

GRIFOLS, S.A.

REPORT ISSUED BY THE APPOINTMENTS AND REMUNERATION COMMITTEE IN COMPLIANCE WITH ARTICLE 529 NOVODECIES OF THE COMPANIES ACT

I. Introduction

The Ordinary General Shareholders' Meeting of Grifols, S.A. ("**Grifols**" or the "**Company**"), held on 29 May 2015, approved, on a consultative basis, the Annual Directors' Remuneration Report which described the directors' remuneration policy.

Therefore, and in accordance with article 529 novodecies of the Companies Act, the directors' remuneration policy approved through consultative vote during Grifols' Ordinary General Shareholders' Meeting on 29 May 2015, was considered the remuneration policy for Grifols' directors, valid for the three fiscal years following the year it was approved by the General Shareholder's Meeting, that is, until fiscal year 2018 inclusive.

The amendment in (a) the remuneration system of the non-executive chairman of Company's Board of Directors, as a result of the approval of Grifols' Succession Plan on 10 December 2015, and (b) the percentage of the variable remuneration that the directors may receive, which changes and now ranges from a maximum of 45% to 65% of the final total remuneration, has resulted in the modification of the remuneration policy. This modification and, thus, the new remuneration policy for directors, have to be submitted to the General Shareholders' Meeting for approval.

This report (the "**Report**") has been prepared by Grifols' Appointments and Remuneration Committee in accordance with article 529 novodecies of the Companies Act, which establishes that the remuneration policy for the directors of the Company shall be approved by the General Shareholders' Meeting at least every three years and as a separate item on the agenda of the meeting. Furthermore, the proposal of remuneration policy made by the Board of Directors' shall have to be reasoned and a specific report drafted by the Appointments and Remuneration Committee shall be provided.

As a result of the above, Grifols' Appointments and Remuneration Committee has agreed to submit to the Board of Directors this Report on the remuneration policy for the directors of the Company. Such remuneration policy is proposed to be approved by the Company's next General Shareholders' Meeting.

II. Activity of the Appointments and Remuneration Committee

Article 15.5 of the Internal Regulations of the Board of Directors establishes that the Appointments and Remuneration Committee has the duty of proposing to the Board of Directors the remuneration policy for the directors and for the general managers, or for any other top level executives working directly for the Board, executive committees or

chief executive officers, as well as the individual remuneration and other contractual terms related to executive directors, ensuring compliance with said policy.

In the exercise of its functions, the Appointments and Remuneration Committee has analysed Grifols' remuneration policy applicable up to date, based on modifications in the regulations, the development of the regulatory and supervisory system, market practices, and the modifications that have been applied in (i) the remuneration scheme of the Chairman of the Board of Directors and (ii) the percentage of the variable remuneration that the executive directors may receive, which changes and now ranges from 0% and a maximum of 30% to 65% of the final total remuneration. The Committee has also submitted to the Board of Directors specific proposals for its modification, which have been included in the Remuneration policy submitted to the General Shareholders' Meeting.

Specifically, the Appointments and Remuneration Committee considers it is convenient to submit to the Company's General Shareholders' Meeting a remuneration policy different from the Annual Remuneration Report, due to the following issues:

- Changes have been made to the remuneration scheme of the non-executive chairman of the Board of Directors which makes it convenient to address both issues in two separate items on the agenda.
- There has been a change in the percentage of the variable remuneration that executive directors may receive, which changes and now ranges from 0% and a maximum of 30% to 65% of the final total remuneration.
- The Company considers that it is developing good governance and transparency practices which will allow shareholders to vote on the remuneration policy individually and separately from the Remuneration Report.

To prepare the Remuneration policy and this Report, the Appointments and Remuneration Committee:

- Has verified that the remuneration policy for the directors strictly complies with the provisions of the Companies Act regarding the remuneration of directors, with Grifols' internal regulation on this matter, as well as with the principles and general guidelines by which this remuneration policy must be governed.
- Has verified that the remuneration policy aims to remunerate the directors appropriately based on their dedication, qualifications and actual responsibility, ensuring it is not an obstacle to their independence.
- Has analysed market demands, as well as the practices and tendencies applied in matters related to the remuneration of directors in other similar listed companies.
- Has studied the modifications related to the applicable regulations on this issue.

III. Term and conclusions

In accordance with article 592 novodecies of the Companies Act, once the General Shareholders' Meeting has approved the remuneration policy, the Company shall apply it during the 2018, 2019 and 2020 fiscal years unless expressly modified by the Company's General Shareholders' Meeting. Likewise, this Committee considers it would also be convenient to apply this remuneration policy during the current 2017 fiscal year.

Therefore, it is concluded that the remuneration policy to be submitted to the General Shareholders' Meeting for approval is in accordance with the current legislation and with good corporate governance rules and regulations, allowing Grifols to have an appropriate remuneration policy which is also in line with the interests of its shareholders.

The Company's shareholders may find this Report on the Company's webpage with the calling of the next General Shareholders Ordinary Meeting, in accordance with the Companies Act.

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Barcelona, 31 March 2017
Appointments and Remuneration Committee

[THIS DOCUMENT CONSTITUTES A TRANSLATION INTO ENGLISH OF THE OFFICIAL SPANISH VERSION OF THE REPORT OF THE APPOINTMENTS AND REMUNERATIONS COMMITTEE IN RELATION WITH ARTICLE 529 NOVODECIES OF THE COMPANIES ACT. IN CASE OF DISCREPANCIES, THE OFFICIAL SPANISH VERSION SHALL PREVAIL]