

**NATIONAL SECURITIES MARKET COMMISSION**

Pursuant to Article 227 of the 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) hereby informs the National Securities Market Commission (Comisión Nacional del Mercado de Valores (CNMV)) of the following:

OTHER RELEVANT INFORMATION

On 30 November 2023, the Board of Directors of Banco Sabadell approved, following the attached favourable report from the Audit and Control Committee, a related-party transaction with Puig Brands, S.A., which must be reported in accordance with the provisions of article 529 unicies of the Capital Companies Act (Ley de Sociedades de Capital), as the transaction amount, together with two other transactions carried out in the last twelve months, exceed 2.5% of the turnover of the latest consolidated annual accounts of Banco Sabadell. This transaction has been executed today and, therefore, it is hereby informed:

- Factoring line of 150 million euros.

Likewise, information is provided on the above-referred two transactions that were approved by the Board of Directors on 30 June 2023, following a favourable report from the Audit and Control Committee, also attached:

- Granting of a loan of 100 million euros for a period of 4 years.
- Interest rate and exchange rate derivatives line of 10 million euros.

Gonzalo Baretino Coloma
Secretary General

Barcelona, 4 December 2023

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

PRIOR REPORT OF THE BOARD AUDIT AND CONTROL COMMITTEE CONCERNING RELATED-PARTY TRANSACTIONS TO BE SUBMITTED TO THE BOARD OF DIRECTORS FOR APPROVAL PURSUANT TO ARTICLE 529 DUOVICIES 3 OF THE SPANISH CAPITAL COMPANIES ACT.

Article 529 vicies of Title XIV, referring to the publicly listed companies set out in the Capital Companies Act (hereinafter, LSC, for its acronym in Spanish), defines related party transactions as those carried out by the company or its subsidiary undertakings with directors, with shareholders who own 10% or more of the voting rights or who are represented on the company's Board of Directors, or with any other persons who should be considered related parties according to International Accounting Standards, adopted pursuant to Regulation (EC) 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards.

The definition of related party that has been applied is the one provided in IAS 24 (9) and Bank of Spain Circular 4/2017 of 27 November, to credit institutions, on rules for the disclosure of regulatory and non-public financial information and templates for financial statements, according to which two entities shall be deemed to be related when they share one director in common, provided that such director exerts significant influence on the financial and operational policies of both entities.

Pursuant to Article 529 duovicies of the LSC, the authority to approve related-party transactions whose value is equivalent to 10% or more of the total sum of headings on the asset side of the last annual balance sheet approved by the company will lie with the Annual General Meeting. The authority to approve the remaining related-party transactions will lie with the Board of Directors.

However, the Board may confer authority for the approval of any related-party transactions arranged under contracts whose standardised terms are applied *en masse* to a large number of customers, which are executed at prices or rates established on a generic basis by the person/entity acting as supplier of the good(s) or service(s) in question, and whose value is no higher than 0.5 per cent of the company's net turnover. Accordingly, at its meeting held on 1 July 2021, the Board of Directors of Banco Sabadell approved the conferral of authority to the Compliance Division, empowering this body to check whether transactions with related parties should qualify as related-party transactions for the purposes of the LSC and, if so, to approve those transactions if they meet certain conditions or, alternatively, to determine whether they should be escalated to the Board of Directors. The foregoing is notwithstanding that set forth in the internal procedure on information and periodic control, in which the Board Audit Committee will intervene and verify the fairness and transparency of the transactions and, where applicable, their fulfilment of legal criteria applicable to the aforesaid exceptions, all in accordance with Article 529 duovicies of the LSC.

Pursuant to Article 529 duovicies 3. "The approval by the General Meeting or by the Board of a related-party transaction must be set out in a prior report from the Board Audit Committee. In this report, the Board Committee should assess whether the transaction is fair and reasonable from the company's standpoint and, where appropriate, from the standpoint of different shareholders of the related party, and it must provide an account of the assumptions on which the assessment is based, as well as the methods used. The directors concerned may not take part in formulating the report".

Pursuant to the above legislation, information has been submitted to the Board Audit and Control Committee with regard to the following transaction concerning Puig Brands, S.A.:

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

- Temporary expansion of the factoring line from €10M to €150M.

The above transaction is considered a related-party transactions, given that the chairman of Banco de Sabadell, S.A. Josep Oliu Creus is in his turn chairman of the parent company of Grupo Puig (Exea Empresarial, S.L., shareholder of Puig, S.L.) and he is the individual representative of this company in its position as director at the board of Puig Brands, S.A.

Pursuant to Article 529 duovicies 4 of the LSC, the above transaction must be approved by the Board of Directors, since the amount exceeds 0.5% of the net turnover and, therefore, falls outside of the scope of the powers conferred to the Compliance Division.

Furthermore, this transaction with the accumulated during the last twelve months, in accordance with article 529 tervecies of the LSC as construed by the National Securities Market Commission, exceed the limit of 2.5% of the annual turnover, established in Article 529 unvicies of the LSC, meaning that the transactions need to be disclosed in an announcement, which must be posted in an easily accessible location on the company's website and which will be communicated to the Spanish National Securities Market Commission (CNMV) for public disclosure.

Likewise, from the perspective of credit transactions to a person related to a Director, the corresponding communications will be made to the Board of Directors and the European Central Bank, in accordance with the Royal Decree 84/2015 of 13 February, which develops the Law 10/2014, of June 26, on the organization, supervision and solvency of credit institutions, and the Credit Risk Acceptance Policy of Banco Sabadell.

This transaction has the approval of the Group COR of 16 June 2022 and it has been approved by the Credit Delegated Committee of 23 November 2023.

The Board Audit and Control Committee has analysed the documentation submitted for its information:

- Decision by the Compliance Division regarding the aforementioned related-party transaction (included in the presentation mentioned below).
- Report from the Risk Division (included in the presentation mentioned in the following point).
- Explanatory presentation of the aforesaid related-party transaction.

The Board Audit and Control Committee has assessed the transaction taking into account the information received from the Compliance and Risk Divisions, having based its assessment on the following assumptions and methods used:

- The aforementioned transaction is carried out at the prices and conditions established by the Bank in general for this type of transactions.
- The aforementioned transaction comply with the procedures and controls set forth in the Credit Risk Acceptance Policy and in the Credit Risk Monitoring Policy, both of Banco Sabadell, specifically concerning, among other aspects:
 - The collection of the information necessary for the assessment of the customer.
 - The completeness and soundness of the analysis of the customer's characteristics (functionality and management capacity, competitive position in the market, analysis of economic and financial aspects, historical

performance, analysis of payment capacity, solvency, as well as environmental, social and corporate governance factors).

- Assessment of the coherence of the transaction.
- Verification of the completeness of the information and execution of the transaction.
- Transaction guarantees.
- Monitoring of the governance structure and approval of transactions, as well as the following procedures: the credit risk acceptance procedure for Banco Sabadell Corporate Banking, and the credit risk monitoring procedure for Banco Sabadell Corporate Banking.

The Board Audit and Control Committee considers, in accordance with the assumptions and methods set out above, that the aforesaid transaction of Puig Brands, S.A., is a fair and reasonable transaction from the company's standpoint and, where appropriate, from the standpoint of the various shareholders of the related party. This is based on the fact that it has been carried out at the prices set forth by the Bank in general for this type of transactions, and in compliance with the procedures and controls outlined in the Credit Risk Acceptance Policy and in the Credit Risk Monitoring Policy, both of Banco Sabadell, which ensures, in this Committee's opinion, that the transaction is being carried out under fair, reasonable and favourable conditions for the Bank.

Therefore, the Board Audit and Control Committee issues a favourable report to the Board of Directors for the approval of the transaction.

Barcelona, 27 November 2023

PRIOR REPORT OF THE BOARD AUDIT AND CONTROL COMMITTEE CONCERNING RELATED-PARTY TRANSACTIONS TO BE SUBMITTED TO THE BOARD OF DIRECTORS FOR APPROVAL PURSUANT TO ARTICLE 529 DUOVICIES 3 OF THE SPANISH CAPITAL COMPANIES ACT.

Article 529 vicies of Title XIV, referring to the publicly listed companies set out in the Capital Companies Act (hereinafter, LSC, for its acronym in Spanish), defines related party transactions as those carried out by the company or its subsidiary undertakings with directors, with shareholders who own 10% or more of the voting rights or who are represented on the company's Board of Directors, or with any other persons who should be considered related parties according to International Accounting Standards, adopted pursuant to Regulation (EC) 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards.

The definition of related party that has been applied is the one provided in IAS 24 (9) and Bank of Spain Circular 4/2017 of 27 November, to credit institutions, on rules for the disclosure of regulatory and non-public financial information and templates for financial statements, according to which two entities shall be deemed to be related when they share one director in common, provided that such director exerts significant influence on the financial and operational policies of both entities.

Pursuant to Article 529 duovicies of the LSC, the authority to approve related-party transactions whose value is equivalent to 10% or more of the total sum of headings on the asset side of the last annual balance sheet approved by the company will lie with the Annual General Meeting. The authority to approve the remaining related-party transactions will lie with the Board of Directors.

However, the Board may confer authority for the approval of any related-party transactions arranged under contracts whose standardised terms are applied *en masse* to a large number of customers, which are executed at prices or rates established on a generic basis by the person/entity acting as supplier of the good(s) or service(s) in question, and whose value is no higher than 0.5 per cent of the company's net turnover. Accordingly, at its meeting held on 1 July 2021, the Board of Directors of Banco Sabadell approved the conferral of authority to the Compliance Division, empowering this body to check whether transactions with related parties should qualify as related-party transactions for the purposes of the LSC and, if so, to approve those transactions if they meet certain conditions or, alternatively, to determine whether they should be escalated to the Board of Directors. The foregoing is notwithstanding that set forth in the internal procedure on information and periodic control, in which the Board Audit Committee will intervene and verify the fairness and transparency of the transactions and, where applicable, their fulfilment of legal criteria applicable to the aforesaid exceptions, all in accordance with Article 529 duovicies of the LSC.

Pursuant to Article 529 duovicies 3. "The approval by the General Meeting or by the Board of a related-party transaction must be set out in a prior report from the Board Audit Committee. In this report, the Board Committee should assess whether the transaction is fair and reasonable from the company's standpoint and, where appropriate, from the standpoint of different shareholders of the related party, and it must provide an account of the assumptions on which the assessment is based, as well as the methods used. The directors concerned may not take part in formulating the report".

Pursuant to the above legislation, information has been submitted to the Board Audit and Control Committee with regard to the following transactions concerning Puig Brands, S.A.:

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

- Granting of a loan of 100 M€ for a 4-year term, bullet.
- Review of an interest rate and exchange rate derivatives line of 10 M€.

The above transactions are considered related-party transactions, given that the chairman of Banco de Sabadell, S.A. José Oliu Creus is in his turn chairman of one of the parent companies of Grupo Puig (Exea Empresarial, S.L., shareholder of Puig, S.L.) and he is the individual representative of this company in its position as director at the board of Puig Brands, S.A.

Pursuant to Article 529 duovicies 4 of the LSC, the above transactions must be approved by the Board of Directors, since the amount, in aggregate, exceeds 0.5% of the net turnover and, therefore, falls outside of the scope of the powers conferred to the Compliance Division.

Likewise, from the perspective of credit transactions to a person related to a Director, the corresponding communications will be made to the Board of Directors and the European Central Bank, in accordance with the Royal Decree 84/2015 of 13 February, which develops the Law 10/2014, of June 26, on the organization, supervision and solvency of credit institutions, and the Credit Risk Acceptance Policy of Banco Sabadell.

These transactions have the approval of the Group COR of 16 June 2022.

The Board Audit and Control Committee has analysed the documentation submitted for its information:

- Decision by the Compliance Division regarding the aforementioned related-party transactions (included in the presentation mentioned below).
- Report from the Risk Division (included in the presentation mentioned in the following point).
- Explanatory presentation of the aforesaid related-party transactions.

The Board Audit and Control Committee has assessed the transactions taking into account the information received from the Compliance and Risk Divisions, having based its assessment on the following assumptions and methods used:

- The aforementioned transactions are carried out at the prices and conditions established by the Bank in general for this type of transactions.
- The aforementioned transactions comply with the procedures and controls set forth in the Credit Risk Acceptance Policy and in the Credit Risk Monitoring Policy, both of Banco Sabadell, specifically concerning, among other aspects:
 - The collection of the information necessary for the assessment of the customer.
 - The completeness and soundness of the analysis of the customer's characteristics (functionality and management capacity, competitive position in the market, analysis of economic and financial aspects, historical performance, analysis of payment capacity, solvency, as well as environmental, social and corporate governance factors).
 - Assessment of the coherence of the transaction.
 - Verification of the completeness of the information and execution of the transaction.
 - Transaction guarantees.

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

- Monitoring of the governance structure and approval of transactions, as well as the following procedures: the credit risk acceptance procedure for Banco Sabadell Corporate Banking, and the credit risk monitoring procedure for Banco Sabadell Corporate Banking.

The Board Audit and Control Committee considers, in accordance with the assumptions and methods set out above, that the aforesaid transactions of Puig Brands, S.A., are fair and reasonable transactions from the company's standpoint and, where appropriate, from the standpoint of the various shareholders of the related party. This is based on the fact that they have been carried out at the prices set forth by the Bank in general for this type of transactions, and in compliance with the procedures and controls outlined in the Credit Risk Acceptance Policy and in the Credit Risk Monitoring Policy, both of Banco Sabadell, which ensures, in this Committee's opinion, that the transactions are being carried out under fair, reasonable and favourable conditions for the Bank.

Therefore, the Board Audit and Control Committee issues a favourable report to the Board of Directors for the approval of the transactions.

Barcelona, 21 June 2023