by the Audit and Control Committee. The Plan foresees the application of tests in those areas considered key within the Banco Sabadell group, covering all of these over a period of three years, except certain areas or processes considered especially important, including the accounting closing process, the review of judgements and estimations or the general controls on the information systems described in section F.3.2, for annual assessment.

The scope of the assessment for the year 2015 included supervision of the formal operation of the SCIIF implemented by the Financial Department and the review of key controls of the accounting closing procedure (which materialised in the new IT application discussed in section F.6.), judgements and estimations and the review of compliance with the policies on general IT controls.

The assessment process of 2015 analysed 304 controls, of which 146 were identified as being key and verified that from the time of implementation they operate as defined. Control weaknesses and opportunities for improvement have been detected in the design and implementation of certain controls that have given rise to a total of 8 action plans; the recommendations of the previous year have also been monitored.

F.5.2. Whether there is a discussion procedure via which the account auditor (in accordance with the provisions of the NTA), the internal audit function and other experts can report to senior management and to the audit committee or company directors on the significant weaknesses of internal control identified during the review processes of the annual accounts or any others. Also report on whether there is an action plan to remedy or mitigate the weaknesses identified.

The Audit and Control Committee meets at least once every three months (prior to the publication of the regulatory information) in order to obtain and analyse the necessary information to comply with the competences entrusted to it by the Board of Directors.

These meetings carry out an in-depth review of the annual and half-yearly accounts and the intermediate quarterly 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 holds meetings

with the General Director, the Internal Audit Department and the 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, during this discussion process possible weaknesses in the SCIIF which have been identified are evaluated and, if applicable, the proposals to correct them and the status of the actions implemented are also evaluated. On an annual basis and within the framework of the SCIIF, the Audit and Control Committee reviews and approves the action plans proposed by the Internal Audit Department in order to correct or mitigate the weaknesses observed.

The Group's account auditor has direct access to the Group's Senior Management, holding regular meetings to obtain the necessary information and to report on control weaknesses detected during said meetings. With regard to the latter, on an annual basis the external auditor submits a report to the Audit and Control Committee detailing the internal control weaknesses detected. This report contains the comments of the Group Management and, if applicable, the action plans implemented to remedy the internal control weaknesses.

F.6 Other important information

The Financial Department of Banco Sabadell has implemented an IT application that includes and formalises all the SCIIF controls, while at the same time ensuring ongoing identification of new risks and the relevant update of mitigating controls in each accounts closing. This tool enables the controls to be validated on time and in due form with the aim of guaranteeing the reliability of the financial reporting generated. The design of the tool's functionalities has taken into account the recommendations of the CNMV in its Guide to preparing the description of the internal control system of the financial reporting of Listed Companies, based on the principles and good practices contained in the COSO report (Committee of Sponsoring Organizations of the Treadway Commission).

F.7 External auditor report

Report on:

F.7.1. Whether the SCIIF information sent to the markets has been reviewed by the external auditor, in which case the company must include the relevant report as an annex. Otherwise, it must justify this.

The Banco Sabadell group has submitted the SCIIF information sent to the markets for 2015 to review by an external auditor. The report by the External Auditor (PricewaterhouseCoopers) will be included, when issued, as an annex to this annual report on corporate governance.

The scope of the review processes of the auditor is determined by Circular E01/2012, dated 25 January 2012, of the Instituto de Censores Jurados de Cuentas of Spain.

G DEGREE OF ADHERENCE TO RECOMMENDATIONS ON CORPORATE GOVERNANCE

Indicate the degree of compliance by the company with the recommendations of the Unified good governance code for listed companies. If any recommendation is not followed or is followed only in part, include 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 are not accepted.

- 1. The Articles of Association of listed companies should not limit the maximum number of votes that may be cast by a single shareholder or contain other restrictions that make it difficult to obtain control over the company by purchasing its shares on the stock market.**

Complies Explain

- 2. When the parent company and a subsidiary company are listed, both should define publicly and precisely:**

a) The respective fields of business and any business relationships between them, as well as those between the listed subsidiary and other companies in the group.

b) The mechanisms for settling any conflicts of interest that might arise.

Complies Partially complies Explain Not applicable

3. During the Annual General Meeting, as a supplement to the written dissemination of the corporate governance annual report, the Chairman of the Board of Directors should verbally inform the shareholders, providing sufficient detail, of the most significant aspects of the company's corporate governance and, in particular:

a) Any changes since the last General Meeting.

b) The specific reasons for which the company does not follow one or more of the recommendations of the Code of Corporate Governance and, if any, alternative rules that are of application in this matter.

Complies Partially complies Explain

4. The company defines and promotes a communication and contact policy with shareholders, institutional investors and voting advisors that fully complies with the standards to combat market abuse and that gives similar treatment to shareholders in the same position. Additionally, the company publicises this policy on its website, including information related to the way in which this policy has been implemented and identifying the contacts and persons responsible for its implementation.

Complies Partially complies Explain

5. The Board of Directors should not submit proposals to the General Meeting for the granting of powers to issue shares or convertible securities excluding pre-emptive subscription rights of an amount greater than 20% of the capital at the time of the granting of these powers. Whenever the Board of Directors approves an issuance of shares or convertible securities, with the exception of pre-emptive subscription rights, the company should immediately publish on its website the reports of this exclusion, as referred to in the mercantile legislation.

Complies Partially complies Explain

6. Although not expressly required by company legislation, listed companies that have prepared the reports listed below, either mandatorily or voluntarily, should publish them on their website sufficiently in advance of the Ordinary General Meeting:

a) Report on the auditor's neutrality.

b) Reports on the operation of the Audit Committee and the Appointments and Remuneration Committees.

c) Report by the Audit Committee on related operations.

d) Report on the policy on the company's corporate responsibility.

Complies Partially complies Explain

7. The company should have a live broadcast on its website of the General Meetings held.

Complies Explain

8. The Audit Committee should ensure that the Board of Directors seeks to present the accounts at the annual General Meetings with no limitations or exceptions in the audit report and that, in the exceptional event that exceptions exist, both the Chair of the Audit Committee and the auditors

must clearly explain the content and scope of these limitations or exceptions to the shareholders.

Complies Partially complies Explain

9. The company should permanently publish on its website the requirements and procedures that it will accept in order to certify the ownership of shares, the shareholders' right of attendance of the General Shareholders' Meeting and the exercise or allocation of the voting rights. These requirements and procedures should favour shareholders' attendance and the exercise of their voting rights and should be applied in a non-discriminatory manner.

Complies Partially complies Explain

10. When a recognised shareholder has exercised their right to complete the meeting agenda or submit new agreement proposals before the General Shareholders' Meeting has been held, the company should:

a) Immediately disseminate these supplementary items and new agreement proposals.

b) Disclose the attendance card model or proxy or distance vote allocation form with the precise modifications to enable votes to be cast on the new items of the meeting agenda and alternative agreement proposals to be made in the same terms as those put forth by the Board of Directors.

c) Submit all these items or alternative proposals for votes to be cast, and should apply the same voting rules that are applied to proposals put forth by the Board of Directors including, particularly, any assumptions or deductions regarding the purpose of the vote.

d) After the General Shareholders' Meeting has been held, the company should disseminate the results of the vote regarding these supplementary items or alternative proposals.

Complies Partially complies Explain Not applicable

11. In the event that the company plans to pay premiums for attending the General Shareholders' Meeting, it should previously establish a general policy on these premiums and should ensure the stability of this policy.

Complies Partially complies Explain Not applicable

12. The Board of Directors should perform its duties with a single purpose and independence of criteria, dispense the same treatment to all shareholders and be guided by the interests of the company, this being understood as pursuing profitable business with long-term sustainability, promoting its continuity and maximising the company's economic value.

It should also ensure that in its seeking to act in the interests of the company, in addition to its compliance with the laws and regulations, the company performs its obligations and contracts in good faith, respects the commonly accepted customs and practices, seeks to balance its interests with the legitimate interests of its employees, suppliers and customers as applicable, and those of other interest groups that may be affected, and monitors and limits the impact of the company's activities on the community as a whole and the environment.

Complies Partially complies Explain

13. The Board of Directors should be of the necessary size to function in an efficient, participatory manner, and it is therefore recommended that it have no less than five and no more than fifteen members.

Complies Explain

14. The Board of Directors should approve a recruitment policy for Directors that:

a) Is specific and verifiable.

b) Ensures that the appointment or re-election proposals are based on a previous analysis of the requirements of the Board of Directors.

c) Favours the diversity of skills, experience and gender.

The results of the previous analysis of the requirements of the Board of Directors should be included in a report written by the Appointments Committee and published after the General Shareholders' Meeting is held wherein the approval, appointment or re-election of each Director is submitted.

The Directors' recruitment policy should promote the objective for 2020 that at least 30% of the total members of the Board of Directors will be female.

The Appointments Committee shall verify fulfilment of the Directors' recruitment policy on an annual basis, and their conclusions shall be included in the corporate governance annual report.

Complies Partially complies Explain

15. Proprietary and independent directors should represent an ample majority of the members of the Board of Directors, and the number of executive directors should be kept to the essential minimum, taking into account the complexity of the corporate group and the holdings of the executive directors in the capital of the company.

Complies Partially complies Explain

16. The proportion of proprietary directors among the total of non-executive directors should not exceed the proportion between the capital of the company represented by these proprietary directors and the rest of the capital. These criteria can be relaxed in the following instances:

a) In companies with high capitalisation, in which there are few actuarial shareholdings that can be considered by law as significant.

b) In companies in which there are a large number of shareholders represented on the Board of Directors who have no links with each other.

Complies Explain

17. Independent directors should make up at least half of the total Directors on the Board. However, when the company does not have high capitalisation or where, if the company does have high capitalisation, it has one or more shareholders acting in unison, who together own over 30% of the share capital, the number of independent directors should represent at least one third of the total number of directors.

Complies Explain

18. Companies should publish the following information about their Directors on their websites, and should keep it updated:

a) Professional profile and biographical details.

b) Other Boards of Directors of which they are members, irrespective of whether or not the companies are listed companies, and any other remunerated activities carried out, irrespective of their type.

c) Indication of the category of each Board member, stating in the case of proprietary directors, the shareholder they represent or with whom they have ties.

d) Date of first appointment as a Director of the company, and of subsequent re-elections.

e) The number of shares and share options held in the company.

Complies Partially complies Explain

19. The reasons why proprietary directors have been appointed at the request of shareholders representing less than 3% of the capital should be included in the annual report on corporate governance, after verification by the Appointments Committee. The report should also state the reasons for the rejection, if applicable, of any formal requests for a presence on the Board from shareholders with a holding that is the same or larger than that of other proprietary directors.

Complies Partially complies Explain Not applicable

20. Proprietary directors should resign when the shareholder they represent sells all of its shares in the company. And they should also do so, in the corresponding number, when the shareholder reduces its holding to a level that requires a reduction in the number of proprietary directors representing it.

Complies Partially complies Explain Not applicable

21. The Board of Directors should not propose the removal of any independent director before the expiry of the statutory term or office for which he/she was appointed, other than for reasons that are justified in the opinion of the Board and subject to a report by the Appointments Committee. In particular, justified reasons shall be considered to exist when the director holds a new office or acquires new duties that prevents them from dedicating the necessary amount of time to carrying out their duties as director, or when they fail to perform their duties or are in one of the circumstances that lead them to lose their status as independent directors, in accordance with the provisions of the corresponding legislation in force. The removal of independent directors may also be proposed as a result of takeover bids, mergers or other similar corporate operations that involve a change in the capital structure of the company, when such changes in the structure of the Board of Directors are the result of the proportionality criterion indicated in Recommendation 16.

Complies Explain

22. Companies should draw up rules requiring Directors to report and, if applicable, resign in any situations that might jeopardise the company's credit and reputation and, in particular, obliging them to inform the Board of Directors of any criminal charges in which they are involved and of the outcome of any subsequent trials.

If a Director has faced criminal charges or has been committed to trial for any of the offences listed in the companies' legislation, the Board of Directors should examine the case as soon as possible and, in the light of the specific circumstances, decide whether or not the Director should remain in his/her post. The Board of Directors should give a reasoned report on this in the annual report on corporate governance.

Complies Partially complies Explain

23. All directors should clearly voice their objections when they consider that any proposal submitted to the Board of Directors could be against the company's interests. And they should do the same, particularly the independent directors and others not affected by any potential conflict of interests, in the case of decisions that might be detrimental to the shareholders not represented on the Board.

When the Board of Directors has passed significant or repeated resolutions about which a Director has voiced serious reservations, said Director should draw the pertinent conclusions and, if they decide to resign, explain their reasons in the letter referred to in the following recommendation. This recommendation also extends to the Secretary to the Board of Directors, even when the latter is not a Director.

Complies Partially complies Explain Not applicable

24. When a Director resigns or otherwise leaves the Board before the expiry of their term of office, they should explain the reasons for doing so in a letter to be sent to all members of the Board of Directors.

And, notwithstanding this resignation being notified as a significant event, the reasons should be reported in the annual report on corporate governance.

Complies Partially complies Explain Not applicable

25. The Appointments Committee should ensure that the non-executive directors have sufficient time available to correctly perform their duties. The Regulations of the Board should establish the maximum number of committees in different companies of which their Directors can form part.

Complies Partially complies Explain

26. The Board of Directors should meet with the necessary frequency to perform its duties efficiently, and at least eight times a year, following the schedule of meetings and business drawn up at the beginning of the year. Each Director may individually put forth additional items that were not foreseen in the original agenda to be addressed in the meeting.

Complies Partially complies Explain

27. Absences by Directors from Board meetings should be limited to essential circumstances and should be quantified in the annual report on corporate governance. If the appointment of a proxy is essential, the proxy should be provided with voting instructions.

Complies Partially complies Explain

28. Whenever the Directors or Secretary to the Board express concerns regarding a specific proposal or, in the case of Directors, concerns regarding the affairs of the company, and when these concerns are not resolved by the Board of Directors, these should be reflected in the minutes of the Board meeting, at the request of the person expressing these concerns.

Complies Partially complies Explain Not applicable

29. All Directors should be entitled to obtain from the company the advice they require for the performance of their duties including, where required by the circumstances, external advice at the company's expense.

Complies Partially complies Explain

30. Irrespective of the knowledge and skills required from Directors to perform their duties, companies should also draw up refresher programmes when circumstances make this advisable.

Complies Explain Not applicable

31. The meeting agendas should clearly indicate the items for which the Board of Directors needs to reach a decision or resolution, in order for the Directors to be able to study or collect the necessary information to make these decisions or resolutions in advance. When, under exceptional circumstances due to urgent matters, the Chairman wishes to submit decisions or resolutions to the Board of Directors for approval which are not indicated in the agenda, previous and express consent of the majority of Directors present at the meeting is required, and this should be reflected in the minutes of meeting.

Complies Partially complies Explain

32. Directors should be regularly informed of movements among shareholders and any opinions of significant shareholders, investors and credit rating agencies regarding the company and its consolidated group.

Complies Partially complies Explain

33. The Chairman, as the person responsible for the efficient operating of the Board, in addition to their responsibilities attributed by law or in the Articles of Association, should prepare and submit a meeting schedule and agenda to the Board of Directors; should organise and coordinate the regular assessment of the Board and, where applicable, of the chief executive director of the company; should be responsible for managing the Board and the overseeing the effectiveness of its operation; should ensure that sufficient time is devoted to discussing strategic matters, and should agree upon and review skill refresher programmes for each Director, when circumstances required it.

Complies Partially complies Explain

34. Where there is a coordinating director, their responsibilities should include those indicated in the Articles of Association and in the regulations of the Board of Directors, in addition to any other responsibilities attributed to them by law, and should also include: presiding over the Board of Directors when the Chairman and Deputy Chairpersons are absent, if applicable; voice the concerns of non-executive directors; maintain contact with investors and shareholders to know their points of view in order to create an opinion regarding their concerns, in particular, regarding the company's corporate governance; and coordinating the succession plan for the position of Chairman.

Complies Partially complies Explain Not applicable

35. The Secretary to the Board of Directors should ensure in particular that the actions and decisions of the Board of Directors take account of the recommendations on good corporate governance set out in this Code of good governance applicable to the company.

Complies Explain

36. The full Board of Directors should carry out a yearly evaluation and should adopt, where applicable, an action plan to correct any detected deficiencies regarding:

a) The quality and efficiency of the operation of the Board of Directors.

b) The performance and composition of its committees.

c) Diversity in the composition and skills of members of the Board of Directors.

d) The performance of the Chairman of the Board of Directors and the Chief Executive Director of the company.

e) The performance and contribution of each Director, paying special attention to the managers of the different Board committees.

The evaluation of the various committees shall be carried out based on the report submitted by the committees to the Board of Directors. The evaluation of the Board of Directors will be based on the report submitted to the Appointments Committee. An external consultant will be recruited to assist the Board of Directors to carry out the evaluation every three years, and the neutrality of this consultant will be verified by the Appointments Committee. The business relationships between the consultant or any company of the consolidated group have with the company or any company within the consolidated group should be detailed in the annual report on corporate governance. The process and areas evaluated must also be described in the annual report on corporate governance.

Complies Partially complies Explain

37. When there is an Executive Committee, the structure of the different categories of directors on it should be similar to that of the Board of Directors and the Secretary should be the Board Secretary.

Complies Partially complies Explain Not applicable

38. The Board of Directors should always be informed of the matters dealt with and the decisions taken by the Executive Committee and all members of the Board of Directors should receive copies of the minutes of meetings of the Executive Committee.

Complies Partially complies Explain Not applicable

39. Members of the Audit Committee, and particularly its Chairperson, should be appointed taking into account their skills and experience in accounting, auditing or risk management, and the majority of its members should be independent directors.

Complies Partially complies Explain

40. A unit should exist, supervised by the Audit Committee, to take over the internal auditing function, ensuring the correct operation of internal control and information systems and which reports to the non-executive Chairman of the Board or of the Audit Committee.

Complies Partially complies Explain

41. The unit manager that has undertaken the internal auditing task should submit an annual work plan to the Audit Committee and directly report any incidences during its implementation, submitting an activity report at the end of every year.

Complies Partially complies Explain Not applicable

42. In addition to those attributed to it by law, the Audit Committee will have the following responsibilities:

1. In relation to the internal information and control systems:

a) Supervise the creation and integrity of financial information related to the company and, where applicable, the group, reviewing compliance with regulatory requirements, the adequate definition of the scope of consolidation and the correct application of accounting criteria.

b) To ensure the neutrality of the unit undertaking the internal auditing functions; to propose the selection, appointment, re-election and removal of the head of the internal auditing department; to propose the budget for this service; to approve training and its work plans, ensuring that its activity is primarily focused on the company's significant risks; receive regular information about their activities; and to check that senior management takes into account the conclusions and recommendations of its reports.

c) To set up and supervise a mechanism that allows employees to report in confidence, and if they deem it possible and appropriate, anonymously, any irregularities of potential importance in the company, particularly financial and accounting irregularities.

2. In relation to the external auditor:

a) In the event of the external auditor resigning, it should examine the circumstances leading to the resignation.

b) Ensure that the remuneration of the external auditor for their work does not compromise their quality or neutrality.

c) Ensure that the company notifies the CNMV, as a significant event, of the change of auditor and attach a declaration on the possible existence of any disagreements with the outgoing auditor and, if they exist, the contents of these.

d) Ensure that the external auditor holds an annual meeting with the full Board of Directors to report on the work carried out and on the evolution of the accounting situation and the company's risks.

e) Ensure that the company and the external auditors adhere to the regulations in force regarding the rendering of non-auditing services, the limits of the auditor's workload and, in general, all other regulations governing the neutrality of auditors.

Complies Partially complies Explain

43. The Audit Committee should be able to summon any employee or senior executive of the company, and also to order them to appear without the presence of any other executive.

Complies Partially complies Explain

44. The Audit Committee should be informed of any structural and corporate modifications which the company plans on implementing, so that these can be analysed and so that the Board of Directors can be informed in advance of their economic conditions, accounting impact and particularly, where applicable, the proposed exchange ratio.

Complies Partially complies Explain Not applicable

45. The risk control and management policy should identify as a minimum:

a) The different types of financial and non-financial risk (including operational, technological, legal, corporate, environmental, political and reputational) that the company faces, including among the financial or economic risks any contingent liabilities and other off-balance sheet risks.

b) The setting of a level of risk that the company considers acceptable.

c) The measures foreseen to mitigate the impact of the risks identified if they materialise.

d) The internal information and control systems that will be used to control and manage the aforementioned risks, including contingent liabilities or off-balance sheet risks.

Complies Partially complies Explain

46. An internal risk control and management function should exist, under the direct supervision of the Audit Committee or, if applicable, a specialised committee of the Board of Directors, to be carried out by an internal unit or department of the company and which will have the following specific responsibilities:

- a) **Ensure the correct operation of risk control and management systems and, in particular, ensure that all significant risks affecting the company are adequately identified, managed and quantified.**
- b) **Actively participate in the drafting of the risk strategy and in the important decisions taken regarding risk management.**
- c) **Ensure that risk control and management systems adequately mitigate the risks within the policy framework defined by the Board of Directors.**

Complies Partially complies Explain

47. The majority of the members of the Appointments and Remuneration Committee – or the Appointments Committee and the Remuneration Committee, if there are two separate committees – should be mostly independent directors and should be appointed based on the suitability of their knowledge, skills and experience to the tasks that they are required to carry out.

Complies Partially complies Explain

48. Companies with high capitalisation should have one Appointments Committee and one Remuneration Committee, as separate entities.

Complies Explain Not applicable

49. The Appointments Committee should consult the Chairman of the Board of Directors and the Chief Executive Director of the company, especially in the case of matters relating to executive directors.

And any director should be able to ask the Appointments Committee to consider the suitability of potential candidates to cover vacancies for directors.

Complies Partially complies Explain

50. The Remuneration Committee should carry out its tasks and responsibilities independently. In addition to those attributed to it by law, the committee will have the following responsibilities:

- a) **Propose to the Board of Directors the basic conditions of the contracts of senior executives.**
- b) **Ensure observance of the remuneration policy laid down by the company.**
- c) **Periodically review the remuneration policy applied to directors and senior executives, including remuneration schemes with shares and their application, and guarantee that their individual remuneration is proportionate to the remuneration paid to other directors and senior executives of the company.**
- d) **Ensure that any conflicts of interest do not jeopardise the neutrality of the external consultant's services rendered to the committee.**
- e) **Verify information regarding the remuneration of directors and senior executives contained in the various corporate documents, including the annual report on the remuneration of directors.**

Complies Partially complies Explain

51. The Remuneration Committee should consult the Chairman and Chief executive director of the company, especially in the case of matters relating to executive directors and senior executives.

Complies Partially complies Explain

52. The rules relating to the composition and functioning of the supervisory and control committees should be set out in the Regulations of the Board of Directors, and should be consistent with the rules legally applicable to the committees in line with the previous recommendations, including:

a) The committees should be composed solely of non-executive directors, with the majority being independent directors.

b) Their Chairpersons should be independent directors.

c) The Board of Directors should appoint members of these committees taking into account the expertise, skills and experience of the directors and the remits of each committee; it should discuss their recommendations and reports; and the committees should report on its activities and account for the work carried out at the first full Board meeting after their meetings.

d) The committees should be able to obtain external advice when considered necessary for the performance of their duties.

e) Minutes should be drawn up of their meetings and copies sent to all the members of the Board.

Complies Partially complies Explain Not applicable

53. The supervision of compliance with the rules on corporate governance, internal codes of conduct and the company's corporate responsibility policy should be attributed to one, or shared among many, committees of the Board of Directors, such as the audit committee, the appointments committee, the corporate responsibility committee (if it exists), or a specialised committee created by the Board of Directors in exercising their self-organisation powers. The attributed responsibilities will include, at least, the following:

a) Supervising compliance with internal codes of conduct and the rules on the company's corporate governance.

b) Supervising the strategies for communication and the relationship with shareholders and investors, including small and medium-sized shareholders.

c) Carrying out regular assessments of the adequacy of the company's corporate governance system, aimed at ensuring that it fulfils its task of promoting corporate interest and taking into account, as appropriate, the legitimate interests of the remaining interest groups.

d) Reviewing the company's corporate responsibility policy, ensuring that it is geared towards the generation of value.

e) Monitoring the strategy and practices related to corporate responsibility and the assessment of its degree of compliance.

f) Supervising and evaluating the relationships with different interest groups.

g) Assessing all items and procedures related to the company's non-financial risks, including operational, technological, legal, corporate, environmental, political and reputational risks.

h) Coordinating the reporting process of non-financial information and information regarding diversity, in line with the applicable regulations and international benchmark standards.

Complies Partially complies Explain

54. The company's corporate responsibility policy should include the principles or commitments

voluntarily undertaken by the company as regards to the relationship with different interest groups and should identify, at least:

- a) The company's corporate responsibility policy objectives and the development of support instruments.
- b) Corporate strategy related to sustainability, the environment and social issues.
- c) Specific practices in matters related to: shareholders, employees, customers, suppliers, social issues, the environment, diversity, fiscal responsibility, respect of human rights and the prevention of illegal actions.
- d) Monitoring methods or systems of the results of the application of the specific practices identified in point c), the associated risks and their management.
- e) Mechanisms to supervise non-financial risks, ethics and corporate conduct.
- f) Communication channels, participation and dialogue with interest groups.
- g) Responsible communication practices that prevent the manipulation of information and that protect integrity and honour.

Complies Partially complies Explain

55. The company should provide information, in a separate document or in the management report, on matters related to corporate responsibility, using an internationally accepted methodology.

Complies Partially complies Explain

56. Remuneration paid to directors should be sufficient to attract and retain directors of the desired profile and to remunerate the work, qualifications and responsibilities demanded by the post, but not so high as to compromise the neutrality of the criteria of non-executive directors.

Complies Explain

57. In the case of variable remuneration paid to executive directors, this should be tied to the company's and personal performance, as well as to the remuneration via shares, options or rights to shares and referenced instruments at the value of the share and the long-term savings schemes such as pension plans, retirement schemes or other social benefit schemes. Remuneration paid in shares to non-executive directors will be considered when the remuneration is conditional on their maintaining these shares until they cease to be directors. This shall not apply to any shares that the director needs to dispose of, if applicable, to cover the costs related to their acquisition.

Complies Partially complies Explain

58. In the case of variable remuneration, the remuneration policies should include the necessary limits and technical precautions to ensure that such remuneration is in line with the professional work of the beneficiaries and does not depend solely on the general performance of the markets or of the business sector to which the company belongs or other similar circumstances. And, in particular, the variable components of these remunerations should:

- a) Be linked to performance criteria that are pre-determined and can be measured and should take into account the risk taken to obtain a result.
- b) Promote the company's sustainability and include non-financial criteria suited to the generation of long-term value, such as the compliance with the company's internal rules and procedures and its risk control and management policies.
- c) Be configured based on a balance between the achievement of short, medium and long-term targets to allow persons to be remunerated for their continuous performance over a period of time that is long enough to have a clear vision of their contribution to the sustainable generation of value, such that the measurement of this performance is not based solely on one-off, occasional or extraordinary events.

Complies Partially complies Explain Not applicable

59. The payment of a significant portion of the variable remuneration components should be

deferred for a period of time that is sufficient to verify that the aforementioned performance conditions have been met.

Complies Partially complies Explain Not applicable

60. Remuneration linked to the company's results should take into account any eventual exceptions identified in the external auditor's report and which affect these results.

Complies Partially complies Explain Not applicable

61. A significant percentage of the variable remuneration of executive directors should be linked to the submission of shares or financial instruments indexed to the share value.

Complies Partially complies Explain Not applicable

62. Once the shares, options or share rights corresponding to the remuneration schemes have been allocated, directors should not be able to transfer their ownership of a number of shares equivalent to twice their fixed annual remuneration, nor should they be able to exercise their options or rights until, at least, three years after their allocation.

This shall not apply to any shares that the director needs to dispose of, if applicable, to cover the costs related to their acquisition.

Complies Partially complies Explain Not applicable

63. The contractual agreements should include a clause that allows the company to claim a refund for the variable components of the remuneration when the payment has not been adjusted to the performance conditions or when they have been paid based on data which is later proved to be incorrect.

Complies Partially complies Explain Not applicable

64. Payments made due to the termination of a contract should not exceed an established amount equivalent to two years of the total annual remuneration and should not be paid until the company has been able to verify that the director has complied with the previously described performance criteria.

Complies Partially complies Explain Not applicable

H OTHER RELEVANT INFORMATION

1. If you consider that there is any significant principle or aspect of corporate governance practice applied by the company or its subsidiaries, that is not covered by other sections of this report, but should be included to provide more comprehensive and detailed information on the structure and practices of governance in the organisation or its group, detail them briefly.
2. This section may be used to provide further information, clarifications or reservations in relation with previous sections of this report; these should be significant and repetition should be avoided.

Specifically, indications should be given if the company is subject to legislation other than Spanish legislation in corporate governance matters and, where applicable, include any information that the company is obliged to provide that is different to that required in this report.

3. The company may also indicate whether it has adhered voluntarily to other codes of

ethical principles or good practice, be they international, sectorial or of another sphere. Where applicable, the code in question will be identified along with the date of the company's adhesion.

A.1

According to the Significant Event submitted to the Spanish Securities Commission (*Comisión Nacional del Mercado de Valores* or CNMV) dated 24 April 2015, the Bank carried out a capital increase with pre-emptive subscription rights of 1,085,510,925 shares in total, representing 26.97% of the share capital prior to this date, and these were admitted to trading on 27 April 2015.

A.2

The information provided is based on communications sent by shareholders to the CNMV or directly to the bank.

Pursuant to the provisions of Royal Decree 1362/2007 of 19 October, implementing Act 24/1988 of 28 July of the Securities Market, regarding the transparency requirements of information regarding issuers whose securities have been admitted to trading in a secondary official market or in another market regulated by the European Union, shareholders are considered to be significant when they hold, at least, 3% of the voting rights and 1% in the case of residents in tax havens.

Following various changes in the threshold over the year, the shareholding company BLACKROCK INC is the holder of a percentage of the share capital in excess of 3% at 17 December.

A.3

In December 2015, Mr Joaquín Folch-Rusiñol transferred 18,242,594 securities to the company Luvat XXI SLU.

A.8

See table attached.

B.5

In accordance with Article 10.1 of the Regulations of the General Meeting of Shareholders of Banco Sabadell, S.A., shareholders who are entitled to attend the meetings, at first call, will be those whose shares represent at least one hundred (100) euro of paid-in capital and are registered in the Company's Register of Shareholders at least five days prior to the date scheduled for the first call of the Meeting. Shareholders holding shares that amount to less than the minimum amount stated may group together to constitute the minimum and grant proxy to any one of them, or, where applicable, to another shareholder that is entitled to attend the General Meeting in accordance with the provisions of the Articles of Association and this Regulation.

The nominal value of the company's shares as at 31.12.2015 is 0.125 EUR/share.

C.1.2

On 31 January 2015 Mr José Manuel Lara Bosch, Director and First Deputy Chairman, passed away.

Mr Miquel Roca i Junyent was appointed non-Board Company Secretary at the Board meeting held on 13 April 2000, and Ms María José García Beato, the Bank's General Secretary, was appointed non-Board member Deputy Secretary at the Board meeting held on 1 June 2012.

C.1.3

Mr José Permanyer Cunillera stood down as Director on 28/05/2015.

C.1.4

Ms Aurora Catá Sala was appointed as director on the Board of Directors at their meeting held on 29 January 2015.

C.1.10

All Board powers have been delegated to the Managing Director Mr Jaime Guardiola Romojaro, except for those that cannot legally be delegated.

The powers delegated to him include the following:

1. To enter into any contracts and binding agreements generally and carry out any acts or enter into any contracts for the administration, disposal, and defence of assets and rights of any description including properties and in rem property rights. These powers shall therefore include, without limitation, the following: to purchase and sell, even for deferred payment, encumber, mortgage and generally dispose of property and rights of any kind; to constitute, accept and extinguish rights in rem, including any purchase options and defeasance clauses required to be recorded in the Property Registry and other similar rights or claims; to set up, alter or terminate companies of any description and hold any position or office in the same, and attend, speak and vote at general and other meetings thereof.
2. To draw, accept, take or acquire, negotiate, discount, endorse, collect and guarantee bills of exchange, promissory notes, receipts, invoices, cheques and endorsable commercial paper of all kinds, whether made out to a named person or to bearer; to enter protests on non-acceptance or non-payment and sign any documents required for any of the aforesaid purposes.
3. To pay and receive money of any amount and for any title and cash payment orders by government at central, municipal, or autonomous community level.

4. To open ordinary cash or securities current accounts and current accounts guaranteed by securities and by personal credit, with any Bank, Credit or Savings Institution, including in particular the Bank of Spain or any Branch thereof; to stand surety for any account or accounts opened by third parties and extend, renew, clear, settle or close the same, and sign any policies, invoices or other documents required to carry out such operations; to make drafts on any of the aforesaid accounts whether such accounts have been opened under the authority of this Power or are currently held or opened in the future by the Grantor hereof or by any other person on its behalf, and sign cheques, notes, drafts or any other documents accepted for this purpose; to collect from any such Banks or the Bank of Spain or any Branch thereof books of cheques, notes or drafts in order to draw drafts on any or all the aforesaid accounts; and to confirm acceptance of any balance thereof.

To make contracts assigning maximum limits for future loans secured by personal guarantee and rediscounting agreements with the Bank of Spain.

5. To give and receive money on loan and credit facilities of any description with or without collateral or other security. To accept, vary, postpone and extinguish any mortgage, lien, pledge with transfer of possession or otherwise, antichresis, aval, bond or any other personal third party guarantee as security for loans, credit facilities and any other transactions with or by the Bank, and for this purpose to sign certificates of delivery or other public or private documents as necessary.

6. To withdraw deposits of cash, securities or jewellery and sign receipts or other documents in respect thereof, withdraw any assets pledged as security for loans or credit or on loans for goods and to sign any documents required; to withdraw any assets transferred to the Grantor in any lending transaction it may carry out and sign receipts in respect thereof; to request the transfer, at the risk and expense of the Grantor, of any assets deposited and any loans and credit and associated collateral, from any premises of the Bank of Spain to any other premises of the Bank of Spain or from any Bank to any other.

7. To buy, sell or transfer any transferrable securities including shares in the Bank of Spain or any other Bank.

8. To receive, open and respond to postal, telegraphic, or telephonic communications addressed to the Bank, including registered letters, and take possession of and give receipts for any assets declared to be for the Bank.

9. To receive interest or dividends on securities deposited with any Banks as previously mentioned and the value of any securities that are redeemed, and sign payment orders or drafts as necessary; to collect any amounts to be paid into current accounts demanded by the Grantor for the benefit of any other person, when such payments are cancelled.

10. To apply to the Bank of Spain and other Banks for the hire of safe deposit boxes with the same authority as the Grantor to open the same as and when he sees fit, and for this purpose to sign such documents as the representation of the Bank may require of him.

11. To approve the opening of current accounts, savings accounts, deposit and term accounts, certificates of deposit and deposits of securities and accounts of any other nature; to hire and open safe deposit boxes and sign any documents necessary for the same to be fully operational.

12. To act on behalf of the Bank when any debtor of the Bank is compounded with creditors or engaged in insolvency or bankruptcy proceedings and to attend meetings and appoint Trustees and Administrators, accept or reject proposals by the debtor and continue until the conclusion of proceedings, accept mortgages, pledges, antichresis or any other security, reach settlements on the exercise of claims and remedies, accept the decisions of arbitrators in legal or equitable arbitration.

13. To represent the Bank and to appear, whether in person or through court agents or such other authorised representatives as he shall appoint by power of attorney or otherwise, before any authority, court, hearing, jury, tribunal, office, delegation, commission, committee, union, ministry, employment tribunal, national fund or institution, department or authority of central, regional, provincial or municipal government and any other official body; to institute, commence, pursue, abandon or reach settlements in any proceedings, litigation, suit, judicial process, application or appeal of any kind and approve pleadings drafted on behalf of Banco de Sabadell, S.A. when required and reply to interrogatories on the Bank's behalf, and represent the Bank in all matters and generally carry out all acts of administration, management and commerce.

14. To represent the Bank at meetings of shareholders, members or associates, in the companies or associations in which the Bank is a shareholder, member or associate, with the full right to speak, vote and object, without any limitation whatsoever.

15. To give or furnish bonds, pledges and guarantees of any kind and assume liability either jointly or jointly and severally with the principal debtor, surrendering the benefits of order, discussion and division or other benefits and without limit as to type or amount to any natural or legal person or any Bank or savings institution including, in particular, the Bank of Spain and any other official credit institution or any company, firm, organisation, office, entity or official body whether of central, institutional, regional, provincial or local government; and in particular the aforementioned public bodies and authorities and local tax offices so as to be answerable to the Treasury for the monies in respect of which the guarantee was given and to issue avals, including avals by pledge without the deposit of any security, to the General Deposit Fund of the Ministry of Finance, and revoke any such bonds or guarantees and discharge the same in any manner deemed expedient.

16. Direct and respond to claims and receive notifications and to warn and require Notaries to notarise all types of Minutes.

17. To engage and dismiss employees and make any determinations as to promotion, responsibilities, emoluments, bonuses and compensation; to initiate, pursue and conduct employment-related proceedings until decided and brought to a conclusion.

18. To substitute such person or persons as he shall see fit without any limitation whatsoever to exercise all or any of the powers granted hereunder and specify powers and methods of operation, and revoke any such substitutions.

C.1.15

The number of current cumulative voting rights of directors in terms of pensions includes their cumulative amounts since the year 2000, and is therefore not only the annual contribution in this regard.

C.1.16

In application of the standard, this section includes the 6 members of Senior Management, plus the Internal Auditor.

The Senior Management of Banco Sabadell has 2 new members compared with 2014, as a result of changes in their responsibilities.

The total remuneration of Senior Management includes the joint contributions to pension plans, structured through insurance policies, made in the year 2015, and is calculated on an accrual basis and not on the basis of amounts effectively received.

C.1.29

On 29 May 2015 the Appointments and Remuneration Committee and the Strategy Committee were dissolved.

C.1.45

The identified staff, comprising 46 persons, includes:

- Executive Directors
- Senior Executives
- Senior executives in charge of daily management, such as: members of the management committee not included in the previous category, all persons who depend directly on the institution's management bodies, and all those persons responsible for important lines of business.
- Staff responsible for independent control functions (compliance, risk management, human resources, internal auditing, etc.).

C.2.1

In addition to the information detailed in this point, the following people attended the committees stated:

- Executive or Delegated Committee: Ms María José García Beato, as Secretary.
- Audit and Control Committee: Mr Miquel Roca i Junyent, as Secretary.
- Appointments Committee: Mr Miquel Roca i Junyent, as Secretary.
- Remuneration Committee: Ms María José García Beato, as Secretary.
- Risk Committee: Ms María José García Beato, as Secretary.

C.2.2

Mr José Permanyer Cunillera stood down as Director on 28/05/2015.

Ms Aurora Catá Sala was appointed as Director on the Board of Directors at their meeting held on 29 January 2015.

The Appointments Committee and the Remuneration Committee were created on 28 May 2015, and are similar to the previous Appointments and Remuneration Committee dissolved on the same day.

D.2

According to Significant Event 229.193 dated 1 October 2015, Banco de Sabadell acquired 8,238,084 shares from Colombian bank Banco GNB Sudameris, S.A., representing 4.99% of its share capital, whose major indirect shareholder is the company Starmites Corporation, S.a.r.l., owned by the Gilinski family. The cost of the transaction was USD 50,000,000.

E.2

(continuation of text shown in section E.2):

- Internal Audit Department: (i) ensures effective compliance with the management policies and procedures, evaluating the adequacy and effectiveness of the management and control activities of each functional and executive unit, reporting directly to the Audit and Control Committee; (ii) verifies the design and effectiveness of the Risk Appetite Statement and its alignment with the supervisory framework; and (iii) brings assurance concerning the implementation of the RAS both in the document structure (consistency between these and the Statement) and in the subsequent integration in the Bank's management, verifying compliance with the metrics and action plans in place.
- Technical Risk Committee, meeting on a monthly basis and whose duties are: (i) support the Risk Committee during the performance of its duties (determine, propose, review and monitor the Strategic Risk Framework; global monitoring of major risks for the Bank; monitoring of tolerance thresholds in basic metrics and suitability plans); (ii) analysis and approval of second tier limits (including liquidity metrics, interest rate, treasury); (iii) analysis and approval of minor modifications to models, criteria and procedures together with the monitoring of the use of models and autonomies in approving operations; (iv) strategic debate on asset allocation (public sector, sectorial...); (v) monitoring of arrears management; (vi) specific ad-hoc subjects by portfolio for transfer and integration in the management; and (vii) development and proposal of the policies and criteria for appropriate risk management.
- Credit Operations Committee, meeting on a weekly basis which is responsible for: (i) approval of credit operations, including operations/limits of countries and banks and specific criteria aligned with the policies in accordance with the delegations; (ii) establishment of autonomies in accordance with the delegations and monitoring of their use and scaling to the Executive Committee of proposals for amendment deemed appropriate; and (iii) report monthly to the Executive Committee on operations approved and carried out the previous month.
- Asset Operations Committee, meeting on a weekly basis which is responsible for: (i) approval of asset management operations in accordance with the established delegations; (ii) report monthly to the Executive Committee on operations approved and carried out the previous month.
- Real Estate Development Committee: (i) fixes the strategy and criteria for the Group's real estate portfolio (analysis of the evolution of the real estate exposure and real estate action policies); (ii) decision-making necessary for real estate subsidiaries to be adopted (holders and servicer): proposal of investment operations in real estate developments and land development; and (iii) monitors the evolution of Solvia Real Estate.
- Assets and Liabilities Committee: This committee defines the criteria to ensure effective management both of the Group's structural balance sheet risk acquired in the course of business, and of market risk. Supervises the interest rate risk, exchange rate or equities risk and liquidity risk and proposes alternative business, market and hedging strategies to ensure that business objectives will be achieved having regard to market conditions and balance sheet considerations.

- Operational Risk Committee: This committee provides strategic guidelines and establishes a framework for the management of operational risk. It sets operational priorities based on its assessment of the risk exposure of the different business units and central service departments. The Operational Risk Committee includes Reputational Risk management.

Lastly, the following bodies also have certain risk control functions:

- Internal Control Committee: Control and Monitoring unit that oversees compliance with laws on the prevention of money laundering and on combating and blocking the financing of terrorism within the Group.

- Corporate Ethics Committee: The Committee is responsible for the monitoring and oversight of the Group's compliance with its code of conduct on trading on the stock market and with its general Code of Conduct.

- Institutional Coordination Committee (ICC): this committee aims to ensure the Group's policies reflect the regulatory and specific requirements of TSB, and the alignment between the decisions taken by TSB and those taken by the Group. The specific responsibilities of the ICC are (i) ensure the alignment between the policies of TSB and the Group; (ii) guarantee an efficient and flexible submission of proposals and other matters to the Group by TSB; (iii) maintain TSB's autonomy whilst providing inputs at the decision-making level; (iv) provide TSB with feedback on proposals and projects; (v) analyse whether TSB needs to make any changes in order to ensure compliance with the Group's policies; (vi) ensure that the Group's policies reflect the regulatory (and other specific) policies of TSB; and (vii) guarantee that the decision-making processes of TSB and the Group are aligned.

G.34

In line with the Regulations of the Board (Article 14), the Appointments Committee is responsible for examining and organising the succession plans for the position of Chairman of the Board.

G.53

The company's corporate responsibility policy and other policies related to interest groups have been approved by the board of directors.

The bank has a corporate ethics committee which ensures compliance with the code of market conduct and the code of conduct. The committee is formed of a Chairman (Director-General Manager) and five members, all of whom are appointed by the Board of Directors and which advises the Board itself on the adoption of policies to promote the ethic behaviour of the group. The Committee regularly reports to the Board of Directors and to the Audit and Control Committee on its activities.

This annual report on corporate governance was approved by the company's Board of Directors at its meeting on 28/01/2016.

Name any Directors who voted against this report or abstained on a motion to approve it.

Yes

No

A.8. ATTACHED TABLE

The following operations have been announced throughout 2015:

Date of announcement	Total direct shares acquired	Total indirect shares acquired	Total % of share capital
18/02/2015	35,640,356	0	0.89%
29/04/2015	32,649,418	0	0.64%
29/05/2015	54,498,876	0	1.07%
30/06/2015	35,765,727	0	0.69%
06/08/2015	65,279,551	0	1.23%
17/09/2015	115,324,657	0	2.17%
25/11/2015	121,889,798	0	2.29%
04/12/2015	118,737,508	0	2.18%

BANCO DE SABADELL, S.A.

Informe de auditor referido a la “Información relativa al Sistema de Control Interno sobre la Información Financiera (SCIIF)” de Banco de Sabadell, S.A. correspondiente al ejercicio 2015



Informe de auditor referido a la “Información relativa al Sistema de Control Interno sobre la Información Financiera (SCIIF)” de Banco de Sabadell, S.A. correspondiente al ejercicio 2015

Al Consejo de Administración de Banco , de Banco de Sabadell, S.A.,

De acuerdo con la solicitud del Consejo de Administración de Banco de Sabadell, S.A. (en adelante, la Entidad) y con nuestra carta propuesta de fecha 10 de septiembre de 2015, hemos aplicado determinados procedimientos sobre la “Información relativa al SCIIF” adjunta incluida en el apartado “F. Sistemas internos de control y gestión de riesgos en relación con el proceso de emisión de la información financiera (SCIIF)” del Informe Anual de Gobierno Corporativo para entidades cotizadas de Banco de Sabadell, S.A., correspondiente al ejercicio 2015, en el que se resumen los procedimientos de control interno de la Entidad en relación a la información financiera anual.

El Consejo de Administración es responsable de adoptar las medidas oportunas para garantizar razonablemente la implantación, mantenimiento y supervisión de un adecuado sistema de control interno así como del desarrollo de mejoras de dicho sistema y de la preparación y establecimiento del contenido de la Información relativa al SCIIF adjunta.

En este sentido, hay que tener en cuenta que, con independencia de la calidad del diseño y operatividad del sistema de control interno adoptado por la Entidad en relación a la información financiera anual, éste sólo puede permitir una seguridad razonable, pero no absoluta, en relación con los objetivos que persigue, debido a las limitaciones inherentes a todo sistema de control interno.

En el curso de nuestro trabajo de auditoría de las cuentas anuales y conforme a las Normas Técnicas de Auditoría, nuestra evaluación del control interno de la Entidad ha tenido como único propósito el permitirnos establecer el alcance, la naturaleza y el momento de realización de los procedimientos de auditoría de las cuentas anuales de la Entidad. Por consiguiente, nuestra evaluación del control interno, realizada a efectos de dicha auditoría de cuentas, no ha tenido la extensión suficiente para permitirnos emitir una opinión específica sobre la eficacia de dicho control interno sobre la información financiera anual regulada.

A los efectos de la emisión de este informe, hemos aplicado exclusivamente los procedimientos específicos descritos a continuación e indicados en la Guía de Actuación sobre el Informe del auditor referido a la Información relativa al Sistema de Control Interno sobre la Información Financiera de las entidades cotizadas, publicada por la Comisión Nacional del Mercado de Valores en su página web, que establece el trabajo a realizar, el alcance mínimo del mismo, así como el contenido de este informe. Como el trabajo resultante de dichos procedimientos tiene, en cualquier caso, un alcance reducido y sustancialmente menor que el de una auditoría o una revisión sobre el sistema de control interno, no expresamos una opinión sobre la efectividad del mismo, ni sobre su diseño y su eficacia operativa, en relación a la información financiera anual de la Entidad correspondiente al ejercicio 2015 que se describe en la Información relativa al SCIIF adjunta. En consecuencia, si hubiéramos aplicado procedimientos adicionales a los citados a continuación o realizado una auditoría o una revisión sobre el sistema de control interno en relación a la información financiera anual regulada, se podrían haber puesto de manifiesto otros hechos o aspectos sobre los que les habríamos informado.

Asimismo, dado que este trabajo especial no constituye una auditoría de cuentas ni se encuentra sometido al Texto Refundido de la Ley de Auditoría de Cuentas, aprobado por el Real Decreto Legislativo 1/2011, de 1 de julio, no expresamos una opinión de auditoría en los términos previstos en la citada normativa.

Se relacionan a continuación los procedimientos aplicados:

1. Lectura y entendimiento de la información preparada por la Entidad en relación con el SCIIF – información de desglose incluida en el Informe de Gestión - y evaluación de si dicha información aborda la totalidad de la información requerida de acuerdo al contenido mínimo descrito en el Apartado F, relativo a la descripción del SCIIF, del modelo de IAGC según se establece en la Circular nº 5/2013 de la CNMV de fecha 12 de junio de 2013 y las modificaciones introducidas por la Circular 7/2015 de 22 de diciembre, así como la Orden ECC/2575/2015 por la que se determina el contenido, la estructura y los requisitos de publicación del IAGC.
2. Preguntas al personal encargado de la elaboración de la información detallada en el punto 1 anterior con el fin de: (i) obtener un entendimiento del proceso seguido en su elaboración; (ii) obtener información que permita evaluar si la terminología utilizada se ajusta a las definiciones del marco de referencia; (iii) obtener información sobre si los procedimientos de control descritos están implantados y en funcionamiento en la Entidad.
3. Revisión de la documentación explicativa soporte de la información detallada en el punto 1 anterior, y que comprenderá, principalmente, aquella directamente puesta a disposición de los responsables de formular la información descriptiva del SCIIF. En este sentido, dicha documentación incluye informes preparados por la función de auditoría interna, alta dirección y otros especialistas internos o externos en sus funciones de soporte a la Comisión de Auditoría y Control.
4. Comparación de la información detallada en el punto 1 anterior con el conocimiento del SCIIF de la Entidad obtenido como resultado de la aplicación de los procedimientos realizados en el marco de los trabajos de la auditoría de cuentas anuales.
5. Lectura de actas de reuniones del Consejo de Administración, Comisión de Auditoría y Control y otras comisiones de la Entidad a los efectos de evaluar la consistencia entre los asuntos en ellas abordados en relación al SCIIF y la información detallada en el punto 1 anterior.
6. Obtención de la carta de manifestaciones relativa al trabajo realizado adecuadamente firmada por los responsables de la preparación y formulación de la información detallada en el punto 1 anterior.

Como resultado de los procedimientos aplicados sobre la Información relativa al SCIIF no se han puesto de manifiesto inconsistencias o incidencias que puedan afectar a la misma.

Este informe ha sido preparado exclusivamente en el marco de los requerimientos establecidos por el artículo 540 del texto refundido la Ley de Sociedades de Capital, por la Circular nº 5/2013 de fecha 12 de junio de la Comisión Nacional del Mercado de Valores y por las modificaciones introducidas por la Circular 7/2015 de 22 de diciembre, así como por la Orden ECC/2575/2015 por la que se determina el contenido, la estructura y los requisitos de publicación del IAGC, a los efectos de la descripción del SCIIF en los Informes Anuales de Gobierno Corporativo.

PricewaterhouseCoopers Auditores, S.L.



Raúl Ara Navarro

28 de enero de 2016

**Col·legi
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