

**ANNEX MODEL I  
ANNUAL REPORT ON REMUNERATION OF THE BOARD MEMBERS  
OF LISTED PUBLIC LIMITED COMPANIES**

**ISSUER IDENTIFICATION DETAILS**

**A-58389123**

**GRIFOLS, S.A.**

**c/ Jesús y Maria, 6, 08022 Barcelona**

**ANNUAL REPORT ON REMUNERATION OF THE BOARD MEMBERS OF  
LISTED PUBLIC LIMITED COMPANIES**

**A COMPANY REMUNERATION POLICY  
FOR THE CURRENT FINANCIAL YEAR**

A.1 Explain the remuneration policy of the company. In this section, information is to be included on the following:

- General principles and fundamentals of the remuneration policy.
- The most significant changes made in the remuneration policy compared to that applied during the previous financial year, as well as those modifications that may have been made during the financial year of the conditions for the exercising of options already granted.
- Criteria used to establish the remuneration policy of the company.
- Relative importance of the variable compensation concepts in relation to those fixed and criteria followed to determine different ones

**Explain the remunerations policy**

The compensation regime of the members of the Board of Directors and the remuneration policy of the Company are regulated in:

A. The Articles of Association of the Company

Article 20 of the Articles of Association establishes that the position of board member is compensated by means of a fixed quota determined at the General Shareholders' Meeting for the current financial year or for future financial years. Said compensated character refers strictly to the remuneration derived from the position of board member and does not, therefore, include those remunerations for salary concepts that those board members who may have an employment relationship with the Company may receive from the latter as an employer.

B. Regulations of the Board of Directors of the Company

Articles 26 and 27 of the Regulations of the Board of Directors of the Company develop article 20 of the Articles of Association and establish the internal regulation of the compensation concepts, depending on the category of the board member.

As a result, the position of board member may be compensated by means of the following:

- (a) Fixed amounts that must be determined for each year at General Shareholders' Meetings on the basis of the dedication of the board members to the activity of the Company, as well as on the basis of their classification and effective responsibility, in the case of external board members, and must be moderated depending on market requirements;
- (b) Allowances for meetings of the Board of Directors and of its Committees, and;
- (c) Prevision systems such as additional pensions, life insurance policies and analogous figures.

In addition, those board members who may hold the category of executive board members may be compensated with a variable amount, which must bear a 2/20

relation with their professional performance, as well as their level of fulfilment of objectives taken as a reference, and which may consist of the delivery of shares, provided that this is conditional upon the executive board member maintaining them until they cease to be board members.

- A.2 Information on preparatory work and the decision-making process that may have been followed in order to determine the remuneration policy and the role performed, where applicable, by the compensation committee and other bodies of control in the configuration of the remuneration policy. This information shall, where applicable, include the mandate given to the compensation committee, its composition, and the identity of any external advisors whose services may have been used to define the compensation policy. In addition, the character of those board members who, where applicable, may have intervened in the definition of the compensation policy, is to be expressed.

<b>Explain the process to determine the remuneration policy</b>
---

According to the Regulations of the Board of Directors, board members shall be entitled to obtain such compensation as may be established by the Board of Directors under the provisions of the articles of association and in accordance with the indications of the Appointments and Compensation Committee, ensuring that the compensation is moderated based on market requirements.

In this regard, the Regulations of the Board of Directors, in article 15 thereof, regulates the operation of the Appointments and Compensation Committee, which must meet together at least once a year to prepare the information on compensations of the board members that the Board of Directors must approve and include in its annual public documentation.

In this manner, the functions of the Appointments and Compensation Committee include that of: (a) proposing to the Board of Directors the system for and the amounts of the annual compensations of board members and top executives, and; (b) periodically reviewing the compensation programmes of top executives, assessing their suitability and performances.

The compensations policy approved by the Board of Directors is to ensure pronouncement on the following questions:

- (a) The value, by categories of board members, of fixed components, with breakdowns, where appropriate, of allowances for participation on the Board and its Committees and an estimate of the fixed annual compensation that this may give rise to;
- (b) compensation concepts of a variable character;
- (c) the main characteristics of the systems of prevision, with an estimate of their value or equivalent annual cost, and;
- (d) conditions that any contracts of persons exercising functions of top management as executive board members must respect, with these including the period of validity, terms of prior notice, and any other clauses relating to signing-on bonuses, indemnities or contractual protection for early rescission or termination of the contractual relationship.

- A.3 Indicate the value and the nature of the fixed components, with breakdowns, where appropriate, of compensations for the performance of top management functions of executive board members, of additional compensation as chair or member of any committees of the board, of allowances for participation on the board and its committees or other fixed compensations as board members, as well as an estimate of the fixed annual compensation that these may give rise to. Identify other benefits not paid in cash and the fundamental parameters by which these are granted.

<b>Explain the fixed components of the remuneration</b>
---

This is only received by those board members that have the category of external board members of the Company, with the exception of those who render remunerated professional services to the Company or to the Group during said financial year, directly or via companies in which they may hold any participation.

At the date of this report, 8 external board members receive fixed annual compensation derived from their positions as board members (5 board members who have the category of independent external board members, 1 board member that has the category of an external board member representing a shareholder, and 2 board members that have the category of other kinds of external board members).

The amount of the fixed annual compensation determined by the Board of Directors for the financial year 2015, which shall be submitted for approval at the Ordinary Shareholders' Meeting, amounts to 100,000 euro per board member. In addition, those board members that are part of a Committee of the Board of Directors (Audit Committee or Appointments and Compensation Committee) will receive additional annual compensation of 25,000 euro each for the extra workload involved (amounting to a total compensation of 125,000 euro). Furthermore, the chairpersons of the respective Committees will be granted other additional compensation in the amount of 25,000 euro (amounting to a total compensation of 150,000 euro) for acting as a chairman.

The independent board member who is performing the function of coordinator director as set forth in Act 3/2014, of 3 December, which modifies the Spanish Companies Act for the improvement of corporate governance shall receive additional compensation of 50,000 euro for performing his/her duties (amounting to a total compensation of 150,000 euro).

Under no circumstances shall an external board member receive more than 150,000 euro for serving as a board member.

Compensation derived from the performance of executive functions:

This is only received by those board members that have the category of executive board members and, as such, have an employment relationship (or, where appropriate, a commercial relationship) with the Company.

At the date of this report, three executive board members receive fixed annual compensation derived from employment relationships (or, where appropriate, commercial relationships) that they maintain with the Company: (i) the Chair and Chief Executive Officer; (ii) the Chief Operations Officer, and; (iii) the Member of the Advisory Committee of the President.

A.4 Explain the value, the nature and the main characteristics of the variable components of the compensation systems. In particular:

- Identify each one of the compensation plans of which the board members are beneficiaries, their scope, the date on which they were approved, the date of implementation, the period of validity and their main characteristics. In the case of stock option plans and other financial instruments, the general characteristics of the plan are to include information on the conditions for the exercise of said options or financial instruments for each plan.
- Indicate any remuneration in the concept of participation in profits or bonuses, and the reason due to which they were granted.
- Explain the fundamental parameters and the basis for any annual bonus systems.
- The kinds of board members (executive board members, external board members representing shareholders, independent external board members or other external board members) that are beneficiaries of compensation systems or plans that incorporate variable compensation.
- The basis of said variable compensation systems or plans, the criteria for the assessment of performance chosen, as well as the components and methods of assessment to determine whether or not said assessment criteria have been fulfilled, and an estimate of the absolute value of the variable compensation to which the currently-valid compensation plan would give rise, based on the degree of fulfilment of the hypotheses or objectives taken as a reference.
- Where appropriate, information is to be given on the periods of deferment or payment by instalments that may have been established and/or any periods of retention of shares or other financial instruments should these exist.

<b>Explain the variable components of the compensation systems</b>
--

A. Compensation derived from the position of board member. None exists.

B. Compensation derived from the exercising of executive functions:

This is only received by those top managers and board members that have the category of executive board members and, as such, have an employment relationship (or, where appropriate, a commercial relationship) with the Company.

At the date of this report, three external board members receive variable compensation derived from employment relationships (or, where appropriate, commercial relationships) that they maintain with the Company: (i) the Chair and Chief Executive Officer; (ii) the Chief Operations Officer, and; (iii) the Member of the Advisory Committee of the President.

The variable annual salary compensation for the financial year 2014 consists of a fixed amount between 30% and 45% of the final compensation for said financial year, related to the fulfilment of objectives related to the obtainment of the EBIT Holding.

- A.5 Explain the main characteristics of the long-term saving systems, including retirement and any other compensations or allowances for survival, financed in part or in full by the company, whether these may have been endowed internally or externally, with an estimate of their value or equivalent annual cost, indicating the type of plan, whether it is of defined contribution or benefit, the conditions for consolidation of the economic rights for board members and their compatibility with any kinds of indemnity for early resolution or termination of the contractual relationship between the company and the board member.

Also indicate contributions for the board member to defined benefit pension plans; or the increase of consolidated rights of the board member, in the case of contributions to defined benefit plans.

**Explain the long-term saving systems**

Not applicable.

- A.6 Indicate any indemnities agreed or paid in the case of termination of functions as board members.

**Explain the indemnities**

Not applicable.

- A.7 Indicate the conditions that the contracts of those who may exercise functions of top management as executive board members must respect. Among others, information is to be given on the period of validity, limits of the amounts of indemnity, permanence clauses, terms of prior notice, as well as payment in lieu of the mentioned term of prior notice, and any other clauses relating to signing-on bonuses, as well as indemnities or contractual protection for early resolution or termination of the contractual relationship between the company and the executive board member. Include, among others, non-competition agreements, exclusivity, permanency or loyalty and post-contractual non-competition.

**Explain the conditions of the contracts of the executive board members**

The contracts of the top managers, as well of the executive board members, are standard contracts, as they do not include concrete specific details beyond those normal ones for this type of contracts. Without detriment to the foregoing, some of said contracts include clauses of change of control, in which case, the top managers and/or board members may opt between continuing in the Company or terminating their relationship with the same. In the latter case, they are entitled to an indemnity equivalent to five years of salary.

- A.8 Explain any additional remuneration accrued by board members as compensation for services rendered other than those inherent to their position.

**Explain the additional remuneration**

Not applicable.

- A.9 Indicate any compensation in the form of advanced payments, credits and guarantees granted, with indication of the interest rate, their essential characteristics and the amounts finally returned, as well as the obligations assumed under these by way of guarantees.

**Explain the advanced payments, credits and guarantees granted**

Not applicable.

- A.10 Explain the main characteristics of fringe benefits.

**Explain the fringe benefits**

Not applicable.

- A.11 Indicate the remuneration accrued by the board member by virtue of any payments that the listed company may make to any third-party companies in which the board member may render its services, whenever the purpose of said payments is to remunerate the services of the latter in the company.

**Explain the remuneration accrued by the board member by virtue of payments made by the listed company to any third-party companies in which the board member renders services**

Not applicable.

- A.12 Any other compensation concepts different from the foregoing, whatever their nature may be and whichever the company of the group paying these may be, especially whenever they may be considered as related-party transactions or their issuing may distort the faithful image of the total remuneration accrued by the board member.

**Explain the other compensation concepts**

Not applicable.

- A.13 Explain the actions taken by the company in relation to the remuneration system to reduce exposure to excessive risks and align it with the long-term objectives, values and interests of the company. This is to include, where appropriate, a reference to the following: measures planned in order to guarantee that the long-term results of the company will be taken into account in the remuneration policy, measures to establish a suitable equilibrium between the fixed and variable components of the remuneration, measures adopted in relation to those categories of personnel whose professional activities have a material repercussion on the risk profile of the company, formulas or clauses for collection, to be able to claim the refunding of the variable components of the remuneration based on results whenever such components may have been paid taking into account details the inexact nature of which may have been demonstrated subsequently in a clear manner, and measures planned to prevent conflicts of interests, where appropriate.

**Explain the actions taken to reduce risks**

The remuneration policy of the Company takes into account the long-term objectives of the Company, granting its top executives and its executive board members the possibility of obtaining a variable amount in relation to their remuneration. In this manner, the remuneration consists of a fixed sum and a variable amount, with it being possible for the latter to be as much as 30% to 45% of the final remuneration.

**B REMUNERATION POLICY PLANNED FOR FUTURE FINANCIAL YEARS**

- B.1 Make a general provision of the remunerations policy for future financial years describing said policy in relation to the following: fixed components and allowances and compensations of a variable nature, the relationship between remuneration and results, prevision systems, contract conditions of executive board members, and provision of the most significant changes in the compensation policy compared with previous financial years.

**General provision of the remuneration policy**

The remuneration policy of the Company is based on simplicity. In this regard, in order to avoid complex compensation systems, the general provision of the remuneration policy is to continue being based on remuneration including a fixed amount, as well as, in the case of executive board members, a possible variable amount that may be as much as 30% to 45% of the final remuneration.

- B.2 Explain the decision-making process for the configuration of the remuneration policy planned for future financial years, and the role performed, where appropriate, by the compensation committee.

**Explain the decision-making process for the configuration of the remuneration Policy**

The Regulations of the Board of Directors, in article 15 thereof, regulates the operation of the Appointments and Compensation Committee, which must meet together at least once a year to prepare the information on compensations of the board members that the Board of Directors must approve.

In this regard, following a report by the Appointments and Compensation Committee, the Board of Directors is to approve the remuneration of the board members, in conformity with articles 5 and 26 of the Regulations of the Board of Directors.

Finally, the remunerations are to be approved at General Shareholders' Meetings, in conformity with that provided for in article 20 of the Articles of Association.

- B.3 Explain the incentives created by the company in the remuneration system in order to reduce exposure to excessive risks and align it with long-term objectives, values and interests of the company.

**Explain the incentives created in order to reduce risks**

In conformity with that provided for in previous sections, the remuneration policy of the Company is based on simplicity. In this regard, the incentives created by the company in the remuneration system are based on variable remuneration that may be as much as 30% to 45% of the final remuneration in the case of



executive board members.

**C GLOBAL SUMMARY OF HOW THE COMPENSATION POLICY WAS APPLIED DURING THE FINANCIAL YEAR CLOSED**

- C.1 Explain, in a summarized form, the main characteristics of the compensation structure and concepts of the remuneration policy applied during the financial year closed, that gives rise to the breakdown of the individual compensation accrued by each one of the board members that are shown in section D of this report, as well as a summary of the decisions taken by the board for the application of said concepts.

**Explain the compensation structure and concepts of the compensation policy applied during the financial year**

See the preceding sections A.1, A.2, A.3 and A.4, in which the remuneration policy of the Company is explained.

In addition, and in conformity with section B, the remuneration policy of the Company is based on simplicity. In this regard, the remuneration of top executives, as well as of executive board members, has consisted, solely, of a fixed remuneration plus a variable one that may be as much as 30% to 45% of the final remuneration.

D BREAKDOWN OF THE INDIVIDUAL COMPENSATIONS ACCRUED BY EACH ONE OF THE BOARD MEMBERS

D.1 Complete the following charts in relation to the individualized remuneration of each one of the board members (including the compensation for the exercising of executive functions) accrued during the financial year.

a) Compensation accrued in the company covered in this report: i)

Compensation in cash (in thousands of €)

Name/ Type/ period of accrual financial year t	Salary	Fixed remuneration	Expenses	Short-term variable compensatio n	Long-term variable compensatio n	Remuneration due to belonging to board committees	Indemnity	Other concepts	Total financial year t	Total financial year t-1
Anna Veiga Lluch	0	100	0	0	0	0	0	0	100	100
Belén Villalonga Morenés	0	100	0	0	0	0	0	0	100	100
Edgar Dalzell Jannotta	0	100	0	0	0	0	0	0	100	100
Luis Isasi Fernández de Bobadilla	0	100	0	0	0	0	0	0	100	100
Steven Mayer	0	100	0	0	0	0	0	0	100	100
W. Brett Ingersoll	0	100	0	0	0	0	0	0	100	100
Thorthol Holdings BV	0	100	0	0	0	0	0	0	100	100
Thomas Glanzmann	0	0	0	0	0	0	0	1,446	1,446	728

Tomás Dagá Gelabert	0	0	0	0	0	0	0	0	0	0	0
Víctor Grifols Roura	0	881	0	629	0	0	0	0	0	1,510	1,438
Juan Ignacio Twose Roura	0	738	0	528	0	0	0	0	0	1,266	1,205
Ramón Riera Roca	0	650	0	455	0	0	0	0	0	1,105	1,061
Marla E. Salmon	0	50	0	0	0	0	0	0	0	50	0

ii) Compensation systems based on shares

Tax Identification Number:

Name of the Plan	Date of implementation	Ownership of options at the beginning of financial year t				Options assigned during financial year t					Options delivered during financial year t		
		No. of options	No. Shares affected	Exercise price (€)	Term of exercise	No. of options	No. Shares affected	Exercise price (€)	Term of exercise	Conditions for exercise	No. Shares	Price	Amount

Tax Identification Number:

Name of the Plan	Date of implementation	Options exercised in financial year t				Options vested and not exercised	Options at the end of financial year t					
		No. of options	No. Shares affected	Exercise price (€)	Gross Profit (€)		No. of options	No. of options	No. of shares affected	Exercise price (€)	Term of exercise	Other requisites for exercise

iii) Long-term saving systems

Name / Type / total period of accrual in financial years	Company contribution in the financial year (thousands of €)		Amount of funds accumulated (thousands of €)	
	Financial year t	Financial year t-1	Financial year t	Financial year t-1

iv) Other profits (in thousands of €)

Name / Type	Compensation in the form of advanced payments, credits granted			Life insurance premiums		Guarantees constituted by the company for board members	
	Interest rate of the operation	Essential characteristics of the operation	Amounts returned, if any	Financial year t	Financial year t-1	Financial year t	Financial year t-1

b) Compensation accrued by board members of the company due to them being on boards in other companies of the

group: i) Compensation in cash (in thousands of €)

Name/ Type/ period of accrual FY t	Salary	Fixed remuner ation	Allowances	Short-term variable compensation	Long-term variable compensation	Remuneration due to belonging to board committees	Indemnity	Other concepts	Total for financial year t	Total for financial year t-1
Anna Veiga Lluch	0	0	0	0	0	0	0	0	0	0
Belén Villalonga Morenés	0	0	0	0	0	0	0	0	0	0
Edgar Dalzell Jannotta	0	0	0	0	0	0	0	0	0	0

Luis Isasi Fernández de Bobadilla	0	0	0	0	0	0	0	0	0	0
Steven Mayer	0	0	0	0	0	0	0	0	0	0
W. Brett Ingersoll	0	0	0	0	0	0	0	0	0	0
Thorthol Holdings BV	0	0	0	0	0	0	0	0	0	0
Thomas Glanzmann	0	0	0	0	0	0	0	0	0	0
Tomás Dagá Gelabert	0	0	0	0	0	0	0	0	0	0
Víctor Grifols Roura	0	0	0	0	0	0	0	0	0	0
Juan Ignacio Twose Roura	0	0	0	0	0	0	0	0	0	0
Ramón Riera Roca	0	0	0	0	0	0	0	0	0	0
Marla Elizabeth Salmon	0	0	0	0	0	0	0	0	0	0

ii) Compensation systems based on shares

Tax Identification Number:

Name of the Plan	Date of implementation	Ownership of options at the beginning of financial year t				Options assigned during financial year t					Options delivered during financial year t		
		No. of options	No. Shares affected	Exercise price (€)	Term of exercise	No. of options	No. Shares affected	Exercise price (€)	Term of exercise	Conditions for exercise	No. Shares	Price	Amount

Tax Identification Number:

Name of the Plan	Date of implementation	Options exercised in financial year t				Options vested and not exercised	Options at the end of financial year t				
		No. of options	No. Shares affected	Exercise price (€)	Gross Profit (€)		No. of options	No. of shares affected	Exercise price (€)	Term of exercise	Other requisites for exercise

iii) Long-term saving systems

Name / Type / total period of accrual in financial years	Company contribution in the financial year (thousands of €)		Amount of funds accumulated (thousands of €)	
	Financial year t	Financial year t-1	Financial year t	Financial year t-1



--	--	--	--	--

iv) Other profits (in thousands of €)

Name / Type	Compensation in the form of advanced payments, credits granted			Life insurance premiums		Guarantees constituted by the company for board members	
	Interest rate of the operation	Essential characteristics of the operation	Amounts returned, if any	Financial year t	Financial year t-1	Financial year t	Financial year t-1

c) Summary of compensations (in thousands of €):

The amounts corresponding to all of the compensation concepts included in this report that have been accrued by the board member must be included in the summary, in thousands of euro.

In the case of long-term Saving Systems, the contributions or endowments made to this kind of systems are to be included:

Name / Type	Compensation accrued in the Company				Compensation accrued in group companies				Totals		
	Total Compensation in cash	Value of shares	granted and exercised Gross profit of options	Total financial year t for company	Total Compensation in cash	Value of shares delivered	Gross profit of options exercised	Total financial year t for group	Total financial year t	Total financial year t-1	Contribution to saving systems during FY
Anna Veiga	100	0	0	100	0	0	0	0	100	100	0
Belén Villalonga	100	0	0	100	0	0	0	0	100	100	0

Edgar Dalzell Jannotta	100	0	0	100	0	0	0	0	100	100	0
Steven Mayer	100	0	0	100	0	0	0	0	100	100	0
Luis Isasi Fernández de Bobadilla	100	0	0	100	0	0	0	0	100	100	0
W. Brett	100	0	0	100	0	0	0	0	100	100	0
Thorthol Holdings BV	100	0	0	100	0	0	0	0	100	100	0
Thomas Glanzmann	1,446	0	0	1,446	0	0	0	0	1,446	728	0
Tomás Dagá Gelabert	0	0	0	0	0	0	0	0	0	0	0
Víctor Grifols Roura	1,510	0	0	1,510	0	0	0	0	1,510	1,438	0
Juan Ignacio Twose Roura	1,266	0	0	1,266	0	0	0	0	1,266	1,205	0
Ramón Riera Roca	1,105	0	0	1,105	0	0	0	0	1,105	1,061	0
Marla Elizabeth Salmon	50	0	0	50	0	0	0	0	50	0	0

D.2 Report on the relationship between the compensation obtained by board members and the results or other measurements of performance of the company, explaining, where appropriate, how the variations in the performance of the company have influenced the variation in the remuneration of the board members.

Only executive board members receive part of their compensation as variable, with it being possible for this to be between 30% and 45% of the final compensation. The remaining independent board members, others external and those representing shareholders that receive compensation are not affected by results or other measurements of performance of the company, beyond the performance of the work of the board members in conformity with that provided for in the Articles of Association and in the Regulations of the Board of Directors.

D.3 Report on the result of the consultative vote at the general shareholders' meeting on the annual report on remuneration in the previous financial year, with indication of the number of negative votes issued, where appropriate:

	<b>Number</b>	<b>% of the total</b>
	162,386,664	100.00
<b>Votes issued</b>		
	<b>Number</b>	<b>% of the total</b>
<b>Negative votes</b>	70,279,834	43.28
<b>Votes in favour</b>	90,796,120	55.91
<b>Abstentions</b>	1,310,710	0.81

**E****OTHER INFORMATION OF INTEREST**

Should there be any relevant aspects in the area of board member remuneration that it may not have been possible to include in the other sections of this report, but which it may be necessary to include in order to be in possession of more complete and reasoned information on the compensation structure and practices of the company in relation to its board members, detail these briefly.

In section D of this Annual Remuneration Report, it has been indicated that the board member Mr. Thomas Glanzmann receives 1,445,767.77 euro of remuneration (concept "others"), with said amount being indicated in the summary chart as "total remuneration in cash". For the purposes of clarification, it is indicated that Mr. Thomas Glanzmann receives said amount as a result of services that he renders to the Company.

This annual corporate governance report has been approved by the Board of Directors of the company, in its session on the date

20/02/2015
------------

Indicate whether any of the board members have voted against, or have abstained, in relation to the approval of this Report.

NO
----

Name or company name of the member of the board of directors that has not voted in favour of the approval of this report	Reasons (against, abstention, non-assistance)	Explain the reasons