

GRIFOLS, S.A.

REPORT ON THE FUNCTIONING OF THE AUDIT COMMITTEE DURING FISCAL YEAR 2021

I. Introduction

The Audit Committee of Grifols, S.A. (the "**Company**" or "**Grifols**") was set up in 2004 in accordance with Law 44/2002, of 22 November, on Reform Measures of the Financial System by virtue of which all companies issuing securities, whose shares or stocks have been admitted to trade on official secondary securities markets must have an Audit Committee.

Since then, the legal regime governing Audit Committees has been expanded and developed through the Royal Legislative Decree 1/2010, of 2 July, which approves the text of the Companies Law, the Law 22/2015, of 20 July, on Audit Accounting and the principles and practices on Corporate Governance.

The regulation of the composition, performance and organization of Grifols' Audit Committee is established in the Audit Committee's own By-laws, in the applicable Law, the Company's Articles of Association, the Company's Board of Directors' Regulation and the Technical Guide 3/2017 of the CNMV regarding audit committees. In this sense, Grifols, with the aim to comply and apply the best practices and principles on Corporate Governance matters, has incorporated the applicable legal regime to its Audit Committee.

This report has been prepared by the Audit Committee of Grifols on its meeting held on 15 December 2021 and it includes the most relevant aspects of the activities carried out during fiscal year 2021, as well as details on its structure and main responsibilities.

II. Composition

In accordance with the applicable regulations, the Audit Committee of Grifols is exclusively composed of independent directors. Besides, the Chairperson of the Committee is also an independent director.

During the Board of Directors' meeting that was held on 29 May 2015, the Audit Committee was reorganized. Since then, its composition has undergone only one change. On 23 February 2018 the Company's Board of Directors unanimously resolved, prior proposal of the Company's Appointments and Remuneration Committee, to appoint Ms. Carina Szpilka Lázaro as new Chairperson of the Audit Committee in substitution of Ms. Belén Villalonga Morenés. Therefore, since then its composition is as follows:

Name	Position	Category
Ms. Carina Szpilka Lázaro	Chairperson ¹	Independent
Ms. Belén Villalonga Morenés	Member	Independent
Mr. Steven F. Mayer	Member	Independent
Mr. Tomás Dagá Gelabert	Secretary (non-member)	--

In accordance with recommendation number 39 of the Unified Good Governance Code of Listed Companies, the members of this Committee and, in particular its Chairperson, have been appointed considering their knowledge and experience in accounting, audit and risk management matters (both financial and non-financial), but also taking into account their financial and business knowledge, as well as their experience in internal control.

Also, in accordance with the recommendations set forth in the Technical Guide 3/2017 of the CNMV regarding audit committees, the members of the Audit Committee have also been designated based upon their diversity, particularly for their gender, professional experience, sectorial skills and knowledge and geographical origin, encouraging different points of view and diverse positions as for the analysis of its positive and negative aspects.

On the other hand, the recommendation that at least one of the members of the Audit Committee has experience on information technology's field is also fulfilled. That is the case of, for example, Ms. Szpilka Lázaro, who is the chairperson of an important technology association.

The professional profile of the members of the Audit Committee can be found on Grifols' corporate website (www.grifols.com).

III. Responsibilities

The Company's Articles of Association, the Regulations of the Board of Directors and the By-laws of the Audit Committee confer on the Audit Committee the following responsibilities:

- (a) In relation to the General Shareholders' Meeting:
 - (i) Inform the General Shareholders' Meeting of any issues raised on matters for which the Committee is responsible and particularly with respect to the results of the audit of the annual accounts, explaining how it has contributed to the integrity of the financial information, and the role that the Committee has played in such process.
- (b) In relation to the Board of Directors:

¹ NOTE: the shareholders are hereby informed that after the drafting of this report by the Audit Committee there has been a change in the composition of the same. On 22 February 2022, the Company's Board of Directors resolved, prior proposal of the Company's Appointments and Remuneration Committee, to appoint Mr. Íñigo Sánchez-Asiaín Mardones as new member and Chairperson of the Audit Committee, in substitution of Ms. Carina Szpilka Lázaro.

- (i) Previously inform the Board of Directors about periodic financial statements, which due to its stock exchange listing, the Company must make public periodically; in this sense, the Committee will ensure that the interim accounts are drawn up under the same accounting principles as the annual accounts and for this purpose shall consider the appropriateness of a limited review by an external auditor;
 - (ii) Previously inform of the creation or acquisition of shareholdings in special purpose entities or domiciled in countries or territories considered tax havens, as well as any other transactions or operations of a similar nature, which due to their complexity, could harm the transparency of the Group;
 - (iii) Previously inform of related party transactions; and
 - (iv) Inform of any matter that has or may have a material, financial or accounting impact.
- (c) In relation to information and internal control systems:
- (i) Supervise and evaluate the preparation and presentation, and integrity of the mandatory financial and non-financial information related to the Company and the Group, verifying compliance with the regulation requirements, the adequate defining of consolidation boundaries and the correct application of accounting criteria and submit recommendations or proposals to the Board of Directors to protect the integrity of this information;
 - (ii) Supervise and evaluate the efficiency of the Company's internal control, internal audit and risk control and management systems, financial and non-financial, concerning the Company and the Group, including any operative, technological, legal, social, environmental, political, reputational or corruption related risks, periodically reviewing the internal control and risk management systems, so that any principal risks are identified, dealt with and adequately recognized, as well as discussing, with the auditor, any major flaws in the control system identified during the audit process without jeopardizing its independence. To such effects, the Committee may, if applicable, submit recommendations or proposals to the Board of Directors and the corresponding period of time for their fulfilment;
 - (iii) Monitor the independence and efficiency of internal auditing; propose the selection, appointment and dismissal of the Director of the Internal Audit Department; approve, or propose to the Board of Directors the approval of the Internal Audit Department's work orientation and annual work plan, making sure that their activity mainly focuses on the relevant risks (including reputational risks); propose the budget for this Department; receive periodic information on its activities (including the annual activities report prepared

by the Director of the Department); and verify that the top management takes into account the conclusions and recommendations of their reports;

- (iv) Establish and supervise a mechanism that allows employees and other persons related to the Company, such as directors, shareholders, suppliers, contractors or subcontractors, to report irregularities of potential significance, including financial and accounting irregularities, or those of any other nature, related to the Company, that they notice within the Company or its Group. This mechanism must guarantee confidentiality and enable communications to be made anonymously, respecting the rights of both the complainant and the accused party; and
 - (v) In general, ensure that the internal control policies and systems established are applied effectively in practice.
- (d) In relation to the external auditor:
- (i) Submit to the Board of Directors any proposals regarding the selection, appointment, re-election and substitution of the auditor, being responsible for the selection process in conformity with the applicable regulations, including the terms of his contract, without prejudice to the faculties vested in the General Shareholders' Meeting and the Board with regard to the approval of such resolutions under Spanish law;
 - (ii) Be directly in charge of the remuneration and supervision of the work performed by the external auditor regarding the audit report preparation and issuance or any other similar reports relating to financial statements;
 - (iii) Regularly and directly collect from the external auditor information about the development, impact and execution of the audits, as well as the audit plan and results of its execution, and verify that top management takes their recommendations into account;
 - (iv) Safeguard the external auditor's independence when performing his duties, and to do so:
 - Ensure that the Company communicates through the CNMV the change in auditor and shall attach a statement of the possible existence of any disagreements with the outgoing auditor and, if applicable, its contents;
 - Establish the necessary relationships with the external auditor to receive information about any issues that may entail a threat to his independence, and which the Audit Committee will examine, and any other issues regarding the development of the audit of accounts process, and, when applicable, the authorization of the services different from those prohibited in the terms established in the applicable regulations as regards

independence, as well as any notifications required in the audit of accounts legislation and in the audit regulations;

- Ensure that the Company and the auditor respect the rules in force on providing services different to audit services, the auditor's market concentration limits and, in general, any others rules established to guarantee the independence of the auditors and, to that end, annually receive from the external auditors a statement of their independence in relation to the entity, or any entities directly or indirectly related to it, as well as the detailed and individualized information on any kind of ancillary services provided and the corresponding fees paid by these entities to the external auditor or the persons or entities related to it in accordance with the regulations applicable to the audit of accounts activity;
 - Issue, prior to issuing the audit of accounts report and on an annual basis, a written opinion on whether the independence of the auditors or audit firms has been compromised. This opinion must include a reasoned assessment of each and every one of the ancillary services mentioned above, which shall be individually and jointly assessed, different from the legal audit, and in relation to the independence status or regulations applicable to the audit of accounts activity; and
 - If the external auditor resigns, examine the circumstances that have caused said resignation.
- (v) Encourage the Group auditor to undertake the responsibility of the audits of the companies making up the group.
- (e) In relation to external consultants:
- (i) Request that legal, accounting, financial advisors or other experts or advisors be hired, on account to the Company, to assist them in the performance of their duties.
- (f) In relation to internal conduct rules:
- (i) Supervise the compliance with the Internal Conduct Regulations in matters related to the Stock Exchange, the Board of Directors' Regulations, standards of conduct set out in the "Code of Ethics for Grifols Executives" and the "Code of Conduct for Grifols' Employees" and, in general, any other internal rules of governance of the Company, as well as make the necessary proposals for improvement.

IV. Meetings and Activities

During fiscal year 2021, this Committee met on 6 occasions, specifically on the following dates:

- 18 February 2021;
- 6 April 2021;
- 3 May 2021;
- 26 July 2021;
- 21 October 2021; and
- 15 December 2021.

In addition to this, the Chairperson of the Audit Committee together with the Company's CFO has had several videoconferences and phone calls with the auditors of the Company (KPMG and Deloitte) to comment on the audit plan for fiscal year 2022.

Further, it is worth noting that the members of the Company's Sustainability Committee also attended the meeting held on 18 February 2021 in order to discuss and approve the Company's Corporate Responsibility Report.

During the meetings its members discussed and, when applicable, approved different matters related to their main responsibilities, in accordance with the applicable Law, the Company's Articles of Association, the Board of Directors' Regulations and the Committee's own By-laws, as well as the Unified Good Governance Code of Listed Companies and the Technical Guide 3/2017 of the CNMV regarding audit committees.

The most relevant events that took place during the referred fiscal year 2021 are detailed below:

- Ratification and review of the additional audit services rendered by KPMG and authorized by the Chairperson during fiscal year 2021, having previously verified that they are permitted services under the applicable independence rules and that they do not violate any applicable independence rule;
- Review and approval of the Annual Corporate Governance Report for fiscal year 2020;
- Review and approval of the Company's annual accounts (individual and consolidated) as well as the consolidated non-financial information included in the consolidated management report (which includes the Company's Corporate Responsibility Report) corresponding to the fiscal year ended 31 December 2020, having previously supervised the preparation and submission of the annual accounts, overseeing compliance with any legal requirements and the correct application of accounting criteria;
- Reasoned report on the annual accounts auditor's independence;
- Report on the related-party transactions during fiscal year 2020;

- Review and approval of the Code of Ethics for the executives of the Company;
- Supervision on the reporting by the Company's internal audit department director on the communications made anonymously through the Company's whistleblowing channel (Grifols Ethics Helpline).
- Approval of the financial periodic information, that for its public condition, the Company must publish periodically, including, the approval of the consolidated financial statements corresponding to the fiscal year 2020 prior to their approval by the Board of Directors and to their notification to stock exchanges and supervising bodies and, also, approval of the financial statements prepared under IFRS IASB to be filed with the Securities and Exchange Commission;
- Proposal made to the Board of Directors on (i) the appointment of Deloitte as auditor of the individual annual accounts of the Company for fiscal years 2021-2023, inclusive, and (ii) the re-election of KPMG as auditor of the consolidated annual accounts of the Company for fiscal year 2021;
- Annual review of the Committee's performance and drafting of the relevant report on the functioning and performance of the Committee during fiscal year 2021; and
- Pre-approval of the different audit services provided by KPMG and Deloitte.

Also, listed below are some of the most important presentations performed by the Committee during the referred fiscal year 2021:

- Presentation by some of the representatives of KPMG and Grant Thornton, of the audit analysis executed during fiscal year 2020 in relation to the audit state, the audit results and the summary of fees and independence;
- Presentation by the Company's Chief Financial Officer of the selection process of an audit firm for the individual annual accounts;
- Presentation by the Company's internal audit department director of the Internal Audit Report for fiscal year 2020, the Crime Management System Annual Report for fiscal year 2020 and the Internal Audit and Crime Management System Annual Plan for fiscal year 2021; and the main challenges and strategies for the Internal Audit and the Crime Risk Management System;
- Presentation by the Company's Global Chief Compliance Officer of the Anti-Bribery Compliance Program;
- Presentation by the Company's internal audit department director of the Risk appetite statements;

- Presentation, performed by KPMG and Deloitte, of the status of the Audit Plan of 2021 and the Audit Plan of 2022; and
- Presentation by the Company's internal audit department director of the auditing plans for fiscal year 2022.

V. Date of approval by the Board of Directors

This report is drawn up by the Audit Committee on 15 December 2021 and it was approved by Grifols' Board of Directors on its meeting held on 10 December 2021 with effects from 15 December.

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