

## **GRIFOLS, S.A.**

### **BOARD OF DIRECTORS' REPORT REGARDING THE PROPOSAL REFERRED TO IN ITEM SEVENTH ON THE AGENDA OF THE ORDINARY GENERAL SHAREHOLDERS' MEETING (23/24 MAY 2019)**

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This report is prepared in connection with the proposal of re-election of directors as specified in item seventh 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 23 May 2019 and, on second call, on 24 May 2019, at the same time and place (the "**Ordinary Meeting**").

The report is issued in accordance with article 529.decies of the Capital 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. Likewise, the Company's Policy on Director Selection and Diversity has been taken into account for the issuance of this report.

#### **I. Proposal 7.2: Appointment of Ms. Enriqueta Felip Font as a member of the Board of Directors.**

The Board of Directors proposes to the Ordinary Meeting the appointment of Ms. Enriqueta Felip Font as member of the Board of Directors of the Company, for a term of four (4) years. For the purposes of making this proposal, the Board of Directors has considered and positively assessed the favourable proposal made by the Appointments and Remunerations Committee, in accordance with article 529.decies of the CA, and has analysed the composition and needs of the current Board, evaluating the requirements that a director must satisfy in order to perform his/her duties.

For the proposal of appointment of Ms. Enriqueta Felip Font the Board has valued her extensive professional career and accredited experience in the oncology sector, as well as her accredited knowledge in the scientific and research field. She is currently the Section Chief of the Medical Oncology Service at Vall d'Hebron University Hospital and the Principal Investigator of the Vall d'Hebron Institute of Oncology's Thoracic Tumors Cancer Group. Throughout her career, she has obtained several recognitions for her work in the oncology field. She has played key roles in many leading professional societies including the European Society of Medical Oncology (ESMO), the European School of Oncology (ESO) and the International Association for the Study of Lung Cancer (IASLC).

In 2015, Ms. Enriqueta Felip Font was awarded with the first ESMO Women for Oncology Award from the European Society of Medical Oncology (ESMO). Most

recently, she featured on Clarivate Analytics' annual Global Highly Cited Researchers List 2018, under the newly launched cross-field category.

It is also worth noting that her appointment as board member will contribute to maintain the gender diversity in its composition.

Ms. Enriqueta Felip Font received her degree in Medicine and Surgery from the Autonomous University of Barcelona (UAB), where she also completed her studies for a PhD in Medical Oncology.

In addition, the Board of Directors has carefully analysed all the legal requirements for Ms. Felip Font to be considered an independent director under article 529 duodecies of the CA.

As a result of the above, the Board of Directors of the Company has positively evaluated the competence, experience and merits of Ms. Enriqueta Felip Font, considering that she has the suitable knowledge and experience for the role of director for which she is being proposed for appointment. Therefore, at the proposal of the Appointments and Remunerations Committee, the Board of Directors proposes to the Ordinary Meeting the appointment of Ms. Enriqueta Felip Font as a member of the Board of Directors of the Company, with the category of "independent" director.

## **II. Proposal 7.3: Re-election of Mr. Raimon Grifols Roura as a member of the Board of Directors.**

The Board of Directors proposes to the ordinary Meeting the re-election of Mr. Raimon Grifols Roura as a member of the Board of Directors of the Company, for a term of four (4) years, since his office as director is about to expire. For the purposes of making this proposal, the Board of Directors has considered and positively evaluated the favourable report approved by the Company's Appointments and Remunerations Committee, which was submitted to the Board of Directors. Its content is reproduced below:

*"The Appointments and Remunerations Committee considers that Mr. Raimon Grifols Roura has favourably contributed to the performance and development of the Board of Directors since he was appointed director in 2015 and has a broad experience in the Company's business sector. Mr. Grifols Roura has a profound knowledge of the internal functioning of the Company and its group. He is Grifols' Co-Chief Executive Officer since January 2017, executive position which he has held successfully leading the Company together with Mr. Victor Grifols Deu and having contributed to its constant growth and internationalization. Likewise, he currently holds various positions on the board of directors of companies within the group.*

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

*With respect to the evaluation of the performance and the effective dedication of the board member from his appointment until now, this Committee has verified that Mr. Grifols Roura has carried out his function as director with due care and diligence and*

*has assisted and actively participated in the board meetings. Furthermore, it is worth noting that this Committee considers that he has diligently and efficiently carried out his executive position in the best interest of the Company. Likewise, the Committee has analysed the requirements that board members must meet as established under the Company's Policy on Director Selection and Diversity, and concludes that Mr. Grifols Roura is not disqualified for any reason of incompatibility or legal prohibition established under the applicable law or the corporate governance system.*

*Because Mr. Grifols Roura holds executive functions within the Company, it is expected that he shall be re-elected as an "executive" director.*

*Given the above, the Appointments and Remunerations Committee unanimously resolves to positively inform the Board's proposal of re-election of Mr. Raimon Grifols Roura as a member of the Board of Directors of the Company under the category of "executive" director, for a term of four (4) years, since his office as director is about to expire."*

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, 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. Grifols Roura as member of the Board of Directors under the category of "executive" director.

### **III. Proposal 7.4: 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 a member of the Board of Directors of the Company, for a term of four (4) years, since his office as director is about to expire. For the purposes of making this proposal, the Board of Directors has considered and positively evaluated the favourable report approved by the Company's Appointments and Remunerations Committee, which was submitted to the Board of Directors. Its content 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, providing valuable legal knowledge and experience, assisting the Company on its corporate transactions. Currently he is partner of the law firm Osborne Clarke in Spain, of which he is a founder, and also a member of various board of directors within the Grifols Group as well as a trustee and the Secretary of the private foundation Víctor Grifols i Lucas and trustee of the Probitas Fundación Privada foundation.*

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

*With respect to the performance and the effective dedication of the board member from his appointment until now, this Committee has verified that Mr. Dagá Gelabert has carried out his function as director with due care and diligence and has assisted and actively participated in the board meetings. Likewise, the Committee has analysed the requirements that board members must meet as established under the Company's Policy on Director Selection and Diversity, and concludes that Mr. Dagá Gelabert is not disqualified for any reason of incompatibility or legal prohibition established under the applicable law or the corporate governance system.*

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

*Given the above, the Appointments and Remunerations Committee unanimously resolves to positively inform the Board's proposal of re-election of Mr. Tomás Dagá Gelabert as a member of the Board of Directors of the Company under the category of "other external" director, for a term of four (4) years, since his office as director is about to expire."*

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.

#### **IV. Proposal 7.5: Re-election of Ms. Carina Szpilka Lázaro as a member of the Board of Directors.**

The Board of Directors proposes to the Ordinary Meeting the re-election of Ms. Carina Szpilka Lázaro as member of the Board of Directors for a term of four (4) years, since her office as director is about to expire. 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.

To propose the re-election of Ms. Carina Szpilka Lázaro, her performance and high dedication in the Board of Directors since her appointment as director in 2015 has been positively assessed. Ms. Szpilka Lázaro has actively participated in the Board's meetings since such date and has made valuable contributions. She has broad experience in the business and financial sector, which has also been highly and positively valued. She holds a degree in Business Administration from the Comillas Pontifical University of Madrid (ICADE) and an Executive MBA from the IE Business School of Madrid. Currently, she is a partner at KFund Venture Capital and independent director at Abanca and at Meliá Hotels International and Chairwoman of Adigital. She has received numerous awards. Among others, 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).

In addition, the Board has carefully analysed all the legal requirements for Ms. Szpilka Lázaro to continue being considered an independent director under article 529 duodecies of the CA.

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, experience and dedication 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 re-election of Ms. Carina Szpilka Lázaro as an "independent" director of the Company.

**V. Proposal 7.6: Re-election of Mr. Íñigo Sánchez-Asiaín Mardones as a member of the Board of Directors.**

The Board of Directors proposes to the Ordinary Meeting the re-election of Mr. Íñigo Sánchez-Asiaín Mardones as member of the Board of Directors for a term of four (4) years, since his office as director is about to expire. 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.

To propose the re-election of Mr. Íñigo Sánchez-Asiaín Mardones, his performance and high dedication in the Board of Directors since his appointment as director in 2015 has been positively assessed. Mr. Sánchez-Asiaín Mardones has actively participated in the Board's meetings since such date and has made valuable contributions. He has broad experience in the financial and capital risk sector, which has also been highly and positively valued. He holds a degree in Business Administration from the Comillas Pontifical University of Madrid (ICADE) and an MBA from Harvard Business School. He is member of the Executive Committee of the Harvard Club of Spain which he has previously chaired. He is founding partner at Portobello Capital since 2010, a private equity company, where he is member of the Executive and Investment Committees, leading the investments in companies such as Angulas Aguinaga, company where he is Chairman and member of the Executive Committee. Likewise, he is a board member at Hotels & Resorts Blue Sea, S.L. It is worth noting that the Board positively values Mr. Íñigo Sánchez-Asiaín Mardones's function as Lead Independent Director, since it is considered a very important role within the Board, which Mr. Sánchez-Asiaín Mardones has successfully carried out since his appointment.

In addition, the Board has carefully analysed all the legal requirements for Mr. Sánchez-Asiaín Mardones to continue being considered an independent director under article 529 duodecies of the CA.

As a result of the above, the Company's Board of Directors has positively considered the competence, experience and merits of Mr. Íñigo Sánchez-Asiaín Mardones, considering he has the knowledge, experience and dedication 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 re-election of Mr. Íñigo Sánchez-Asiaín Mardones as an "independent" director of the Company.

Taking into account the aforementioned, the Board of Directors considers that with the re-election of Mr. Raimon Grifols Roura, Mr. Íñigo Sánchez-Asiaín Mardones, Ms. Carina Szpilka Lázaro and Mr. Tomás Dagá Gelabert, as well as with the appointment of Ms. Enriqueta Felip Font, the objective of maintaining a diverse and balance composition of the Board is achieved, because the candidates have diverse knowledge and experience from different professional sectors, which will enrich the analysis, the debate and contribute plural points of view.

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Barcelona, 3 April 2019  
The Board of Directors