

GRIFOLS, S.A.

REPORT ON THE FUNCTIONING OF THE APPOINTMENTS AND REMUNERATION COMMITTEE DURING FISCAL YEAR 2018

I. Introduction.

This report has been prepared by the Appointments and Remuneration Committee of Grifols, S.A. (the "**Company**" or "**Grifols**") on its meeting held on 14 December 2018 and it includes the most relevant aspects of the activities carried out during year 2018, as well as details on its structure and main responsibilities.

II. Composition.

In accordance with the applicable regulations, all the members of the Appointments and Remuneration Committee of Grifols are non-executive directors, of which at least two are independent directors. The Chairperson is also an independent director.

Since 27 May 2016 the composition of the Appointments and Remuneration Committee is as follows:

Name	Position	Type
Marla E. Salmon	Chairperson	Independent
Luís Isasi Fernández de Bobadilla	Member	Independent
Tomás Dagá Gelabert	Member	Other External
Núria Martín Barnés	Secretary (non-member)	--

III. Responsibilities.

The Board of Directors' Regulations confer to the Appointments and Remuneration Committee the following basic responsibilities:

- (a) to formulate and review the criteria to be followed for the composition of the Board of Directors and the selection of candidates, taking into account their competence, knowledge and experience necessary on the Board, specifying the duties and aptitudes that each candidate must have in case of vacancies in addition to assessing the time and commitment needed to perform their duties effective and efficiently;
- (b) to establish a representation target for the sex that is least represented in the Board of Directors and prepare guidelines to achieve said target;
- (c) to submit to the Board of Directors any proposals to appoint, re-elect and/or separate the independent directors prior to being submitted to the General Shareholders' Meeting or, as the case may be, being adopted by the Board

exercising its power of co-option, and in all cases informing about the character of the director proposed;

- (d) to report the proposals of appointment, re-election and/or separation of the non-independent directors for their appointment by the Board of Directors by means of co-option or their submission to the General Shareholders' Meeting by the Board of Directors;
- (e) to report the proposals of appointment and removal of the Chairperson and Vicechairpersons of the Board of Directors;
- (f) to examine and organize the succession of the Chairperson of the Board of Directors and the chief executive officer and, as the case may be, to make proposals to the Board so that said succession takes place in an orderly and well planned manner;
- (g) to report the proposals of appointment and resignation of the Secretary and Vice secretaries of the Board of Directors;
- (h) to report the proposal of appointment and removal of senior management proposed by the chief executive officer to the Board and the basic conditions of their contracts;
- (i) to propose to the Board the Directors the directors who shall be part of each of the Committees;
- (j) to propose to the Board of Directors the remuneration policy of the directors and general managers or anyone performing top-level management duties under the direct supervision of the Board, executive committees or executive directors, as well as the individual remuneration and other contractual terms regarding the executive directors, ensuring its fulfilment;
- (k) to periodically review the payment programmes of executive officers, considering their adequacy and performance; and
- (l) to report on the transactions that imply or could imply conflicts of interest and, in general, on matters covered in Chapter IX of the Board of Director's Regulations.

IV. Meetings and Activities.

During fiscal year 2018 the Appointments and Remuneration Committee of the Company has met in the following occasions:

- 22 February 2018;
- 3 April 2018;
- 25 May 2018;
- 25 October 2018; and
- 14 December 2018.

In these meetings different matters were discussed and approved related to the main responsibilities, in accordance with the Company's Board of Directors' Regulations.

The most relevant events that took place during the referred fiscal year 2018 are detailed below:

- Approval of the annual remuneration report corresponding to the fiscal year 2017;
- Proposal to the Board of Directors to appoint Ms. Carina Szpilka Lázaro as new Chairwoman of the Audit Committee;
- Proposal to the Board of Directors to re-elect Ms. Belén Villalonga Morenés as independent director of the Board of Directors and also member of the Audit Committee;
- Proposal to the Board of Directors to re-elect Ms. Marla E. Salmon as independent director of the Board of Directors and also Chairperson of the Appointments and Remunerations Committee;
- Approval of the evaluation of the Board of Directors to be performed by external consultants and determination of their independence;
- Approval of the substitution of Ms. Anna Veiga as independent director of the Board of Directors because she has reached the maximum period of 12 years in the office as independent director and also involvement in the recruitment process of a New Independent Board member to substitute Ms. Anna Veiga;
- Review of the remuneration policy for FY 2019; and
- Annual review of the performance of the Committee, the Chairman and CEOs and review and approval of the category of each director.

* * *

Appointments and Remuneration Committee
14 December 2018