

GRIFOLS, S.A.

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

I. Introduction

In accordance with article 529 *novodecies* of the Capital Companies Act, listed companies, such as Grifols, S.A. ("**Grifols**" or the "**Company**"), must regulate in the directors' remuneration policy the remuneration for directors, in their capacity as such and for the executive duties they carry out. Said policy must comply with the applicable statutory system and must be approved by the General Shareholders' Meeting of the Company, at least every three years, and as a separate item on the agenda. Likewise, the preparation of the proposal of the remuneration policy must be justified.

The current report (the "**Report**") includes the information, explanation and opinion of the Appointments and Remuneration Committee, in relation to the proposal of a remuneration policy for the directors of Grifols, which will be valid for the three fiscal years following the year of its approval by the Company's General Shareholders' Meeting, that is, until 2023, included (the "**Remuneration Policy**"). This Report is made available to the shareholders on the Company's webpage, together with the call of the next Ordinary General Shareholders' Meeting, in accordance with the Capital Companies Act.

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 relating 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 to date, based on modifications in the regulations, the development of the regulatory and supervisory system, and market practices.

In February this year, the Appointments and Remuneration Committee recommended that the Board of Directors updates the amounts received by the directors, in their capacity as such, by the directors who chaired the different Board Committees, by the lead independent director and by the non-executive Chairman of the Board of Directors. These modifications were included in the Company's Annual Remuneration Report corresponding to fiscal year 2019, and were going to

be included in the proposal of the Company's new remuneration policy. However, because of the current situation caused by the global COVID-19 pandemic and, especially taking into account the current global economic and social scenario, the Appointments and Remuneration Committee has considered that, presently, prudence criteria must prevail and, therefore, it does not propose to the Board of Directors of the Company to modify the directors' remuneration.

In line with the above, the Appointments and Remuneration Committee considers that it is convenient to maintain the current amounts of the remuneration policy in force now and that only the parameter for determining the achievement of the Company's annual objectives for the variable remuneration of the executive directors will be modified, which will now be linked as follows: (i) 70% to the consolidated adjusted amount of the group's net earnings (adjusted EBIT Holding) and (ii) 30% to the adjusted EBIT of the four divisions (Bioscience, Diagnostic, Hospital and Bio Supplies).

Thus, the Remuneration Policy, except for that stated above and for some improvements and corrections in the wording as proposed by the Appointments and Remuneration Committee, is substantially the same policy approved by Grifols' General Shareholders' Meeting of 26 May 2017, and which has been in force during fiscal year 2018, 2019 and continues to be in force this fiscal year 2020.

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 Capital 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 trends in matters related to the remuneration of directors in other similar listed companies.
- Has studied the amendments related to the applicable regulations on this issue.
- Has analysed and assessed the social and economic effects caused globally by the global COVID-19 pandemic and their impact on the Company.

III. Term and Conclusions

In line with this Report, the Appointments and Remuneration Committee considers that the Remuneration Policy is in accordance with the provisions of the Capital

Companies Act on matters relating to the remuneration of directors, and that the Remuneration Policy is adequate taking into account the economic and social current scenario.

Likewise, the Remuneration Policy has the objective of generating value for Grifols and aims to find an appropriate and prudent management of the risk, as well to be in alignment with the interests of the shareholders.

Therefore, the Appointments and Remuneration Committee, in accordance with article 529 *novodecies* of the Capital Companies Act, proposes the Board of Directors to submit to the General Shareholders' Meeting the Remuneration Policy for its approval.

Once the General Shareholder' Meeting has approved the Remuneration Policy, it will be applied during the fiscal years 2021, 2022 and 2023 unless the General Shareholder's Meetings expressly modifies it.

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Barcelona, 21 July 2020
The Appointments and Remuneration Committee