

## GRIFOLS, S.A.

### COMPLETE TEXT OF THE AMENDMENT OF THE COMPANY'S INTERNAL REGULATIONS OF THE BOARD OF DIRECTORS

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This report is prepared in connection with item eleventh 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 25 May 2017 and, on second call, on 26 May 2017, at the same time and place (the "**Ordinary Meeting**").

According to said item on the agenda, the shareholders will acknowledge the amendment of the Company's Internal Regulations of the Board of Directors. Therefore, and for information purposes, the amendments to the Company's Internal Regulations of the Board of Directors approved by the Board of Directors of the Company in its meeting held on 31 March 2017 are described below. The purpose of the amendment is to adapt the content of the Internal Regulations of the Board of Directors to the current Spanish Companies Act with respect to the composition and functions of the Audit Committee.

The effectiveness of this amendment is subject to the approval by the Ordinary Meeting of the amendment of article 24.ter of the Company's Articles of Association.

#### **Article 14. The Audit Committee**

1. *The Audit Committee shall be formed by three (3) to five (5) Directors, appointed by the Board of Directors, taking into account their knowledge, competence and experience in accounting, audit and risk management and Committee duties. As a group, the members of the Committee shall have the pertinent technical knowledge in relation to the sector of activity of the Company.*
2. *The Audit Committee shall be exclusively composed of non-executive directors, of which at least ~~two~~ the majority must be independent directors. Likewise, efforts will be made to ensure that all members of the Audit Committee, the Chairperson included, meet the independence, experience and any other requirement set out by the Securities and Exchange Commission (SEC) and the National Association of Securities Dealers Automated Quotation (NASDAQ).*
3. *The Board of Directors will appoint the Chairperson of the Audit Committee, a position that shall be necessarily held by an independent director. The Chairperson of the Committee must be replaced every four (4) years and may be re-elected after the term of one (1) year has elapsed.*
4. *The Board of Directors shall appoint the Secretary of the Audit Committee, who may be (a) one of the members of the Audit Committee (in which such case, it will be the Secretary member of the Audit Committee), (b) any other member of the Board of Directors of the Company who is not a member of the Audit Committee (who, in such case, will be Secretary non-member of the Audit Committee); or (c)*

*the Secretary or a Vice-Secretary of the Board of Directors of the Company (who, in such case, will be Secretary non-member of the Audit Committee). The Secretary shall draft the minutes of the resolutions adopted in each committee meeting and shall report to the Board of Directors through their Chairperson. The Audit Committee shall be validly formed when half plus one of its members are present or represented and their resolutions are approved by the absolute majority of the assisting members. If there is a tied vote, the vote of the Chairperson shall be final.*

5. *Notwithstanding the provisions of the Law or the Articles of Association, or other duties assigned to it by the Board of Directors, the Audit Committee will have the following basic responsibilities:*

(a) *In relation to the General Shareholders Meeting:*

(i) *Inform the General Shareholders' Meeting of questions raised in respect of those matters which are within the committee's competence 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 the information and internal control systems:*

(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, ~~including those related to tax matters~~, 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 ~~external~~ 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 ~~compromise~~ 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 ~~any~~ 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 ~~account-audit legislation~~ 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 auditor~~ 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 in the preceding paragraphs 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 ~~audit regulations~~; 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 present Regulation, 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.*
- 6. *The Audit Committee will meet at appropriate intervals for the correct development of its operations.*
- 7. *Any member of the management team or Company personnel whose presence is required by the Chairperson is obliged to attend Committee meetings and offer help, and provide access to any information he/she may have. The Chairperson of the Committee may also request the presence of the Auditors at the Committee meetings.*
- 8. *To ensure the correct fulfilment of its duties, the Audit Committee may request advice from external professionals chargeable to the Company. For the avoidance of any doubt, in such cases, the requirements and limitations set out in Article 25 of these Regulations shall not be applicable.*
- 9. *As indicated by the Audit Committee, the Company shall provide adequate funding to pay the fees of the external auditors or any advisor hired by the Audit Committee, as well as to cover any ordinary administrative expenses incurred by the Audit Committee in the performance of its duties.*
- 10. *At the first Board Meeting following its meetings, the Audit Committee shall report on its activities and answer for the work carried out. All the members of the Board shall receive a copy of the minutes of the Audit Committee meetings.*

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Barcelona, 31 March 2017  
The Board of Directors

[THIS DOCUMENT CONSTITUTES A TRANSLATION INTO ENGLISH OF THE OFFICIAL SPANISH VERSION OF THE BOARD OF DIRECTORS' REPORT REGARDING THE AMENDMENT OF THE COMPANY'S INTERNAL REGULATIONS OF THE BOARD OF DIRECTORS. IN CASE OF DISCREPANCIES, THE OFFICIAL SPANISH VERSION SHALL PREVAIL.]