



NATIONAL SECURITIES MARKET COMMISSION

Pursuant to Article 227 of Law 6/2023 of 17 March on the Securities Markets and Investment Services (*Ley 6/2023, de 17 de marzo, de los Mercados de Valores y de los Servicios de Inversión*), Banco de Sabadell, S.A. (Banco Sabadell) informs the National Securities Market Commission (*Comisión Nacional del Mercado de Valores*) of the following

OTHER RELEVANT INFORMATION

At the Extraordinary General Meeting of Shareholders of Banco Sabadell held today at 10:00 hours, the following agreement has been approved:

AGENDA ITEM ONE RESOLUTION

AUTHORISATION OF THE DISPOSAL OF THE ENTIRE SHARE CAPITAL OF THE SUBSIDIARY OF BANCO SABADELL TSB BANKING GROUP PLC AND OTHER EQUITY INSTRUMENTS AND SECURITIES ISSUED BY THIS COMPANY.

Authorise the disposal of all of the shares representing the share capital of TSB Group's parent company, TSB Banking Group plc ("**TSB**"), and of other equity instruments and securities issued by TSB held by Banco de Sabadell, Sociedad Anónima (hereinafter, "**Banco Sabadell**", the "**Company**" or the "**Bank**") and detailed below (the "**Transaction**").

The Transaction is structured as a sale and purchase and is governed by a sale and purchase agreement entered into on 1 July 2025 between Banco Sabadell, as seller, and Banco Santander, S.A. (the "**Purchaser**" or "**Banco Santander**"), as purchaser (the "**Sale and Purchase Agreement**"). The principal terms and conditions of the Transaction as set out in the Sale and Purchase Agreement are as follows:

1. **Object:** The Transaction comprises the sale and purchase of all of the issued shares of TSB (the "**Shares**"). Additionally, the Transaction includes the sale and purchase of all of the following equity instruments and securities issued by TSB and subscribed by Banco Sabadell that have not matured nor been repurchased and redeemed as of the closing date of the Transaction, as well as the securities from any new issuance carried out since now and up to such date and subscribed by Banco Sabadell for the purpose of refinancing any of them (the "**Securities**"):
 - a. all of the £250 million fixed rate reset additional tier 1 perpetual non-cumulative contingent convertible securities issued on 5 December 2024;

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- b. all of the £300 million fixed-to-floating rate callable subordinated Tier 2 capital notes issued on 30 March 2021;
 - c. all of the £250 million senior unsecured floating rate notes due to mature in December 2026 issued on 9 December 2022;
 - d. all of the £450 million senior unsecured floating rate notes due to mature in June 2027 issued on 13 June 2022; and
 - e. all of the £200 million senior unsecured floating rate notes due to mature in December 2028 issued on 5 December.
2. **Purchase and sale price:** The purchase and sale price is broken down into the following components:
- a. The purchase and sale price for the Shares is an initial consideration of £2,650 million. This amount has been determined by reference to the Tangible Net Asset Value ("TNAV") resulting from TSB's unaudited consolidated balance sheet as at 31 March 2025 and it will be adjusted upwards or downwards in line with the positive or negative change in the TNAV between 1 April 2025 and the closing date of the Transaction.
- On the closing date of the Transaction, the Purchaser will pay to Banco Sabadell in cash an estimate of the final price of the Shares resulting from the foregoing. The estimate will be made by Banco Sabadell.
- The final price of the Shares will be determined after the closing date of the Transaction on the basis of the final change in the TNAV between 1 April 2025 and such closing date, based on TSB's financial statements as at such latter date prepared for such purpose. Any adjustment, positive or negative, to the estimate of the final price paid by the Purchaser will be settled by the party owing such payment to the party entitled thereto as soon as possible after the final determination of the price.
- b. The purchase and sale price corresponding to the Securities will correspond to the sum of the fair values assigned to the Securities at the closing date of the Transaction based on the credit spreads agreed by Banco Sabadell and the Purchaser for each such instrument in the Sale and Purchase Agreement. Payment of the purchase price and sale of the Securities shall be made by the Purchaser to Banco Sabadell in cash on the closing date of the Transaction and shall not be subject to subsequent revision.
3. **Purchaser:** Banco Santander, although it reserves the right to assign its rights under the Sale and Purchase Agreement to other companies within its group, including Santander UK Group Holdings plc and Santander UK plc.

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4. **Conditions precedent:** The obligation of the parties to complete the Transaction is subject to the satisfaction of the following conditions precedent:
- a. the authorisation of the Transaction by the Extraordinary General Meeting of Shareholders of Banco Sabadell;
 - b. the Purchaser obtaining approval from the Prudential Regulatory Authority in the United Kingdom;
 - c. the Purchaser obtaining approval from the Competition and Markets Authority in the United Kingdom; and
 - d. the Purchaser obtaining the authorisation of the European Central Bank.

The parties to the Sale and Purchase Agreement have undertaken to cooperate in the fulfilment of the conditions precedent with a view to closing the Transaction by 1 July 2026.

5. **Closing Date:** The completion of the Transaction and payment of the purchase and sale price will take place on the last business day of the month in which the last condition precedent is satisfied (or on the last business day of the following month, should the satisfaction of such condition precedent occur after the 15th day of the month). It is estimated that the Transaction could be completed within the first quarter of 2026.

If by 1 July 2026 the conditions of the Transaction have not been met, Banco Sabadell and the Purchaser may, acting in good faith and by mutual agreement, extend the maximum period for closing the Transaction. In the absence of such agreement, the Sale and Purchase Agreement shall be terminated and the Transaction shall not proceed.

6. **Liability and indemnity obligation:** The Sale and Purchase Agreement provides for an allocation of risks and liabilities in line with market practice for this type of transaction. This allocation includes the provision of fundamental and business representations relating to TSB by Banco Sabadell, as well as customary representations by the Purchaser. Each party undertakes to indemnify the other in the event that such representations prove to be inaccurate, and, in the case of Banco Sabadell, to compensate the Purchaser for any damages suffered as a result of the materialisation of certain specific contingencies, all subject to the agreed time and financial liability caps set out in the Sale and Purchase Agreement.

7. **Other covenants:**

- a. Non-competition and non-solicitation: Banco Sabadell has undertaken vis-à-vis the Purchaser that no company within the Banco Sabadell Group will compete in the UK banking market for 24 months following the closing date of the Transaction, without prejudice to the maintenance of the activities of Banco Sabadell's branch in the UK.

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The Company has also undertaken that no company within the Banco Sabadell Group will solicit TSB employees for the same period, subject to certain exceptions customary in this type of transaction.

None of the foregoing commitments shall apply to BBVA or its group entities in the event that the voluntary public takeover offer for all shares of Banco Sabadell submitted by Banco Bilbao Vizcaya Argentaria, S.A. (the “**BBVA Takeover Bid**”) results in the acquisition of a majority of the voting rights.

- b. Extraordinary compensation: in the event that, having the Transaction authorised by the Extraordinary General Meeting of Shareholders, Banco Sabadell agrees before 31 December 2025 the sale of TSB to another entity for a price higher than the price agreed with the Purchaser, and such transaction is completed, the Purchaser shall be entitled to receive a compensation of £26.5 million, equivalent to 1% of the initial price of the Shares, or, if lower, 70% of the difference between the sale price of the Shares agreed by the Company with the third party and the initial price of the Shares.

If BBVA Takeover Bid results in the acquisition of a majority of the voting rights, this extraordinary compensation shall only be payable to the Purchaser if Banco Sabadell has agreed to sell TSB to another entity for a price higher than that agreed with the Purchaser prior to the settlement of the takeover bid, provided that the transaction is subsequently completed.

The Board of Directors is expressly empowered, as broadly as legally possible, to carry out all actions and formalities that may be necessary or merely appropriate to achieve the execution and successful completion of the Transaction approved in this resolution, including in particular, but not limited to, the following:

- a) To execute the Transaction under the terms and conditions described above, complying with the Sale and Purchase Agreement entered into by the Purchaser, fulfilling the obligations assumed by the Company under the same and exercising the rights and remedies granted to it by the Sale and Purchase Agreement and making the determinations that the Company is entitled to make under the aforementioned Sale and Purchase Agreement, being authorised to negotiate and agree with the Purchaser, if necessary, any novation of the aforementioned Sale and Purchase Agreement provided that it does not affect the essential provisions of the Transaction described above and expressly authorised by this General Shareholders' Meeting.
- b) To draw up, negotiate, agree, sign and present such public and private documents as may be necessary in relation to the execution of the Transaction, in accordance with practice in this type of transactions, as well as such writings, requests, communications or notifications as may be necessary.
- c) To appear and carry out such actions, declarations, formalities or communications and adopt such measures as may be necessary or appropriate before any competent

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authorities to execute the Transaction and, in particular, to appear before a notary public to execute such documents as may be necessary, as well as to correct and clarify this resolution as may be necessary.

- d) Draft and publish such announcements or communications of inside information or other relevant information as may be legally necessary or appropriate.
- e) To grant powers of attorney to such persons as it deems appropriate for the purpose of carrying out the actions contemplated in this resolution.

Expressly authorise the Board of Directors so that it, in turn, may delegate (with the power of substitution where appropriate) to any director with delegated powers, pursuant to the provisions of article 249 bis.I) of the Spanish Companies Law, all the delegable powers referred to in this resolution, all without prejudice to the powers of attorney that exist or may be conferred in relation to the contents of this resolution.

This resolution is submitted to the General Meeting of Shareholders for approval in accordance with the provisions of article 114 of the Securities Markets and Investment Services Act and article 28.1.c) of Royal Decree 1066/2007, of 27 July, on the rules governing takeover bids.

Gonzalo Baretino Coloma
Secretary General

Sabadell, 6 August 2025