

**REMUNERATION POLICY FOR DIRECTORS  
OF GRIFOLS, S.A. (THE "COMPANY" OR "GRIFOLS")**

**1. INTRODUCTION AND LEGAL FRAMEWORK**

*1.1. Obligation of approving a remuneration policy – Provisions laid down in the Capital Companies Act*

Articles 529 *septdecies* and *octodecies* of the Capital Companies Act set out the obligation, for listed companies, of having a remuneration policy for directors, in which the remuneration that these have a right to receive in their capacity as directors and by performing executive duties, shall be determined and detailed.

Also, article 529 *novodecies* of the Capital Companies Act sets out that the directors' remuneration policy must comply with the remuneration system established in the Company's Articles of Association, and it shall be approved by the general shareholders' meeting as a separate item on the agenda, being applicable for a maximum period of three fiscal years. Additionally, the proposal of the remuneration policy of the Board of Directors shall be justified and must be accompanied with a specific report prepared by the Appointments and Remuneration Committee. Both documents must be available to the shareholders in the Company's web page from the moment the General Shareholders' Meeting is called. The shareholders may request the free delivery and shipment of said documents. The notice of the call of the General Shareholders' Meeting shall mention this right.

*1.2. Decision-making process to define, review and implement the Remuneration Policy, and measures to prevent or manage conflicts of interest.*

In accordance with article 15 of the Internal Regulations of the Board of Directors, and without prejudice to other duties assigned by the Board, the Appointments and Remuneration Committee must, as a core responsibility, 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 terms regarding the executive directors, ensuring its fulfilment. When determining the remuneration policy, the Appointments and Remuneration Committee considers the comparative market data, carrying out, to this end, an external competitive analysis of the remuneration package of all the Company's employees, among them, the management team. This analysis is carried out to analyse the adequacy of the compensation levels, and ensure that these are in line with market standards of other companies in the sector for equivalent levels of responsibility. Salary surveys carried out by independent consultants are usually used as a source of information for this analysis.

Furthermore, the Committee may also be assisted, if it so considers, by independent external remuneration consultants.

In addition, article 5.4 of the Regulations of the Board of Directors sets out, regarding the duties assigned to the Board of Directors, that:

*"As the core of its duties, the Board shall approve the strategy of the Company and the necessary organization for its implementation, as well as supervise and control that the Management meets objectives and respects the corporate purpose and interest of the Company. For this purpose, the Board in full shall reserve the capacity to approve:*

*(a) the general policies and strategies of the Company, and in particular: (...) (vi) top management remuneration and performance evaluation; (...)*

*(b) the following decisions: (...) (ii) a contract entered into between the member of the Board of Directors appointed Chief Executive Officer, or who has been given executive duties, and the Company, detailing all the concepts for which said member can receive remuneration for performing executive duties;(iii) The determination of the remuneration to be perceived by each director in his/her condition as such, as well as the determination of the additional remuneration of the directors for the performance of executive duties and the terms and conditions that should be observed in their contracts, in accordance with the Law and the directors' remuneration policy approved by the General Shareholders Meeting;(..."*

The specific measures to identify and manage any potential conflict of interest in relation to the directors are set out generally in the Internal Regulations of the Board of Directors.

### 1.3. *Approval of the policy for a maximum period of three fiscal years*

As proposed by the Appointments and Remuneration Committee, Grifols' Board of Directors agreed on 28 April 2022 to submit this remuneration policy to the General Shareholders' Meeting for its approval (the "**Remuneration Policy**").

It is noted that if the General Shareholders' Meeting of the Company approves this policy, it shall be valid for fiscal years 2022, 2023 and 2024.

## **2. PRINCIPLES AND RULES OF THE REMUNERATION POLICY**

### 2.1. *Guiding principles and rules*

The principles and rules on which the Company's remuneration policy is based are essentially the following:

- The remuneration policy contributes to the Company's long-term corporate strategy, interests and sustainability. Therefore, there is alignment between the remuneration systems and the Company's strategic plan, shareholders' interests and long-term sustainability.
- The directors' remuneration policy aims to remunerate directors appropriately

based on their commitment, qualifications and actual responsibility, ensuring it does not become an obstacle to their independence.

- The directors' remuneration must be subject to market requirements, and it should be reasonable and, to the extent possible, in line with the remuneration of the directors of listed companies similar to Grifols, taking into account its size, international presence, main features and business sector.
- Variable remuneration policies shall include the necessary technical precautions to ensure that such remunerations are in accordance with the professional performance of their beneficiaries, and that they do not simply derive from the general evolution of the markets or business sector of the Company or other similar circumstances. Therefore, the remuneration policy of the executive directors includes "*pay for performance*" elements.
- The remuneration of directors in their capacity as such is based on the following main principles:
  - The remuneration shall consist of an annual fixed and determined compensation.
  - The determination of the remuneration of each director shall take into account the duties and responsibilities of each director, their participation in the Board's committees and other objective circumstances that the Board of Directors considers relevant.
  - The remuneration of non-executive directors shall not be based on remuneration systems relating to the delivery of Company shares, unless the directors keep them until they cease to be directors.
  - The directors shall have the right to be reimbursed for any expenses they have incurred in as a consequence of their duties as directors.
- The remuneration of the executive directors is based on the following main principles:
  - The remuneration for performing executive duties shall be set out in the corresponding contract, taking into account objective criteria, and must be adjusted to this Remuneration Policy as well as to the Company's Articles of Association.
  - The remuneration of executive directors shall be a fixed amount and a variable amount; the latter ranges from 0% to a maximum of 65% of the fixed remuneration.
  - The annual variable remuneration of the executive directors shall be determined in relation to the achievement of two types of metrics:
    - An economic metric related to certain annual objectives linked to

the performance of the Group as a whole; and

- Another metric linked to the achievement of environmental, social and corporate governance (ESG) objectives, in accordance with the Company's sustainability strategy.

In summary, this Remuneration Policy aims to create value in Grifols, while seeking a way to manage risk in an adequate and prudent manner, to be in line with shareholders' interests, contributing to the Company's long-term strategy, interests and sustainability, all strictly complying with the applicable regulations on matters related to the remuneration of directors in listed companies from time to time.

## *2.2. Assessment of the Group's working conditions*

When proposing this Remuneration Policy, the Appointments and Remuneration Committee has considered the remuneration scheme and policy of the Group's employees as a whole. It should be noted that the remuneration structure applicable to top managers, including the executive directors, and that of the other employees of the Group is generally aligned and in consistency. Likewise, the principles and rules applicable to the remuneration of top managers (thus, including the executive directors) and that of the other employees of the Group are shared and, in both cases, contribute to the Company's long-term corporate strategy, interests and sustainability.

## **3. REMUNERATION OF DIRECTORS IN THEIR CAPACITY AS SUCH**

### *3.1. Principles*

The remuneration of the directors in their capacity as such consists of a fixed amount.

For such purpose, the General Shareholders' Meeting approves, as a separate item of the agenda, for its application during a maximum period of three fiscal years, the directors' remuneration policy, which shall necessarily determine the maximum amount of the annual remuneration to be paid to all the directors in their capacity as such. In addition, the Board of Directors shall distribute said remuneration among its members, by means of a board resolution, taking into account the duties and responsibilities of each director, the membership to board committees and other relevant objective circumstances.

Notwithstanding the foregoing, the directors have the right to be refunded on the expenses incurred upon while holding their office.

The Company will inform annually the amount paid to each director for being a member of the Company's Board of Directors and its committees in the annual report on the directors remuneration, which shall be put to a vote, on a consultative basis and as a separate item on the agenda, during the Company's General Shareholders' Meeting.

Likewise, the Board of Directors, with the advice of the Appointments and Remuneration Committee, shall adopt all measures within its reach to guarantee that the remuneration of non-executive directors is in line with the following directives:

- (a) the non-executive director should be remunerated in relation to his/her actual dedication, qualification and actual responsibility;
- (b) the non-executive director should be excluded from remuneration systems relating to the delivery of Company or Group's company shares, stock options or financial instruments related to the value of the share, in variable remunerations linked to the Company's profits or welfare systems;

This directive, however, shall not affect the delivery of Company shares, on condition that the directors keep them until they cease to be a director;

- (c) The amount of the non-executive director remuneration should be calculated in order to incentivise dedication, but not becoming an obstacle to their independence.

### 3.2. *Amount*

As indicated above, the directors' remuneration in their capacity as such consists of a fixed remuneration in cash, subject to their role and duties, which amounts to one hundred thousand euros (€100,000) for each member of the Board of Directors, with the exceptions that are further described in this section.

Additionally, the directors that are members of any of the Board of Directors' committees, that is, the Audit Committee, the Appointments and Remuneration Committee or the Sustainability Committee, shall each receive an additional gross payment of twenty-five thousand euros (€25,000) per year as a result of having a heavier workload. Therefore, those directors who are also members of a committee shall receive an annual fixed remuneration of one hundred twenty-five thousand euros (€125,000).

Also, the directors that chair the Board of Directors' committees shall receive an additional twenty-five thousand euros (€25,000) per year, again as a result of having a heavier workload than the other directors, thus they shall receive an annual fixed remuneration of one hundred fifty-thousand euros (€150,000).

For performing their duties, the lead independent director shall receive an additional fifty thousand euros (€50,000), also as a result of the legal duties inherent to their role, thus they shall receive an annual fixed remuneration of one hundred fifty-thousand euros (€150,000).

Under no circumstance shall a non-executive director receive, for performing their duties, an annual remuneration of more than one hundred fifty-thousand euros (€150,000). The directors that render professional remunerated services to the Group or to the Company shall not receive any kind of remuneration for their

condition as director, nor shall the executive directors.

Finally, and as stated above, the directors shall have the right to be reimbursed for any expenses incurred in while holding their office, as appropriate.

There are no other remuneration systems different from the ones detailed in this section which are being applied to the directors in their capacity as such.

In particular, directors in their capacity as such shall not receive variable remuneration. Also, the Company has not assumed any commitment or obligation related to pension, retirement or other similar schemes in relation to the directors in their capacity as such.

The maximum amount of the annual remuneration for all the directors for their membership in the Board of Directors of the Company and, if applicable, its committees, is set at €2,815,000. It should be noted that the aforementioned amount:

- has been established to provide some flexibility and to allow for possible changes that may occur during the term of this Remuneration Policy regarding the number of members comprising the Board of Directors (i.e., the number of directors could be increased to the maximum of 15 members set by the Company's Articles of Association), considering also that the maximum amount to be received by the Chairmen of the various committees and by the lead independent director is €150,000 and €125,000 by the directors in the event that all of them are members of a committee; and
- includes the remuneration to be received by the non-executive Chairman for the performance of his duties, all in accordance with paragraph 5 of this Remuneration Policy.

Notwithstanding the foregoing, it should be noted that, as of the date of this Remuneration Policy and taking into account the current composition of the Board of Directors and its various committees, the total remuneration to be received by all the directors for their membership of the Board of Directors of the Company and, if applicable, its committees and including the remuneration of the non-executive Chairman is less than the aforementioned maximum figure.

## **4. EXECUTIVE DIRECTORS' REMUNERATION**

### *4.1. Principles*

The directors shall have the right to receive remuneration for performing their executive duties specified in the contracts approved in accordance with the Capital Companies Act, as long as it adjusts to the directors' remuneration policy approved by the General Shareholders' Meeting pursuant to the Company's Corporate Governance system and any applicable legal provision.

Additionally, article 26 of the Internal Regulations of the Board of Directors

establishes that the remuneration policy of the Company shall establish at least the amount of the fixed annual remuneration corresponding to the directors for the performance of their executive duties and other provisions referred to in the applicable regulations. Likewise, said article establishes that the Board of Directors shall determine the individual remuneration of each director for the performance of the executive duties attributed to him/her within the framework of the remuneration policy, in accordance with the Company's Articles of Association and the provisions of his/her contract, subject to prior report from the Appointments and Remuneration Committee.

#### 4.2. *Remuneration system*

The executive directors' remuneration system consists of a fixed remuneration, rewarding the performance of executive duties, and a variable remuneration, as a reward for achieving the Company's objectives (financial and non-financial) that are aligned with the Company's long-term strategy and interests.

##### (a) *Fixed remuneration*

On the date of approval of this Remuneration Policy, there are two (2) executive directors who receive an annual fixed remuneration in cash as a result of their employment or, where appropriate, commercial relationship with the Company: the two chief executive officers.

Amount: €895,000

The remuneration of the executive directors is determined taking into account the remuneration paid to analogous roles in similar companies, based on a comparative analysis carried out by Grifols' Human Resources Department, as proposed by the Appointments and Remuneration Committee.

The abovementioned fixed remuneration in cash may be annually reviewed based on the criteria approved from time to time by the Appointments and Remuneration Committee and the circumstances applicable at any given time, such as (but not limited to): substantial changes in the business, evolution of the Company's results or market comparable standards. When the circumstance so require, the Board, at the proposal of the Appointments and Remuneration Committee, may decide to apply an increase, which would be detailed and explained in the Company's Annual Remuneration Report.

##### (b) *Variable remuneration*

The Company's remuneration policy takes into account the long-term financial objectives and management of the Company, among other things, with the purpose of reducing its exposure to any excessive risks, giving its top-level executives and its executive directors the possibility of obtaining variable remuneration. In addition, it contributes to the Company's long-term corporate strategy, interests and sustainability.

Therefore, their remuneration consists of a fixed amount and a variable amount. The maximum variable amount ranges from 0% to a maximum of 65% of the annual fixed remuneration.

On the approval date of this Remuneration Policy, there are two (2) executive directors who receive a variable remuneration as a result of their employment or, where appropriate, commercial relationship with the Company: the two chief executive directors.

The percentage of the variable remuneration is subject to achieving the Company's annual objectives, following common practices in similar companies, and which are related to two types of metrics:

- **Economic metric** related to certain annual targets linked to the Company's Group performance as a whole.

Said objectives are established annually and are approved by the Appointments and Remuneration Committee, being linked to the performance of the Company's Group as a whole, as follows: (i) 70% to the consolidated adjusted amount of the group's net earnings (adjusted EBIT Holding) and (ii) 30% to the adjusted EBIT of the four divisions (Bioscience, Diagnostic, Hospital and Bio Supplies).

The right to receive the variable amount is subject to achieving, at least, 90% of these objectives.

- **Metric related to the achievement of environmental, social and corporate governance (ESG) targets**, in accordance with the Company's sustainability strategy.

25% of the variable remuneration that the Company's executive directors have a right to receive is linked to environmental, social and corporate governance (ESG) objectives. In particular, the weight of the metrics related to environment is 25%, that related to social is 40% and to governance is 35%. The Board of Directors is authorized, upon the proposal of the Appointments and Remuneration Committee, to increase the weight of the metric linked to environmental, social and corporate governance objectives to a maximum of 35%. In this case, the decision adopted by the Board of Directors shall be detailed in the Annual Remuneration Report.

In this regard, the Sustainability Committee and the Appointments and Remuneration Committee shall propose to the Board, for its approval, and based on the metrics used by an independent third party, in this case, the Dow Jones Sustainability Index, the objectives to be achieved during each fiscal year prior to their implementation. To this end, the election and evaluation of each of the objectives shall be made based on Grifols' progress with respect to the different metrics that the Dow Jones Sustainability Index analyses, which is published annually.

Based on the level of fulfilment of these targets, the right to be paid this variable item shall be accrued or not. If the fulfilment is between 90% and 100%, the payment shall be between 33.33% and 100% of the variable, on a linear basis. If the fulfilment of these objectives is less than 90%, the executive directors would lose the right to be paid this variable component.

With the aim of evidencing the alignment of interests of the executive directors and the shareholders, and to link their remuneration with the long-term objectives of the Company, the executive directors may receive 50% of the amount of their variable remuneration in Class B shares. These shares have a vesting period of two (2) years and one (1) day. If they choose this option, the Group shall make an additional 50% contribution of the amount exercised by the director, provided, in any event, that the annual objectives set are met.

Grifols' variable remuneration scheme calendar is as follows:

- At the end of February each year, the Board of Directors prepares the annual accounts corresponding to the previous fiscal year and identifies the percentage of financial objectives reached that are related to the payment of the variable remuneration (bonus). At the same time the level of fulfilment of the environmental, social and corporate governance (ESG) objectives shall also be measured.
- In March each year, the executive directors decide which percentage of their variable remuneration (bonus) they want to receive in cash, and which percentage in Company Class B shares. Executive directors may receive up to 50% of their variable remuneration in rights over Company B shares. The percentage of the variable remuneration (bonus) in cash shall be paid in March each year.
- Rights corresponding to Class B shares received as variable remuneration shall have a vesting period of two (2) years and one (1) day, at which time the Class B shares shall be delivered to the relevant executive directors.

(c) *Main features of the agreements of the executive directors*

The agreements of the executive directors are standard indefinite term contracts. These contracts specify the services that the executive directors, as such, shall be rendering to the Company, in accordance with the Capital Companies Act and Grifols internal regulations.

Without prejudice to these being standard, the contracts include some specific clauses.

In particular, they include takeover clauses by virtue of which, in the event of

a takeover of Grifols, the executive directors may opt between staying in the Company or leaving, in which case they would have the right to receive a compensation equivalent to five (5) years of salary (calculated over the total average salary received in the last three (3) fiscal years). In the event of resigning, the executive directors must notify it during the six (6) months following the takeover.

Grifols has decided to establish a compensation equivalent to five (5) years of salary considering that the remuneration of Grifols' managers is moderate.

On the other hand, the executive directors are entitled to receiving a compensation equivalent to two (2) years of salary (calculated over the total average salary received during the last two (2) fiscal years), in the event the contract is terminated due to the Company's will, a change in the general management of the Company, or an unfair, or null and void dismissal by final sentence.

If the contract is terminated by the Company, the applicable prior notification period is of three (3) months or, in lieu of said prior notification, the Company may pay the equivalent to 3 months' salary. Likewise, if there is a change in the Company's general management, the executive directors must exercise their right within the three (3) prior to such a change.

In addition, the executive directors have the right to resign from their position at the Company, in which case the notification period shall be of six (6) months.

The contracts also include post-contractual non-compete clauses for a one (1) year period, during which the executive directors, once their contracts are terminated, shall not be able to render services in companies of a similar nature to the Company.

Also, the executive directors' contracts, set out that the Company shall have the right to claim the reimbursement of the variable remunerations previously satisfied, in the event that its payment (i) had not adjusted to the performance terms or required results for its payment, or (ii) had been paid based on data whose inaccuracy is verified at a later time.

Grifols' analysis was based on the selection of a number of comparable companies listed in the main index of the Spanish Stock Exchange, IBEX-35, and hence incorporates the principal Spanish companies taking into consideration their size, international presence and main characteristics, as well as the companies related to the plasma industry. On the basis of this analysis, the remuneration of Grifols is considered moderate, especially when compared in terms of stock exchange capitalisation.

Additionally, the characteristics of the hemoderivatives industry, with few main actors, have resulted in Grifols adopting a specific compensation policy.

## 5. REMUNERATION OF THE NON-EXECUTIVE CHAIRMAN

The remuneration of the chairman of the Board of Director, taking into account his involvement and proven experience as director and chairman of the Company; in addition to his valuable knowledge of the Company and the sector in which the Company operates, as well as to the specific duties he carries out as non-executive chairman, is different to the remuneration of the other directors.

The remuneration of the non-executive chairman of the Board of Directors exclusively consists of a fixed annual amount of €965,000. The non-executive chairman shall not receive a variable remuneration.

When deciding the remuneration of the non-executive chairman, the additional duties that he shall perform, as well as those set out in the Capital Companies Act for the position of Chairman of the Board of Directors, were taken into account.

In particular, but not limited to, these duties are related to the following:

- Duties inherent to the running of the Board of Directors and to the position of chairman to the Board of Directors, in accordance with the Capital Companies Act and Grifols' internal regulations.
- Duties related to giving advice and offering assistance to the executive directors:
  - give the chief executive officers constructive criticism, advice and assistance, exercising his good judgement and providing the experience to solve any issues related to the Company's strategy, performance and management;
  - give solid and constructive criticism in order to reach a high-quality professional debate and to guarantee that the chief executive officers and the Board are accountable for matters related to the approval and application of agreed policies and strategies; and
  - take on the role of advisor and mentor to the chief executive officers, and apply an open-door policy so that they can ask him for advice when needed. Therefore, the non-executive Chairman shall share the advice he considers necessary so that the executive directors may apply a strategy. However, the non-executive Chairman, although he has a decisive role in the discussions to approve a strategy, shall not take away from the chief executive officers the responsibility for developing the Company's strategy.
- Duties related to corporate governance:
  - guarantee that the Board of Directors meets regularly and that it gives the proper attention and devotes the necessary time to matters related to corporate governance; and

- take all the necessary measures to ensure that the Company complies with the applicable legislation on Corporate matters, and to monitor the continuous application of good governance recommendations.
- Duties related to the composition and efficiency of the Board of Directors in collaboration with the role and responsibilities of the committees:
  - ensure that the Board's committees are properly structured;
  - be proactively informed on all matters related to the Board's committees by having regular conversations with the chairmen of the committees, outside the meetings of the Board; and
  - supervise the incorporation of new members of the Board and guarantee that there are always customized training programmes so that non-executive directors have the necessary tools to participate actively in the Board's discussions, in particular in those related to risks and strategy.
- Duties related to the Company's external representation:
  - regularly hold meetings with the main shareholders in order to build relationships and obtain information about the strategy, performance and management of the business; and
  - support the Company's commercial activities and hold meetings with groups of interest as necessary.

## **6. SUPERVISION OF THE APPLICATION OF THE REMUNERATION POLICY**

Without prejudice to the provisions of the Capital Companies Act on matters related to the remuneration policy for members of the Board of Directors of the Company, Grifols' Board of Directors, once the relevant reports by the Appointments and Remuneration Committee have been prepared, shall regularly review and approve the principles and rules of the directors' remuneration policy as well as be responsible for supervising its application.

To that end, the Company's Board of Directors shall annually review this Remuneration Policy, with the objective of introducing any modifications that are required in accordance with the current legislation and as necessary.

## **7. TEMPORARY EXCEPTIONS**

In accordance with article 529 *novodecies* of the Capital Companies Act, the Board of Directors, with the prior favourable report of the Appointments and Remuneration Committee, may apply temporary exceptions to the variable components of the executive directors remuneration when necessary to ensure the

long-term interests and sustainability of the Company.

In any event, the Company shall include in the Annual Remuneration Report the information about the exceptional situation that has taken the Board to approve the application of temporary exceptions, as well as any affected payments.

## **8. VALIDITY OF THE REMUNERATION POLICY AND NEW BOARD MEMBERS**

Pursuant to the regulations currently in force regarding remuneration matters, this Remuneration Policy shall be valid during a maximum period of three (3) fiscal years (that is, from 2022 until 2024, inclusive) unless modified by Grifols' General Shareholders' Meeting.

Unless the General Shareholders' Meeting decides otherwise, this Remuneration Policy shall also be applied to any new director joining Grifols' Board of Directors, for as long as this Remuneration Policy for members of the Company's Board of Directors is valid.

The Board of Directors of the Company, on its meeting dated April 28, 2022, prior report of the Appointments and Remuneration Committee, resolved to propose for its approval this Remuneration Policy to the General Shareholders' Meeting of the Company, which was approved by the latter at the General Meeting held on [June 10], 2022.

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