

GRIFOLS, S.A.

BOARD OF DIRECTORS' REPORT REGARDING THE PROPOSAL REFERRED TO IN ITEM SEVENTH ON THE AGENDA OF THE ORDINARY GENERAL SHAREHOLDERS' MEETING (8/9 OCTOBER 2020)

This report is prepared in connection with the appointment and re-election proposal of the 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 exclusively by telematic means on first call, at 12:00 a.m. CET on 8 October 2020 and, on second call, on 9 October 2020, at the same time (the "**Ordinary Meeting**").

The report is issued in accordance with article 529.*decies* of the Capital Companies Act (*Ley de Sociedades de Capital*) (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 appointment or re-election is proposed at the Ordinary Meeting. Therefore, the Company's 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 Mr. James Costos as member of the Board of Directors.

The Board of Directors proposes to the Ordinary Meeting the appointment of Mr. James Costos as a 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 Remuneration Committee, in accordance with article 529.*decies* of the CA, and has previously analysed the required competences for the Board of Directors, evaluating the requirements that a director must satisfy in order to perform his/her duties.

For the proposal of appointment of Mr. James Costos, the Board has valued his extensive professional career and accredited experience in different sectors, such as international relations (especially between Spain and the United States of America), or the digital and communications sectors.

Mr. James Costos was the ambassador of the United States of America in Spain and the Principality of Andorra from 2013 to 2017. He is currently the President of Grupo Secuoya Studios in Madrid, and a member of the of different Boards of Directors or equivalent bodies in a large number of companies and industries within the United States and Europe. Among others, he has been a member of the Board of Directors of PJT Partners since 2017, a firm that provides consultative services in investment banking; Senior Advisor for F.C. Barcelona and Senior Managing Director in the Venture Technology Group at Dentons. He is also a member of the Advisory Board of the

AmCham Spain, as well as of three technological companies focused on artificial intelligence, teleportation and digital transparency. Mr. Costos is committed, through his various professional activities to support innovation and entrepreneurship.

Mr. James Costos is an American diplomat and holds a degree in Political Sciences from the University of Massachusetts.

Because of his relationships with the United States of America and his extensive knowledge of the global problems affecting society as a whole, Mr. Costos will be able to contribute his knowledge and greatly benefit a company with a global reach like Grifols.

In addition, the Board of Directors has carefully analysed all the legal requirements for Mr. Costos 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 Mr. James Costos, considering that he has the suitable knowledge and experience for the role of director for which he is being proposed for appointment. Therefore, at the proposal of the Appointments and Remuneration Committee, the Board of Directors proposes to the Ordinary Meeting the appointment of Mr. James Costos 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. Victor Grifols Deu as a member of the Board of Directors.

The Board of Directors proposes to the Ordinary Meeting the re-election of Mr. Victor Grifols Deu as a 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 evaluated the favourable report approved by the Company's Appointments and Remuneration Committee, which was submitted to the Board of Directors. Its content is reproduced below (*in italics*):

"The Appointments and Remuneration Committee considers that Mr. Victor Grifols Deu has favourably contributed to the performance and development of the Company's Board of Directors since he was appointed director in 2016 and has a broad experience in the Company's business sector. Mr. Grifols Deu has a profound knowledge of the internal functioning of the Company and its group. He is Grifols' Co-Chief Executive Officer since January 2017, an executive position he has held while successfully leading the Company together with Mr. Raimon Grifols Roura and contributing to the Company's ongoing development and internationalization. Likewise, he currently holds various positions on the board of directors of companies within the group.

Mr. Victor Grifols Deu earned a degree in Business Administration and Management from the Ramon Llull University – Sarrià Chemical Institute (IQS) and a postgraduate degree in Business Administration and Management from the Michael Smurfit Business School in Dublin.

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 Deu 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 effectively carried out his executive position in the best interest of the Company. Likewise, the Committee has analysed the requirements that board members must meet in accordance with the Company's Policy on Director Selection and Diversity, and concludes that Mr. Grifols Deu is not disqualified for any reason of incompatibility or legal prohibition established under the applicable law or corporate governance system.

Because Mr. Grifols Deu 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 Remuneration Committee unanimously resolves to favourably inform the Board's proposal of re-election of Mr. Victor Grifols Deu as a member of the Board of Directors of the Company under the category of "executive" director, for a term of four (4) years."

As a result of the above and considering the favourable report issued by the Appointments and Remuneration Committee, the Company's Board of Directors has positively considered the competence, experience and merits of Mr. Victor Grifols Deu, 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 Deu as member of the Board of Directors under the category of "executive" director.

III. Proposal 7.4: Re-election of Mr. Thomas Glanzmann as a member of the Board of Directors.

The Board of Directors proposes to the Ordinary Meeting the re-election of Mr. Thomas Glanzmann as a 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 evaluated the favourable report approved by the Company's Appointments and Remuneration Committee, which was submitted to the Board of Directors. Its content is reproduced below (*in italics*):

"The Appointments and Remuneration Committee considers that Mr. Thomas Glanzmann has favourably contributed to the performance and development of the Company's Board of Directors since he was appointed director in 2006. He has been the non-executive vice-president of the Board since 1 January 2017. He is currently a member of the Board of Directors of Alcon, Inc. and a Healthcare Advisor at Madison Dearborn and Partners. He is the Founder and General Partner of Medical Technology Venture Partners in California, United States.

Mr. Thomas Glanzmann earned a degree in Political Science from Dartmouth College, United States, and an M.B.A. from IMD, Lausanne-Switzerland. He also holds a Board of Directors Certification from the UCLA Anderson School of Management, USA.

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. Glanzmann 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 in accordance with the Company's Policy on Director Selection and Diversity, and concludes that Mr. Glanzmann is not disqualified for any reason of incompatibility or legal prohibition established under the applicable law or corporate governance system.

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

Given the above, the Appointments and Remuneration Committee unanimously resolves to favourably inform the Board's proposal of re-election of Mr. Thomas Glanzmann 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."

As a result of the above and considering the favourable report issued by the Appointments and Remuneration Committee, the Company's Board of Directors has positively considered the competence, experience and merits of Mr. Thomas Glanzmann, 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. Glanzmann as member of the Board of Directors under the category of "other external" director.

IV. Proposal 7.5: Re-election of Mr. Steven F. Mayer as a member of the Board of Directors.

The Board of Directors proposes to the Ordinary Meeting the re-election of Mr. Steven F. Mayer as member of the Board of Directors for a term of four (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 Remuneration Committee, in accordance with article 529.*decies* of the CA. Furthermore, it has previously analysed the required competences for the Board, taking into account the requirements that directors should meet to perform their duties.

To propose the re-election of Mr. Steven F. Mayer, his performance and high dedication in the Board of Directors since his appointment as director in 2011 has been positively assessed. The Board confirms that he has been highly involved in his role since he was appointed director. Mr. Mayer has attended the meetings, taking part in them and contributing efficiently to the good progress of the Board and the Audit Committee, of which he is also a member.

Mr. Steven F. Mayer is currently the CEO of Iron Horse Acquisition Corp. and of Dedication Capital, LLC, private investment firms that he founded. He is also director of Pretty Party, LLC. From 2002 until 2018, he held a variety of senior positions with Cerberus Capital Management, L.P. and Cerberus California, LLC, affiliated private investment firms, culminating with serving as Senior Managing Director, Co-Head of

Global Private Equity, and Chairman of the Cerberus Investment Committee. Additionally, he serves as a member of the board of directors or equivalent body of a large number of companies in a wide variety of industries in the United States and Europe, and is a member of the Board of Supervisors of Syntellix AG.

Mr. Mayer holds a Bachelor in Arts, cum laude, from Princeton University and a Degree in Law (JD, Juris Doctor), magna cum laude, from Harvard Law School.

In addition, the Board has carefully analysed all the legal requirements for Mr. Mayer 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. Steven F. Mayer, considering that he has the knowledge, experience and dedication necessary for the performance of the office of director. Therefore, prior proposal of the Appointments and Remuneration Committee, the Board of Director proposes to the Ordinary Meeting the re-election of Mr. Steven F. Mayer as an "independent" director of the Company.

Taking into account the aforementioned, the Board of Directors considers that with the re-election of Mr. Victor Grifols Deu, Mr. Thomas Glanzmann and Mr. Steven F. Mayer, as well as with the appointment of Mr. James Costos, the objective of maintaining a diverse and balance composition of the Company's Board is achieved, because the candidates have diverse knowledge and experience from different professional sectors, which will enrich the analysis, the debate and will contribute a plurality of points of view.

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Barcelona, 28 July 2020
The Board of Directors