

# GRIFOLS, S.A.

## BOARD OF DIRECTORS' REPORT REGARDING THE PROPOSAL REFERRED TO IN ITEM EIGHT OF THE AGENDA OF THE ORDINARY GENERAL SHAREHOLDERS' MEETING (28/29 MAY 2015)

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This report is prepared in connection with the proposal of re-election and appointment of directors as specified in item eight on the agenda of the Ordinary General Shareholders' Meeting of Grifols S.A. ("**Grifols**" or the "**Company**") to be held on first call at Avenida Generalitat 152-158, Polígono Can Sant Joan, Sant Cugat del Vallès (Barcelona), at 12:00 on 28 May 2015 and, on second call, on 29 May 2015, at the same time and place (the "**Ordinary Meeting**").

The report is issued in accordance with article 529.decies of the Companies' Act (the "**CA**"), as set forth in Law 31/2014, of 3 December, which modifies the CA in matters of corporate governance. In accordance with said article, the purpose of this report is the assessment of the competence, experience and merits of the candidates whose re-election and appointment is proposed at the Ordinary Meeting. Therefore, the Board of Directors has taken into account the professional profiles of these candidates, as well as the nature of the business and the market in which the Company operates.

### **I. Proposal 8.5: Appointment of Ms. Carina Szpilka Lázaro as a member of the Board of Directors.**

The Board of Directors proposes to the Ordinary Meeting the appointment of Ms. Carina Szpilka Lázaro as member of the Board of Directors for a term of 4 years. In order to approve this proposal, the Board of Directors has taken into account and has favourably considered the proposal made by the Company's Appointments and Remunerations Committee, in accordance with article 529.decies of the CA. Furthermore, it has analysed the current composition of the Board and its needs, taking into account the requirements that directors should meet to perform their duties.

Ms. Carina Szpilka Lázaro's her professional career in the finance sector has been positively considered for the proposal of her appointment. It is worth noting that in 1998 Ms. Szpilka was part of the team that founded ING Direct in Spain, where she occupied the position of CEO from 2010 to 2013, having previously occupied said position in ING Direct France from 2008 to 2010. She is currently an independent director at Abanca, in addition to being a member of the Advisory Board of Reparalia and of Oracle España. Furthermore, she is vice-president of UNICEF in Spain since February 2014. It should also be noted that her incorporation to the Company's Board of Directors will contribute to its gender diversity.

Ms. Carina Szpilka Lázaro earned a degree in Business Administration from the *Universidad Pontificia de Comillas* in Madrid (ICADE) and an Executive MBA from the *Instituto de Empresa*. Additionally, in 2011 she was given the "Female Executive of the Year" award by the Spanish Federation of Female Directors, Executives, Professionals and Entrepreneurs (*Federación Española de Mujeres Directivas - FEDEPE*).

It should also be noted that the selection of Ms. Szpilka was made by a company specialized in the recruitment of directors.

As a result of the above, the Company's Board of Directors has positively considered the competence, experience and merits of Ms. Carina Szpilka Lázaro, considering she has the knowledge and experience necessary for the performance of the office of director. Therefore, prior proposal of the Appointments and Remunerations Committee, the Board of Director proposes to the Ordinary Meeting the appointment of Ms. Szpilka as an "independent" director of the Company.

## **II. Proposal 8.6: Appointment of Mr. Iñigo Sánchez-Asiaín Mardones as a member of the Board of Directors.**

The Board of Directors proposes to the Ordinary Meeting the appointment of Mr. Iñigo Sánchez-Asiaín Mardones as member of the Board of Directors for a term of 4 years. In order to approve this proposal, the Board of Directors has taken into account and has favourably considered the proposal made by the Company's Appointments and Remunerations Committee in accordance with article 529.decies of the CA. Furthermore, it has analysed the current composition of the Board and its needs, reviewing the requirements that directors should meet to perform their duties.

Mr. Iñigo Sánchez-Asiaín Mardones' professional career and experience in the financial and capital risk sector have been favourably considered for the proposal of his appointment. Since 2010 he is founding partner at Portobello Capital, a private equity company leading the Spanish "Middle Market" and recognized this year as "Best Independent Investment Firm" in Spain by AI Magazine. Currently, Mr. Sánchez-Asiaín is member of the Executive Committee and Investment Committee at Portobello Capital, leading the investments in companies such as Angulas Aguinaga or Multiasistencia, companies in which he is Chairman and member of the Executive Committee. Additionally, he is a member of the Board of Directors and Executive Committee of Industrias Alimentarias Navarra and Chairman of the Executive Committee at the Harvard Club of Spain. From 1993 until 2005 he held the position of Deputy General Director (*Subdirector General*) at Banco Santander and previously he had worked as consultant at The Boston Consulting Group. Between 2005 and 2010 he was a partner and a member of the Board of Directors of Ibersuizas Gestión, SGEGR, S.A. and, between 2007 and 2013 he was a member of the Board of Directors and Executive Committee in Laboratorios Indas. Additionally, Mr. Sánchez-Asiaín has previously been part of the Company's Board of Directors (2001-2003), before Grifols was listed in the Spanish Stock Exchange, as a result of which he has valuable knowledge of the business and market in which it operates and prior experience as director.

Mr. Iñigo Sánchez-Asiaín Mardones earned a degree in Business Administration from the *Universidad Pontificia de Comillas* in Madrid (ICADE) and an MBA from Harvard Business School.

As a result of the above, the Company's Board of Directors has positively considered the competence, experience and merits of Mr. Iñigo Sánchez-Asiaín, considering he has the knowledge and experience necessary for the performance of the office of director. Therefore, prior proposal of the Appointments and Remunerations Committee, the Board

of Director proposes to the Ordinary Meeting the appointment of Mr. Iñigo Sánchez-Asiaín as an "independent" director of the Company.

### **III. Proposal 8.7: Appointment of Mr. Raimon Grifols Roura as a member of the Board of Directors.**

The Board of Directors proposes to the Ordinary Meeting the appointment of Mr. Raimon Grifols Roura, current Secretary non-director of the Board, as member of the Board of Directors for a term of 4 years. In order to approve this proposal, the Board of Directors has taken into account and has favourably considered the report issued by the Company's Appointments and Remunerations Committee which is reproduced below:

*"The Appointments and Remunerations Committee considers that Mr. Raimon Grifols Roura has a broad experience in the Company's business sector and it has positively assessed the candidate's competence and experience. Mr Grifols is currently member of the Board of Directors of Progenika Biopharma, S.A., Squadron Reinsurance Ltd., Marca Grifols, S.L., Arrahona Optimus, S.L. and Grifols Diagnostic Solutions Inc., as well as Sole Director of Deria, S.A. Additionally, Mr. Grifols is the Secretary non-board member of the Board of Directors of Brainco Biopharma, S.L., Instituto Grifols, S.A., Stratos Global Spain, S.L., VCN Biosciences, S.L, Grifols Worldwide Operations USA, Inc. and Grifols Shared Services North America, Inc. He is also a trustee of the foundation Probitas Fundación Privada.*

*Mr. Grifols earned a degree in law from the University of Barcelona (Universidad de Barcelona).*

*In addition to the above, it is worth mentioning his full dedication to the position of Secretary of the Board of Directors of the Company, which he has performed faithfully since 2001. He has a profound knowledge of the Company since from his position as lawyer he has been an active part of the Company's corporate growth.*

*It is expected that he shall be considered a proprietary director."*

As a result of the above and considering the favourable report issued by the Appointments and Remunerations Committee, the Company's Board of Directors has positively considered the competence, experience and merits of *Mr. Raimon Grifols Roura* and, therefore, proposes to the Ordinary Meeting his appointment as a "proprietary" director of the Company.

### **IV. Proposal 8.8: Re-election of Ms. Anna Veiga Lluch as a member of the Board of Directors.**

The Board of Directors proposes to the Ordinary Meeting the re-election of Ms. Anna Veiga Lluch as a member of the Board of Directors for a term of 4 years. In order to approve this proposal, the Board of Directors has taken into account and has favourably considered the proposal made by the Company's Appointments and Remunerations Committee, in accordance with article 529.decies of the CA. Furthermore, it has analysed the current composition of the Board and its needs, as well as Ms. Veiga's dedication as director of the Company over the past seven years.

Ms. Anna Veiga was appointed as a director of the Company in 2008 by the Board of Directors, exercising its right to co-opt. Said appointment was ratified by the Company's General Shareholders' Meeting on 15 May 2009. Ms. Anna Veiga Lluch's broad experience in the field of biology as well as her specialization in stem cell research and assisted reproduction have been positively considered for the proposal of her re-election. She is currently the Director of the Stem Cell Bank at the Centre for Regenerative Medicine in Barcelona, Scientific Director at the Reproductive Medicine Service of the *Institut Universitari Dexeus*, and an Associate Professor at the Department of Experimental and Health Sciences of the *Universitat Pompeu Fabra* in Barcelona. She is also a trustee of the *Fundación Dexeus de la Salud de la Mujer* foundation and an Honorary Member of the *Institut Medicofarmacèutic de Catalunya*. In May this year she will receive the degree as Doctor Honoris Causa from the *Universitat Central de Catalunya*. Furthermore, in 2013 she was awarded with a gold medal from the Parliament of Catalonia.

Ms. Anna Veiga Lluch graduated in Biology and received a Ph. in Biology (Cum Laude) from the *Universidad Autónoma de Barcelona*.

The Appointments and Remunerations Committee has been responsible for evaluating the performance of the directors of the Company, and it has highlighted Ms. Anna Veiga Lluch's contribution to the good performance of both the Board of Directors and the Appointments and Remunerations Committee, of which she is also member.

As a result of the above the Company's Board of Directors has favourably considered the competence, experience and merits of Ms. Anna Veiga Lluch in addition to her valuable performance as a director of the Company. It considers that it is in the best interests of the Company to re-elect Ms. Anna Veiga Lluch as a director of the Company and, thus, prior proposal of the Appointments and Remunerations Committee, proposes to the Ordinary Meeting the re-election of Ms. Veiga Lluch as an "independent" director of the Company.

#### **V. Proposal 8.9: Re-election of Mr. Tomás Dagá Gelabert as a member of the Board of Directors.**

The Board of Directors proposes to the Ordinary Meeting the re-election of Mr. Tomás Dagá Gelabert as member of the Board of Directors for a term of 4 years. In order to approve this proposal, the Board of Directors has taken into account and has favourably considered the report issued by the Company's Appointments and Remunerations Committee which is reproduced below:

*"The Appointments and Remunerations Committee considers that Mr. Tomás Dagá Gelabert has favourably contributed to the performance and development of the Board of Directors since he was appointed director in 2000. He has provided relevant legal knowledge and experience, leading from his position the Company's corporate transactions. Currently he is the managing partner and founder of the law firm Osborne Clarke in Spain and also a member of the Board of Directors of Kiro Robotics S.L., Biomat USA, Inc., Talecris Plasma Resources, Inc., Grifols Diagnostic Solutions Inc. and Grifols Worldwide Operations Limited. He is also a trustee and the Secretary of the private foundation Víctor Grifols i Lucas, a trustee of the Probitas Fundación Privada*

*foundation and the Secretary non-board member of the Board of Directors of Progenika Biopharma, S.A., StoraEnso, S.A. and Araclon Biotech, S.L.*

*Mr. Dagá earned a degree in law from the University of Barcelona (Universidad de Barcelona).*

*It is expected that he shall be re-elected as an "other external" director"*

As a result of the above and considering the favourable report issued by the Appointments and Remunerations Committee, the Company's Board of Directors has positively considered the competence, experience and merits of Mr. Tomás Dagá Gelabert, as well as his contribution to the well-functioning of the Board of Directors and considers it is in the best interest of the Company to re-elect him as director. Consequently, the Board of Directors proposes to the Ordinary Meeting the re-election of Mr. Dagá Gelabert as member of the Board of Directors under the category of "other external" director.

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Barcelona, 31 March 2015  
The Board of Directors

[THIS DOCUMENT CONSTITUTES A TRANSLATION INTO ENGLISH OF THE OFFICIAL SPANISH VERSION OF THE BOARD OF DIRECTORS' REPORT REGARDING THE PROPOSAL REFERRED TO IN ITEM EIGHT OF THE AGENDA OF THE ORDINARY GENERAL SHAREHOLDERS' MEETING. IN CASE OF DISCREPANCIES, THE OFFICIAL SPANISH VERSION SHALL PREVAIL]