

GRIFOLS, S.A.

REPORT ON THE FUNCTIONING OF THE APPOINTMENTS AND REMUNERATION COMMITTEE DURING FISCAL YEAR 2015

I. Introduction.

This report has been prepared by the Appointments and Remuneration Committee of Grifols, S.A. (the "**Company**" or "**Grifols**") and it includes the most relevant aspects of the activities carried out during year 2015, as well as details on its structure and main responsibilities.

It is worth highlighting that the Company's Regulations of the Board of Directors, were modified during year 2015 to adapt the content concerning the Appointments and Remuneration Committee to Law 31/2014, of 3 December, which modified the Companies Act (*Ley de Sociedades de Capital*) to improve matters of corporate governance.

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.

During the Board of Directors' meeting that was held on 29 May 2015, the Appointments and Remuneration Committee was reorganized and since that date its composition is as follows:

Name	Position	Type
Marla E. Salmon	Chairperson	Independent
Luís Isasi Fernández de Bobadilla	Member	Independent
Raimon Grifols Roura	Member	Proprietary
Nuria Martín Barnés	Secretary (non-member)	--

III. Responsibilities.

The Board of Directors' Regulations confer on 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 nonindependent 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 Vicesecretaries 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. Activities.

During fiscal year 2015 the Appointments and Remuneration Committee of the Company met in different occasions. 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 are detailed below:

- Approval of the annual remuneration report corresponding to the fiscal year 2014;
- Proposal for the re-election of Ms. Anna Veiga Lluçh as a member of the Board of Directors;
- Proposal for the appointment of Ms. Carina Szpilka Lázaro and Mr. Iñigo Sánchez-Asiaín Mardones as new members of the Board of Directors;
- Drafting of the re-election report of Mr. Tomás Dagá Gelabert and appointment of Mr. Raimon Grifols Roura as members of the Board of Directors;
- Review of the remuneration policy for fiscal year 2016;
- Annual review of the performance of the Committee and of the Chairperson and CEO of the Company;
- Review and approval of the type of members of the Board of Directors for fiscal year 2016;
- Debate on the Company's succession plan;
- Scheduling the Committee's next meetings.

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