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 2/2017 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 13 December 2018 and it includes the most relevant aspects of the activities carried out during fiscal year 2018, 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. 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 Appointments and Remuneration Committee, to appoint Ms. Carina Szpiłka Lázaro as new Chairperson of the Audit Committee in substitution of Ms. Belén Villalonga Morenés. Therefore, since then its composition is as follows:

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<tr>
<th>Name</th>
<th>Position</th>
<th>Category</th>
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<tbody>
<tr>
<td>Ms. Carina Szpiłka Lázaro</td>
<td>Chairperson</td>
<td>Independent</td>
</tr>
<tr>
<td>Ms. Belén Villalonga Morenés</td>
<td>Member</td>
<td>Independent</td>
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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, 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 2/2017 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's the case of, for example, Ms. Szpilka Lázaro, who is the chairman of an important technology association.

The professional profile of the members of the Audit Committee can be found on Grifols' website.

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:

   (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;

(iv) Inform of any matter that has or may have a material, financial or accounting impact.

(c) In relation to information and internal control system:

(i) Supervise the preparation and presentation, and integrity of the mandatory 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 the efficiency of the Company's internal control, internal audit and risk management systems, 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, re-election and dismissal of the Director of the Internal Audit Department; propose the budget for this Department; receive periodic information on its activities (including the annual work plan and annual activities reports prepared by the Director of the Department); and verify that the top management takes into account the conclusions and recommendations of their reports;

(iv) Set up and supervise procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal controls or audit matters, as well as anonymous and confidential information provided by employees regarding questionable accounting or auditing matters.

(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 as a relevant event to 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 2018, this Committee met on 7 occasions, concretely on the following dates:

- 23 February 2018;
- 3 April 2018;
- 27 April 2018;
- 24 May 2018;
- 25 July 2018;
- 26 October 2018; and
- 13 December 2018.

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 2/2017 of the CNMV regarding audit committees.

The most relevant events that took place during the referred fiscal year 2018 are detailed below:

• Review and approval of the Annual Corporate Governance Report for fiscal year 2017;

• Review and approval of the Company's annual accounts (individual and consolidated) corresponding to the fiscal year ended 31 December 2017, 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;
- Inform on the related party transactions during fiscal year 2017;
- Proposal made to the Board of Directors on the appointment of Ms. Carina Szpilka Lázaro as new Chairwoman of the Audit Committee;
- 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 2017 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 re-election of KPMG and Grant Thornton as co-auditors of the individual annual accounts of the Company for fiscal year 2018 and (ii) the re-election of KPMG as auditor of the consolidated annual accounts of the Company for fiscal year 2018;
- Acknowledgment of the response to the request received from the CNMV regarding the functioning of the Audit Committee. The Chairperson explained to all the committee members the work performed in order to reply to such request.
- Approval of the Crime Prevention Policy;
- Proposal made to the Board of Directors to adhere to the Code of Fair Tax Policies;
- Proposal made to the Board of Directors regarding the approval of the 2017 Grifols' Corporate Responsibility Report.
- Annual review of the Committee's performance; and
- Pre-approval of the different audit services provided by KPMG.

Also, listed below are some of the most important presentations performed by the Committee during the referred fiscal year 2018:

- Presentation by some of the representatives of KPMG and Grant Thornton, of the audit analysis executed during fiscal year 2017 in relation to the audit state, the audit results and the summary of fees and independence.
- Presentation by the Company's internal audit department director of the auditing activities that took place in 2018; and the risk map.
• Presentation, performed by KPMG, of the status of the Audit Plan of 2018 and the Audit Plan of 2019.

• Presentation by the Company’s internal audit department director of the auditing plans for fiscal year 2019.

V. Date of approval by the Board of Directors

This report is drawn up by the Audit Committee and its approval is expected by Grifols’ Board of Directors on 22 February 2019. Once approved, the Report will be published on Grifols’ website prior to the Company’s next Ordinary General Shareholder’s Meeting.

* * *

Audit Committee
13 December 2018

NOTE: the shareholders are hereby informed that after the drafting of this report by the Audit Committee, such Committee held another meeting on 20 December 2018. As a result, it is worth noting that during fiscal year 2018 the Audit Committee met on 8 occasions.