

**GRIFOLS, S.A.**  
**BOARD OF DIRECTORS' REPORT REGARDING THE RESOLUTIONS PROPOSED IN THE**  
**EIGHTH ITEM ON THE AGENDA OF THE GENERAL**  
**SHAREHOLDERS' MEETING**

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This report is prepared in connection with the proposal of capital increase which will be submit to the Ordinary General Shareholders' Meeting of Grifols, S.A. (hereinafter, "**Grifols**" or the "**Company**") called to be held at first call at Avenida Generalitat 152-158, Polígono Can Sant Joan, Sant Cugat del Vallès (Barcelona), at 12:00 hours CET on May 26, 2016, and at second call on May 27, 2016 at the same place and time (hereinafter the "**Ordinary Meeting**").

The report is issued in accordance with the provisions of articles 286 and 506.2 of Legislative Royal Decree 1/2010, dated 2 July, by means of which the Companies Act (*Ley de Sociedades de Capital*) (hereinafter, the "**CA**") is approved, and it only analyzes the commercial aspects of the capital increase proposal, without making any accounting, or any other kind of evaluations.

**I. EIGHTH PRO POSAL ON THE AGENDA**

**Delegation to the Board of Directors, with full power of substitution in any of its members, of the authority to increase the Company's share capital pursuant to the provisions of article 297.1.b) of the Companies Act (*Ley de Sociedades de Capital*), within the legal term of five years as of the date of this General Shareholders' Meeting up to a maximum amount equivalent to 50% of the Company's share capital as of the date of this authorization, being enabled to carry out the increase at once or in several times. Pursuant to the provisions of article 506 of the Companies Act (*Ley de Sociedades de Capital*), delegation to the Board of Directors, with full power of substitution in any of its members, of the authority to exclude the pre-emptive subscription rights in the relevant capital increases, up to the limit of 20% of the share capital. To revoke the resolution of delegation to the Board of Directors of the authority to increase the Company's share capital passed on 4 December 2012.**

A. Description of the proposal

The proposal of delegation corresponding to the eighth item of the Ordinary Meeting's agenda foresees the delegation to the Board of Directors, with full power of substitution in any of its members, of the authority to increase the Company's share capital pursuant to the provisions of article 297.1.b) of the CA.

The referred capital increase may be carried out at once or in several times at any moment, within a maximum legal term of five (5) years as from the date of the Ordinary Meeting and in an amount that in no case may exceed half of the Company's share capital at the time of this authorization.

The share capital increases to be carried out under this authorization will be carried out, if appropriate, by issuing and placing in circulation new shares (Class A and Class B shares, exclusively Class A shares or exclusively Class B shares), with or without a share premium, with a consideration consisting in cash contributions.

As long as there are non-voting Class B shares in circulation, the capital increases to be carried out will always observe the provisions of the Company's Articles of Association related to pre-emptive rights of acquisition that may correspond to them in the indicated capital increases.

Likewise, as long as Class B shares hold the redemption rights foreseen in paragraph 4 of article 6.bis of the Articles of Association, the nominal value of the Class B shares that may be issued in execution of this delegation cannot exceed one fourth of the total amount of the share capital resulting from the capital increase resolution.

Finally, the Board of Directors is also empowered to exclude the pre-emptive right of acquisition in the relevant capital increases, pursuant to the provisions of article 506 of the CA, up to a limit of 20% of the Company's share capital, following recommendation number 5 of the good governance code for listed companies approved by the Spanish Securities and Exchange Commission (CNMV) in February 2015. This does not imply that all capital increases executed under this authorization must be necessarily carried out excluding the pre-emptive right of acquisition, as the total or partial exclusion of this right is simply a faculty that the Ordinary Meeting grants to the Board of Directors, and the execution of this power will depend on the Board's decision in accordance with the circumstances existing from time to time. Therefore, pursuant to this faculty, increases in capital may be carried out with or without pre-emptive rights of acquisition.

Once the capital increase has been carried out and, as appropriate, the Company will apply for the listing of the new issued shares on the Stock Exchanges in Madrid, Barcelona, Bilbao and Valencia Stock Exchanges, as well as in the Spanish Automated Quotation System (*Sistema de Interconexión Bursátil*) Continuous Market), and via ADSs (*American Depositary Shares*), on the *National Association of Securities Dealers Automated Quotation* (NASDAQ), as well as the inclusion of the new shares in the accounting registries of the company Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. (Iberclear).

The Board of Directors, or any of its members when acting by virtue of a substitution, will establish the issuance rate (nominal value plus share premium) of each new Grifols' share issued when executing this authorization, according to the provisions of article 297.1.b) of the CA.

Once the capital increase is approved and executed, the Board of Directors will be authorized, pursuant to the provisions of article 297.2 of the CA, to amend article 6 of the Articles of Association regarding the share capital, providing it with a new wording, as applicable.

## B. Justification of the proposal

This resolution proposal to delegate authorities to the Board of Directors to increase the Company's capital is justified by the convenience for the Board of Directors to have a mechanism that would allow for one or several capital increases to be approved without the need of a new calling and holding of another Shareholders'

Meeting, always within the limits, terms and conditions the General Meeting establishes.

Considering that, at the time of adopting this delegation resolution, it is impossible to determine which conditions of the increase in capital will be the most appropriate in each situation, this mechanism allows the Board of Directors to determine the conditions in the future, thus adapting to the specific conditions that may arise from time to time.

This delegation proposal provides the Board of Directors with a much broader leeway, which is justified by how convenient it is for this administration body to have the necessary capacity and flexibility in order to give response to the needs arising from the current economic trade and to be able to act as quickly as required by market functioning.

Additionally, the delegation to the Board of Directors of the authority to increase the share capital includes the ascription to the board members of the authority to exclude the shareholders' pre-emptive rights of acquisition, pursuant to the provisions of article 304 of the CA, up to a limit of 20% of the Company's share capital. This additional faculty allows the Board of Directors to extend its capacity to act, when the corporate interest so requires, and it is, therefore, justified by the agility and flexibility of action that is granted to the Company at the time of carrying out share capital increases, respecting at all times the mechanisms of shareholders' protection and information foreseen in the CA. Finally, the authority to exclude the shareholders' pre-emptive rights is limited to 20% of the share capital in order to comply with the recommendation set forth for this type of resolutions in the good governance code for listed companies.

## **II. RESOLUTION PROPOSALS TO BE SUBMITTED TO THE GENERAL MEETING**

The complete text of the proposed resolution to be submitted to the Ordinary Meeting may be examined in the document called "*Proposed resolutions to be submitted to the General Shareholders Meeting*" that is made available to the shareholders of Grifols together with this report and the remaining documentation of the General Meeting, at the Company's web page [www.grifols.com](http://www.grifols.com).

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Barcelona, 1 April 2016  
The Board of Directors

[THIS DOCUMENT CONSTITUTES A TRANSLATION INTO ENGLISH OF THE OFFICIAL SPANISH VERSION OF THE BOARD OF DIRECTORS' REPORT REGARDING THE RESOLUTION TO BE SUBMITTED TO THE APPROVAL OF THE GENERAL SHAREHOLDERS' MEETING. IN CASE OF DISCREPANCIES, THE OFFICIAL SPANISH VERSION SHALL PREVAIL.]