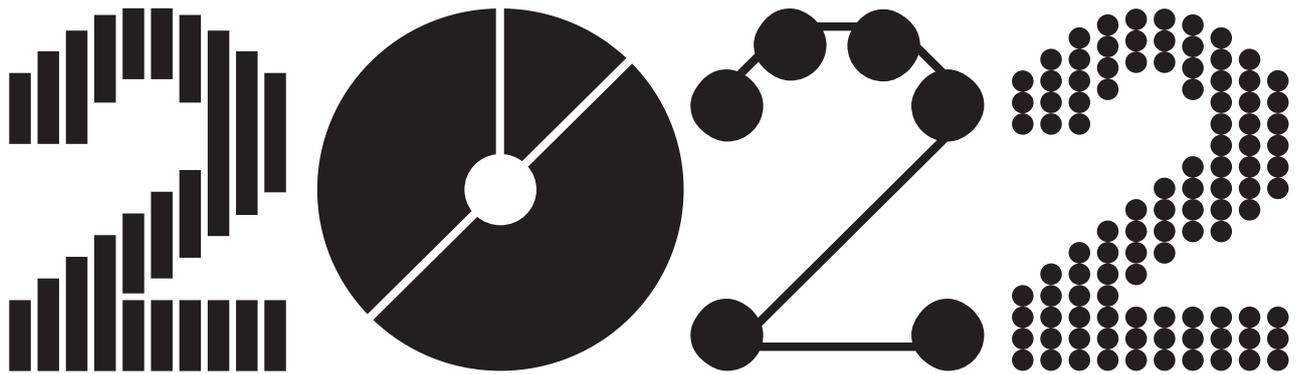


# Banco Sabadell Annual Report on Director Remuneration



# Banco Sabadell

## Annual report on Director Remuneration

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# Annual Report on Director Remuneration

This is the Annual Report on Director Remuneration of Banco de Sabadell, S.A. (hereinafter Banco Sabadell, the Institution or the Bank).

The Banco Sabadell Annual Report on Director Remuneration (the Report) is drawn up with the information from the Bank at 2022 year-end in compliance with the provisions of article 541 of the Capital Companies Law and Circular 4/2013, of 12 June, of the Spanish National Securities Market Commission (CNMV).

This Report, together with the statistical annex in Section 7, was submitted as a regulatory disclosure to the CNMV and will be submitted for a consultative vote as a separate item on the agenda at the Bank's forthcoming Ordinary General Meeting of Shareholders, to be held in 2023. This Report is also available in the "Corporate Governance and Remuneration Policy" section of the Banco Sabadell Group corporate website ([www.grupobancsabadell.com](http://www.grupobancsabadell.com)).

The Director Remuneration Policy for 2021, 2022 and 2023, approved by the General Meeting of Shareholders on 26 March 2021 for a 3-year term, expires in 2023.

In accordance with Legislative Royal Decree 1/2010, of 2 July, approving the consolidated text of the Capital Companies Law (hereinafter, LSC), Banco Sabadell will propose that the General Meeting of Shareholders,

scheduled for 23 March 2023, approve a new Director Remuneration Policy for 2024, 2025 and 2026. The new Policy has significant new features and, consequently, it has been considered advisable, in accordance with the LSC, that the new Policy should come into force in 2023, from the time it is approved by the General Meeting of Shareholders.

This Report contains a summary of the new Director Remuneration Policy applicable from the date of its approval and for the following three years, i.e. 2023, 2024 and 2025, which will be submitted for approval at the next General Meeting of Shareholders, to be held on 23 March 2023; it introduces certain improvements that are described in this report.

There is also a description of how the Director Remuneration Policy, approved by the General Meeting of Shareholders on 26 March 2021, and its information annex, approved by the General Meeting of Shareholders on 24 March 2022, were applied in 2022.

This Report also describes improvements made to the Annual Report on Director Remuneration for 2022 to increase transparency and to provide information on the application of the Remuneration Policy in a clearer, more comprehensive and simpler manner, in accordance with market best practices.

# 1. General Principles of the Banco Sabadell Remuneration Policy

The Banco Sabadell Remuneration Policy is focused on creating long-term value by aligning the interests of its shareholders and employees, and it is coherent with the strategic goals in terms of risks and the business, and with the Bank's values, all under a prudent risk management

## 1 Foster medium-to-long term business and social sustainability, as well as the alignment with Group values

The Banco Sabadell Group's Remuneration Policy, as a whole, contains information on the degree to which it is coherent with integrating sustainability risks. In particular, the following aspects are considered in connection with sustainability:

- The Group's Remuneration Policy and practices are in keeping with its credit risk management approach and with its appetite and strategies in relation to this risk, and do not create any conflicts of interest. These practices also include measures to manage conflicts of interest so as to protect consumers from any unwanted effects resulting from the remuneration of sales staff.
- The Remuneration Policy and practices integrate sustainability risks by publishing information in this respect on the Group website.
- The Remuneration Policy and practices stimulate behaviour that is coherent with the Group's approach to

approach while avoiding conflicts of interest.

The principles of the Banco Sabadell Remuneration Policy, which are fully applicable to the Executive Directors in both 2022 and 2023, are as follows:

- Alignment of the remuneration with the interests of the shareholders and with long-term value creation
- Promotion of rigorous risk management, with measures to avoid conflicts of interest
- Alignment with the Group's long-term business strategy, objectives, values and interests.

risk in relation to climate and the environment, as well as the commitments made voluntarily by the Group. The Remuneration Policy and practices promote a long-term approach to the management of climate-related and environmental risks.

- The components of remuneration should contribute to driving action in environmental, social and governance (ESG) matters in order to make the business strategy sustainable and socially responsible.

The Group's objectives include a commitment to sustainability and involvement by all the Bank's people in its ESG performance. The synthetic sustainability indicator (ISos) established in 2020 incorporates KPIs (Key Performance Indicators) for ESG matters and links them to the short-term variable compensation of Executive Directors and employees with variable remuneration; those KPIs form part of the group objectives with a weighting of 10 %.

## 2 Ensuring a competitive, equitable remuneration system (external competitiveness and internal fairness) based on equal remuneration of female and male employees for a given job or a position of equal value:

- Able to attract and retain the best talent.
- Rewarding professional track record and responsibility, regardless of the employee's gender.
- Aligned with market standards, while providing flexibility to adapt to changes in the situation and in the demands of the sector.

## 3 Reward performance by aligning remuneration with the results achieved by the individual and the level of risk assumed

- An appropriate balance between the various remuneration components.
- Consideration of current and future risks and results, without incentivising the assumption of risks that exceed the level tolerated by the Group.
- A system that is simple, transparent and clear. The Remuneration Policy must be understandable and easy to communicate to the entire workforce.

In terms of equal pay, the new Policy will be gender neutral, in line with the principle of equal pay for equal work or work of equal value, guiding decision making towards avoiding any gender pay gap.

In addition to ensuring equal pay for equal work or work of equal value, equal opportunities will also be ensured, as this is a precondition for gender-neutral remuneration in the long term.

# Principles of the Remuneration Policy applicable to Executive Directors

- A reasonable balance between fixed and variable components (annual and multi-year) to favour appropriate risk-taking combined with the attainment of defined short- and long-term objectives.
- Consideration of multiple metrics linked to results, returns, risk management and control, solvency, capital, and strategic non-financial objectives linked to sustainability.
- Long-term remuneration with a three-year objective measurement period linked to TSR, ESG and Sustainable ROTE objectives.
- Variable remuneration is not guaranteed.
- Prudential mechanisms for adjusting the attainment of objectives and other ex-ante adjustments.
- Deferral over five years of 60 % of the annual variable remuneration for any variable remuneration element.
- Payment of more than 50 % of the variable remuneration in shares (50 % of the up-front part and 55 % of the deferred part of annual variable remuneration and 55 % of the long-term remuneration).
- Requirement to retain the shares. Executive Directors may not dispose of shares they receive until at least three years have elapsed since receipt unless they own shares worth twice their annual fixed remuneration; the shares must be held for at least one year in any event.
- Malus and clawback clauses, in accordance with the provisions of the regulations governing credit institutions.
- Regular external advice to the Board of Directors and the Remuneration Committee with regard to market practices.

# Principles of the Remuneration Policy applicable to the Directors for their functions as members of the Board of Directors

- The remuneration is commensurate with the responsibilities and functions assumed by each Director but without jeopardising their independence.
- They do not qualify for variable remuneration.
- They are not remunerated in the form of shares, options or rights relating to shares or instruments linked to the value of the share.
- They do not benefit from long-term savings systems such as pension plans, retirement schemes or other similar arrangements.

The policy also complies with the current European Directives and Regulations and other legislation, in particular Law 10/2014, of 26 June, on the regulation, supervision and solvency of credit institutions, Royal Decree 84/2015, of 13 February, implementing that Law, and Bank of Spain Circular 2/2016, of 2 February, to credit institutions, on supervision and capital adequacy, which completes the adaptation of Spanish law to Directive 2013/36/EU and Regulation (EU) 575/2013, as well as the EBA Guidelines on internal governance (EBA/GL/2021/05) of 2 July 2021, and EBA Guidelines EBA/GL/2021/04, of 2 July, on sound remuneration policies under Directive 2013/36/EU and Delegated Regulation (EU) 923/2021.

## 2. Application of the Director Remuneration Policy in 2022

The remuneration accrued in 2022 conformed to the terms of the Banco Sabadell Director Remuneration Policy approved by the General Meeting of Shareholders on 26 March 2021, in accordance with the provisions of article 529 novodecies of the Capital Companies Law.

The procedure for applying the Remuneration Policy was adhered to strictly and no temporary exceptions were made.

The Directors' remuneration system in 2022 was described in detail in section 2 of the Annual Report on Director Remuneration for 2021.

That Report was submitted for an advisory vote at the General Shareholders' Meeting on 24 March 2022:

- A total of 3,175,232,127 shares cast valid votes, distributed as follows:
- 9,287 abstentions, from 9,343,861 shares owned by 381 shareholders representing 0.29 % of the total capital in attendance, either in presence or by proxy;
- 1,219,187 votes against, from 1,219,293,951 shares owned by 459 shareholders representing 38.40 % of the total capital in attendance, either in presence or by proxy, and
- 1,946,218 votes in favour, from 1,946,594,315 shares owned by 86,159 shareholders representing 61.30 % of the total capital in attendance, either in presence or by proxy.

It has been decided to enhance the Annual Report on Director Remuneration for 2022 to increase transparency and to provide information on the application of the Remuneration Policy in a clear, complete and simple manner.

This section sets out the amounts accrued in 2022 by everyone who was a member of the Board of Directors at any time during the year. There were a number of one-off events in 2021 in connection with Executive Directors with the result that the figures are not comparable with 2022 and present significant differences. Those events were the vesting of rights to long-term savings systems to which contributions were made in previous years, and termination indemnities paid to Executive Directors in the terms set out in the Annual Report on Director Remuneration for 2021.

## 2.1. Remuneration for Executive Directors

### 2.1.1. Details of the remuneration items

The individual items that make up the remuneration for Executive Directors in 2022 are as follows:

	2022 amounts (thousand euro)	
	CEO	CRO
Fixed salary	2,000	525
Benefits and remuneration in kind	24	48
Short-term variable remuneration	698 (116.25 % attainment of objectives)	101 (101.48 % attainment of objectives)
Long-term remuneration 2022-2024	698 (116.25 % attainment of objectives)	133 (101.48 % attainment of objectives)
Contributions to retirement and savings plans	1	101

#### A) Fixed remuneration

##### Fixed salary

- The fixed salary is intended to remunerate the set of functions and responsibilities corresponding to the person's position to recognise the Executive Director's contribution within that position, while they occupy it.

##### Benefits and remuneration in kind

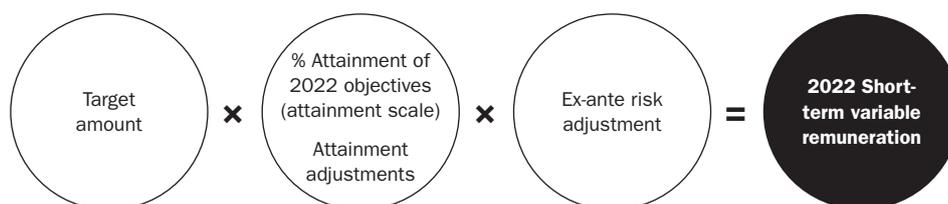
- Benefits and remuneration in kind: In 2022, the Executive Directors were beneficiaries of a group life insurance policy (which covers all the Bank's employees) and an absolute permanent disability insurance policy (also applicable to the Bank's management team), and had the use of a vehicle.

##### Contributions to retirement and savings plans

- These amounts include the portion classified as a "discretionary pension benefit" which, as detailed above, is classified as variable compensation for regulatory purposes.
- These amounts include contributions to other policies that cover the Executive Directors, in the same way as the other employees. Specifically, the employer pension plan for Group B (defined contribution), which will pay out upon retirement as employees.
- The Chief Executive Officer and the CRO participated in the pension and long-term saving schemes described in section 3.1.2.A) of this Report.

## B) 2022 Short-term variable remuneration

The short-term variable remuneration in 2022 was as follows:



### % Attainment of objectives

#### Attainment of Group objectives for 2022

On 25 January 2023, the Board of Directors determined the degree of attainment of the Group objectives, applying the weightings established at the beginning of the year. Assessment methods were established consisting of defining

attainment parameters between 50 % and 150 % for each of the objectives, based on a non-linear scale of attainment established beforehand by the Remuneration Committee. Attainment of under 50 % is considered as 0 % for the purposes of counting general attainment. The objective and levels of attainment are indicated in the following table.

Metric	Definition	Weighting	Threshold <sup>(1)</sup>	Maximum result <sup>(2)</sup>	% Attainment
<b>ROTE</b>	Return on tangible equity.	20 %	4.9 %	8.4 %	137.3 %
<b>Group net profit</b>	Profit that is directly attributable to the parent company, calculated by deducting minority interests from profit for the year.	20 %	0.5 B€	0.9 B€	138.6 %
<b>Net interest income plus net fees and commissions</b>	Banco Sabadell Group consolidated net interest income plus net fees and commissions in 2022.	10 %	4.8 B€	5.1 B€	150.0 %
<b>Group expenses</b>	Total consolidated expenses under the headings of staff expenses, general expenses and real estate expenses not already included under the first two categories (staff and general).	10 %	2.5 B€	2.4 B€	111.5 %
<b>Asset quality</b>	Cost of Risk (12 %) + NPA Volume (8 %).	20 %			60.0 %
<b>CoR</b>			0.52 %	0.32 %	0.0 %
<b>NPA volume</b>			7.6 B€	7.2 B€	150.0 %
<b>Service quality</b>	A synthetic indicator that includes the rating of quality of service by the Group's customers, distinguishing between commercial segments and relationship channels, weighted by the strategic focus of each segment (individuals, SMEs, private, corporate, office, internet, mobile, etc.) and employee satisfaction index, because of its influence on the quality of service.	10 %	50.0 %	150.0 %	150 %
<b>Sustainability</b>	A synthetic evaluation indicator made up of environmental and gender equality indicators: Green and sustainability-linked financing, diversity (% female executives), upgrades by the main rating agencies/ESG indices and Sustainable Finance Plan.	10 %	50.0 %	150.0 %	119.76 %
<b>Total</b>		<b>100 %</b>			<b>120.31 %</b>

(1) Threshold for attainment of the objective

(2) Maximum result, above which attainment is constant at 150 %

In 2022, Banco Sabadell obtained €0.9 billion in net profit, an increase of 62 % over the previous year. This improvement was due mainly to good performance by core earnings (net interest income + net fees and commissions - recurring costs). The improvement in net interest income was due mainly to higher yields on the loan book, supported by the increase in interest rates, a greater contribution from the ALCO portfolio, and good volume performance. The increase in fees and commissions was driven by service fees and by increased commissions on risk transactions. Banco Sabadell also achieved a significant reduction in costs during the year, driven by savings on personnel expenses derived from the efficiency plans implemented by the Bank.

Provisions for loan losses and other impairments declined year-on-year due to lower loan loss provisions and a decrease in provisions for real estate, despite the increase in loan loss provisions resulting from the change in the macroeconomic environment, which evidences the improvement in the group's credit quality, with the Cost of Risk standing at 0.60 %.

As a result, the Group achieved a ROTE of 7.8 % in 2022, an increase of 271bp compared with 2021.

The Group objectives for 2022 are detailed below:

- **Net profit:** profit that is directly attributable to the parent company, calculated by deducting minority interests from profit for the year.  
This objective is weighted 20.0 % of the total, and attainment at 2022 year-end was 139 %.
- **RoTE:** measures the return on the company's average tangible equity. The numerator is the profit attributable to the group and the denominator is the average equity less intangible assets and goodwill.  
This metric is weighted 20.0 % of the total, and attainment at 2022 year-end was 137 %.
- **Net banking revenues:** this metric reflects the revenues related most directly to the banking business, consisting of the Group's net interest income and net fees and commissions.  
This metric is weighted 10 % of the total, and attainment at 2022 year-end was 150 %.
- **Expenses:** expenses borne by the Bank, comprising personnel expenses, general expenses and expenses derived from the real estate business that are not already included in the preceding categories. This metric is weighted 10 % of the total, and attainment at 2022 year-end was 112 %.
- **Synthetic NPA metric:** this objective comprises two indicators. One is the Cost of Risk, calculated as the sum of provisions for loan losses and other financial assets divided by the sum of gross loans and advances to customers, non-performing properties and guarantees, which provides information about losses per unit loan granted. The other is the balance of NPAs (Non-Performing Assets), comprising the sum of Stage 3 assets and non-performing properties.  
  
This metric accounts for 20 % of the total (12 % for Cost of Risk and 8 % for total NPAs), and attainment in 2022 was 60 %.

The information used to calculate the financial indicators is derived from audited data in the financial statements using the definition that applied when they were first set.

The non-financial metrics are detailed below:

- **Service quality:** a synthetic indicator that includes the rating of quality of service by the Group's customers, distinguishing between commercial segments and

relationship channels, weighted by the strategic focus of each segment (individuals, SMEs, private, corporate, office, internet, mobile, etc.) and employee satisfaction index, because of its influence on the quality of service. This metric accounts for 10 % of the total and its central range is 100 %. It was attained 100 % in 2022.

- **Sustainability indicator:** A synthetic indicator of sustainability that is weighted 10 % in the Group's objectives and is composed of the following parameters:

Variable	Definition	Weighting	Attainment
Rating agencies	Improve the score in the main ESG indices (MSCI, Sustainalytics, ISS, DJSI)	40 %	106.42 %
Sustainable Finance Plan	Implementation of the Sustainable Finance Plan, as revealed by the Thematic Review.	30 %	125.00 %
Diversity	% Female executives	15 %	131.99 %
Environment	Sustainable financing volume (EU Taxonomy-aligned).	15 %	132.61 %
<b>Total</b>	—	<b>100 %</b>	<b>119.76 %</b>

This indicator is monitored periodically by the Sustainability Committee, and its metrics are updated as part of this review.

It was attained 119.76 % in 2022.

## Attainment of objectives by the CEO

**The CEO's final attainment of objectives in the year, taking into account all the parameters described above, was 116.25 %.**

The CEO had 80 % of his objectives linked to the Group's objectives and other 20 % were set by an individual qualitative assessment adopted by the Remuneration Committee on the motion of the Chairman.

The individual qualitative assessment of the CEO was based on his contribution to the Group's strategy; with respect to 2022, this focused on cost reduction, execution of the digitalization plan and an increase in the profitability of the entire Banco Sabadell Group. Performance was measured particularly in terms of the share's performance relative to peers, an increase in the ROTE (Return on tangible equity), and an improvement in TSB's contribution to Group profit.

The assessment of his performance disclosed his leadership in executing management initiatives and priorities, representation of the Bank in a range of bodies and institutions, as well as governance and stakeholder engagement.

The individual qualitative assessment was adopted by the Remuneration Committee, on a motion by the Chairman, at 100 %.

## Attainment of objectives by the CRO

**The CRO's final attainment of objectives in the year, taking into account all the parameters described above, was 101.48 %.**

The CRO had 20 % of his annual variable remuneration tied to Group objectives. The other 80 % was indexed to individual objectives which, in turn, are composed of functional objectives and an individual qualitative assessment. These functional objectives are aligned with the oversight functions he performs, independent of the business and corporate areas, and are focused on the oversight and monitoring of transactions and of the risks that arise from such transactions, ensuring compliance with applicable laws, rules and regulations, and advising management on matters in his area of expertise.

In this regard, the 2022 functional objectives set for the CRO were assessed on the basis of the following parameters:

- The degree of attainment of the activity plans in the areas for which he is responsible.
- His contribution to improving the SREP score.
- Proper attention to the Supervisor at Group level.
- The outcome of the staff engagement survey.
- Quality of the documentation and importance of the topics discussed within the Risk Committee.

The CRO attained 97.5 % of his functional objectives for 2022.

The individual qualitative assessment focuses on aspects such as his participation in, and contribution to, the forums and Boards of which he is a member, as well as his promotion of risk management and regulation in the Group's strategic decision-making, both individually and through collaboration with the other areas, with integrity and credibility, anticipating potential risks and providing sound practical solutions.

The CRO attained 100 % of his individual qualitative objectives for 2022.

The year-end evaluation of these objectives is the responsibility of the Risk Committee, which proposes the level of attainment and the degree of attainment achieved.

The percentage of attainment of objectives by both the CEO and the CRO were approved by the Board of Directors on 25 January 2023.

In order to qualify for variable remuneration, overall attainment of the objectives must exceed 60 %. No variable remuneration is accrued under 60 %, and no additional variable remuneration is accrued above 150 %.

## Attainment adjustments

The Board of Directors did not consider it necessary to make any adjustments to the level of attainment of the objectives described above, since the Bank's capital (CET1) and liquidity (Liquidity Coverage Ratio) achieved the limits established in the Risk Appetite Statement (RAS).

In this sense, at a meeting on 24 January 2023, the Banco Sabadell Remuneration Committee analysed the application of the Risk Correction Factor (RCF). In accordance with the capital and liquidity objectives, metrics, attainment scales and payment curves of the RCF approved by the Board of Directors on 26 January 2022, the Remuneration Committee determined that the thresholds required in the RAS to give entitlement to the entire variable remuneration that corresponds to the attainment of the objectives established in this regard had been attained.

## Ex-ante risk adjustments

Based on information provided by the Internal Control Division, the Remuneration Committee decided not to propose any additional individual or collective *ex-ante* adjustment for 2022, insofar as:

- The Group and/or its subsidiary credit institutions attained the MDA (Maximum Distributable Amount) determined by current regulations.
- In accordance with the reports provided by the Compliance, Internal Audit, Finance and Internal Control Divisions, the short-term variable remuneration for 2022 is aligned with risk and control factors such as breaches of standards and regulations, exceedance of risk limits (e.g. RAS [solvency, liquidity] or breach of expected loss thresholds in terms of operational risk) and/or internal control indicators (for example, results of internal audits) or similar items.

## Short-term variable remuneration accrued in 2022

Once the degree of attainment of the objectives at Group, unit, country and individual level had been calculated, and it had been determined that no *ex-ante* adjustments were necessary, the Remuneration Committee determined the variable remuneration to be assigned individually to each of the Executive Directors on the basis of the individual's assigned bonus target and attainment of individual performance objectives, and the Board of Directors approved the corresponding variable remuneration, on a motion of the Remuneration Committee, on 25 January 2023.

In accordance with the applicable regulations, these amounts are paid as follows:

- 40 % will be paid in 2023, 50 % in cash and the remainder in Banco Sabadell shares (valued at the closing market price in the last trading session in the month in 2023 when the non-deferred portion was paid), the shares being subject to a one-year lock-up.
- 60 % will be deferred over a five-year period, with one-fifth being paid in each of the years 2024, 2025, 2026, 2027 and 2028, split 45 % in cash and 55 % in Banco Sabadell shares (valued at the closing market price in the last trading session in the month when the non-deferred portion is paid), the shares being subject to a one-year lock-up.

Form of payment		Mr. César González-Bueno	Mr. David Vegara Figueras
up-front	2023	139,500 €	20,296 €
		159,246 shares	23,168 shares
Deferred	2024	€37,665	€5,480
		52,551 shares	7,645 shares
	2025	€37,665	€5,480
		52,551 shares	7,645 shares
	2026	€37,665	€5,480
		52,551 shares	7,645 shares
	2027	€37,665	€5,480
		52,551 shares	7,645 shares
	2028	€37,665	€5,480
		52,551 shares	7,645 shares

Note: the number of shares was calculated using the weighted average price in the last 20 sessions of December 2022. The number of shares will be updated with the closing price in the last session in the month in which the non-deferred portion is paid, when it is known.

The deferred amounts and shares are subject to malus and clawback clauses as described in section 3.1.2.B) of this Report.

In accordance with the provisions of Circular 4/2013, of 12 June, of the CNMV, the non-deferred amount payable in 2023 is set out in section C.1.a.i) of the Statistical Annex. Table C.1.a.ii) sets out both delivered shares (financial instruments that vested in 2022) and deferred shares (financial instruments at the end of fiscal year 2022).

## Variable remuneration deferred from prior years that is payable in 2023

As supplementary information to tables C.1.a) i) and ii) of the Statistical Appendix, it is hereby disclosed that the amount in cash and the shares for deferral for 5 years from the short-term variable remuneration accrued in preceding years, as well as those corresponding to the long-term remuneration 2019-2021 and the severance payment for termination as Executive Director of María José García Beato in 2021, all in accordance with the Director Remuneration Policy, were delivered to the Executive Directors in 2023.

Below is a detail of the amounts of cash and shares in 2023 corresponding to deferred variable compensation from prior years:

	Mr. César González-Bueno	Mr. David Vegara Figueras	Mr. Josep Olliu Creus <sup>1</sup>	Ms. María José García Beato <sup>1</sup>
<b>2021 variable remuneration</b>	€30,120	€5,383	€19,194	—
	47,513 shares	8,490 shares	30,278 shares	—
<b>Long-term remuneration 2019-2021</b>	—	€13,810	€59,714	€15,614
	—	16,152 shares	69,840 shares	18,263 shares
<b>Termination indemnities</b>	—	—	—	€44,114
	—	—	—	102,232 shares

<sup>(1)</sup> Deferred amounts accrued in the period in which they were Executive Directors.

The Remuneration Committee assessed whether the conditions are met for the application of the clauses for the reduction or cancellation of the deferred variable remuneration (malus clauses) and the recovery of the amounts received (clawback clauses), based on the characteristics and circumstances of each particular case, and it concluded that none of the causes that would trigger such clauses arose in 2022.

## C) Long-term remuneration

This section includes information on long-term remuneration schemes whose periods for measurement of objectives ended during 2022.

### Long-term remuneration 2020-2022

The long-term remuneration scheme for 2020-2022 is similar to that described for the long-term variable remuneration for 2021, 2022 and 2023 (see section 3.1.2.C).

This is an incentive based on attainment of annual and multi-year (3-year) objectives, and a reference amount of long-term remuneration (the amount to be received in the event of fulfilling 100 % of the objectives, both annual and multi-year) is established at the beginning of the cycle.

Once 2020 had concluded, the reference amount was adjusted during the first quarter of 2021 based on the degree of attainment of the objectives for 2020 short-term variable remuneration. When determining the adjusted reference amount, the applicability of the *ex-ante* adjustments described above for the variable remuneration was also analysed in section 2.1.1.B), among other sections.

Director	Initial reference amount	Adjusted reference amount (euro)
CRO	€79,127	€69,236

In accordance with the Director Remuneration Policy, the adjusted reference amounts, consisting of a cash amount (45 %) and a number of shares (55 %), were determined using the weighted average price in the last 20 sessions in the month of December 2020, with the following result:

Director	Amount (in euro)	No. of shares
CRO	31,156 €	105,484

Payment of the adjusted reference amount was subject to the following multi-year objectives established for the period 2020-2022:

Objective	Weighting	Outcome	% Attainment
Relative Total Shareholder Return (TSR)	25 %	#11	50 %
Liquidity (Liquidity Coverage Ratio)	25 %	222.72 %	100 %
Capital (CET1)	25 %	12.73 %	100 %
Return on Risk Adjusted Capital (RoRAC)	25 %	11.12 %	100 %
<b>Total</b>	<b>100 %</b>	—	<b>87.5 %</b>

The Group objectives for 2020-2022 are detailed below:

### Relative Total Shareholder Return (TSR)

Metric that measures the total return on investment obtained by the shareholder. TSR is taken to be the sum of the dividends paid and the variation in the share price, calculated as the difference between the arithmetic mean of the share's closing price, rounded to the third decimal place, in the first 20 sessions following 1 January 2020 and 31 December 2022.

Banco Sabadell's TSR will be compared with that of the following peer group:

#### Peer group

ABN AMRO Group NV	Société Générale, S.A.
Caixabank S.A.	Intesa Sanpaolo SpA
Banco Santander, S.A.	KBC Groep NV
Mediobanca Banca di Credito Finanziario SpA	Banco Bpm SpA
Bankinter S.A.	Nordea Bank AB
BBVA, S.A.	Swedbank
Skandinaviska Enskilda Banken AB	
Crédit Agricole, S.A.	

The Board of Directors will have the power, based on a proposal from the Remuneration Committee, to adapt, where appropriate, the composition of the sample of entities in the event of unforeseen circumstances affecting the aforementioned companies (e.g. mergers, spin-offs, delisting, etc.) and to adapt the TSR calculation for any transactions (e.g. rights issues) by those entities that affect

the value of the shares to ensure that the comparison is made on a like-for-like basis.

#### Attainment scale:

Banco Sabadell's TSR ranking within the peer group	% attainment
Between #1 and #6	100 %
Between #7 and #9	75 %
Between #10 and #12	50 %
Between #13 and #15	0 %

#### Percentage of attainment:

Since Banco Sabadell ranked #11 within the peer group, the percentage of attainment of this metric is 50 %.

### Liquidity Coverage Ratio

This ratio reveals whether the institution has sufficient liquid assets to enable it to honour its short-term obligations, calculated as the ratio between high quality liquid assets (HQLAs) and net cash outflows in 30 days.

The objective for the Liquidity Coverage Ratio indicator is the level established in the Institution's RAS (Risk Appetite Statement). This indicator will be measured by taking the average of the last three months in the final year of the multi-year measurement period.

#### Attainment scale:

If the average LCR is higher than the early warning indicator (EWI), the objective will be deemed to have been achieved 100 %; below that threshold, attainment will be rated 0 %.

#### Percentage of attainment:

Since the average LCR for October, November and December 2022 was higher than the early warning indicator (EWI), 100 % of the objective is deemed to have been achieved.

### Capital adequacy (CET1)

This ratio is the main measure of solvency used in the financial sector. The CET1 ratio is the quotient between Common Equity Tier 1 capital and Risk Weighted Assets.

Attainment of the objective in connection with CET1 is measured on the basis of the level established in the Institution's RAS (Risk Appetite Statement). This indicator will be measured by taking the average of the last three months in the final year of the multi-year measurement period.

#### Attainment scale:

If the CET1 is higher than the early warning indicator (EWI), the objective will be deemed to have been achieved 100 %; below that threshold, attainment will be rated 0 %.

#### Percentage of attainment:

Since the average CET1 for October, November and December 2022 was higher than the early warning indicator

(EWI), 100 % of the objective is deemed to have been achieved.

### Return on Risk Adjusted Capital (RoRAC)

Index that measures the return on minimum equity required to attain the CET1 early warning indicator (EWI). The numerator is the profit attributable to the group and the denominator is the minimum equity required to attain the CET1 early warning indicator (EWI).

Attainment of the objective in connection with the RoRAC will be measured on the basis of the cost of equity. This indicator will be measured by taking the average of the last three months in the final year of the multi-year measurement period.

#### Attainment scale:

If the RoRAC exceeds the cost of equity, attainment will be rated to be 100 %. Failure to achieve that objective will be classified as 0 % attainment.

#### Percentage of attainment:

Since the average RoRAC for October, November and December 2022 was higher than the early warning indicator (EWI), 100 % of the objective is deemed to have been achieved.

Considering the percentages of achievement of the objectives and their weightings, the final percentage of attainment of the 2020-2022 long-term remuneration objectives was 87.5 %. The Remuneration Committee has verified that no adjustment is required to be made to this percentage, resulting in the following distribution:

Director	Final incentive in euros	Final incentive in shares
CRO	31,156 €	105,484 shares

The schedule for payment of this incentive, in accordance with the regulatory requirements, is as follows:

	2024 (60 %)	2025 (20 %)	2026 (20 %)
CRO	€18,694 63,291 shares	€6,231 21,097 shares	€6,231 21,097 shares

#### Notes:

- These amounts are subject to the malus and clawback clauses established in the Director Remuneration Policy.
- The shares that are delivered are subject to lock-up as described in section 2.1.1.B) on short-term variable remuneration.

### Long-term remuneration 2021-2023

Long-term remuneration for 2021 was approved in the same terms as for 2020, based on attainment of annual and multi-year objectives, establishing a reference amount of long-term remuneration (the amount to be received in the event of attaining 100 % of the objectives) equivalent to a percentage of the fixed salary: 25 % or 30 %, depending on the case (see section 3.1.2.C).

Once 2021 had concluded, the reference amount was adjusted during the first quarter of 2022 based on the degree of attainment of the objectives for 2021 short-term variable remuneration.

Director	Initial reference amount	Adjusted reference amount (euro)
CEO	€475,068	€557,777
CRO	€112,500	€112,138

These amounts are linked to attainment of the long-term objectives defined for the long-term remuneration 2021-2023 as detailed in section 3.1.2.C) above and may not, in any event, exceed the indicated amounts.

### Long-term remuneration 2022-2024

Long-term remuneration for 2022 was approved in the same terms as for 2022, based on attainment of annual and multi-year objectives, establishing a reference amount of long-term remuneration (the amount to be received in the event of attaining 100 % of the objectives) equivalent to a percentage of the fixed salary: 25 % or 30 %, depending on the case (see section 3.1.2.C).

Once 2022 had concluded, the reference amount was adjusted during the first quarter of 2023 based on the degree of attainment of the objectives for 2022 short-term variable remuneration.

Director	Initial reference amount	Adjusted reference amount (value)	Adjusted reference amount (cash)	Adjusted reference amount (shares)
CEO	€600,000	€697,500	€313,875	437,928
CRO	€131,250	€133,193	€59,937	€83,625

### 2.1.2. Contractual conditions for Executive Directors, including termination indemnities

The Executive Directors' contractual conditions are described in section 3.1.3.

No Executive Directors were removed in 2022, with the result that no termination indemnities accrued.

### 2.1.3. Malus and clawback clauses

As indicated in section 2.1.1 in relation to short- and long-term variable remuneration, up to 100 % of outstanding amounts are subject to the possibility of reduction or cancellation (malus clause) and the amounts already paid may have to be repaid (clawback clauses).

The cases that would trigger such clauses were described in section 3.1.2.B) above; none of them arose in 2022.

## 2.2 Directors' remuneration for their functions as members of the Board of Directors

Director remuneration is established on the basis of reports on Director remuneration in Spain published by KPMG and Spencer Stuart (Spencer Stuart Board Index), which report on the remuneration for membership of the Boards and Committees of Spain's main financial institutions.

Director remuneration in 2022, in accordance with the Director Remuneration Policy approved on 26 March 2021, consisted of the following annual amounts:

	<b>2022 Remuneration (euro)</b>	<b>Attendance fees 2022 (euro per meeting)</b>
Members	75,000	2,272
Additionally:		
— Chairman	1,500,000	
— Deputy Chairman	107,000	
— Lead Independent Director	22,000	

Non-Executive Directors also received the following amounts for membership of Board Committees:

<b>Committee</b>	<b>Position</b>	<b>Amount (euro)</b>
Strategy and Sustainability Committee	Chairman	—
	Member	40,000
Credit Delegated Committee	Chairman	70,000
	Member	40,000
Audit and Control Committee	Chairman	40,000
	Member	20,000
Appointments and Corporate Governance Committee	Chairman	40,000
	Member	20,000
Remuneration Committee	Chairman	40,000
	Member	20,000
Risk Committee	Chairman	70,000
	Member	20,000

Based on the foregoing, the total amount actually collected by the members of the Board of Directors in 2022 is as follows (thousand euro):

Directors	Director category	Board of Directors	Per diems	Risk Committee	Appointments and Corporate Governance Committee	Remuneration Committee	Audit and Control Committee	Credit Delegated Committee	Strategy and Sustainability Committee
<b>Josep Oliu Creus</b>	Non-executive Chairman	1,575	25	0	0	0	0	0	0
<b>Pedro Fontana García</b>	Deputy Chairman Independent	182	25	0	0	0	18	70	40
<b>César González-Bueno Mayer Wittgenstein</b>	CEO	75	25	0	0	0	0	0	0
<b>Anthony Frank Elliott Ball</b>	Lead Independent Director	97	25	0	18	18	0	0	0
<b>Aurora Catá Sala</b>	Independent Director	75	25	19	20	40	0	0	0
<b>Luis Deulofeu Fuguet</b>	Independent Director	75	25	0	0	0	0	35	40
<b>María José García Beato</b>	Other External Director	75	25	0	0	0	0	40	40
<b>Mireya Giné Torrens</b>	Independent Director	75	25	0	20	0	40	0	0
<b>Laura González Molero</b>	Independent Director	13	9	0	0	5	3	0	0
<b>George Donald Johnston</b>	Independent Director	75	25	61	0	17	0	0	0
<b>David Martínez Guzmán</b>	Proprietary Director	75	25	0	0	0	0	0	0
<b>José Manuel Martínez Martínez</b>	Independent Director	75	25	0	40	0	0	0	40
<b>José Ramón Martínez Sufrategui</b>	Independent Director	50	16	0	0	12	13	0	0
<b>Alicia Reyes Revuelta</b>	Independent Director	75	25	20	0	0	0	30	0
<b>Manuel Valls Morató</b>	Independent Director	75	25	20	0	0	20	0	0
<b>David Vegara Figueras</b>	Executive Director	75	25	0	0	0	0	0	0

Mr. Luis Deulofeu Fuguet, Ms. Aurora Catá Sala and Mr. Manuel Valls Morató received €30 thousand, €15 thousand and €15 thousand, respectively, for membership of the Board of Directors of Sabadell Information Systems, S.A.

Ms. Mireya Giné Torrens collected €15 thousand for membership of the Board of Directors of Sabadell Consumer Finance, S.A.U.

Ms. Alicia Reyes Revuelta collected €19 thousand for membership of the Board of Directors of TSB Banking Group plc.

The amounts actually received depended on the date of appointment and on meeting attendance, and they are itemised in the Statistical annex to this Report.

The Directors did not collect any other supplementary remuneration from the Institution or any other Group institution in 2022 as consideration for services rendered other than those inherent to their position, or any other remuneration items such as advances, loans or guarantees, or any remuneration by virtue of payments by the Bank to a third party, or any other remuneration not disclosed in this Annual Report on Director Remuneration.

### 3. Director Remuneration Policy applicable in 2023 subject to approval by the General Meeting of Shareholders scheduled for 23 March 2023

Banco Sabadell regularly reflects on its current Director Remuneration Policy, considering the following:

#### The Bank's actual situation

- **Strategic plan:** aligning remuneration with the short- and long-term objectives set out in the 2021-2023 strategic plan.
- **Commitment to sustainability:** this is an essential element of the Group's Remuneration Policy. The components of remuneration contribute to fostering action in environmental, social and governance (ESG) matters in order to make the business strategy sustainable and socially responsible.
- **Prudent risk management:** discouraging the taking of present and future risks that go beyond the level tolerated by the Group, while taking customers' interests into account.
- **Banco Sabadell's Remuneration Policy:** particularly the one applied to members of the Group's Identified Staff and Senior Management.

During the year, based on proposals by the Remuneration Committee, the Board of Directors applies the measures it considers to be appropriate in the Director remuneration system within the limits established by the policy. However, if the Board of Directors considers that the measures to be implemented require an amendment to the policy or a new Remuneration Policy, it may propose such a change or a new Remuneration Policy to the General Meeting of Shareholders.

The Director Remuneration Policy for 2021, 2022 and 2023, approved by the General Meeting of Shareholders on 26 March 2021 for a 3-year term, expires in 2023.

Consequently, on 16 February 2023, based on a report by the Remuneration Committee that was made available

#### External factors

- **Regulations:** strict compliance with the regulatory requirements on remuneration.
- **Stakeholders:** recommendations received in the course of Banco Sabadell's regular engagement with investors, shareholders and proxy advisors.
- **Market practices:** credit institutions that may compete for business or talent.
- **Governance:** general corporate governance recommendations at a national and international level.

to shareholders at the time of giving notice of the General Meeting of Shareholders, the Board of Directors will ask the General Meeting of Shareholders scheduled for 2023 to approve a new Director Remuneration Policy to be applicable from the date of its approval in 2023 and for the three subsequent financial years, i.e., 2024, 2025 and 2026, which introduces certain improvements with respect to the Director Remuneration Policy currently in force, as detailed in this report.

The Director Remuneration Policy for 2021, 2022 and 2023 will remain in force until the new Director Remuneration Policy for 2024, 2025 and 2026 comes into effect upon approval.

#### Main new features

- Strengthening of the general principle of business sustainability.
- Change in the contractual conditions of the Chairman of the Board of Directors, eliminating the post-contractual non-competition clause.
- Update of the remuneration for chairing or membership of the Audit and Control Committee or Risk Committee.
- Change in the remuneration of the Chief Executive Officer, modifying his remuneration mix in order to improve alignment with shareholder interests. Specifically, (i) reduction of his fixed remuneration in cash, (ii) investment of part of the fixed remuneration in shares subject to five-year lock-up; (iii) introduction, in place of part of the fixed remuneration, of a contribution to long-term savings plans, 15 % of which will be classified as discretionary pension benefits, and (iv) increase in the target short- and long-term variable remuneration.
- Change in the remuneration of the Chief Risk Officer in order to adapt it to the benchmark remuneration for his executive functions.
- Introduction of the possibility of inflation adjustments to the deferred cash amounts, as allowed by the European Banking Authority's Guidelines on Sound Remuneration Policies under Directive 2013/36/EU (EBA Guidelines/GL/2021/04).
- Incorporation of a specific section that, in accordance with the amendment of the Capital Companies Law, regulates the possibility of temporary exceptions to the Remuneration Policy by elaborating on the related procedure and conditions.

Otherwise, efforts have been made to maintain continuity by keeping the amounts of most remuneration items unchanged with respect to previous years. This is consistent with the framework of the Remuneration Policy that is applicable to the rest of the workforce.

More details can be found in the proposed Remuneration Policy that is in the documentation made available to shareholders in the section on the General Meeting of Shareholders of 23 March 2023 at the following link: <https://www.grupbancsabadell.com/corp/es/gobierno-corporativo-y-politica-de-remuneraciones/politica-de-remuneraciones-de-consejeros.html>.

## 3.1. Remuneration for Executive Directors

### 3.1.1. Remuneration system

In addition to their remuneration for membership of the Board of Directors, Executive Directors are paid for performing executive functions, as provided in the Articles of Association of Banco Sabadell, under the same headings as members of Banco Sabadell Senior Management and the rest of the Identified Staff.

Executive Director remuneration is set each year by the Board of Directors within the maximum overall amount established by the General Meeting of Shareholders by approving the new Director Remuneration Policy for each remuneration item. The Board of Directors complies with the applicable regulations, taking into account its specific status as a financial institution and in line with the items, terms and conditions established in the new Director Remuneration Policy, which takes a comprehensive view of total remuneration including all remuneration components and the relationship between them, striking an appropriate balance between fixed and variable remuneration, as well as between the distribution of short- and long-term payments, while safeguarding the rights and

interests of shareholders, investors and customers.

On 24 November 2022, based on a proposal by the Remuneration Committee, the Board of Directors approved an amendment to the Chief Executive Officer's remuneration scheme for 2023, subject to approval of the new Director Remuneration Policy by the General Meeting of Shareholders to be held on 23 March 2023, and also to the approval of a contract reflecting such modifications.

These modifications are based on reducing the CEO's fixed remuneration to €1,900 thousand (€2,000 thousand in 2022), of which:

- €1,600 thousand will be paid in cash.

Out of the amount remaining after personal income tax withholdings, the CEO will systematically purchase shares of the Bank for an annual amount equivalent to €300 thousand gross of his fixed remuneration. The CEO also undertakes and is bound to hold the shares of the Bank so acquired for a period of five years or until the date of abandoning the Institution, whichever is earlier.

- €300 thousand will be allocated to pension plans, 15 % of which will be classified as discretionary pension benefits.

However, the initial contribution in 2023 is expected to be €900 thousand (€600 thousand in addition to the annual contribution to be made as from 2024), so that the cash amount of the fixed remuneration in 2023 will be €1,000 thousand.



The short-term variable remuneration and long-term remuneration are both increased from €600 thousand to €800 thousand.

With this change in the Chief Executive Officer's remuneration scheme, his remuneration mix (variable / fixed) was modified by changing the variable proportion from 60.0 % to 88.7 % (including discretionary pension benefits) and increasing the proportion of remuneration at risk from 37.5 % to 55.6 % of total remuneration. The CEO's total remuneration for 2023 is in the 68th percentile of the international peer group and the 67th percentile of the domestic peer group.

The purpose of this modification is to increase alignment between the CEO's remuneration and the shareholders' interests, and with the values and long-term interests of the Banco Sabadell Group, while also linking his compensation even to the risk and business strategy.

The differences between the remuneration packages for the Chief Executive Officer and Chief Risk Officer (CRO) are as follows:

- The CRO's remuneration is predominantly fixed in order to reflect the nature of his work and not to jeopardise his independence with respect to the business units he oversees.
- The methods used to set the objectives and determine the variable remuneration take into account each

Director's specific circumstances; in the specific case of the CRO, they must not jeopardise his objectivity or independence. In this respect, 80 % of the Chief Executive Officer's short-term variable remuneration is linked to the Group's objectives and the remaining 20 % is based on an individual qualitative appraisal approved by the Remuneration Committee on a motion by the Chairman. Given the functions of the CRO (oversight), the percentage linked to the Group's objectives is limited to

25 % and the remaining 75 % is indexed to individual objectives: functional objectives (55 %) and an individual qualitative assessment (20 %).

Below are summarised the components of the Executive Directors' remuneration under the new Director

Remuneration Policy, although, until the General Meeting of Shareholders scheduled for 23 March 2023 approves the items comprising the CEO's remuneration package for performing executive duties, they will remain the same as in 2022.

	Remuneration before approval of the new Policy	Amounts in 2023 under the new Policy	
	CEO	CEO	CRO
Fixed salary	€2,000 thousand	€1,600 thousand <sup>(1)</sup>	€553 thousand
Benefits and remuneration in kind	Similar amounts to 2022	Similar amounts to 2022	Similar amounts to 2022
Retirement and savings plans	€1 thousand	€300 thousand <sup>(2)</sup>	€105 thousand
Short-term variable remuneration*	Target: €600 thousand Maximum: €864 thousand	Target**: €800 thousand Maximum: €1,152 thousand	Target**: €100 thousand Maximum: €144 thousand
Long-term remuneration*	Target: €600 thousand Maximum: €864 thousand	Target**: €800 thousand Maximum: €1,152 thousand	Target**: €138 thousand Maximum: €199 thousand

(1) After personal income tax withholdings, the CEO will systematically purchase shares of Banco Sabadell, S.A. for a net annual amount equivalent to €300 thousand gross of his fixed remuneration. Those shares will be under lock-up for a period of five years or until the date of abandoning the Institution, whichever is earlier.

(1) An extraordinary additional contribution of €600 thousand will be made in 2023, which will be deducted from the fixed remuneration.

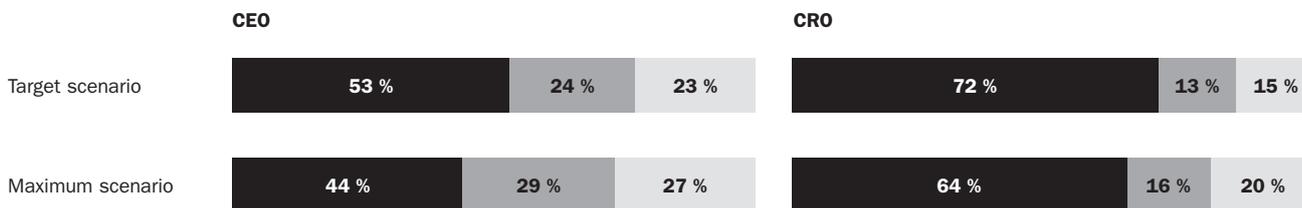
\* The payment of any item of variable remuneration is subject to the ex-ante adjustments, deferral periods, payment in capital instruments, and malus and clawback clauses outlined in this Report

Additionally, the target and maximum amounts of the variable remuneration are indicated at the time of allocation, but the value actually received may be lower, equal or higher, depending on (i) changes in the value of the capital instruments during the deferral period, and (ii) the application of malus clauses, where appropriate.

\*\* Target: remuneration to be allocated in the event that 100 % of the objectives are achieved.

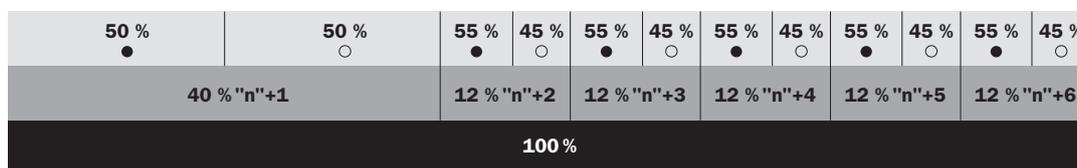
Maximum: maximum amount of the variable remuneration to be allocated in the event of exceeding the objectives.

Accordingly, the proportion between an Executive Director's fixed and variable remuneration, assuming attainment of the objectives and a maximum attainment scenario, is as follows:



- Fixed salary + benefits + pension benefits
- Short-term variable remuneration + discretionary pension benefits
- Long-term remuneration

#### Scheme for payment of short-term variable remuneration



- In shares
- In cash

Performance year  
Year "n"

### 3.1.2. Details of the remuneration items

Until the approval of the new Director Remuneration Policy by the General Meeting of Shareholders on 23 March 2023, the items comprising the remuneration package for the Executive Directors for performing their executive duties will be the same as in 2022 (see section 2.1.1). From then onwards, they will be as follows:

#### A) Fixed remuneration

In accordance with the Director Remuneration Policy, the maximum combined amount of fixed remuneration for Executive Directors is €6 million per year: Within that limit, which includes fixed annual remuneration in cash and in shares as well as benefits and retirement and long-term savings plans as specified by contract, the Board of Directors sets the individual remuneration amounts based on a favourable report by the Remuneration Committee.

The individual remuneration amounts comprising the fixed remuneration of the Executive Directors in 2023 under the new Policy are listed below:

	Additional information	Amount
Fixed salary	Paid monthly in cash. This remuneration is set by the Board of Directors on the motion of the Remuneration Committee.	— CEO: €1,600 thousand <sup>(1)</sup> — CRO: €553 thousand
Benefits and remuneration in kind	In 2022, the Executive Directors were beneficiaries of a group life insurance policy, study grants, and a Christmas hamper in the same terms as the institution's other employees. They are also beneficiaries of an absolute permanent disability insurance policy under the same terms as the rest of the institution's executives, and have the use of a vehicle under the same terms as the other members of Senior Management.	— CEO: Similar amounts to 2022 <sup>(2)</sup> — CRO: Similar amounts to 2022 <sup>(2)</sup>
Pension plan	Like all other employees, the Executive Directors are members of the B Group defined contribution occupational pension plan, which pays out on retirement as an employee.	— CEO: €1 thousand — CRO: €1 thousand
Retirement and savings plans*	The Executive Directors are also beneficiaries of a defined contribution group executive insurance policy indexed to the fixed annual salary, which will pay out in the event of effective retirement, death or permanent and absolute disability and provides for the possibility of payment in the form of a lump sum, an annuity, or a combination of the two, in accordance with current legislation, except where, in the absence of express interest on the part of Banco Sabadell, the executive continues to work at Banco Sabadell beyond the age defined by law for collecting retirement benefit, in which case all economic rights are forfeited. It is compatible with termination indemnities.	The following contributions are planned in 2023: — Chief Executive Officer: €300 thousand <sup>(3)</sup> — Chief Risk Officer: €105 thousand

(\*) Discretionary pension benefits: from the entry into force of Bank of Spain Circular 2/2016, of 2 February, to credit institutions, on supervision and capital adequacy, which completes the adaptation of Spanish law to Directive 2013/36/EU and Regulation (EU) 575/2013, 15 % of contributions are treated as discretionary pension benefits and, consequently, are linked to the percentage attainment of the beneficiary's short-term objectives, capped at 100 % of the amount.

Consequently, 15 % of the contributions to be made in 2023 in relation to the group executive insurance policy on behalf of the CEO and CRO will be adjusted on the basis of the degree of attainment of the short-term variable remuneration objectives.

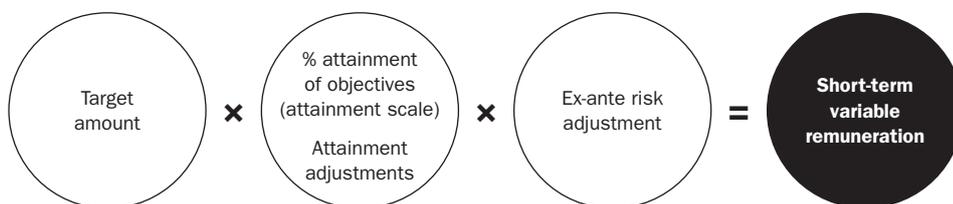
(1) Of that amount, €300 thousand will be systematically invested in shares of Banco de Sabadell, S.A., which must be retained for five years or until the date the CEO leaves the Institution, if earlier.

(2) The amounts are detailed in section 7. Statistical annex, table i).

(3) An extraordinary additional contribution of €600 thousand will be made in 2023, which will be deducted from the fixed remuneration.

## B) 2023 Short-term variable remuneration

At a meeting on 25 January 2023, on a motion by the Remuneration Committee, the Board of Directors established the short-term variable remuneration for 2023 as follows:



### Target and maximum amounts

	Additional information	CEO amount	CRO
Short-term variable remuneration	<p>Reflect performance in the year, measured through annual objectives aligned with the risk incurred. Each Executive Director is assigned objectives connected to risk control and management, and capital metrics, as well as strategic objectives, with a weighting assigned to each indicator, and a scale of attainment.</p> <p>The objectives assigned to each Executive Director for 2023 are set out in this section 3.1.2.B).</p>	<p>Target: €800 thousand</p> <p>Maximum: €1,152 thousand</p>	<p>Target: €100 thousand</p> <p>Maximum: €144 thousand</p>

### Objectives and metrics

The breakdown of the objectives for 2023 is as follows:

	CEO	CRO
Group annual objectives	80 %	25 %
Functional objectives	—	55 %
Individual qualitative assessment	20 %	20 %
<b>Total</b>	<b>100 %</b>	<b>100 %</b>

**Group objectives 2023** The indicators for the Group Objectives for 2023 have been revised and some modifications have been made with respect to the previous year to align them with the strategic priorities defined by the Bank.

**Metrics selected for the Group objectives**

Objective	Weighting	Description
ROTE	20.0 %	Return on tangible equity.
Group net profit	20.0 %	Profit that is directly attributable to the parent company, calculated by deducting minority interests from profit for the year.
Net interest income + Net fees and commissions	10.0 %	Banco Sabadell Group consolidated net interest income plus net fees and commissions in 2023.
Group expenses	10.0 %	Staff expenses + General expenses + Real estate expenses not included under the first two categories (personnel and general).
Asset quality	20.0 %	Cost of Risk (7 %) + NPA volume (7 %) + Coverage ratio (7 %)
Service quality	10.0 %	A synthetic indicator that includes the rating of quality of service by the Group's customers, distinguishing between commercial segments and relationship channels, weighted by the strategic focus of each segment (individuals, SMEs, private, corporate, office, internet, mobile, etc.) and employee satisfaction index, because of its influence on the quality of service.
Sustainability	10.0 %	A synthetic evaluation indicator made up of environmental and gender equality indicators: Green and sustainability-linked financing, diversity (% female executives), upgrades by the main rating agencies/ESG indices and Sustainable Finance Plan.

**Objectives for the CEO** In the case of the CEO, 80 % of the objectives are linked to the Group's objectives and the other 20 % depend on an individual qualitative assessment adopted by the Remuneration Committee on the motion of the Chairman.

**Objectives for the CRO** In the case of the CRO, the percentage linked to Group objectives has been increased from 20 % in 2022 to 25 % in 2023. The other 75 % is indexed to individual objectives that, in turn, are composed of functional objectives (55 %) and an individual qualitative assessment (20 %). These functional objectives are aligned with the oversight functions he performs, independent of the business and corporate areas, and are focused on the oversight and monitoring of transactions and of the risks that arise from such transactions, ensuring compliance with applicable laws, rules and regulations, and advising management on matters in his area of expertise.

In this regard, the functional objectives set for the CRO for 2023 revolve around the following parameters:

**Quantitative objectives:**

- Improvement in the SREP score, weighted 30 % of his functional objectives.
- Management satisfaction, weighted 10 % of his functional objectives.

**Qualitative objectives:**

- Contribution to the performance of the Risk Committee, weighted 10 %.
- Fulfilment of the annual plans for the second line of defense (2LoD), weighted 35 %.
- Outcome of On-site Inspections (OSI) of the second line of defense, weighted 15 %.

40 % of the CRO's functional objectives are quantitative and the other 60 % relate to qualitative assessments made by the Risk Committee.

## Attainment scales

Regarding the Group objectives, which are applied as functional objectives for the CEO, attainment parameters have been set between 50 % and 150 % for each of the objectives, based on a non-linear scale of attainment established beforehand by the Remuneration Committee for each objective. Attainment of under 50 % is considered as 0 % for the purposes of counting overall attainment.

In the case of the CRO's functional objective, the attainment parameters are set between 50 % and 150 %.

In order to qualify for variable remuneration, overall attainment of the objectives must exceed 60 %. Por debajo del 60 % no se percibe retribución variable y por encima del 150 % no se genera mayor percepción de retribución variable.

## Prudential adjustments to attainment of objectives

The amount to be actually received will be determined by the degree of attainment of the established Group objectives, adjusted by a correction factor based on the relationship between the Institution's capital (CET1) and liquidity (Liquidity Coverage Ratio) and the limits set in the Risk Appetite Statement (RAS). Failure by any of these indicators to reach the objective will entail a reduction in variable remuneration; breach of the tolerance threshold for these indicators in the RAS will count as failure to attain the Group objectives for 2023.

## Ex-ante risk adjustments

The amount of any short-term remuneration item is subject to downward adjustment at the discretion of Board of Directors, on a motion by the Remuneration Committee, and may even be reduced to zero, depending on the following parameters:

- A variable remuneration adjustment based on risk profile and earnings performance. The adjustment may be applied at Group, unit, country or even individual level, to reflect the various classes of risk. This variable remuneration adjustment, which can reduce the initial pool of available remuneration to zero, ensures that the variable remuneration is fully aligned with the risks assumed. The variable remuneration adjustment will cover all the cases or situations that might have an impact on the Group's risk profile and that were not fully factored into the assessment of the objectives set at the beginning of the year, and will be related to risk and control factors such as breaches of standards and regulations, exceedance of risk limits (e.g. RAS [capital, liquidity] or exceedance of expected loss thresholds in terms of operational risk) and/or internal control indicators (e.g. results of internal audits) or similar items.
- The possibility of reduction to zero if the Bank's capital is less than the Maximum Distributable Amount (MDA) determined by regulation at any given time.

## Malus and clawback clauses

Short-term variable remuneration and long-term remuneration that has not yet been collected (up to 100 % of the amount) may be reduced or cancelled (malus clause) or clawed back in the event of poor financial performance by the Bank as a whole or by a specific division or area or by the exposures generated by the Executive Director in question. They will also apply in the event of actions or omissions by the Executive Director to whom they are applicable that are in breach of the applicable regulations or the internal rules of the Company or that are otherwise irregular. It is not necessary for there to be malice or negligence in order for these clauses to apply. For these purposes, the performance assessment will be compared with subsequent performance of the variables that contributed to achieving the objectives.

The following factors will be considered:

- Significant failures in risk management by the Institution or a business unit.
- An increase in capital requirements at the Institution or one of its business units not envisaged at the time that the exposure was generated.
- Regulatory penalties or legal convictions for events attributable to the unit or its managers. Failure to comply with the Institution's internal codes of conduct.
- Improper conduct, whether individual or collective. Particular consideration will be given to the negative effects deriving from marketing unsuitable products and the liability of the persons or bodies making such decisions.

Malus clauses may be triggered during the period in which variable remuneration is deferred. Clawback clauses may be triggered from the time the remuneration is paid up to conclusion of the corresponding lock-up period. Application of clawback clauses may be supplementary to the application of malus causes so that, in addition to forfeiting amounts not yet received, the Executive Director may be required to refund part or all of the amounts already received as short-term variable remuneration or long-term remuneration.

The Remuneration Committee must review the situation each year in order to make a proposal to the Board of Directors, if necessary, based on a report by the People Division, and after seeking the opinion of the Internal Control Division, the Financial Division and the Compliance Division as to whether circumstances have arisen to reduce or cancel the deferred remuneration or trigger clawback of variable remuneration already collected by an Executive Director, depending on the characteristics and circumstances of each particular case.

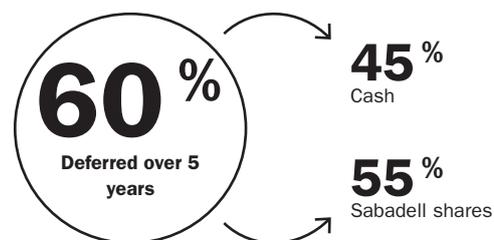
## Payment procedure

This remuneration is deferred and paid in equity instruments, in accordance with the applicable regulations. Accordingly, actual receipt of the Executive Directors' short-term variable remuneration for 2023 will be subject to the following scheme:

## 2023 variable remuneration



40 % of the variable remuneration for 2023 will be paid in 2024, 50 % in cash and 50 % in Banco Sabadell shares (valued at the closing market price in the last trading session in the month in 2024 when the non-deferred portion is paid), the shares being subject to a one-year lock-up.\*



60 % of the variable remuneration for 2023 will be deferred over a five-year period, with one-fifth being paid in each of the years 2025, 2026, 2027, 2028 and 2029, split 45 % in cash and 55 % in Banco Sabadell shares (valued at the closing market price in the last trading session in the month in 2024 when the non-deferred portion is paid).

\* Variable remuneration paid in shares is subject to one-year lock-up. In line with recommendation 62 of the Code of Good Governance, unless Executive Directors own shares amounting to the equivalent of twice their fixed annual remuneration, they may not dispose of the shares they receive until at least three years have elapsed from the time of delivery. The above condition will not apply to any shares that the Director must dispose of to cover tax obligations related to their delivery.

The use of personal hedging strategies or any mechanism that guarantees receipt of part or all of the variable remuneration is not permitted.

At the time of payment of the deferred cash remuneration, the amount may be adjusted for inflation between the date of payment of recognition of that deferred remuneration part and the date of payment of each of the deferred amounts.

indicators relating to capital (CET1) and liquidity (Liquidity Coverage Ratio), and an attainment adjustment. Breach of the tolerance threshold in the RAS for liquidity or capital adequacy result in the long-term remuneration being reduced to zero.

## C) Long-term remuneration

Executive Directors receive long-term remuneration granted each year in overlapping cycles.

### General framework

The long-term remuneration scheme is based on the attainment of annual and multi-year objectives (3 years), where a reference amount of long-term remuneration (amount to be received in the event of 100 % attainment of both annual and multi-year objectives) is established at the beginning of the cycle. The reference amount for the period 2023-2025 is €800 thousand for the CEO and €138 thousand for the CRO.

After the first year of the cycle has concluded, the reference amount is adjusted during the first quarter based on the following factors:

- Degree of attainment of the objectives for short-term variable remuneration in the first year of the cycle.
- *Ex-ante* adjustments, if any.

This adjustment may result in the reference amount being zero or, in the event of overachievement of annual objectives, at most 144 % of the reference amount in the case of both Directors.

The payment of the adjusted reference amount, determined as a cash amount (45 %) and a number of shares (55 %), will depend on the degree of attainment of the multi-year objectives (period of three years). The final amount to be paid may not exceed the adjusted reference amount (which may not be increased in any event).

Additionally, as in the case of annual objectives, a risk-related correction factor will be applied that includes

## Target and maximum amounts

	Additional information	CEO amount	CRO
Long-term remuneration	<p>Measure the Group's and the Executive Director's performance over a multi-year time-scale.</p> <p>The annual objectives determine the amount assigned, to the same extent as in the case of short-term variable remuneration. Based on that amount, the multi-year objectives determine the amount to be actually received, which may be less (but never more) than the amount assigned on the basis of annual objectives.</p> <p>The objectives assigned to each Executive Director for the various cycles that are current in 2023 are set out in section 3.1.2.C).</p>	<p>Target: €800 thousand</p> <p>Maximum: €1,152 thousand</p>	<p>Target: €138 thousand</p> <p>Maximum: €199 thousand</p>

## Objectives and metrics

The same objectives as for short-term variable remuneration are applicable to determine the adjusted reference amount.

Objective	2021-23	2022-24	2023-25
Total Shareholder Return (TSR)	25 %	25 %	40 %
Liquidity (Liquidity Coverage Ratio)	25 %	25 %	—
Capital (CET1)	25 %	25 %	—
Return on Risk Adjusted Capital (RoRAC)	25 %	—	—
Return on Tangible Equity (ROTE)	—	25 %	40 %
Sustainability	—	—	20 %

### Long-term remuneration in 2023 introduces the following new features in relation to the multi-year objectives:

- The weighting of the TSR objective has been increased (see below).
- The liquidity and capital objectives were eliminated but these indicators are retained as correction factors.
- The weighting for ROTE was increased from 25 % to 40 %.
- A Sustainability indicator was added.

The main features of each of those metrics are described below:

### Relative Total Shareholder Return (Relative TSR)

#### Definition:

TSR is taken to be the sum of the dividends paid and the share price appreciation, taken as the difference between the arithmetic mean of the closing price of the share, rounded to the third decimal place, in the 20 sessions preceding the beginning and end of the period for measuring attainment of multi-year objectives. For these purposes, the beginning and end dates are as follows:

Long-term remuneration	2021-23	2022-24	2023-25
<b>Beginning date</b>	1 January 2021	1 January 2022	1 January 2023
<b>End date</b>	31 December 2023	31 December 2024	31 December 2025

Banco Sabadell's TSR will be compared with that of the following peer group:

#### Long-term remuneration 2021

ABN AMRO Group NV	Unione di Banche Italiane, SpA
Bankia, S.A.	Caixabank S.A.
Erste Group	Natixis, S.A.
Mediobanca Banca di Credito Finanziario SpA	Banco Bpm SpA
Bankinter S.A.	Raiffeisen
BBVA, S.A.	KBC Groep NV
Skandinaviska Enskilda Banken AB	Intesa Sanpaolo SpA
Swedbank AB	Virgin Money
Standard Chartered Bank	

Note: the following changes have been made with respect to the benchmark for long-term remuneration for 2021-2023:

1. Unione di Banche Italiane, SpA: merged into Intesa SanPaolo, SpA.
2. Bankia, S.A.: merged into Caixabank, S.A.
3. Natixis, S.A.: Unlisted.

#### Long-term remuneration 2022 and 2023

ABN AMRO Group NV	Caixabank S.A.
BPER Banca, SpA	Banco BPM SpA
Erste Group	Raiffeisen
Mediobanca Banca di Credito Finanziario SpA	KBC Groep NV
Bankinter S.A.	Intesa Sanpaolo SpA
BBVA, S.A.	Virgin Money
Skandinaviska Enskilda Banken AB	Standard Chartered Bank
Swedbank AB	

The Board of Directors will have the power, based on a proposal from the Remuneration Committee, to adapt, where appropriate, the composition of the sample of entities in the event of unforeseen circumstances affecting the aforementioned companies (e.g. mergers, spin-offs, delisting, etc.) and to adapt the TSR calculation for any transactions (e.g. rights issues) by those entities that affect the value of the shares to ensure that the comparison is made on a like-for-like basis.

**Attainment scale:**

Banco Sabadell's TSR ranking within the peer group		
Long-term remuneration		
2021	2022	%
Between #1 and #8	Between #1 and #8	100 %
Between #9 and #11	Between #9 and #10	75 %
Between #12 and #14	Between #11 and #13	50 %
Between #15 and #18	Between #14 and #16	0 %

**Banco Sabadell's TSR ranking within the peer group**

Long-term remuneration	
2023	%
#1	150 %
#2	143 %
#3	136 %
#4	129 %
#5	121 %
#6	114 %
#7	107 %
#8	100 %
#9	88 %
#10	75 %
#11	63 %
#12	50 %
#13	30 %
Between #14 and #16	0 %

Liquidity (Liquidity Coverage Ratio) (established for 2021-2023 and 2022-2024)

**Definition:**

attainment of the objective in connection with the Liquidity Coverage Ratio (LCR) will be measured on the basis of the level established in the Institution's RAS (Risk Appetite Statement). This indicator will be measured by taking the average of the last three months in the final year of the multi-year measurement period.

**Attainment scale:**

If the LCR is higher than the early warning indicator (EWI), the objective will be deemed to have been achieved 100 %; below that threshold, attainment will be rated 0 %.

Long-term remuneration	2021	2022
Average LCR	01 October 2023 31 December 2023	01 October 2024 31 December 2024

Capital adequacy CET1 (set for 2021-2023 and 2022-2024)

**Definition:**

attainment of the objective in connection with CET1 will be measured on the basis of the level established in the Institution's RAS (Risk Appetite Statement). This indicator

will be measured by taking the average of the last three months in the final year of the multi-year measurement period.

**Attainment scale:**

If the CET1 ratio is higher than the early warning indicator (EWI), the objective will be deemed to have been achieved 100 %; below that threshold, attainment will be rated 0 %.

Long-term remuneration	2021	2022
Average CET1	01 October 2023 31 December 2023	01 October 2024 31 December 2024

Return on Risk Adjusted Capital (RoRAC) (set for 2021-2023)

**Definition:**

attainment of the objective in connection with the RoRAC will be measured on the basis of the cost of equity. This indicator will be measured by taking the average of the last three months in the final year of the multi-year measurement period.

**Attainment scale:**

If the RoRAC exceeds the cost of equity, attainment will be rated at 100 %. Failure to achieve that objective will be classified as 0 % attainment.

Long-term remuneration	2021
Average RoRAC	01 October 2023 31 December 2023

Return on Tangible Equity (ROTE) (set for 2022-2024 and 2023-2025)

**Definition:**

In 2023-2025, the average ROTe at the end of each year (2023, 2024 and 2025) will be used instead of the ROTe at the end of the measurement period.

**Attainment scale:**

the following attainment scale is defined on the basis of the position at the end of December 2024:

Sustainability (set for 2023-2025)

**Definition:**

A synthetic indicator related to the Environment (sustainable finance, social finance, sustainability-linked finance, and other finance) and Diversity (% women in the management team).

**Attainment scale:**

An attainment scale is defined for the Sustainable Finance indicator based on accumulated objectives for 2023-2025 and another scale is defined for the % of Women in the management team.

## Prudential adjustments for attainment of objectives

A risk-related correction factor will be applied that includes indicators relating to capital (CET1) and liquidity (Liquidity Coverage Ratio), and an attainment adjustment. Breach of the tolerance threshold in the RAS for liquidity or capital adequacy result in the long-term remuneration being reduced to zero.

## Ex-ante risk adjustments

The *ex-ante* risk adjustments described in section 3.1.2.B) on short-term variable remuneration are also applicable to long-term remuneration.

## Payment procedure

This remuneration is deferred and paid in equity instruments, in accordance with the applicable regulations. The following table shows the calendar for payment of the long-term remuneration for 2021, 2022 and 2023:

Long-term remuneration	Annual measurement year	Multi-year measurement period	1st payment* (60 %)	2nd payment* (20 %)	3rd payment* (20 %)
2021	Year 2021	2021-2023	2025	2026	2027
2022	Year 2022	2022-2024	2026	2027	2028
2023	Year 2023	2023-2025	2027	2028	2029

\* Since the adjusted reference amount is determined 45 % in cash and the remaining 55 % in Banco Sabadell shares, each payment of the long-term remuneration will be made in the same proportion. The shares that are delivered are subject to lock-up as described in section 3.1.2.B) on short-term variable remuneration.

## 3.1.3. Contractual conditions for Executive Directors, including termination indemnities

The Executive Directors' contracts are standard Senior Management contracts and meet the legal requirements for contracts of this type, with the following terms and conditions:

- **Duration:** the contracts are indefinite.
- **Fixed remuneration:** the contracts provide for the payment of fixed remuneration to Executive Directors under the terms and conditions detailed above.
- **Variable remuneration:** the contracts provide for the payment of variable remuneration to Executive Directors under the terms and conditions detailed above.
- **Retirement and savings plans:** the contracts provide for Executive Directors to participate in pension and saving schemes, under the terms and conditions detailed above.
- **Benefits:** the Executive Directors' contracts provide for them to enjoy the benefits and flexible remuneration schemes that the Bank has established for its other employees, in the same terms as the latter.
- **Confidentiality:** the contracts include a confidentiality clause that obliges Directors not to disclose, either during the term of the contract or thereafter, any confidential data, procedures, methods, information, or commercial or industrial data referring to the Bank's business or finances.
- **Restitution and use of company assets:** all material goods, information media, files, documentation, manuals, etc. that the Directors have in their possession must be returned to the Bank at the time of termination of the contract.
- **Clawback and Malus clauses:** the contracts contain clauses of both types that apply in the cases defined in the Director Remuneration Policy, as described in section 3.1.2.B).
- **Early termination and non-competition:** the CEO's contract contains a post-contractual non-compete clause providing two years' fixed remuneration in the event of removal by a decision of the institution not attributable to breach or failure in his functions as CEO or in the event of change of control, and one year's remuneration in all other cases. The geographical scope of this non-competition clause is confined to Spain and the United Kingdom, where the Bank's main business is concentrated. The CRO's contract contains a post-contractual non-compete clause with a duration of two years, applicable until the first date of ordinary retirement, at the latest, and providing an amount of two years' fixed remuneration.

They do not contain any of the other clauses set out in article 249.4 in connection with article 529.1 *octodecies* of the Capital Companies Law.

## 3.2. Remuneration for Directors for their functions as members of the Board of Directors

### 3.2.1. Remuneration Policy

In accordance with the Director Remuneration Policy applicable in 2023, the overall maximum limit of remuneration for Directors for their duties as members of the Board of Directors, pursuant to the provisions of the Articles of Association of Banco Sabadell, is €5 million per year. This maximum limit includes the additional remuneration for the Chairman for non-executive functions. The remuneration is set each year within this limit by the Board of Directors subject to a favourable report from the Remuneration Committee.

Board of Directors remuneration for 2023 was determined on the basis of the reports on Director remuneration in Spain compiled by Spencer Stuart.

Directors' remuneration in 2023 for membership of the Board of Directors is broken down as follows:

- Fixed remuneration for belonging to the Board of Directors.
- Attendance fees, for at most 11 ordinary meetings, with the possibility of collecting attendance fees for at most two meetings that they miss for justified reasons provided that they grant proxy in those cases. No amounts are payable for attendance at extraordinary meetings of the Board of Directors.
- The Chairman receives additional fixed remuneration for performing his duties as Chairman of the Bank, of the Board of Directors and of the General Meeting of Shareholders, for acting as the Bank's highest representative, and for the special dedication involved in performing the duties of Chairman under the terms established in the Capital Companies Law, in the Articles of Association and by the Board of Directors in a group such as Banco Sabadell. Due to the organic or representative nature of these functions, they cannot be classified as executive functions but they require a considerable degree of dedication of a much greater intensity than that of the other non-executive members of the Board of Directors.
- Additional amounts for performing the functions of Deputy Chairman or Lead Independent Director, for chairing or being a member of Board Committees, and for membership of any of Banco Sabadell's Advisory Boards.

Non-Executive Directors do not qualify for the remuneration or benefits that apply to Bank employees, the Group's Identified Staff or Senior Management, they are not members of the retirement and savings or variable and long-term remuneration systems.

### 3.2.2. Projected remuneration

The remuneration that is expected to be paid to the members of the Board of Directors in 2023 for performing their functions is shown in the following table:

	Fixed remuneration 2023 (euro)	Attendance fees 2023 (euro per meeting)
Members	75,000	2,272
Additionally:		
— Chairman	1,500,000	—
— Deputy Chairman	107,000	—
— Lead Independent Director	22,000	—

Non-Executive Directors also receive remuneration for chairing or being members of Board Committees.

Committee	Position	Amount (euro)
Strategy and Sustainability Committee	Chairman	—
	Member	40,000
Credit Delegated Committee	Chairman	70,000
	Member	40,000
Audit and Control Committee	Chairman	50,000
	Member	25,000
Appointments and Corporate Governance Committee	Chairman	40,000
	Member	20,000
Remuneration Committee	Chairman	40,000
	Member	20,000
Risk Committee	Chairman	70,000
	Member	40,000

Mr. Luis Deulofeu Fuguet will collect at most €30,000 as an ordinary member of the Board of Directors of Sabadell Information Systems, S.A.

Ms. Mireya Giné Torrens will collect €30,000 as an ordinary member of the Board of Directors of Sabadell Consumer Finance, S.A.U.

It is not envisaged that the non-Executive Directors will collect any other supplementary remuneration from the Institution or any other Group institution in 2023 as consideration for services rendered other than those inherent to their position, or any other remuneration items such as advances, loans or guarantees, or any other additional remuneration not disclosed in this Annual Report on Director Remuneration.

Both Mr. Josep Oliu Creus, the Chairman, and Ms. María José García Beato, a Director, will continue to receive the deferred amounts of short- and long-term variable remuneration accrued wholly or partly while they performed executive duties.

### 3.2.3. Contractual conditions

With the exception of the Chairman, non-Executive Directors are not under contract to the Bank by virtue of their status as members of the Board of Directors, and no indemnities have been agreed upon for the event of termination of their position as Director.

As established in the Articles of Association of Banco de Sabadell, S.A., the Chairman is the highest representative of the Bank and has the rights and obligations inherent to that position, including the power to sign on behalf of the company. In discharging his duties, the Chairman of the Board of Directors is the person with primary responsibility for the effectiveness of the Board of Directors and, as such, represents the Bank in any event, and signs on behalf of the company; he convenes and chairs meetings of the Board of Directors, setting the agenda, directing the debates and deliberations within the Board of Directors, and taking responsibility for executing the decisions adopted by the Board of Directors.

Because of the scope and specific nature of the functions assigned to him, the Chairman's contract, in his capacity as a non-Executive Director, provides for fixed remuneration in addition to that for membership of the Board of Directors and, as noted above, an early termination clause providing for two years' remuneration for non-competition linked to involuntary termination.

In the Director Remuneration Policy which will be applicable from the date of its approval in 2023 and for the subsequent three financial years, i.e. 2024, 2025 and 2026, which will be submitted for approval at the 2023 General Meeting of Shareholders, it is planned to eliminate the post-contractual non-compete clause from the contract of the Chairman of Banco Sabadell in order to align his contractual conditions with market best practices.

## 4. Procedures and bodies involved in determining and approving the Remuneration Policy

### 4.1. General framework

The Articles of Association of Banco Sabadell set out the competencies of the Board of Directors and its Committees. The Board of Directors Regulation sets out the terms of reference for the Board of Directors and its Committees, establishing their powers and basic rules of functioning and organisation, in line with the regulations applicable to listed companies and credit institutions, as implemented and complemented in the terms of reference of the Board Committees. The Articles of Association and the Regulation of the Board of Directors of Banco Sabadell and of its Committees are available on the Banco Sabadell corporate website.

In accordance with the provisions of the Capital Companies Law, the Board of Directors is vested with the non-delegable power to determine the company's general policies and strategies and to make decisions regarding the remuneration of the Directors, within the framework of the Articles of Association and of any Director Remuneration Policy.

The Remuneration Committee is entrusted with making proposals to the Board of Directors regarding the Director Remuneration Policy and the individual remuneration and other contractual conditions of the Executive Directors, and with overseeing compliance, in accordance with the Regulation of the Board of Directors and of the committee itself.

The Remuneration Committee also has at least the following basic responsibilities as set out in article 18 of the Regulation of the Board of Directors and elaborated upon in the Regulation of the Remuneration Committee:

- a) Proposing the Director Remuneration Policy to the Board of Directors.
- b) Proposing, to the Board of Directors, the Remuneration Policy for general managers and others performing Senior Management functions who report directly to the Board of Directors, the Delegated Committee or the CEOs, and the individual remuneration and other contractual conditions for Executive Directors, exercising oversight to ensure that they are complied with.
- c) Regularly reviewing Remuneration Policy.
- d) Advising on remuneration programmes based on shares and/or options.
- e) Periodically reviewing the general principles of remuneration and the remuneration programmes for all employees, and considering whether they conform to those principles.
- f) Ensuring that remuneration is transparent.
- g) Ensuring that any conflicts of interests are not detrimental to the independence of external advisors.

- h) Verifying the information on remuneration contained in the various corporate documents, including the Report on Director Remuneration.

The Remuneration Committee complies with the principles, good practices and criteria for its proper functioning established by Technical Guide 1/2019 on appointments and remuneration Committees, dated February 20, published by the Spanish National Securities Market Commission.

In accordance with the provisions of article 67 of the Articles of Association, at the end of 2022 Banco Sabadell's Remuneration Committee comprised four non-Executive Directors, all of whom are independent Directors, as follows:

#### Composition:

##### Chairman

Ms. Aurora Catá Sala

##### Members

Mr. Anthony Frank Elliott Ball  
Ms. Laura González Molero  
Mr. George Donald Johnston III

##### Non-member secretary

Mr. Gonzalo Baretino Coloma

In accordance with Article 19 of the Board Regulation and with its own terms of reference, the Risk Committee is responsible for informing the Remuneration Committee as to whether the employee remuneration programmes are coherent with the Group's risk, capital and liquidity.

In accordance with Article 16 of the Board Regulation and with its own terms of reference, the Audit and Control Committee supervises the process of drafting and presenting the regulated financial information, including that related to remuneration, checking compliance with the law and the correct application of accounting standards. In particular, an annual audit of the Remuneration Policy is performed whose conclusions are submitted to the Remuneration Committee.

Proposals by the Remuneration Committee are submitted to the Board of Directors for consideration and, where appropriate, approval.

In accordance with the Director Remuneration Policy in force and within the limits established therein, on 25 January 2023 the Board of Directors determined the amount of remuneration for Directors for the current financial year. Specifically, it determined the remuneration corresponding to the Chairman during the year and that of the other Directors in their capacity as members of the Board of Directors. It also determined the remuneration corresponding to the Executive Directors for performance of executive functions, as detailed in the related sections above.

Several divisions of the Bank participate in the application and oversight of the Remuneration Policy. They include the People Division, which produces an annual report on remuneration whose purpose is to provide the

Remuneration Committee with basic information to enable it to perform the functions entrusted to it in connection with the review of the general principles of the Banco Sabadell Remuneration Policy and oversight of the remuneration for Executive Directors, Senior Management and the other persons who, because of their responsibility, risk-taking capacity and remuneration status, form part of the Group's Identified Staff, in accordance with the provisions of Law 10/2014 and Delegated Regulation 923/2021/EU.

## 4.2. Remuneration benchmarking and external advisers

In addition to the assistance of the Bank's divisions, the Remuneration Committee obtains advice from the specialised firm Willis Towers Watson, which assists the Committee in identifying market trends and regulatory developments in connection with remuneration; it also consults with EY People Advisory Services, a firm that is specialised in the implementation of integrated business strategies. Specialised consulting firm Mercer Consulting S.L. issued an independent assessment on

the implementation of the Remuneration Policy that is applicable to the members of the Identified Staff and on the Director Remuneration Policy; it concluded that the policies were being applied properly; that report was submitted to the Risk Committee and the Remuneration Committee in January 2022.

Additionally, with a view to establishing a Remuneration Policy that is consistent with comparable companies, each year Banco Sabadell uses the Spencer Stuart Board Index 2022 and the report entitled "The remuneration of Directors of listed companies" produced by consulting firm KPMG, as well as advice from consulting firm Willis Towers Watson, to perform a comparative analysis of the remuneration for the Board of Directors, members of Senior Management and other members of the Identified Staff with respect to the market.

The remuneration for the CEO for 2023 was benchmarked against two groups of companies. As detailed in the following table, the first peer group is composed of 15 banks from Spain and other European countries (the European benchmark), while the second peer group is made up of 15 Spanish companies, most of them in the IBEX-35 (the domestic benchmark).

The CEO's total remuneration for 2023 is in the 60th percentile of the international peer group and the 63rd percentile of the domestic peer group.

### Companies used as benchmark

Banks in the European benchmark		Companies in the domestic benchmark	
Raiffeisen	Caixabank	Santander Spain	Amadeus
Erste Group	KBC Groep	Mapfre	Bankinter
BBVA	Swedbank	Caixabank	Enagás
Intesa San Paolo	BPER Banca	Abanca	Fluidra
Banco BPM	Mediobanca	Acciona	Grifols
Skandinaviska Enskilda Banken	Bankinter	Endesa	Merlin Properties
ABN Amro Group		Siemens Gamesa	
Standard Chartered Bank		BBVA	
Virgin Money		Ferrovial	

The remuneration of the CRO was established on the basis of information on comparable positions in the group of European and Spanish companies indicated above, and it is in the 35th percentile of the Spanish peer group.

## 5. Measures to reduce exposure to excessive risks and contribute to sustainable performance

The Banco Sabadell Remuneration Policy is aligned with the shareholders' interests, the Banco Sabadell Group strategy and the creation of long-term value, while promoting appropriate risk management.

Without prejudice to the oversight exercised by the Bank's Board of Directors and its Committees and the Bank's divisions (described in section 4 of this Report), the Director Remuneration Policy incorporates a number of elements that reduce exposure to excessive risk-taking, many of which were described above. Those elements also apply to professionals who have a material impact on the Bank's risk profile (the Identified Staff).

The main elements of the Remuneration Policy that reduce exposure to excessive risk-taking and align remuneration with the Bank's objectives, values and long-term interests are listed below.

### Objectives established in variable remuneration

The Group's corporate objectives established with respect to short-term variable remuneration in 2022 and 2023 measure the Bank's prudential performance from both a financial and non-financial perspective. In this regard, 80 % of the objectives are linked to financial metrics related to profitability (ROTE), results (net profit, net interest income plus fees and commissions), expense control (Group expenses) and asset quality (cost of risk, NPA volume). The remaining 20 % is linked to non-financial parameters that are fundamental to value creation by the Group, such as the availability of the Group's customer services (quality of service) and the improvement in its scores in the main ESG indexes, the outcome of the Thematic Review, diversity and environment (Sustainability).

In addition, taking into account the functions performed by the CRO, in accordance with the regulations applicable to credit institutions, it has been established that the Group's objectives should be limited to 25 % in his particular case, leaving the remaining 75 % linked to individual objectives in 2023.

In long-term remuneration, it is necessary to meet not only the annual objectives established for short-term variable remuneration but also the multi-year objectives linked to the creation of shareholder value (relative TSR), the main indicators of the Risk Appetite Framework (LCR, CET1 and RoRAC), profitability (ROTE) and Sustainability (synthetic ESG indicator).

### Adjustments for attainment of objectives

As discussed above, both short-term and long-term remuneration are subject to a risk-related correction factor that includes indicators relating to capital (CET1) and liquidity (Liquidity Coverage Ratio) in connection with the limits set by the RAS. Failure to attain any of these indicators will result in a reduction of the remuneration.

Moreover, no short-term variable remuneration or long-term remuneration is accrued if overall attainment of objectives (mix of Group and individual objectives) is less than 60 %.

### Ex-ante risk adjustments

The total amount of any variable remuneration item is subject to downward adjustment at the discretion of the Board of Directors based on a recommendation by the Remuneration Committee, and may even be reduced to zero on the basis of the parameters described in section 3.1.2.B), which include:

- Risk and control factors such as breaches of standards and regulations, breach of risk limits e.g., RAS (capital adequacy, liquidity) or breach of expected loss thresholds in terms of operational risk, and/or internal control indicators (e.g. results of internal audits) and similar items.
- Maximum Distributable Amount (MDA) that is below the threshold required by regulation.

Taking the above into account, the final amount of the short-term variable remuneration accrued annually (subject to *ex-post* adjustments) will be determined by the Board of Directors, following a recommendation by the Remuneration Committee, based on the individual assigned short-term and/or long-term variable remuneration, evaluation of the degree of attainment of individual performance objectives assigned to the Executive Directors, and application of the variable remuneration adjustment.

### Deferral and payment

Short-term variable remuneration is deferred as follows:

- Deferral over at least five years for Executive Directors and other members of Senior Management and at least four years for the rest of the Identified Staff.
- Deferral of at least 60 % in the case of Executive Directors and of the members of the Identified Staff whose variable remuneration exceeds €1,500,000, and 40 % for the other members of the Identified Staff.
- The deferred remuneration is paid 55 % in the form of Banco Sabadell shares in the case of Executive Directors and other members of Senior Management, and at least 50 % in the case of the rest of the Identified Staff.
- Variable remuneration paid in shares is subject to one-year lock-up. In line with recommendation 62 of the Code of Good Governance, unless Executive Directors own shares amounting to the equivalent of twice their

fixed annual remuneration, they may not dispose of the shares they receive until at least three years have elapsed from the time of delivery. The above condition will not apply to any shares that the Director must dispose of to cover tax obligations related to their delivery.

- The use of personal hedging strategies or any mechanism that guarantees receipt of part or all of the variable remuneration is not permitted.

The specific payment schedule for the 2022 and 2023 short-term variable remuneration can be found in sections 2.1.1.B) and 3.1.2.B), respectively.

Deferred variable annual remuneration is also paid 55 % in the form of Banco Sabadell shares in the case of Executive Directors and other members of Senior Management, and at least 50 % in the case of the rest of the Identified Staff. The time horizon for measurement of the annual objectives that determine the adjusted reference amount up to the last payment date is 5 years, excluding the lock-up period applicable to any shares delivered. The payment schedules for long-term remuneration in force in 2022 and 2023 are shown in Sections 2.1.1.C) and 3.1.2.C).

## Malus and clawback clauses

Short-term variable remuneration and long-term remuneration that has not yet been collected (up to 100 % of the amount) may be reduced or cancelled (malus clauses) and amounts collected may have to be refunded (clawback clauses) in the event of poor financial performance by the Bank as a whole or by a specific division or area or by the exposures generated by the Executive Director to whom they are applicable. It is not necessary for there to be malice or negligence in order for these clauses to apply. For these purposes, the performance assessment will be compared with subsequent performance of the variables that contributed to achieving the objectives. The factors described in section 3.1.2.B) will be taken into account.

## Oversight by governing bodies and divisions of the Institution

Without prejudice to the functions described above and those corresponding to the Institution's Remuneration Committee and Board of Directors, the functions of other governing and management bodies of the Institution entrusted with oversight over remuneration are listed below:

- The Risk Committee checks to ensure that employee remuneration programmes are coherent with the Bank's risk, capital and liquidity, and provides advice in this respect to the Remuneration Committee.
- The Audit and Control Committee supervises the process of drafting and presenting the regulated financial information, including that relating to remuneration, and reviews compliance with the regulatory requirements and proper application of accounting standards.
- The Internal Audit Division, within the framework of its functions, carries out an independent examination, at least once per year, of the definition and application

of the Institution's Remuneration Policy and its effects on its risk profile, and the way in which these effects are managed. Additionally, the Prudential Review of Remuneration produced by specialised firm Mercer Consulting, S.L. for the Risk Committee and Remuneration Committee assesses and guarantees that the delimitation of the Institution's Identified Staff and the remuneration practices and policies conform to the requirements established in the regulations and guidelines of the EBA and the Bank of Spain.

- Each year, the CRO submits to the Remuneration Committee a proposal for the adjustment of the variable remuneration, which may be at Group, unit, country or even individual level, to be made at the end of the year, depending on the risk profile and earnings performance.

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This Annual Report on Director Remuneration was approved by Banco Sabadell's Board of Directors at a meeting on:

16/02/2023

No Directors abstained or voted against the adoption of this Report.

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

# 6. Reconciliation with the CNMV Annual Report on Remuneration of Directors of Listed Companies

Below is a table of equivalences detailing the location, in this Report, of the content established in the official CNMV format of the Report on Remuneration of Directors of Listed Companies, approved by Circular 3/2021.

**Annual Report  
on Director  
Remuneration  
Banco Sabadell**

**Content of the form per Circular 3/2021**

## A. Company's Remuneration Policy for the current financial year

### A.1.1

Describe the current Director Remuneration Policy applicable to the current year. To the extent relevant, include disclosures relating to the Remuneration Policy approved by the General Meeting of Shareholders, provided that these references are clear, specific and concrete.

**Sections 1 & 4**

Describe the specific decisions by the Board that apply to this year, relating to both Directors' remuneration for their functions as such and for executive functions, as provided in the contracts signed with the Executive Directors, and to the general Remuneration Policy approved by the General Meeting of Shareholders.

In any event, the following should be disclosed:

**a)** Description of the company's procedures and the bodies involved in determining, approving and applying the Remuneration Policy and its terms and conditions.

**b)** Indicate whether the company's Remuneration Policy was benchmarked against other companies and, if so, give details.

**c)** Disclose whether any external advisors were involved in this process and, if so, identify them.

**d)** Procedures contemplated in the current Director Remuneration Policy for applying temporary exceptions to the policy, conditions under which such exceptions may be used, and components that may be subject to exception under the policy.

### A.1.2

Proportion between variable remuneration and fixed remuneration (remuneration mix) and the criteria and objectives used to determine and ensure an appropriate balance between the fixed and variable components of remuneration. In particular, state the actions adopted by the company in relation to the remuneration system to reduce exposure to excessive risks and adjust it to the company's long-term objectives, values and interests, including references to any measures to guarantee that the company's long-term results are taken into account in the Remuneration Policy, the measures adopted in relation to those categories of staff whose work has a material impact on the company's risk profile and any measures to avoid conflicts of interest. Also disclose if the company has established a period for the accrual or vesting of certain variable remuneration items, whether in cash, shares or other financial instruments, any period of deferral of the payment of amounts or the delivery of accrued or vested financial instruments, any clause that reduces the unvested deferred remuneration or that obliges the Director to refund remuneration already received, where such remuneration was based on figures that have been clearly shown to be inaccurate.

**Sections 3.1 & 5**

— Amount and nature of fixed components that are to be accrued by Directors during the year for membership of the Board of Directors per se.

**Section 3.2**

— Amount and nature of fixed components that are to be accrued during the year for the performance of Senior Management functions by Executive Directors.

**Section 4.2**

— Amount and nature of any component of remuneration in kind that will accrue during the year, including, but not limited to, insurance premiums paid in favour of the Director.

**Section 3.1**

— Amount and nature of variable components, differentiating between short and long term.

**Sections 3.1 & 5**

Financial and non-financial parameters, including social, environmental and climate change, parameters selected to determine variable remuneration in the current year, describing the extent to which these parameters are related to performance, both of the Director and of the company,

<p>together with their risk profile, and the methodology, necessary period and the techniques established to determine the degree of compliance with the parameters used in the design of the variable remuneration at the end of the year, describing in detail the criteria and factors applied in terms of the time required and methods for verifying that the performance conditions or any other type of conditions to which the accrual and vesting of each component of variable remuneration was linked were actually fulfilled. State the range, in monetary terms, of the variable components according to the degree of attainment of the objectives and established parameters, and whether there is an absolute monetary cap.</p>	
<p>– Main characteristics of long-term savings systems. Among other information, state the contingencies covered by the system, whether it is defined-contribution or defined-benefit, the annual contribution to be made to the defined-contribution system, the benefits Directors are entitled to under defined-benefit systems, the conditions under which economic rights vest for Directors and their compatibility with any other type of payment or severance pay as a result of the early termination or dismissal of the Director, or deriving from the termination of the contractual relationship, in the terms provided, between the company and the Director.</p>	<b>Section 3.1</b>
<p>State if the accrual or vesting of any of the long-term savings plans is linked to achieving certain objectives or parameters related to the Director's short- or long-term performance.</p>	
<p>– Any type of payment or termination indemnity for early termination or dismissal of the Director, or deriving from the termination of the contractual relationship between the company and the Director, in the terms provided, whether by voluntary resignation by the Director or dismissal of the Director by the company, as well as any type of agreement, such as exclusivity, post-contractual non-competition, permanence or loyalty, which entitle the Director to any type of remuneration.</p>	<b>Sections 2.1 &amp; 3.1</b>
<p>– Describe the conditions with which contracts with Executive Directors for performing Senior Management functions must comply. Among other aspects, give information on the term, limits to the amounts of indemnity, permanence clauses, notice periods and payments in lieu of notice, and any other clauses regarding hiring bonuses, as well as severance payments or golden handshakes for early cancellation or termination of the contractual relationship between the company and the Executive Director. Include, among others, any non-compete, exclusivity, permanence and loyalty, and post-contractual non-competition pacts or agreements, except where they have already been disclosed in the previous section.</p>	<b>Section 3.1</b>
<p>– The nature and estimated amount of any other supplementary remuneration accrued by Directors in the year as consideration for services rendered other than those inherent to their position as Directors.</p>	<b>Sections 2.1 &amp; 3.1</b>
<p>– Other remuneration items, such as those arising from the company granting the Director advance payments, loans, guarantees or any other remuneration.</p>	<b>Sections 2.1 &amp; 3.1</b>
<p>– The nature and estimated amount of any other planned supplementary remuneration that is not disclosed in the preceding sections, whether paid by the institution or by another institution in the Group, which will be accrued by Directors during the current year.</p>	<b>Sections 2.1 &amp; 3.1</b>
<b>A.2.</b>	
<p>Describe any material change in the Remuneration Policy applicable in the current year resulting from:</p>	<b>Section 3</b>
<p>– A new policy or an amendment of the policy already approved by the General Meeting of Shareholders.</p> <p>– Material changes in the specific determinations established by the Board for the current year regarding the Remuneration Policy in force, in comparison with those applied in the previous year.</p> <p>– Proposals that the Board of Directors has resolved to submit to the General Meeting of Shareholders to which this annual report will be submitted and which are proposed to be applicable to the current year.</p>	
<b>A.3.</b>	
<p>Identify the direct link to the document where the current company Remuneration Policy is posted, which must be available on the company's website.</p>	<b>Section 3</b>
<b>A.4.</b>	
<p>Considering the data provided in Section B.4, describe the outcome of the consultative vote at the General Meeting of Shareholders on the previous year's Annual Report on Remuneration.</p>	<b>Section 2</b>

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## **B. Overall summary of how the Remuneration Policy was applied during the reporting year.**

### **B.1.**

Describe the process used to apply the Remuneration Policy and to determine the individual remuneration set out in Section C of this report. This information must include the role played by the Remuneration Committee, the decisions taken by the Board of Directors and the identity and the role of any external advisers engaged for the process of applying the Remuneration Policy in the reporting year.

**Section 2**

#### **B.1.2.**

Describe any departure during the year from the procedure established for applying the Remuneration Policy.

**Section 2**

#### **B.1.3.**

Indicate whether any temporary exceptions were made to the Remuneration Policy and, if so, describe the exceptional circumstances that led to the application of these exceptions, the specific components of the Remuneration Policy that were affected and the reasons why the entity considers that those exceptions were necessary to serve the long-term interests and sustainability of the company as a whole or to ensure its viability. Also quantify the impact that the application of these exceptions had on the remuneration of each Director during the year.

**Section 2**

### **B.2.**

Detail the actions taken by the company in relation to the remuneration system and how they contributed to reducing exposure to excessive risks and adapting it to the company's long-term objectives, values and interests, including a reference to any measures that have been adopted to ensure that the company's long-term results were taken into consideration in setting the remuneration actually accrued and that a suitable balance was attained between the fixed and variable components of remuneration, any measures adopted in relation to those categories of staff whose professional activities have a material repercussion on the company's risk profile and any measures that have been adopted to avoid conflicts of interest.

**Section 2.1**

— The nature and estimated amount of any other planned supplementary remuneration that is not disclosed in the preceding sections, whether paid by the institution or by another institution in the Group, which will be accrued by Directors during the year.

**Sections 2.1 & 3.1**

### **B.3.**

Detail how the remuneration that accrued and vested in the year meets the provisions of the current Remuneration Policy and, in particular, how it contributes to the company's long-term sustainable performance. Also, disclose the relationship between the remuneration obtained by the Directors and the company's results or other performance metrics, detailing how any variations in the company's performance influenced changes in Director remuneration, including remuneration accrued but deferred, and how they contribute to the company's short- and long-term results.

**Sections 1, 3.1 & 5**

### **B.4.**

Describe the outcome of the consultative vote at the General Meeting of Shareholders on the Annual Report on Remuneration for the previous year, indicating the number of abstentions and votes cast against, blank votes and votes in favour: % of total Votes cast Number as % of votes cast Votes against Votes in favour Blank votes Abstentions Comments

**Sections 2 & 3**

### **B.5.**

Describe how the fixed components of remuneration that were accrued and vested during the year by the Directors in their capacity as such were determined, the proportion allocated to each Director and how they changed with respect to the previous year:

**Section 2.2**

**B.6.**

Describe how the salaries accrued and vested by each of the Executive Directors in the last year for performing executive functions were determined, and how they changed with respect to the previous year.

**Section 2.1**

Describe and give the main features of the variable components of the remuneration systems accrued and vested in the reporting year. In particular:

- a)** Identify each of the remuneration plans that determined the various types of variable remuneration accrued by each of the Directors in the reporting year, including information on their scope, approval date, implementation date, any vesting conditions, the periods of accrual and validity, the criteria used to assess performance, and how this affected the establishment of the variable amount that accrued, as well as the measurement criteria that were applied and the period that must elapse in order to be in a position to suitably measure all the applicable conditions and criteria, and describe in detail the criteria and factors applied in terms of the time required and methods for verifying that the performance conditions or any other type of conditions to which the accrual and vesting of each component of variable remuneration was linked were actually fulfilled.
- b)** In the case of stock options and other financial instruments, the general characteristics of each plan must contain information on the conditions required both to achieve unconditional ownership (vesting) and to exercise such options or financial instruments, including the strike price and exercise period.
- c)** Name and category (Executive Director, Proprietary External Director, Independent External Director and Other External Director) of each of the Directors who are beneficiaries of remuneration systems or plans that include variable remuneration.
- d)** Disclose any accrual, vesting or deferral periods that were applied to the payment of vested amounts and/or any periods of lock-up/non-disposal for shares or other financial instruments.

Describe the short-term variable components of the remuneration systems.

Describe the components.

**B.7.**

Describe and give the main features of the variable components of the remuneration systems accrued and vested in the reporting year. In particular:

**Sections 2.1 & 5**

- Identify each of the remuneration plans that determined the various types of variable remuneration accrued by each of the Directors in the reporting year, including information on their scope, approval date, implementation date, any vesting conditions, the periods of accrual and validity, the criteria used to assess performance and how this affected the establishment of the variable amount that accrued, as well as the measurement criteria that were applied and the period that must elapse in order to be in a position to suitably measure all the applicable conditions and criteria, and describe in detail the criteria and factors applied in terms of the time required and methods for verifying that the performance conditions or any other type of conditions to which the accrual and vesting of each component of variable remuneration was linked were actually fulfilled.
- In the case of stock options and other financial instruments, the general characteristics of each plan must contain information on the conditions required both to achieve unconditional ownership (vesting) and to exercise such options or financial instruments, including the strike price and exercise period.
- Name and category (Executive Director, Proprietary External Director, Independent External Director and Other External Director) of each of the Directors who are beneficiaries of remuneration systems or plans that include variable remuneration.
- Disclose any accrual, vesting or deferral periods that were applied to the payment of vested amounts and/or any periods of lock-up/non-disposal for shares or other financial instruments.

**B.8.**

Indicate whether any accrued variable components were reduced or clawed back after deferral of unvested amounts (in the former case) or vesting and payment (in the latter case) on the basis of data which were subsequently shown to be manifestly inaccurate. Describe the amounts reduced or

**Section 2.1**

clawed back through the application of the malus or clawback clauses, why they were implemented and the years to which they refer.

**B.9.**

Describe the main characteristics of the long-term savings systems where the amount or equivalent annual cost appears in the tables in Section C, including retirement and any other survivorship benefits that are financed, totally or partially, by the company, whether through internal or external contributions, indicating the type of plan, whether it is defined-contribution or defined-benefit, the contingencies covered, the conditions for the economic rights to vest for Directors, and their compatibility with any type of severance pay for early termination or termination of the contractual relationship between the company and the Director.

**Section 2.1**

**B.10.**

Describe any termination indemnities or other payments arising from early dismissal or early resignation, or from the termination of the contract, in its own terms, that were accrued and/or received by Directors during the reporting year.

**Section 2.1**

**B.11.**

Indicate whether there were any significant changes in the contracts of persons performing Senior Management functions, such as Executive Directors, and, if so, describe them. Additionally, describe the main conditions of new contracts signed with Executive Directors during the year, unless already described in Section A.1.

**Section 2.1**

**B.12.**

Describe any additional remuneration paid to Directors for services rendered other than those inherent to their Directorship.

**Sections 2.1 & 2.2**

**B.13.**

Describe any remuneration deriving from advance payments, loans or guarantees granted, indicating the interest rate, the main features and any amounts that were repaid, as well as any collateral obligations assumed on their behalf.

**Sections 2.1 & 2.2**

**B.14.**

Detail any remuneration in kind accrued by the Directors in the year, briefly indicating the nature of the various salary components.

**Section 2.1**

**B.15.**

Describe any remuneration accrued by Directors in the form of payments settled by the listed company with third parties where the Director renders services, where such payments are intended to compensate the Director's services to the company.

**Sections 2.1 & 2.2**

**B.16.**

Describe and detail any items of remuneration accrued under any other remuneration heading not already disclosed above, regardless of their nature or the group company that made the payment, including any remuneration, in any form, that qualifies as a related-party transaction or, in particular, where it has a material impact on the true and fair view of the total remuneration accrued by the Director; it is necessary to describe the amount paid or pending payment, the nature of the consideration received, and any reasons why it was decided that it did not qualify as remuneration for the Director's position as such or as consideration for executive functions, and whether or not it was considered appropriate to report it under amounts accrued under the heading of "Other items" in section C.

**Sections 2.1 & 2.2**

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## C. Itemised individual remuneration of each Director

Statistical annex

Section 7

## 7. Statistical annex

<b>Name</b>	<b>Category</b>	<b>Accrual period in 2022</b>
Mr. Josep Oliu i Creus	Chairman/Other External	From 01/01/2022 to 31/12/2022
Mr. Pedro Fontana García	Deputy Chairman – Independent	From 01/01/2022 to 31/12/2022
Mr. César González-Bueno Mayer	CEO	From 01/01/2022 to 31/12/2022
Mr. Anthony Frank Elliott Ball	Lead Independent Director	From 01/01/2022 to 31/12/2022
Ms. Aurora Catá Sala	Independent Director	From 01/01/2022 to 31/12/2022
Mr. Luis Deulofeu Fuguet	Independent Director	From 01/01/2022 to 31/12/2022
Ms. María José García Beato	Other External Director	From 01/01/2022 to 31/12/2022
Ms. Mireya Giné Torrens	Independent Director	From 01/01/2022 to 31/12/2022
Mr. George Donald Johnston III	Independent Director	From 01/01/2022 to 31/12/2022
Mr. David Martínez Guzmán	Proprietary Director	From 01/01/2022 to 31/12/2022
Mr. José Manuel Martínez Martínez	Independent Director	From 01/01/2022 to 31/12/2022
Mr. José Ramón Martínez Sufrategui	Independent Director	From 01/01/2022 to 31/08/2022
Ms. Alicia Reyes Revuelta	Independent Director	From 01/01/2022 to 31/12/2022
Mr. Manuel Valls Morató	Independent Director	From 01/01/2022 to 31/12/2022
Mr. David Vegara Figueras	Executive Director	From 01/01/2022 to 31/12/2022



## ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF LISTED PUBLIC COMPANIES

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### ISSUER IDENTIFICATION DATA

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Date of end of reference year: [ 31/12/2022 ]

Tax ID number: [ A-08000143 ]

Company name:

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

Business address:

[ AV. OSCAR ESPLA N.37 (ALICANTE) ]

**B. OVERALL SUMMARY OF HOW THE REMUNERATION POLICY WAS APPLIED DURING THE REPORTING YEAR**

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B.4. Describe the outcome of the consultative vote at the general meeting on the Annual Remuneration Report for the previous year, indicating the number of votes cast for, against, and abstentions if any:

	Number	% of total
Votes cast	3,174,692	56.43
	Number	% of votes cast
Votes against	1,219,187	38.40
Votes in favour	1,946,218	61.30
Blank votes		0.00
Abstentions	9,287	0.29

**C. ITEMISED INDIVIDUAL REMUNERATION OF EACH DIRECTOR**

Name	Category	Accrual period in 2022
Mr. JOSEP OLIU CREUS	Chairman Other External	From 01/01/2022 to 31/12/2022
Mr. PEDRO FONTANA GARCIA	Deputy Chairman Independent	From 01/01/2022 to 31/12/2022
Mr. CÉSAR GONZÁLEZ-BUENO MAYER WITTGENSTEIN	CEO	From 01/01/2022 to 31/12/2022
Mr. ANTHONY FRANK ELLIOTT BALL	Lead Independent Director	From 01/01/2022 to 31/12/2022
Ms. AURORA CATÁ SALA	Independent director	From 01/01/2022 to 31/12/2022
Mr. LLUÍS DEULOFEU FUGUET	Independent director	From 01/01/2022 to 31/12/2022
Ms. MARÍA JOSÉ GARCÍA BEATO	Other external director	From 01/01/2022 to 31/12/2022
Ms. MIREYA GINÉ TORRENS	Independent director	From 01/01/2022 to 31/12/2022
Ms. LAURA GONZÁLEZ MOLERO	Independent director	From 19/09/2022 to 31/12/2022
Mr. GEORGE DONALD JOHNSTON III	Independent director	From 01/01/2022 to 31/12/2022
Mr. DAVID MARTINEZ GUZMAN	Proprietary director	From 01/01/2022 to 31/12/2022
Mr. JOSÉ MANUEL MARTÍNEZ MARTÍNEZ	Independent director	From 01/01/2022 to 31/12/2022
Mr. JOSÉ RAMÓN MARTÍNEZ SUFRATEGUI	Independent director	From 01/01/2022 to 31/08/2022
Ms. ALICIA REYES REVUELTA	Independent director	From 01/01/2022 to 31/12/2022
Mr. MANUEL VALLS MORATÓ	Independent director	From 01/01/2022 to 31/12/2022
Mr. DAVID VEGARA FIGUERAS	Executive director	From 01/01/2022 to 31/12/2022

C.1. Complete the following tables with data on the individual remuneration accrued during the year by each of the directors (including remuneration for performing executive functions).

a) Remuneration from the reporting company:

i) Remuneration in cash (thousand euro)

Name	Fixed remuneration	Attendance fees	Remuneration for membership of Board of Directors committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Indemnities	Other items	2022 total	2021 total
Mr. JOSEP OLIU CREUS	1,575	25			19	60			1,679	1,798
Mr. PEDRO FONTANA GARCIA	182	25	128						335	257
Mr. CÉSAR GONZÁLEZ-BUENO MAYER WITTGENSTEIN	75	25		2,000	170			24	2,294	1,792
Mr. ANTHONY FRANK ELLIOTT BALL	97	25	36						158	162
Ms. AURORA CATÁ SALA	75	25	79						179	178
Mr. LLUÍS DEULOFEU FUGUET	75	25	75						175	39
Ms. MARÍA JOSÉ GARCÍA BEATO	75	25	80			16	44		240	1,507
Ms. MIREYA GINÉ TORRENS	75	25	60						160	150
Ms. LAURA GONZÁLEZ MOLERO	13	9	8						30	
Mr. GEORGE DONALD JOHNSTON III	75	25	78						178	188
Mr. DAVID MARTINEZ GUZMAN	75	25							100	100
Mr. JOSÉ MANUEL MARTÍNEZ MARTÍNEZ	75	25	80						180	167
Mr. JOSÉ RAMÓN MARTÍNEZ SUFRATEGUI	50	16	25						91	135
Ms. ALICIA REYES REVUELTA	75	25	50						150	164
Mr. MANUEL VALLS MORATÓ	75	25	40						140	145
Mr. DAVID VEGARA FIGUERAS	75	25		525	26	14		48	713	654

ii) Table of changes in share-based remuneration schemes and gross profit from vested shares or financial instruments.

Name	Plan	Financial instruments at the beginning of 2022		Financial instruments granted during 2022		Financial instruments that vested in the year				Instruments vested but not exercised	Financial instruments at the end of 2022	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent/ vested shares	Price of vested shares	Gross profit on vested shares or financial instruments (thousand euro)	No. of instruments	No. of instruments	No. of equivalent shares
Mr. JOSEP OLIU CREUS	RLP 2019-2021	1,164,010	116,041			69,840	69,840	0.87	61		46,560	46,560
Mr. JOSEP OLIU CREUS	RLP 2020-2022							0.00				
Mr. JOSEP OLIU CREUS	RLP 2021-2023	130,732	130,732					0.00			130,732	130,732
Mr. JOSEP OLIU CREUS	RV 2021	151,390	151,390			30,278	30,278	0.87	27		121,112	121,112
Mr. CÉSAR GONZALEZ-BUENO MAYER WITTGENSTEIN	RLP 2021-2023	522,619	522,619					0.00			522,619	522,619
Mr. CÉSAR GONZALEZ-BUENO MAYER WITTGENSTEIN	RLP 2022-2024			437,928	437,928			0.00			437,928	437,928
Mr. CÉSAR GONZALEZ-BUENO MAYER WITTGENSTEIN	RV 2021	237,565	237,565			47,513	47,513	0.87	42		190,052	190,052
Mr. CÉSAR GONZALEZ-BUENO MAYER WITTGENSTEIN	RV 2022			422,001	422,001	159,246	159,246	0.87	139		262,755	262,755
Ms. MARÍA JOSÉ GARCÍA BEATO	RLP 2019-2021	30,438	30,438			18,263	18,263	0.87	16		12,175	12,175

Name	Plan	Financial instruments at the beginning of 2022		Financial instruments granted during 2022		Financial instruments that vested in the year				Instruments vested but not exercised	Financial instruments at the end of 2022	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent/ vested shares	Price of vested shares	Gross profit on vested shares or financial instruments (thousand euro)	No. of instruments	No. of instruments	No. of equivalent shares
Ms. MARÍA JOSÉ GARCÍA BEATO	RLP 2020-2022	95,983	95,983					0.00		11,998	83,985	83,985
Ms. MARÍA JOSÉ GARCÍA BEATO	INDEMNITIES	511,160	511,160			102,232	102,232	0.87	89		408,928	408,928
Mr. DAVID VEGARA FIGUERAS	RLP 2019-2021	26,920	26,920			16,152	16,152	0.87	14		10,768	10,768
Mr. DAVID VEGARA FIGUERAS	RLP 2020-2022	120,553	120,553					0.00		15,069	105,484	105,484
Mr. DAVID VEGARA FIGUERAS	RLP 2021-2023	105,070	105,070					0.00			105,070	105,070
Mr. DAVID VEGARA FIGUERAS	RLP 2022-2024			83,625	83,625			0.00			83,625	83,625
Mr. DAVID VEGARA FIGUERAS	RV 2021	42,450	42,450			8,490	8,490	0.87	7		33,960	33,960
Mr. DAVID VEGARA FIGUERAS	RV 2022			61,393	61,393	23,168	23,168	0.87	20		38,225	38,225

iii) Long-term savings systems.

Name	Remuneration from vesting of rights within savings systems
Mr. JOSEP OLIU CREUS	
Mr. PEDRO FONTANA GARCIA	
Mr. CÉSAR GONZÁLEZ-BUENO MAYER WITTGENSTEIN	1

Name	Remuneration from vesting of rights within savings systems
Mr. ANTHONY FRANK ELLIOTT BALL	
Ms. AURORA CATÁ SALA	
Mr. LLUÍS DEULOFEU FUGUET	
Ms. MARÍA JOSÉ GARCÍA BEATO	
Ms. MIREYA GINÉ TORRENS	
Ms. LAURA GONZÁLEZ MOLERO	
Mr. GEORGE DONALD JOHNSTON III	
Mr. DAVID MARTINEZ GUZMAN	
Mr. JOSÉ MANUEL MARTÍNEZ MARTÍNEZ	
Mr. JOSÉ RAMÓN MARTÍNEZ SUFRATEGUI	
Ms. ALICIA REYES REVUELTA	
Mr. MANUEL VALLS MORATÓ	
Mr. DAVID VEGARA FIGUERAS	1

Name	Company's contribution for the year (thousand euro)				Amount of accumulated funds (thousand euro)			
	Saving plans with vested economic rights		Saving plans with unvested economic rights		Saving plans with vested economic rights		Saving plans with unvested economic rights	
	2022	2021	2022	2021	2022	2021	2022	2021
Mr. JOSEP OLIU CREUS		1				7,489	1,387	1,485
Mr. CÉSAR GONZÁLEZ-BUENO MAYER WITTGENSTEIN	1				2			

Name	Company's contribution for the year (thousand euro)				Amount of accumulated funds (thousand euro)			
	Saving plans with vested economic rights		Saving plans with unvested economic rights		Saving plans with vested economic rights		Saving plans with unvested economic rights	
	2022	2021	2022	2021	2022	2021	2022	2021
Ms. MARÍA JOSÉ GARCÍA BEATO		2,691		253	4,473	4,693	1,143	727
Mr. DAVID VEGARA FIGUERAS	1	1	100	94	2	2	346	260

iv) Details of other items

Name	Description	Remuneration amount
Mr. JOSEP OLIU CREUS	-	
Mr. PEDRO FONTANA GARCIA	-	
Mr. CÉSAR GONZÁLEZ-BUENO MAYER WITTGENSTEIN	-	
Mr. ANTHONY FRANK ELLIOTT BALL	-	
Ms. AURORA CATÁ SALA	-	
Mr. LLUÍS DEULOFEU FUGUET	-	
Ms. MARÍA JOSÉ GARCÍA BEATO	-	
Ms. MIREYA GINÉ TORRENS	-	
Ms. LAURA GONZÁLEZ MOLERO	-	
Mr. GEORGE DONALD JOHNSTON III	-	
Mr. DAVID MARTINEZ GUZMAN	-	
Mr. JOSÉ MANUEL MARTÍNEZ MARTÍNEZ	-	

Name	Description	Remuneration amount
Mr. JOSÉ RAMÓN MARTÍNEZ SUFRATEGUI	-	
Ms. ALICIA REYES REVUELTA	-	
Mr. MANUEL VALLS MORATÓ	-	
Mr. DAVID VEGARA FIGUERAS	-	

b) Remuneration of directors of the listed company for membership of governing bodies of its subsidiaries:

i) Remuneration in cash (thousand euro)

Name	Fixed remuneration	Attendance fees	Remuneration for membership of Board of Directors committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Indemnities	Other items	2022 total	2021 total
Mr. JOSEP OLIU CREUS										
Mr. PEDRO FONTANA GARCIA										
Mr. CÉSAR GONZÁLEZ-BUENO MAYER WITTGENSTEIN										
Mr. ANTHONY FRANK ELLIOTT BALL										
Ms. AURORA CATÁ SALA	15								15	25
Mr. LLUÍS DEULOFEU FUGUET	30								30	5
Ms. MARÍA JOSÉ GARCÍA BEATO										
Ms. MIREYA GINÉ TORRENS	15								15	
Ms. LAURA GONZÁLEZ MOLERO										
Mr. GEORGE DONALD JOHNSTON III										
Mr. DAVID MARTINEZ GUZMAN										

Name	Fixed remuneration	Attendance fees	Remuneration for membership of Board of Directors committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Indemnities	Other items	2022 total	2021 total
Mr. JOSÉ MANUEL MARTÍNEZ MARTÍNEZ										
Mr. JOSÉ RAMÓN MARTÍNEZ SUFRATEGUI										
Ms. ALICIA REYES REVUELTA	19								19	49
Mr. MANUEL VALLS MORATÓ	15								15	25
Mr. DAVID VEGARA FIGUERAS										

ii) Table of changes in share-based remuneration schemes and gross profit from vested shares or financial instruments.

Name	Plan	Financial instruments at the beginning of 2022		Financial instruments granted during 2022		Financial instruments that vested in the year				Instruments vested but not exercised	Financial instruments at the end of 2022	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent/ vested shares	Price of vested shares	Gross profit on vested shares or financial instruments (thousand euro)	No. of instruments	No. of instruments	No. of equivalent shares
Mr. JOSEP OLIU CREUS	-							0.00				
Mr. CÉSAR GONZALEZ-BUENO MAYER WITTGENSTEIN	-							0.00				

Name	Plan	Financial instruments at the beginning of 2022		Financial instruments granted during 2022		Financial instruments that vested in the year				Instruments vested but not exercised	Financial instruments at the end of 2022	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent/ vested shares	Price of vested shares	Gross profit on vested shares or financial instruments (thousand euro)	No. of instruments	No. of instruments	No. of equivalent shares
Ms. MARÍA JOSÉ GARCÍA BEATO	-							0.00				
Mr. DAVID VEGARA FIGUERAS	-							0.00				

iii) Long-term savings systems.

Name	Remuneration from vesting of rights within savings systems
Mr. JOSEP OLIU CREUS	
Mr. PEDRO FONTANA GARCIA	
Mr. CÉSAR GONZÁLEZ-BUENO MAYER WITTGENSTEIN	
Mr. ANTHONY FRANK ELLIOTT BALL	
Ms. AURORA CATÁ SALA	
Mr. LLUÍS DEULOFEU FUGUET	
Ms. MARÍA JOSÉ GARCÍA BEATO	
Ms. MIREYA GINÉ TORRENS	

Name	Remuneration from vesting of rights within savings systems
Ms. LAURA GONZÁLEZ MOLERO	
Mr. GEORGE DONALD JOHNSTON III	
Mr. DAVID MARTINEZ GUZMAN	
Mr. JOSÉ MANUEL MARTÍNEZ MARTÍNEZ	
Mr. JOSÉ RAMÓN MARTÍNEZ SUFRATEGUI	
Ms. ALICIA REYES REVUELTA	
Mr. MANUEL VALLS MORATÓ	
Mr. DAVID VEGARA FIGUERAS	

Name	Company's contribution for the year (thousand euro)				Amount of accumulated funds (thousand euro)			
	Saving plans with vested economic rights		Saving plans with unvested economic rights		Saving plans with vested economic rights		Saving plans with unvested economic rights	
	2022	2021	2022	2021	2022	2021	2022	2021
Mr. JOSEP OLIU CREUS								
Mr. CÉSAR GONZÁLEZ-BUENO MAYER WITTGENSTEIN								
Ms. MARÍA JOSÉ GARCÍA BEATO								
Mr. DAVID VEGARA FIGUERAS								

iv) Details of other items

Name	Description	Remuneration amount
Mr. JOSEP OLIU CREUS	-	
Mr. PEDRO FONTANA GARCIA	-	
Mr. CÉSAR GONZÁLEZ-BUENO MAYER WITTGENSTEIN	-	
Mr. ANTHONY FRANK ELLIOTT BALL	-	
Ms. AURORA CATÁ SALA	-	
Mr. LLUÍS DEULOFEU FUGUET	-	
Ms. MARÍA JOSÉ GARCÍA BEATO	-	
Ms. MIREYA GINÉ TORRENS	-	
Ms. LAURA GONZÁLEZ MOLERO	-	
Mr. GEORGE DONALD JOHNSTON III	-	
Mr. DAVID MARTINEZ GUZMAN	-	
Mr. JOSÉ MANUEL MARTÍNEZ MARTÍNEZ	-	
Mr. JOSÉ RAMÓN MARTÍNEZ SUFRATEGUI	-	
Ms. ALICIA REYES REVUELTA	-	
Mr. MANUEL VALLS MORATÓ	-	
Mr. DAVID VEGARA FIGUERAS	-	

c) Summary of remuneration (thousand euro):

Summarise the amounts corresponding to all the remuneration items included in this report that have accrued to the director, in thousand euro.

Name	Remuneration accrued in the company					Remuneration accrued in group companies					2022 total company + group
	Total cash remuneration	Gross profit on vested shares or financial instruments	Remuneration under savings systems	Remuneration under other items	2022 total company	Total cash remuneration	Gross profit on vested shares or financial instruments	Remuneration under savings systems	Remuneration under other items	2022 total group	
Mr. JOSEP OLIU CREUS	1,679	88			1,767						1,767
Mr. PEDRO FONTANA GARCIA	335				335						335
Mr. CÉSAR GONZÁLEZ-BUENO MAYER WITTGENSTEIN	2,294	181	1		2,476						2,476
Mr. ANTHONY FRANK ELLIOTT BALL	158				158						158
Ms. AURORA CATÁ SALA	179				179	15				15	194
Mr. LLUIS DEULOFEU FUGUET	175				175	30				30	205
Ms. MARÍA JOSÉ GARCÍA BEATO	240	105			345						345
Ms. MIREYA GINÉ TORRENS	160				160	15				15	175
Ms. LAURA GONZÁLEZ MOLERO	30				30						30

Name	Remuneration accrued in the company					Remuneration accrued in group companies					2022 total company + group
	Total cash remuneration	Gross profit on vested shares or financial instruments	Remuneration under savings systems	Remuneration under other items	2022 total company	Total cash remuneration	Gross profit on vested shares or financial instruments	Remuneration under savings systems	Remuneration under other items	2022 total group	
Mr. GEORGE DONALD JOHNSTON III	178				178						178
Mr. DAVID MARTINEZ GUZMAN	100				100						100
Mr. JOSÉ MANUEL MARTÍNEZ MARTÍNEZ	180				180						180
Mr. JOSÉ RAMÓN MARTÍNEZ SUFRATEGUI	91				91						91
Ms. ALICIA REYES REVUELTA	150				150	19				19	169
Mr. MANUEL VALLS MORATÓ	140				140	15				15	155
Mr. DAVID VEGARA FIGUERAS	713	41	1		755						755
Total	6,802	415	2		7,219	94				94	7,313

C.2. Indicate the changes over the last five years in the amount and percentage change in the remuneration accrued by each of the listed company's directors during the year, in the consolidated results of the company and in the average remuneration on a full-time equivalent basis of the employees of the company and its subsidiaries who are not directors of the listed company.

	Total amounts accrued and % change per annum								
	2022	% Change 2022/2021	2021	% Change 2021/2020	2020	% Change 2020/2019	2019	% Change 2019/2018	2018
<b>Executive directors</b>									
Mr. CÉSAR GONZÁLEZ-BUENO MAYER WITTGENSTEIN	2,476	30.04	1,904	-	0	-	0	-	0
Mr. DAVID VEGARA FIGUERAS	755	12.02	674	21.44	555	-6.41	593	220.54	185
<b>External directors</b>									
Mr. JOSEP OLIU CREUS	1,767	-5.46	1,869	-5.89	1,986	-35.81	3,094	56.82	1,973
Mr. PEDRO FONTANA GARCIA	335	30.35	257	29.80	198	1.54	195	52.34	128
Mr. ANTHONY FRANK ELLIOTT BALL	158	-2.47	162	8.00	150	7.14	140	10.24	127
Ms. AURORA CATÁ SALA	194	-4.43	203	9.14	186	16.25	160	0.00	160
Mr. LLUÍS DEULOFEU FUGUET	205	365.91	44	-	0	-	0	-	0
Ms. MARÍA JOSÉ GARCÍA BEATO	345	10.93	311	-49.02	610	-25.06	814	206.02	266
Ms. MIREYA GINÉ TORRENS	175	16.67	150	284.62	39	-	0	-	0
Ms. LAURA GONZÁLEZ MOLERO	30	-	0	-	0	-	0	-	0
Mr. GEORGE DONALD JOHNSTON III	178	-5.32	188	0.00	188	1.08	186	35.77	137
Mr. DAVID MARTINEZ GUZMAN	100	0.00	100	0.00	100	0.00	100	0.00	100

	Total amounts accrued and % change per annum								
	2022	% Change 2022/2021	2021	% Change 2021/2020	2020	% Change 2020/2019	2019	% Change 2019/2018	2018
Mr. JOSÉ MANUEL MARTÍNEZ MARTÍNEZ	180	7.78	167	21.01	138	-25.41	185	2.78	180
Mr. JOSÉ RAMÓN MARTÍNEZ SUFRATEGUI	91	-32.59	135	-3.57	140	8.53	129	7.50	120
Ms. ALICIA REYES REVUELTA	169	-20.66	213	-	0	-	0	-	0
Mr. MANUEL VALLS MORATÓ	155	-8.82	170	-5.56	180	12.50	160	0.00	160
<b>Consolidated results of the company</b>									
	1,242,646	100.43	619,990	-	-120,830	-	951,076	127.06	418,865
<b>Average employee remuneration</b>									
	63	6.78	59	9.26	54	-1.82	55	5.77	52

**D. OTHER INFORMATION OF INTEREST**

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This Annual Remuneration Report was approved by the company's Board of Directors at a meeting on:

[ 16/02/2023 ]

Indicate whether any board members voted against or abstained with respect to the approval of this report.

[  ] Yes

[  ] No