

GRIFOLS, S.A.

ANNUAL REPORT ON THE BOARD MEMBERS' REMUNERATIONS

1. INTRODUCTION

This report is issued pursuant to article 61 ter of Act 24/1988, of 28 July, of the Securities Market Act ("*Ley del Mercado de Valores – LMV*"), and the contents of the Fifth Final Disposition of Act 2/2011, of 4 March, on Sustainable Economy.

Article 61 ter of the Securities Market Act requires for the Board of Directors of publicly listed Spanish corporations to issue, together with the Corporate Governance Annual Report, an annual report concerning the remunerations received by its directors. This report must include complete, clear and comprehensible information about the corporation's remunerations policy approved by the Board for the current year, as well as, if applicable, that foreseen for future years (hereinafter the "**Remunerations Annual Report**" or "**Report**"). The Report must also include a global summary of how the remunerations policy was applied in the preceding fiscal year, as well as the details of the individual remunerations accrued by each of the directors.

In this sense, and in order to comply with the required legal obligations, the Board of Directors of Grifols, S.A. (hereinafter, "**Grifols**" or the "**Company**"), has considered appropriate to approve this Report.

Additionally, article 61 ter of the Securities Market Act also foresees that the Ministry of Economy and the Treasury or, if expressly authorized, the National Securities Market Commission ("*Comisión Nacional del Mercado de Valores - "CNMV"*") shall determine the contents and structure of the Remunerations Annual Report. Pursuant to this legal mandate, during 2011 two projects were submitted to the public information procedure, an Order of the Ministry of Economy and the Treasury and a CNMV Circular, respectively. However, considering that the aforementioned projects have not completed their procedure and, hence, that the contents and final structure of the Remunerations Annual Report have not yet been agreed, we must point out that the structure and contents of this Report do not follow any standardized form in this respect.

Likewise, pursuant to section 2 of the already indicated article 61 ter of the Securities Market Act, this Report will be published and submitted for consultative vote and as a separate point on the agenda, to Grifols' Ordinary General Shareholders' Meeting convened in first call at Avenida Generalitat 152-158, Polígono Can Sant Joan, Sant Cugat del Vallès (Barcelona), at 12:00 a.m. CET on 23 May 2012 and, in second call, on 24 May 2012, at the same place and time (hereinafter "**General Meeting**"),

Finally, even though the involvement, if this were the case, of the Appointments and Remunerations Committee of publicly listed corporations in the drafting of this Report has not yet been assigned by the Ministry of Economy and the Treasury nor by the CNMV, pursuant to section 5 of article 61 ter of the Securities Market Act, it has been considered appropriate to present the Remunerations Annual Report for its review and approval to the Grifols' Appointments and Remunerations Committee. The Committee approved the report in its meeting of 22 February 2012.

2. INTERNAL REGULATIONS AND DETERMINATION OF THE COMPANY'S REMUNERATIONS POLICY

2.1. Internal regulations of the remunerations policy

The remunerations regime of the members of the Board of Directors and the Company's remunerations policy is ruled by:

A. The Company's Articles of Association

Article 20 of the Articles of Association establishes that the directors will receive a set amount decided by the General Meeting for the current or future fiscal years. This compensation refers strictly to the remunerations derived from the position of director and, therefore, does not include the remuneration as salary that the directors who have a labor relationship with the Company may receive.

B. Regulation of the Board of Directors

Articles 26 and 27 of the Regulations of the Company's Board of Directors develop article 20 of the Article of Association and establish the internal regulations regarding the remunerations in accordance with the director's category.

Therefore, the position of director may be remunerated by way of:

- (a) set amounts that will be determined by the General Meeting according to the director's involvement with the Company's activity, as well as on his/her qualification and actual responsibility, in case of external directors, and will be adjusted depending on the market requirements;
- (b) attendance fees expenses related to the director's attendance to meetings of Board of Directors and its Committees; and
- (c) welfare schemes such as complementary pension, life insurance and similar figures.

Additionally, the directors who have the category of executive officers may be remunerated by means of a variable amount that must be in accordance with their professional activity, as well as with the degree of compliance with objectives taken as reference and that may consist in receiving shares, stock options or any other variable items, etc.

2.2. Procedure to determine the remunerations policy

According to the Regulations of the Board of Directors, the director will have the right to receive the remuneration fixed by the Board of Directors in accordance with the statutory provisions and as directed by the Appointments and Remunerations Committee, ensuring that the remunerations are reasonable and within market requirements

In this sense, article 15 of the Regulations of the Board of Directors regulates the performance of the Appointments and Remunerations Committee, which must meet at least once a year to prepare the information regarding the directors' remunerations, which the Board of Directors must approve and include in its annual public documentation.

Thus, some of the functions of the Appointments and Remunerations Committee are, among others, (a) to propose to the Board of Directors the system and the amount of the annual remunerations of the directors and executive officers, and (b) to periodically review the payment programs of executive officers, considering their adequacy and performance.

The remunerations policy approved by the Board of Directors will endeavor to define the following matters:

- (a) amount of fixed assets, by director category, with a breakdown, if applicable, of the expenses for being on the Board and its Committees and an estimate of the resulting fixed annual remunerations;
- (b) variable remuneration items;
- (c) main characteristics of welfare schemes, with an estimate of its amount or equivalent annual cost; and
- (d) conditions that should be observed in contracts for top management positions like executive directors, among which should be included duration, advance notice terms; and any other clauses relative to contract bonuses, as well as indemnities or compensation in case of early termination or contractual termination.

3. REMUNERATIONS POLICY OF THE COMPANY FOR THE CURRENT YEAR

The remunerations policy for the directors for fiscal year 2012 was prepared by the Appointments and Remunerations Committee and approved by the Board of Directors of the Company in its meeting of 22 February 2012, in accordance with the characteristics and in compliance with the standards established in sections 2.1 and 2.2 of this Report.

It must be mentioned that, until fiscal year 2011, Grifols remunerations policy contemplated remunerations derived from the position of director only for the members of the Board of Directors who had the category of independent external director.

As a consequence of the change in Grifols remunerations policy for fiscal year 2012, as of the current year all external directors, excepting those rendering remunerated professional services to the Company or to the Group, will receive a fixed annual remuneration for their professional performance as director.

Likewise, those members of the Company's Board of Directors who are executive officers will receive a salary, formed both by fixed and variable items, in

consideration only for their exclusive labor relationship with the Company, and not with other companies of the Group, as it was foreseen in the remunerations policy for fiscal year 2011.

3.1. Amount and nature of the fixed items of the remuneration

A. Remunerations resulting from the position of director

It is received only by the external directors of the Company, excepting those who render during said fiscal year remunerated professional services to the Company or to the Group.

As of the date of this Report 6 external directors receive a fixed annual remuneration for this position (3 directors are independent external directors, 1 is an external proprietary director and 2 directors who have the category of other external directors).

The amount of the fixed annual remuneration determined by the Board of Directors for fiscal year 2012, and which will be submitted to the approval of the General Meeting, amounts to 100,000 Euros per director.

B. Remunerations resulting from a labor relationship

Only executive officers receive it and, as such, they have a labor relationship with the Company.

As of the date of this Report, three executive officers receive a fixed annual remuneration resulting from their labor relationship with the Company: (i) Chairman and Chief Executive Officer; (ii) Vice-president of Production; and (iii) Vice-president of Sales and Marketing.

3.2. Amount and nature of the variable items of the remuneration

A. Remunerations resulting from the position of director

There is none.

B. Remuneration received from a labor relationship

Only executive officers receive it and, as such, they have a labor relationship with the Company.

As of the date of this Report, there are three external directors who receive a variable annual remuneration resulting from their labor relationship with the Company: (i) Chairman and Chief Executive Officer; (ii) Vice-president of Production; and (iii) Vice-president of Sales and Marketing.

The variable salary remuneration for fiscal year 2012 will consist of a fixed amount between 30% and 75% of the fixed remuneration for said fiscal year and in compliance with the objectives related to the attaining of the EBIT Holding.

4. REMUNERATIONS POLICY OF THE COMPANY FOR THE FORTHCOMING YEARS

For the forthcoming years, no substantial changes to the remunerations policy of Grifols' directors are expected; therefore, it is foreseen that it will be in line with the remunerations policy for fiscal year 2012 described in section 3 above.

5. IMPLEMENTATION OF THE REMUNERATIONS POLICY DURING FISCAL YEAR ENDED DECEMBER 31, 2011

5.1. Overview of the implementation of the remunerations policy during fiscal year 2011.

The director's remunerations policy for fiscal year 2011 was proposed by the Appointments and Remunerations Committee in the meeting held on April 18, 2011 and was subsequently approved by the Board of Directors of the Company, according to the characteristics and the guidelines provided in sections 2.1 and 2.2 of this Report.

At the Ordinary General Shareholders' Meeting held on May 24, 2011 a fixed annual remuneration for fiscal year 2011 of EUR 60,000 per director for each of the three members of the Board of Directors serving as external independent directors was approved.

Moreover, the executive directors who maintained a working relationship with the Company and with Grifols International, S.A. received a remuneration, which was comprised of fixed and variable components. This is the case of the Vice President of Sales and Marketing, as it is detailed below.

Therefore:

- (a) The total sum received by the external directors of Grifols as fixed remuneration for serving during fiscal year 2011 as directors of the Board of the Company amounted to EUR 180,000.
- (b) The total sum received by the executive directors of Grifols who maintained a working relationship with the Company during fiscal year 2011 amounted to EUR 2,241,771, of which EUR 1,644,661 were paid as fixed remuneration and EUR 597,109 as variable remuneration.
- (c) The total amount received by the executive directors of Grifols who maintained a working relationship with the Group companies during fiscal year 2011 was EUR 95,976, of which EUR 74,161 were paid as fixed remuneration and EUR 21,815 as variable remuneration.

5.2. Breakdown of the individual remunerations received by the directors during fiscal year 2011.

Below are detailed the individual remunerations received by the members of the Board of Directors of the Company who held office during fiscal year 2011,

according to their position and the functions performed in the Board of Directors of the Company.

A. Executive Directors (salary)

The breakdown of the individual salary received by each of the executive directors of the Company who held office during fiscal year 2011 is as follows:

POSITION	COMPANY	FIXED REMUNERATION	VARIABLE REMUNERATION	TOTAL
Chairman and Chief Executive Officer	Grifols, S.A.	€ 666,153	€ 245,894	€ 912,047
Vice President of Production	Grifols S.A.	€ 558,442	€ 212,663	€ 771,105
Vice President of Sales and Marketing	Grifols, S.A.	€ 420,067	€ 138,552	€ 558,619
	Grifols International, S.A.	€ 74,161	€ 21,815	€ 95,976
	<i>Subtotal</i>	<i>€ 494,228</i>	<i>€ 160,367</i>	<i>€ 654,595</i>
TOTAL		€ 1,718,823	€ 618,924	€ 2,337,747

B. External Directors (commercial remuneration)

- External Independent Directors:

Each of the three members of the Board of Directors of Grifols serving as an external independent director who held office during fiscal year 2011 received a gross annual remuneration of EUR 60,000 for the performance of his duties as director.

- External Proprietary Directors:

The only director of the Board of Grifols serving as an external proprietary director who held office during fiscal year 2011 did not receive any remuneration for performing his duties as director during such fiscal year.

- Other External Directors:

None of the four members of the Board of Directors of Grifols classified under “other external directors” who held office during fiscal year 2011 received any remuneration for performing their duties.

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In Barcelona, on February 22, 2012
The Board of Directors

[THIS DOCUMENT CONSTITUTES A TRANSLATION INTO ENGLISH OF THE OFFICIAL
SPANISH VERSION OF THE ANNUAL REPORT ON THE BOARD MEMBERS' REMUNERATION.
IN CASE OF DISCREPANCIES, THE OFFICIAL SPANISH VERSION SHALL PREVAIL]