

ANNUAL CORPORATE GOVERNANCE REPORT

LISTED PUBLIC LIMITED COMPANIES

ISSUER'S IDENTIFICATION DETAILS

DATE FINANCIAL YEAR ENDED: 12/31/2008

TAX NUMBER (C.I.F.): A-58389123

Company name: GRIFOLS, S.A.

**MODEL ANNUAL CORPORATE GOVERNANCE REPORT
FOR PUBLIC LIMITED COMPANIES**

The instructions for filling this report in given at the end of this document should be read in order to understand the model better and then draw this up properly.

A – OWNERSHIP STRUCTURE

A.1 Complete the following table on the Company's share capital:

Date of last modification	Share capital (euros)	Number of shares	Number of voting rights
05/17/2006	106,521,449.50	213,064,899	213,064,899

State whether there are different types of shares with different associated rights:

NO

A.2 Give details of the direct and indirect owners of significant shareholdings and of their size at the date of closing the financial year, excluding Directors:

Personal or corporate name of the shareholder	Number of direct voting rights	Number of indirect voting rights (*)	% of total voting rights
SCRANTON ENTERPRISES, B.V.	22,697,437	0	10.653
DERIA, S.A.	18,687,588	0	8.771
NOVOSTI, S.L.	16,540,827	0	7.763
MR. VICTOR GRIFOLS LUCAS	11,861,686	1,250,501	6.154
FMR LLC	0	10,656,968	5.002
FIDELITY INTERNATIONAL LTD	0	8,164,867	3.832

Personal or corporate name of the indirect owner of the holding	Held through: Personal or corporate name of the direct owner of the holding	Number of direct voting rights	% of total voting rights
MR. VICTOR GRIFOLS LUCAS	RODELLAR AMSTERDAM B.V.	1,250,501	0.587
FMR LLC	FMR LLC INDIRECT. ITEMIZATION IN MANAGEMENT REPORT	10,656,968	5.002
FIDELITY INTERNATIONAL LTD	FIDELITY INTL LTD INDIRECT. ITEMIZATION IN MANAGEMENT REPORT	8,164,867	3.832

State the most significant changes in the shareholding structure during the financial year:

Personal or corporate name of the shareholder	Date of the operation	Description of the operation
FIDELITY INTERNATIONAL LTD	12/11/2008	Dropped below 5% of the share capital
STATE STREET BANK TRUST CO.	12/31/2008	Dropped below 3% of the share capital
FMR LLC	07/31/2008	5% of the share capital was exceeded
MORGAN STANLEY CO INTERNATIONAL LTD	09/23/2008	Dropped below 3% of the share capital

A.3 Complete the following tables on the members of the Company's Board of Directors with voting rights from Company shares:

Personal or corporate name of Director	Number of direct voting rights	Number of indirect voting rights (*)	% of total voting rights
MR. VICTOR GRIFOLS ROURA	435,150	0	0.204
MS. ANNA VEIGA LLUCH	100	0	0.000
MR. EDGAR DALZELL JANNOTTA	254,127	0	0.119
MR. JUAN IGNACIO TWOSE ROURA	129,674	0	0.061

Personal or corporate name of Director	Number of direct voting rights	Number of indirect voting rights (*)	% of total voting rights
MR. RAMON RIERA ROCA	169,085	8,000	0.083
MR. THOMAS GLANZMANN	4,790	15,000	0.009
THORTHOL HOLDINGS, B.V.	14,701,206	0	6.900
MR. TOMAS DAGA GELABERT	44,564	0	0.021

Personal or corporate name of the indirect owner of the holding	Held through: Personal or corporate name of the direct owner of the holding	Number of direct voting rights	% of total voting rights
MR. THOMAS GLANZMANN	KOLHOLMEN INVESTMENT AB	15,000	0.007
MR. RAMON RIERA ROCA	MS. LAURA RIERA SANTOS	8,000	0.004

% total number of voting rights belonging to the Board of Directors	7.398
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Complete the following tables on the members of the Company's Board of Directors holding rights over Company shares:

A.4 Describe, where applicable, any family, commercial, contractual or corporate relations that may exist between the owners of significant shareholdings, to the extent that these are known to the Company, unless they are not highly relevant or stem from ordinary business operations:

Type of relationship:

Family

Short description:

Mr. Víctor Grifols Lucas is the father of the partners of Deria, S.A., uncle of the partners of Novosti, S.L., and uncle of the shareholders of Thorthol Holdings B.V.

Personal or corporate name connected
THORTHOL HOLDINGS, B.V.
MR. VICTOR GRIFOLS LUCAS
NOVOSTI, S.L.

DERIA, S.A.

A.5 Describe, where applicable, any commercial, contractual or corporate relations existing between the owners of significant shareholdings and the Company and/or its Group, unless they are not highly relevant or stem from ordinary business operations:

Type of relationship:

Contractual

Short description:

Mr. Víctor Grifols Lucas is a partner of Marca Grifols, S.L., which is paid a fee for use of the Grifols trademark

Personal or corporate name connected

MR. VICTOR GRIFOLS LUCAS

Type of relationship:

Contractual

Short description:

The shareholders of Thorthol Holdings B.V. (Grifols Gras family) are partners of Marca Grifols, S.L which is paid a fee for use of the Grifols trademark

Personal or corporate name connected

THORTHOL HOLDINGS, B.V.

A.6 State whether the Company has been informed of any shareholders' agreements affecting this pursuant to art. 112 of the Spanish Securities Market Law (LMV). Where applicable, describe these briefly and list the shareholders bound by any such agreement:

NO

State whether the Company is aware of the existence of any concerted actions arranged by its shareholders. Where applicable, give a short description of these:

NO

In the event of there having been any amendments to or termination of said stipulations or agreements or concerted actions, expressly state this:

A.7 State whether there is any natural or legal person now exercising or who could exercise control over the Company pursuant to article 4 of the Spanish Securities Market Law. Where applicable, identify this person:

NO

A.8 Complete the following tables on the Company's treasury stock:

At the date of closing the financial year:

Number of direct shares	Number of indirect shares (*)	Total % of share capital
2,411,622	0	1.132

(*) Through:

Total	0
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Give details of any significant variations taking place during the financial year, in accordance with what is laid down in Royal Decree 1362/2007:

Notice date	Total of direct shares acquired	Total of indirect shares acquired	Total % of share capital
01/11/2008	2,257,255	0	1.060

Capital gain/(loss) of the Company's treasury stock disposed of during the period (thousand euros)	17
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A.9 Give details of the conditions and period of the current mandate given by the Meeting to the the Board of Directors to acquire or transfer the Company's treasury stock.

The Ordinary General Meeting of 13th June 2008 authorized the Company's Board of Directors to acquire its own stock or subscription rights, by means of purchase, exchange, attribution account payment or any other form envisaged in the Law, either directly or through its subsidiaries, within the limits and with the requisites to be announced below:

(i) For the face value of the shares acquired, added to the ones already owned by the Company or its Subsidiary companies, not to exceed 5% of the Company's share capital at any time.

(ii) For the acquisition to enable the Company to provide for the reserve laid down in rule 3 of article 79 of the Spanish Public Limited Companies Law, without reducing either the share capital or any legally or statutorily non-disposable reserves.

(iii) For the shares acquired to be paid up in full.

(iv) The maximum acquisition price will be the listed price at the stock exchange session on the day the acquisition is made or, where applicable, the one authorized by the Spanish Stock Exchange Commission. The minimum price will be 100% of the face value of each share.

(v) The authorization was granted for at most eighteen months.

(vi) The shares acquired may be intended to be given to the workers or managers of the Group, either directly or as a result of exercising any option rights to which they may be entitled.

A.10 State, where applicable, any legal and statutory restrictions to exercising voting rights, as well as any legal restrictions on acquisition or transfer of holdings in the share capital. State whether there are any legal restrictions to exercising voting rights:

NO

Maximum percentage of voting rights that a shareholder may exercise by legal restriction	0
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State whether there are any statutory restrictions to exercising voting rights:

NO

Maximum percentage of voting rights that a shareholder may exercise through statutory restriction	0
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State whether there are any legal restrictions to the acquisition or transfer of holdings in the share capital:

NO

A.11 State whether the General Shareholders' Meeting has agreed to adopt any neutralization measures against a public takeover bid pursuant to the provisions of Law 6/2007.

NO

Where applicable, explain the approved measures and the terms under which the restrictions would become ineffective:

B – STRUCTURE OF THE COMPANY’S ADMINISTRATION

B.1 Board of Directors

B.1.1 Give details of the maximum and minimum number of Directors envisaged in the corporate articles:

Maximum number of Directors	15
Minimum number of Directors	3

B.1.2 Complete the following table with the members of the Board of Directors:

Personal or corporate name of Director	Representative	Post on the Board	Date 1st appointment	Date last appointment	Election procedure
MR. VICTOR GRIFOLS ROURA	--	CHAIRMAN AND CEO	07/08/1991	06/20/2007	VOTING AT SHAREHOLDERS' MEETING
MS. ANNA VEIGA LLUCH	--	DIRECTOR	12/09/2008	12/09/2008	CO-OPTATION
MR. CHRISTIAN M.C. PURSLOW	--	DIRECTOR	05/21/2003	06/13/2008	VOTING AT SHAREHOLDERS' MEETING
MR. EDGAR DALZELL JANNOTTA	--	DIRECTOR	12/19/2006	12/19/2006	CO-OPTATION
MR. JUAN IGNACIO TWOSE ROURA	--	DIRECTOR	04/13/2000	06/20/2007	VOTING AT SHAREHOLDERS' MEETING
MR. RAMON RIERA ROCA	--	DIRECTOR	04/13/2000	06/20/2007	VOTING AT SHAREHOLDERS' MEETING
MR. THOMAS GLANZMANN	--	DIRECTOR	04/05/2006	04/05/2006	VOTING AT SHAREHOLDERS' MEETING
THORTHOL HOLDINGS, B.V.	--	DIRECTOR	01/20/2000	06/20/2007	VOTING AT SHAREHOLDERS' MEETING

Personal or corporate name of Director	Representative	Post on the Board	Date 1st appointment	Date last appointment	Election procedure
MR. TOMAS DAGA GELABERT	--	DIRECTOR	04/13/2000	05/27/2005	VOTING AT SHAREHOLDERS' MEETING

Total number of Directors	9
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State any members leaving the Board of Directors during the period:

Personal or corporate name of Director	Status of shareholder at the time of removal	Date leaving
MR. THOMAS EDWIN DOSTER	PROPRIETARY	04/24/2008

B.1.3 Complete the following tables on the members of the Board and their different types:

EXECUTIVE DIRECTORS

Personal or corporate name of the Director	Committee proposing their appointment	Post held on the Company's organization chart
MR. VICTOR GRIFOLS ROURA	NOMINATING AND REMUNERATION COMMITTEE	CHAIRMAN AND CEO
MR. JUAN IGNACIO TWOSE ROURA		VICE-PRESIDENT OF PRODUCTION
MR. RAMON RIERA ROCA		VICE-PRESIDENT OF MARKETING AND SALES

Total number of executive Directors	3
Total % of the Board	33.333

EXTERNAL PROPRIETARY DIRECTORS

Personal or corporate name of the Director	Committee proposing their appointment	Personal or corporate name of the significant shareholder whom they represent or who proposed their appointment
THORTHOL HOLDINGS, B.V.		THORTHOL HOLDINGS, B.V.

Total number of proprietary Directors	1
Total % of Board	11.111

INDEPENDENT EXTERNAL DIRECTORS

Personal or corporate name of the Director

MS. ANNA VEIGA LLUCH

Profile

Graduate in Biology and Ph. D in Biology (Cum Laude) at Barcelona Autonomous University. Specialist in Human Assisted Reproduction at the Official Biologists' Association and the Association for Study of Reproductive Biology (2001). She is Senior Clinical Embryologist Certification of the European Society for Human Reproduction and Embryology (2008). She has been Director of the Biology Section of the Reproductive Medicine Service of the Dexeus University Institute (1982-2004). Coordinator of the Master in Reproductive Biology and ART of the Reproductive Medicine Service of the Dexeus University Institute and of the Cellular Biology and Physiology Department of Barcelona Autonomous University since 1998. She has been coordinator of the Special Interest Group in Stem Cells of the European Society for Human Reproduction and Embryology (2005-2008) and Scientific Coordinator of the European Project European Human Embryonic Stem Cell Registry (2002-2010). She was also a founder and president of the Spanish Association for Study of Reproduction Biology (ASEBIR) (1993-2003), member of Alpha Scientists in Reproductive Medicine Executive Committee (1998-2002). Since 2004 she has been a member of the Commission for Bioethics in Biomedical Research of the Health Department of Catalonia Government (*Generalitat*), a member of Catalonia Bioethics Consultancy Committee and member of the Advisory Board of the Health Department of Catalonia Government. Also External Advisor in Assisted Reproduction of the European Commission. Since 2005 she has been a member of the Executive Committee of the European Assisted Conception Consortium (EACC) and, since 2008, a member of the International Committee of the International Society for Stem Cell Research (ISSCR). She has also been a member of the Executive Committee of the European Society for Human Reproduction and Embryology. She is a member of the boards of the Fundació IrsiCaixa, of the Banc de Sang i Teixits and of the Círculo de Economía. She has been given many awards and recognitions such as the Catalonia Government's Creu de Sant Jordi (2004), the Medalla Narcís Monturiol for Scientific and Technological Merit of the Department of Universities, Research and Information Societies (2005), Amics dels Amics award of Barcelona Autonomous University, Catalonia Government's National Scientific Culture Award (2006) and Esteve Bassols Senyora Award of Barcelona (2007). She is an honorary member

Personal or corporate name of the Director

MR. CHRISTIAN M.C. PURSLOW

Profile

He was the founder partner of MidOcean Partners in 2003 and has since then been a partner at the company. He is also a director of the former shareholders of issuer Gabriella Holding Netherlands B.V. and related companies Gabriella Holding N.V. and Gabriella Luxembourg Holdings SARL. He is furthermore a director of Morgan Grenfell Private Equity Limited, Mid Ocean Finco (LAF) Sarl, MidOcean Holdco (LAF) Sarl, MOP Acquisitions (LAF) Limited, Purslow French Property and William Green Son Limited. Since 2001 he has been a member of the board of Carp (UK) 1 Ltd., Carp (UK) 2 Limited, Carp (UK) 3 Limited, Carp (UK) 3A Limited.

Personal or corporate name of the Director

MR. EDGAR DALZELL JANNOTTA

Profile

He was appointed Chairman of William Blair Company L.L.C. and president of the Executive Committee of the firm in March 2001. He joined William Blair in 1959, was appointed partner in 1965 and Managing Partner of the firm from 1977 to 1995. Before being appointed Managing Partner of the firm, he worked in the Corporate Finance department, in investment banking transactions and private capital. He was President of the Securities Industry Association (1982) and Board Member of New York Stock Exchange Inc. He is a Member of the Board of Aon Corporation, Com-Ed, Moles Incorporated and Sloan Valve Company. He is a graduate from Princeton University and has an MBA from Harvard Business School.

Personal or corporate name of the Director

MR. THOMAS GLANZMANN

Profile

He has been the CEO and Chairman of Gambro AB since 2005. He is also a consultant to the President of Davos Global Economic Forum, an institution of which he was also Managing Director and consultant to the Executive President from 2004 to 2005. From 1988 to 2004 he held different positions at Baxter Healthcare Corporation, with headquarters in Los Angeles, rising to the post of Senior Vice-President and President of Baxter Bioscience. From 1984 to 1988 he worked at Philip Morris EFTA, reaching the post of Operating Director of the Group in Norway, Denmark and Iceland.

Total number of independent Directors	4
Total % of the Board	44.444

OTHER EXTERNAL DIRECTORS

Personal or corporate name of the Director	Committee proposing their appointment
MR. TOMAS DAGA GELABERT	NOMINATING AND REMUNERATION COMMITTEE

Total number of other external Directors	1
Total % of the Board	11.111

Give the reasons why these cannot be considered proprietary or independent and their connections, either with the Company, its Directors, or its shareholders.

Personal or corporate name of Director

MR. TOMAS DAGA GELABERT

Company, Director or shareholder with whom there is a connection

GRIFOLS, S.A.

Grounds

His relationship does not match the current definitions of executive Director, proprietary or independent Board member. He is a partner of the Osborne Clarke practice, which renders legal and tax services to the Group.

Detail any changes which may, where applicable, have taken place in the classification of Directors during the period:

Personal or corporate name of Director	Change date	Previous status	Current status
MR. EDGAR DALZELL JANNOTTA	04/23/2008	PROPRIETARY	INDEPENDENT

B.1.4 Explain, where applicable, the reasons why proprietary Directors have been appointed at the request of shareholders whose shareholding is under 5% of the capital.

State whether there has been any failure to address formal requests for representation on the Board made by shareholders whose stake is equal to or over that of others at whose request proprietary shareholders had been appointed. If applicable, explain the reasons why these requests were not accepted.

NO

B.1.5 State whether any Board member had left their post prior to the expiry of their term of office, whether such a person has explained their reasons to the Board and through what channels, and, in the event of having done so in writing to the whole Board, explain below at least the reasons which this person gave:

YES

Name of the Director

MR. THOMAS EDWIN DOSTER

Reason for leaving

RESIGNATION THROUGH NEED FOR COMMITMENT TO PROFESSIONAL RESPONSIBILITIES AT HIS COMPANY

B.1.6 State, where applicable, the powers that have been vested in the CEOs:

Personal or corporate name of Director

MR. VICTOR GRIFOLS ROURA

Short description

All legally and statutorily conferrable powers

B.1.7 Identify, where applicable, any Board members holding administrative or executive posts in other companies forming a part of the Group of the Company listed:

Personal or corporate name of Director	Corporate name of the entity in the Group	Position
MR. VICTOR GRIFOLS ROURA	ARRAHONA OPTIMUS. S.L	CHAIRMAN AND CEO
MR. VICTOR GRIFOLS ROURA	BIOMAT USA INC	DIRECTOR
MR. VICTOR GRIFOLS ROURA	BIOMAT. S.A.	MANAGER
MR. VICTOR GRIFOLS ROURA	DIAGNOSTIC GRIFOLS. S.A.	MANAGER
MR. VICTOR GRIFOLS ROURA	GRIFOLS CHILE. S.A.	DIRECTOR
MR. VICTOR GRIFOLS ROURA	GRIFOLS DEUTSCHLAND GMBH	MANAGER
MR. VICTOR GRIFOLS ROURA	GRIFOLS ENGINEERING. S.A.	MANAGER
MR. VICTOR GRIFOLS ROURA	GRIFOLS FRANCE S.A.R.L.	CO-MANAGER
MR. VICTOR GRIFOLS ROURA	GRIFOLS INC.	DIRECTOR
MR. VICTOR GRIFOLS ROURA	GRIFOLS INTERNATIONAL. S.A.	MANAGER
MR. VICTOR GRIFOLS ROURA	GRIFOLS ITALIA. S.P.A.	CHAIRMAN
MR. VICTOR GRIFOLS ROURA	GRIFOLS PORTUGAL PRODUCTOS FARMACEUTICOS E HOSPITALARES LDA.	MANAGER
MR. VICTOR GRIFOLS ROURA	GRIFOLS S.R.O.	MANAGER
MR. VICTOR GRIFOLS ROURA	GRIFOLS UK. LTD.	MANAGER
MR. VICTOR GRIFOLS ROURA	GRIFOLS VIAJES. S.A.	MANAGER
MR. VICTOR GRIFOLS ROURA	INSTITUTO GRIFOLS. S.A.	CHAIRMAN AND CEO
MR. VICTOR GRIFOLS ROURA	LABORATORIOS GRIFOLS. S.A.	MANAGER
MR. VICTOR GRIFOLS ROURA	LOGISTER. S.A.	MANAGER
MR. VICTOR GRIFOLS ROURA	MOVACO. S.A.	MANAGER
MR. VICTOR GRIFOLS ROURA	PLASMACARE INC.	CHAIRMAN
MR. CHRISTIAN M.C. PURSLOW	INSTITUTO GRIFOLS. S.A.	DIRECTOR
MR. EDGAR DALZELL JANNOTTA	INSTITUTO GRIFOLS. S.A.	DIRECTOR
MR. JUAN IGNACIO TWOSE ROURA	ARRAHONA OPTIMUS. S.L	CEO
MR. JUAN IGNACIO TWOSE ROURA	BIOMAT USA INC	DIRECTOR

Personal or corporate name of Director	Corporate name of the entity in the Group	Position
MR. JUAN IGNACIO TWOSE ROURA	GRIFOLS ENGINEERING. S.A.	MANAGER
MR. JUAN IGNACIO TWOSE ROURA	GRIFOLS INC.	DIRECTOR
MR. JUAN IGNACIO TWOSE ROURA	INSTITUTO GRIFOLS. S.A.	DIRECTOR
MR. JUAN IGNACIO TWOSE ROURA	PLASMACARE INC.	DIRECTOR
MR. RAMON RIERA ROCA	ALPHA THERAPEUTIC ITALIA S.P.A.	CHAIRMAN
MR. RAMON RIERA ROCA	BIOMAT USA INC	DIRECTOR
MR. RAMON RIERA ROCA	GRIFOLS ARGENTINA. S.A.	CHAIRMAN
MR. RAMON RIERA ROCA	GRIFOLS CHILE. S.A.	DIRECTOR
MR. RAMON RIERA ROCA	GRIFOLS FRANCE S.A.R.L.	CO-MANAGER
MR. RAMON RIERA ROCA	GRIFOLS INC.	DIRECTOR
MR. RAMON RIERA ROCA	GRIFOLS INTERNATIONAL. S.A.	MANAGER
MR. RAMON RIERA ROCA	GRIFOLS POLSKA S.P.C.O.O.	CHAIRMAN
MR. RAMON RIERA ROCA	INSTITUTO GRIFOLS. S.A.	DIRECTOR
MR. RAMON RIERA ROCA	PLASMACARE INC.	DIRECTOR
MR. THOMAS GLANZMANN	INSTITUTO GRIFOLS. S.A.	DIRECTOR
THORTHOL HOLDINGS, B.V.	INSTITUTO GRIFOLS. S.A.	DIRECTOR
MR. TOMAS DAGA GELABERT	BIOMAT USA INC	DIRECTOR
MR. TOMAS DAGA GELABERT	GRIFOLS INC.	DIRECTOR
MR. TOMAS DAGA GELABERT	PLASMACARE INC.	DIRECTOR

B.1.8 Detail, where applicable, the Directors of your Company who are also on the Board of Directors of other companies listed on official securities markets in Spain other than your Group, which have been made known to the Company:

Personal or corporate name of Director	Company name of the listed entity	Position
MR. THOMAS GLANZMANN	GAMBRO AB	CHAIRMAN AND CEO

B.1.9 State and where applicable explain whether the Company has established rules on the number of boards on which its own Directors may sit:

NO

B.1.10 As regards recommendation number 8 of the Unified Code, state the policies and general strategies of the Company that must be approved by plenary session of the Board of Directors:

The investments and financing policy	YES
The definition of the structure of the Company Group	YES
The corporate governance policy	YES
The corporate social responsibility policy	YES
The strategic or business plan, as well as the management targets and annual budget	YES
The remuneration and performance assessment policy for senior management	YES
The risk control and management policy, as well as the regular monitoring of the internal information and control systems	YES
The Company's dividends and treasury stock policy and in particular its limits	YES

B.1.11 Complete the following tables as regards the aggregate remuneration of the Directors accrued during the financial year:

a) In the Company covered by this report:

Remuneration type	Data in thousand euros
Fixed remuneration	1,674
Variable remuneration	414
Allowances	0
Statutory benefits	0
Stock options and/or other financial instruments	0
Others	0

Total	2,088
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Other Benefits	Data in thousand euros
Advance payments	0
Loans granted	0
Pension funds and plans: Contributions	0
Pension funds and plans: Obligations acquired	0
Life insurance premiums	0
Guarantees created by the Company in favor of Directors	0

b) Payable through the Company's Directors belonging to other boards of Directors and/or to the senior management of companies in the Group:

Remuneration type	Data in thousand euros
Fixed remuneration	0
Variable remuneration	0
Allowances	0
Statutory benefits	0
Stock options and/or other financial instruments	0
Others	0

Total	0
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Other Benefits	Data in thousand euros
Advance payments	0
Loans granted	0
Pension funds and plans: Contributions	0
Pension funds and plans: Obligations acquired	0
Life insurance premiums	0
Guarantees created by the Company in favor of Directors	0

c) Total remuneration by type of Director:

Type of Director	By Company	By Group
Executives	1,908	0
External, proprietary	0	0
External, independent	180	0
Other external	0	0
Total	2,088	0

d) In respect of the profit assigned to the parent Company

Total remuneration of Directors (in thousand euros)	2,088
Total remuneration of Directors/profit attributed to the parent society (stated as a %)	1.6

B.1.12 Identify any members of senior management who are not at the same time executive Directors, and state the total remuneration payable to them over the financial year:

Personal or corporate name	Position
MR. RICCARDO VANNI	CHIEF EXECUTIVE OFFICER OF GRIFOLS ITALIA, S.P.A.
MR. ALFREDO ARROYO GUERRA	VICE-PRESIDENT ADMINISTRATION AND FINANCE
MS. NURIA PASCUAL LAPEÑA	DIRECTOR OF SHAREHOLDER AND INVESTOR RELATIONS
MR. ALBERT GRIFOLS ROURA	CHIEF EXECUTIVE OFFICER OF BIOMAT, S.A.
MR. MIGUEL PASCUAL MONTBLANCH	CHIEF EXECUTIVE OFFICER OF MOVACO, S.A.
MR. JAVIER JORBA RIBES	CHIEF EXECUTIVE OFFICER OF INSTITUTO GRIFOLS, S.A.
MR. VICENTE BLANQUER TORRE	CHIEF TECHNOLOGY OFFICER

Personal or corporate name	Position
MS. EVA BASTIDA TUBAU	CHIEF SCIENTIFIC OFFICER
MR. ANTONIO VIÑES PARES	DIRECTOR OF PLANNING AND CONTROL
MR. SERGIO ROURA ADELL	CHIEF EXECUTIVE OFFICER OF GRIFOLS ENGINEERING, S.A.
MR. ORIOL DUÑACH FULLA	CHIEF EXECUTIVE OFFICER OF DIAGNOSTIC GRIFOLS, S.A.
MR. JAVIER ROURA FERNÁNDEZ	CHIEF FINANCIAL OFFICER
MR. CARLOS ROURA FERNANDEZ	CHIEF EXECUTIVE OFFICER OF LABORATORIOS GRIFOLS, S.A.
MS. MONTSERRAT LLOVERAS CALVO	CHIEF ADMINISTRATIVE OFFICER AND CONTROLLER
MR. HANS J. BEER	CHIEF EXECUTIVE OFFICER OF DE GRIFOLS DEUTSCHLAND GMBH
MR. SHINJI WADA	CHAIRMAN OF BIOMAT USA INC.
MR. DAVID BELL	VICE-PRESIDENT OF CORPORATE OPERATIONS AND DEVELOPMENT OF GRIFOLS INC. AND U.S. SUBSIDIARIES
MR. GREGORY GENE RICH	CHAIRMAN OF GRIFOLS INC AND U.S. SUBSIDIARIES
MS. CHERYL LAWRENCE	CHIEF ADMINISTRATIVE OFFICER AND CONTROLLER OF GIRFOLS INC. AND U.S. SUBSIDIARIES
MR. MARK MACDONELL	CHIEF EXECUTIVE OFFICER OF GRIFOLS UK LTD
MR. WILLIAM ZÚÑIGA	CHAIRMAN OF GRIFOLS BIOLOGICALS, INC
MR. MATEO BORRAS HUMBERT	DIRECTOR OF HUMAN RESOURCES
MR. IGNACIO RAMAL SUBIRA	INTERNAL AUDITOR
MR. MAX DE BROUWER	CHIEF FINANCIAL OFFICER OF GRIFOLS INC
MR. TODD WOLSING	CHAIRMAN OF PLASMACARE INC

Total remuneration of top management (in thousand euros)	7,381
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B.1.13 Specify on aggregate if there are guarantee or “golden parachute” protection clauses for members of senior management, including executive Directors of the Company or its Group, in the event of dismissal or changes in control. State whether these contracts have to be made known to and/or approved by the corporate or Group governing bodies:

Number of beneficiaries	6
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	Board of Directors	General Meeting
Body authorizing the clauses	YES	NO

Is the General Meeting informed about the clauses?	NO
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B.1.14 Describe the process for establishing the compensation of the members of the Board of Directors and the relevant statutory provisions in the articles about this.

Process for establishing the compensation of the members of the Board of Directors and statutory clauses
<p>Corporate Articles:</p> <p>Article 20.- Composition and remuneration of the Board of Directors.- (...) The post of Director will be paid. For this purpose, the General Meeting will establish each year or for the financial years that the Meeting itself may decide, a set amount as remuneration for the Board of Directors, which will distribute this among its members, by means of an agreement, depending on their dedication to the Company's business.</p> <p>Regardless of the above, the Directors shall be entitled to refunding for any expenses that they have to make as a result of performing their duties.</p> <p>Regulations of the Board of Directors: Chapter VIII Remuneration of the Director</p> <p>Article 26. Remuneration of the Director</p> <ol style="list-style-type: none"> 1. A Director shall be entitled to obtain the remuneration set by the Board of Directors in accordance with statutory provisions and in accordance with the guidance of the Nominating and Remuneration Committee. 2. The Board shall ensure that Directors' remuneration is moderate in accordance with market requirements. 3. The remuneration policy passed by the Board shall attempt to give guidelines on the following issues:

Process for establishing the compensation of the members of the Board of Directors and statutory clauses

(a) The amount, by types of Directors, of the fixed components, breaking down, where applicable, the allowances for taking part on the Board and its Committees, and an estimation of the annual fixed remuneration to which this gives rise.

(b) Variable remuneration items, specifically including:

i. Types of Directors to whom this applies, as well as an explanation of the relative importance of variable remuneration items in respect of the fixed ones;

ii. Criteria for assessment of results used as the basis for any entitlement to remuneration by shares, stock options or any other variable component;

iii. Fundamental parameters and foundation of any annual bonus system or of other benefits not paid in cash; and

iv. An estimation of the absolute amount of variable remuneration which will be entailed by the proposed remuneration plan, in accordance with the degree of fulfillment of the hypotheses or objectives taken as a reference.

(c) Main characteristics of the welfare systems (e.g. complementary pensions, life insurance and similar items) with an estimation of their amount or equivalent annual cost.

(d) The conditions to apply to contracts of senior management such as executive Directors, these to include:

i. Duration;

ii. Advance notice periods; and

iii. Any other clauses as regards engagement bonuses, as well as compensation or "Golden parachutes" for early cancellation or termination of the contractual relationship between the Company and the executive Director.

4. Any remuneration associated with the Company's results shall take into account any possible reservations made in the external auditor's report which reduce said results.

5. Variable remuneration policies shall incorporate the technical cautions required to ensure that such remuneration bears relation to the professional performance of their beneficiaries and do not simply stem from the general evolution of the markets or the Company's business sector or from other similar circumstances.

Article 27. Remuneration of the external Director

The Board of Directors, with the advice of the Nominating and Remuneration Committee, shall pass any measures in its power to ensure that the remuneration of external Directors is in accordance with the following directive:

(a) External Directors must be paid according to their dedication, qualification and effective responsibility;

(b) External Directors must be excluded from any remuneration systems based on giving shares of the Company or of Group companies, from stock options or financial instruments referenced to the value of the share, based on variable remuneration linked to the Company's performance or on benefits systems;

This directive shall not, nevertheless, affect giving shares, when this is conditional upon Directors keeping them until ceasing to be a Director;

(c) The amount of external Directors' remuneration must be calculated in such a way as to offer incentives for their dedication, but which does not constitute an obstacle for independence.

State whether the Board has kept for itself the passing of the following decisions at a plenary session.

At the proposal of the Company's chief executive, the appointment and possible dismissal of senior management, as well as their compensation clauses	YES
The remuneration of Directors, and, in the case of executive Directors, any additional remuneration for their executive functions and other conditions that must be met in their contracts	YES

B.1.15 State whether the Board of Directors approves a detailed remuneration policy and explain the matters covered in this:

YES

Amount of fixed components, with a breakdown, where applicable, of any allowances for participation on the Board and its Committees and an estimation of the annual fixed remuneration to which these give rise	YES
Variable remuneration items	YES
Main characteristics of the benefits system, with an estimation of their annual amount or equivalent cost	YES
Conditions that must be met by the contracts of persons performing senior management functions as executive Directors	YES

B.1.16 State whether the Board submits a report on the remuneration policy of its Directors to the advisory vote of the General Shareholders' Meeting, as a separate item on the agenda. If so, explain any aspects of the report as regards the remuneration policy as approved by the Board for future years, the most significant changes in such policies compared to the one applied during the financial year and an overall summary of how the remuneration policy was applied over the financial year in question. Give details of the role played by the Remuneration Committee and, if external consultancy was made use of, the identity of the external consultants who provided this:

NO

Has external consultancy been used?	
--	--

Identity of external consultants

B.1.17 State, where applicable, the identity of the Directors who are also members of the Board of Directors, managers or employees of companies that own significant shareholdings in the listed Company and/or in entities belonging to the business Group:

Personal or corporate name of the Director	Corporate name of the significant shareholder	Position
MR. VICTOR GRIFOLS ROURA	SCRANTON ENTERPRISES, B.V.	MANAGER

Give details, where applicable, of any relevant relations other than the ones covered in the previous point between members of the Board of Directors and significant shareholders and/or Group entities:

B.1.18 State whether any amendments were made to the Regulations of the Board during the financial year:

NO

B.1.19 State the procedures for the appointment, reappointment/re-election, assessment and removal of Directors. Give details of the competent bodies, the processes to be implemented and the criteria used in each of the procedures.

Regulations of the Board of Directors: Article 18. Appointment of Directors

1. Directors shall be designated by the General Shareholders' Meeting or by the Board of Directors, in accordance with the provisions laid down in the Spanish Public Limited Companies Law.
2. The proposals for appointment of Directors submitted by the Board of Directors for consideration by the General Meeting, and the decisions on appointments passed by this body pursuant to the co-optation powers that it is granted by law must be preceded by the relevant proposal of the Nominating and Remuneration Committee.

When the Board departs from the recommendations of the Nominating and Remuneration Committee, the reasons for acting this way must be given, and taken note of in the minutes.

Article 19. Appointment of external Directors

1. The Board of Directors and the Nominating and Remuneration Committee, within their spheres of competence, shall ensure that the choice of candidates involves persons of known reliability, competence and experience, having to take the greatest care as regards the persons invited to occupy the positions of independent Director as envisaged in article 6 of these Regulations.
2. The Board of Directors shall not be able to propose or appoint any persons who are connected with the Company's management or who are connected by family, professional or commercial bonds with the executive Directors or senior management of the Company to occupy a position of independent Director.

The following may specifically not be proposed as or appointed independent Directors:

(a) Any persons who have during the previous year had a significant direct or indirect working, commercial or contractual relationship with the Company, its management, proprietary Directors of companies in the group whose shareholding interests are represented by them, credit institutions with a significant position in the Company's financing, or organizations receiving significant subsidies from the Company;

(b) Any persons who are Directors of another listed Company which has proprietary Directors in the Company;

(c) Any persons connected with executive Directors, proprietary Directors or members of the Company's management; for purposes of this Regulation, persons connected with the Directors shall be understood to mean those who are involved in any of the cases envisaged in article 127.three.5 of the Spanish Public Limited Companies Law; and

(d) Any persons who have other relations with the Company which, in the opinion of Nominating and Remuneration Committee, might impair their independence.

Regulations of the Board of Directors:

Article 20. Reelection of Directors

Any proposals for reelection of Directors that the Board of Directors may decide to submit to the General Meeting shall have to go through a formal preparation process, which shall necessarily include a report issued by the Nominating and Remuneration Committee which shall assess the quality of the work and the dedication to the post of the Directors proposed during the preceding mandate.

Regulations of the Board of Directors:

Article 17 b. Regular assessment

Twice a year the Board shall meet in a plenary session, to assess:

(a) The quality and efficiency of the Board's operation;

(b) Starting from the report passed on to it by the Nominating Committee, the Chairman of the Board and the chief executive of the Company's performance of their functions;

(c) The performance of its Committees, starting from the reports supplied by these. Regulations of the Board of Directors:

Article 21. Term of office

1. Directors shall hold their post for the period envisaged in the Corporate Articles, and they may be reelected.

2. Any Directors appointed by co-optation shall hold their post until the date of the first General Meeting.

3. When, after a report from the Nominating and Remuneration Committee, the Board of Directors were to understand that the Company's interests were endangered, any Director completing his or her term of office or for any other causes ceasing to perform his or her function shall not be able to render services in any other entity which may be considered a competitor of the Company for the period laid down by the Board of Directors, which shall under no circumstances be able to be over two (2) years.

In spite of the above, the Board of Directors shall, if it considers this appropriate, be able to release the leaving Director from this obligation.

Article 22. Dismissal of Directors

1. Directors shall leave their posts when the period for which they were appointed has elapsed and when this is decided by the General Meeting, making use of the powers that it is legally or statutorily conferred.

2. The Board of Directors shall refrain from proposing to the General Meeting the dismissal of external Directors (proprietary and independent) before the end of the statutory period for which they were appointed, unless there are any exceptional and justified causes, and after a report from the Nominating and Remuneration Committee.

3. Directors shall have to offer their resignation to the Board of Directors and go through with the relevant resignation, if the Board considers this fit, in the following cases:

(a) When they leave the executive positions with which their appointment as a Director was associated, except for express ratification by the Board of Directors, after a non-binding report from the Nominating and Remuneration Committee;

(b) When they are involved in any of the legally envisaged cases of incompatibility or prohibition;

(c) When charges are brought against them for a presumably criminal offense or when a judge's order for hearing to commence is issued for any of the offenses stated in article 124 of the Spanish Public Limited Companies Law, or when they are involved in disciplinary proceedings for serious or very serious misconduct brought by supervisory authorities;

(d) When they are seriously admonished by the Auditing Committee for having failed to comply with their obligations as Directors;

(e) When their remaining on the Board may endanger the Company's interests or when the reasons for which they were appointed have disappeared; and

(f) In the case of a proprietary Director, when the shareholder whose shareholding interests they represent on the Board disposes of their holding in the Company or reduces this under the level reasonably justifying their appointment as such.

4. When a Director stands down from his or her post either through dismissal or for other reasons, the reasons for this shall be explained in a letter which will be sent to all the members of the Board by means of the Chairman or the Secretary.

B.1.20 State any cases in which Directors are obliged to resign.

Regulations of the Board of Directors:

Article 22. Dismissal of Directors

(...)

3. Directors shall have to offer their resignation to the Board of Directors and go through with the relevant resignation, if the Board considers this fit, in the following cases:

(a) When they leave the executive positions with which their appointment as a Director was associated, except for express ratification by the Board of Directors, after a non-binding report from the Nominating and Remuneration Committee;

(b) When they are involved in any of the legally envisaged cases of incompatibility or prohibition;

(c) When charges are brought against them for a presumably criminal offense or when a judge's order for hearing to commence is issued for any of the offenses stated in article 124 of the Spanish Public Limited Companies Law, or when they are involved in disciplinary proceedings for serious or very serious misconduct brought by supervisory authorities;

(d) When they are seriously admonished by the Auditing Committee for having failed to comply with their obligations as Directors;

(e) When their remaining on the Board may endanger the Company's interests or when the reasons for which they were appointed have disappeared; and

(f) In the case of a proprietary Director, when the shareholder whose shareholding interests they represent on the Board disposes of their holding in the Company or reduces this under the level reasonably justifying their appointment as such.

B.1.21 Explain whether the function of chief executive of the Company falls upon the Chairman of the Board of Directors. If so, state the measures that have been taken to limit the risks involved with powers being concentrated in a single person:

YES

Measures to limit risks
<p>Functions are decentralized through the existence of the Board's delegate Committees (the Auditing Committee and the Nominating and Remuneration Committee), which have their own spheres of competence.</p> <p>Furthermore, in accordance with article 8.1 of the Regulations of the Board of Directors, when the Chairman of the Board holds the status of chief executive, this person will be delegated all the powers that can be delegated in accordance with the Law, the Articles and these Regulations, and will be in charge of effective management of the Company's business, always in accordance with the decisions and criteria set by the General Shareholders' Meeting and the Board of Directors, in their respective spheres of competence.</p> <p>Also see the reference to article 8.4 of the Regulations in the following section</p>

State and where applicable explain whether rules have been established empowering one of the independent Directors to request that a meeting of the Board should be convened, or for new items to be added to the agenda, the aim being to coordinate and reflect the concerns of the external Directors and oversee evaluation by the Board of Directors

YES

Explanation of the rules
<p>Article 8.4 of the Regulations of the Board of Directors empowers an independent Director to coordinate and reflect the concerns of external Directors and to direct the Board's assessment of its Chairman in cases when the Chairman is in turn the chief executive.</p>

B.1.22 Are reinforced majorities, other than legal ones, required for any type of resolution?:

NO

Describe how agreements are passed at the Board of Directors, stating at least the minimum quorum and the types of majorities required to adopt the resolutions:

Description of the agreement:

All the agreements

Quorum	%
Half plus one of the Directors	0

Type of majority	%
Absolute majority. In the event of a tie, the Chairman has the casting vote	0

B.1.23 Explain whether there are any specific requirements other than the ones regarding Directors, in order to be appointed chairman.

NO

B.1.24 State whether the chairman has the casting vote:

YES

Questions in which there is a casting vote
In all questions within the Board's competence.

B.1.25 State whether the Articles or the Regulations of the Board establish any limit to the age of Directors:

NO

Maximum age of chairman	Maximum age of the chief executive office	Maximum age of Directors
0	0	0

B.1.26 State whether the Articles or the Regulations of the Board establish any limit to the maximum term of office of independent Directors:

NO

Maximum term of office	0

B.1.27 If there are few or no female Directors, explain the reasons for this and any measures taken in order to remedy the situation

Explanation of the reasons and the measures
The Board bases its proposals for appointment of Directors strictly on professional qualification criteria (skill, knowledge and experience).

In particular, state whether the Nominating and Remuneration Committee has established procedures to ensure that selection processes do not suffer from implicit biases hindering any selection of female Directors and whether female candidates who meet the required profile are deliberately sought:

NO

B.1.28 State whether there are any formal processes for granting proxies at the Board of Directors. If so, provide a brief description.

Article 28.2 of the Regulations of the Board of Directors establishes Directors' general obligation to attend the meetings of the bodies to which they belong and to take an active part in any discussions in order for their opinion to make an effective contribution to decision-making. Furthermore, in the event of their not being able to attend any sessions to which they were called, on justified grounds, this article provides that any absent Director must give instructions to the Director who has to represent him/her.

B.1.29 State the number of Board meetings held during the financial year. Where applicable, also state the number of times the Board met without the chairman attending this:

Number of Board meetings	6
Number of Board meetings without the chairman's attendance	0

State the number of meetings held by the different Board Committees during the financial year:

Number of meetings of the Executive or Delegate Committee	0
Number of meetings of the Audit Committee	6
Number of meetings of the Nominating and Remuneration Committee	2
Number of meetings of the Nominating Committee	0
Number of meetings of the Remuneration Committee	0

B.1.30 State the number of Board meetings held during the year without the attendance of all Board members. Any proxies granted without specific instructions for the meeting will be considered as being absences:

Number of Directors' absences during the year	0
% of absences of the total votes cast during the year	0

B.1.31 State whether the individual and consolidated annual accounts presented to the Board for approval are previously certified:

YES

Identify, where applicable, the persons who certified the Company's individual and consolidated accounts for approval by the Board:

Name	Position
MS. MONTSERRAT LLOVERAS CALVO	CHIEF ADMINISTRATIVE OFFICER AND CONTROLLER
MR. ALFREDO ARROYO GUERRA	VICE-PRESIDENT ADMINISTRATION AND FINANCE

B.1.32 Explain, if there were any, the mechanisms established by the Board of Directors to prevent the individual and consolidated accounts drawn up by it from being presented to the General Shareholders' Meeting with reservations in the audit report.

Article 42.4 of the Regulations of the Board is transcribed below:

Article 42. Relations with auditors

()

4.The Board of Directors shall attempt to draw up the final accounts in such a way that there are no reservations by the auditor, and in the event of there being any, their content and scope shall be explained to shareholders by both the Chairman of the Auditing Committee and by the external auditors.

B.1.33 Is the Secretary to the Board also a Director?

NO

B.1.34 Explain the procedures for the appointment and removal of the Secretary to the Board, stating whether he/she is proposed by the Nominating Committee and approved by a plenary session of the Board.

Procedure for appointment and removal
<p>According to article 10 of the Regulations of the Board, the Secretary does not need to be a Director.</p> <p>According to article 15.4 of the Regulations of the Board, it is the Nominating and Remuneration Committee's competence to inform about the appointment and removal of the Secretary and Vice-secretaries to the Board of Directors</p>

Does the Nominating Committee inform about the appointment?	YES
Does the Nominating Committee inform about the dismissal?	YES
Does the Board approve the appointment?	YES
Does the Board approve the dismissal at a plenary session?	YES

Does the secretary to the Board have special responsibility for ensuring that the recommendations on good governance are followed?

YES

B.1.35 State if applicable, the mechanisms established by the Company to preserve the independence of the auditor, financial analysts, and rating agencies.

Article 14 of the Regulations of the Board gives the Audit Committee the following competences as regards the external auditor:

- (i) To submit to the Board any proposals for selection, appointment, reappointment and replacement of the external auditor, and the terms of its engagement.
- (ii) To regularly receive information from the external auditor on the auditing plan and the results of its implementation and to make sure that the senior management is acting on its recommendations.
- (iii) To ensure the independence of the external auditor, and for this purpose:
 - . For the Company to inform the CNMV (Spanish Stock Exchange Commission), as a relevant fact, of the change of auditor and to adjoin a declaration on the possible existence of disagreements with the outgoing auditor, and if there were any, of their content;
 - . For the Company and the auditor to ensure respect for current legislation on rendering services other than auditing, the limits to concentration of the auditor's business and in general the other rules laid down for ensuring auditors' independence;
 - . In the event of the external auditor resigning, to examine the circumstances which had given rise to this.

Article 42 of the Regulations of the Board furthermore establishes that the Board's relations with the Company's external auditors shall be channeled through the Audit Committee. The Board of Directors shall furthermore refrain from proposing to the Meeting the contracting of any auditing firms in which the fees intended to be paid to it for all items are over ten per cent (10%) of its total income during the last financial year. This article also provides that the Board of Directors shall publicly inform, every year, of the overall fees that the Company has paid to the auditing firm for services other than auditing.

B.1.36 State whether the Company changed its external auditor during the financial year. If so, identify the incoming and outgoing auditors:

NO

Outgoing auditor	Incoming auditor

In the event of any disagreements with the outgoing auditor, please provide details:

NO

B.1.37 State whether the audit firm carries out other work for the Company and/or its business Group apart from auditing, and if so, state the amount of the fees received for such work and the percentage that this represents of the fees invoiced to the Company and/or its business Group:

YES

	Company	Group	Total
Amount of other non-auditing work (thousand euros)	26	165	191
Amount of other non-auditing work/total work invoiced by the auditing firm (as a %)	9.000	25.000	20.130

B.1.38 State whether the audit report of the annual accounts for the previous financial year contains reservations or qualifications. If it does, detail the reasons given by the Chairman of the Audit Committee to explain the content and scope of such reservations or qualifications.

NO

B.1.39 State the number of consecutive years for which the present audit firm has been auditing the annual accounts of the Company and/or its business Group. Likewise, give the percentage represented by the number of years the current audit firm has been auditing the accounts in respect of the total number of years for which the annual accounts have been audited:

	Company	Group
Number of consecutive years	18	18

	Company	Group
No. of years audited by the current audit firm /No. of years that the Company has been audited (as a %)	100.0	100.0

B.1.40 State any holdings of the members of the Company's Board of Directors in the capital of entities engaged in the same, similar or complementary type of business to the one stated as the corporate purpose of either the Company or its Group, insofar as these have been made known to the Company. Also state the positions or functions that they carry out at said companies:

B.1.41 State and give details in each case of whether there is a procedure for the Directors to seek external consultancy:

YES

Detail of the procedure
<p>This is established in article 25 of the Regulations of the Board: Article 25. Expert assistance</p> <p>1. In order to be assisted in the practice of their functions, external Directors may request legal, accounting, financial or other experts to be taken on, at the Company's expense.</p> <p>Any such commission must necessarily involve specific problems of some scale and complexity arising during performance of the function.</p> <p>2. The decision to contract must be made known to the Chairman of the Board, and may be turned down by the Board of Directors if it is accredited that:</p> <p>(a) This is not required for proper performance of the functions entrusted to the external Directors;</p> <p>(b) Its cost is not reasonable in view of the importance of the problem and of the assets and earnings of the Company; or</p> <p>(c) The technical assistance being sought can be properly given by the Company's own experts and technical staff.</p>

B.1.42 State and, where applicable, give details as to whether there is a procedure for the Directors to be able to obtain the information needed to prepare for meetings of the governing bodies sufficiently long in advance:

YES

Detail of the procedure
<p>In accordance with article 16.2 of the Regulations of the Board, the call for ordinary sessions shall be made in accordance with the advance notice and the procedures stipulated in the Corporate Articles. The call shall always include the agenda of the session and shall adjoin all the relevant information, properly summed up and prepared, sent long enough in advance for proper preparation of the meeting. When, in the Chairman's opinion, this proves inadvisable for security reasons, the information shall not be adjoined and the Directors will be informed of the possibility of examining this at the corporate headquarters.</p>

B.1.43 State and where applicable give details as to whether the Company has established rules that oblige Directors to report and where appropriate resign in cases in which the image and reputation of the Company may be harmed:

YES

Explain the rules
<p>Article 28.2 of the Regulations of the Board lays down Directors' obligation to inform the Nominating and Remuneration Committee about any criminal proceedings in which they are charged, as well as the later stages of the proceedings.</p> <p>Article 22.3 envisages Directors' obligation to offer their resignation to the Board and if the latter considers this appropriate, to go through with this resignation if, amongst other reasons:</p> <p>(i) When they are involved in any of the legally envisaged cases of incompatibility or prohibition;</p> <p>(ii) When charges are brought against them for a presumably criminal offense or when a judge's order for hearing to commence is issued for any of the offenses stated in article 124 of the Spanish Public Limited Companies Law, or when they are involved in disciplinary proceedings for serious or very serious misconduct brought by supervisory authorities;</p> <p>(iii) When they are seriously admonished by the Auditing Committee for having failed to comply with their obligations as Directors; and</p> <p>(iv) When their remaining on the Board may endanger the Company's interests.</p>

B.1.44 State whether any member of the Board of Directors has informed the Company that he/she has been sentenced or formally accused of any of the offenses stipulated in article 124 of the Spanish Public Limited Companies Law:

NO

State whether the Board of Directors has analyzed the case. If so, explain the decisions made regarding whether or not the Director should remain in his/her post, giving reasons.

NO

Decision taken	Grounded explanation

B.2 Committees of the Board of Directors

B.2.1 Give details of all the Committees of the Board of Directors and their members:

AUDIT COMMITTEE

Name	Position	Type
MR. CHRISTIAN M.C. PURSLOW	CHAIRMAN	INDEPENDENT
MR. THOMAS GLANZMANN	MEMBER	INDEPENDENT
MR. TOMAS DAGA GELABERT	MEMBER	EXTERNAL

NOMINATING AND REMUNERATION COMMITTEE

Name	Position	Type
MR. THOMAS GLANZMANN	CHAIRMAN	INDEPENDENT
MR. EDGAR DALZELL JANNOTTA	MEMBER	INDEPENDENT
MR. VICTOR GRIFOLS ROURA	MEMBER	EXECUTIVE

B.2.2 State whether the Audit Committee is endowed with the following functions.

Monitoring the preparation process and the integrity of the financial information on the Company and, where applicable, the Group, verifying compliance with legal requirements, proper delimitation of the scope of consolidation and the proper application of accounting criteria	YES
Regularly assessing the internal control and risk management systems, so that the main risks are appropriately identified, managed and made known	YES
Ensuring the independence and efficiency of the internal audit function; proposing the selection, appointment, reappointment and removal of the head of the internal audit service; proposing the budget for such service; receiving regular information on its activities; and checking that the senior management takes the conclusions and recommendations of its reports into account	YES
Establishing and overseeing a mechanism that enables employees to communicate – confidentially and where considered appropriate, anonymously – any possible irregularities that they may observe in the Company, particularly financial and accounting ones	YES
Presenting to the Board of Directors proposals for the selection, appointment, reappointment and replacement of the external auditor, as well as the conditions under which it is contracted	YES

Regularly receiving from the external auditor information on the audit plan and the results of its implementation, and checking that the senior management takes its recommendations into account	YES
Ensuring the independence of the external auditor	YES
In the case of groups, helping to ensure that the Group auditor also assumes responsibility for the audits of individual companies in the Group	YES

B.2.3 Describe the rules covering organization, operation and responsibilities of each of the Committees attached to the Board of Directors.

Name of Committee

NOMINATING AND REMUNERATION COMMITTEE

Short description

As established in article 15 of the Regulations of the Board:

Article 15. The Nominating and Remuneration Committee

1. The Nominating and Remuneration Committee shall assess the profile of the most appropriate persons for forming part of the different Committees and pass the relevant proposals on to the Board.
2. The Nominating and Remuneration Committee shall be made up of a number of from three (3) to five (5) Directors appointed by the Board of Directors, taking into account the knowledge, skills and experience of the Directors and the purposes of the Committee. The Nominating and Remuneration Committee shall in any event be made up of a majority of external Directors.
3. The Board of Directors shall appoint the Chairman of the Nominating and Remuneration Committee. The post of Chairman shall necessarily be given to an external Director and, insofar as this is possible, to an independent one. The post of Secretary of the Committee shall be given to (a) the Secretary or (b) a Vice-secretary of the Board of Directors, who shall be able to be a member of the Committee or not. This person may be assisted or, where applicable, replaced by (a) the following Secretary or Vice-secretaries, in order of precedence (in the event of the post being held by a Vice-secretary) or (b) a Vice-secretary in order of preference (in the event of the post being held by the Secretary). The Secretary shall make a written record of all the agreements passed at each session of the Committee, and shall inform the plenary session of the Board of Directors through its Chairman. In the event of a tie, the Chairman of the Committee shall have the casting vote.
4. With no prejudice to any other tasks assigned by the Board, the Nominating and Remuneration Committee shall have the following basic responsibilities:
 - (a) To draw up and review the criteria that have to be implemented for the composition of the Board of Directors and the selection of candidates, taking into account the skills, knowledge and experience necessary on the Board;
 - (b) To make the proposals of appointments of Directors prior to submitting these to the General Meeting, or where applicable, prior to their adoption by the Board making use of its co-optation powers, informing in any event on the nature of the Director proposed;
 - (c) To make proposals to the Board in order for the succession of the Chairman and of the chief executive to take place in a properly planned and organized manner;
 - (d) To inform on the appointment and removal of the Secretary and Vice-Secretaries of the Board of Directors;
 - (e) To inform about any appointments and removals of senior management that the chief executive may propose to the Board;

- (f) To propose to the Board the members who are to form part of each of the Committees;
 - (g) To propose to the Board of Directors the system and amount of the annual remuneration of Directors and senior management;
 - (h) To regularly review the remuneration schemes of senior management, considering their fitness and performance; and
 - (i) To inform about any transactions which involve or could involve conflicts of interests and, in general, about the issues considered in Chapter IX of these Regulations.
5. Any member of the management team or the staff of the Company whose presence were required by the Chairman would be obliged to attend the sessions of the Committee and to give cooperation and access to any information available.
 6. For better performance of its tasks, the Committee could seek consultancy from external professionals, for which purpose what is laid down in article 25 of these Regulations shall be applicable.
 7. The Committee shall have to consider the suggestions made to it by the Chairman, the members of the Board, the executives or shareholders of the Company. In particular, (a) the Committee shall consult the Chairman and chief executive of the Company on matters to do with executive Directors and (b) any member of the Board may request the Committee to take into consideration potential candidates to cover any Director vacancies in case it considers these appropriate.
 8. The Nominating and Remuneration Committee shall meet whenever the Board of Directors of the Company or its Chairman asks for a report to be issued or proposals to be adopted and, in any event, whenever it proves useful for proper performance of its functions. In any case, it shall meet once a year to prepare the information on the remuneration of the Directors that the Board of Directors has to approve and include in its annual public documents.
 9. At the first plenary session of the Board after its meetings, the Nominating and Remuneration Committee shall account for its work and answer for what has been done. All the members of the Board shall receive a copy of the minutes of the sessions of the Nominating and Remuneration Committee.

Name of Committee

AUDIT COMMITTEE

Short description

As given in article 14 of the Regulations of the Board:

Article 14. The Audit Committee

1. The Audit Committee will be made up of a number of from three (3) to five (5) Directors appointed by the Board of Directors, taking into account the knowledge, skills and experience of the Directors as regards accounting, auditing and management or risks and the tasks of the Committee. The Audit Committee shall, in any event, be made up of a majority of external Directors, with an appropriate presence of independent Directors.

2. The Board of Directors shall appoint the Chairman of the Audit Committee, a post which shall necessarily have to be filled by an external Director, and, where possible, an independent Director. The Chairman of the Committee shall have to be replaced every four (4) years, being able to be reelected after a period of one (1) year from his/her dismissal has elapsed. The post of the Committee Secretary shall be filled by (a) the Secretary or (b) a Vice-secretary of the Board of Directors, who shall be able to be a member of the Committee or not. This person may be assisted or, where applicable, replaced by (a) the following Secretary or Vice-secretaries, in order of precedence (in the event of the post being held by a Vice-secretary) or (b) a Vice-secretary in order of precedence (in the event of the post being held by the Secretary). The Secretary shall make a record of the agreements adopted at each session of the Committee and inform the plenary session of the Board of Directors through its Chairman. In the event of any tie in the voting, the Chairman of the Committee shall have the casting vote.

3. With no prejudice to what is established in the Law, the Corporate Articles, or other tasks assigned to it by the Board, the Audit Committee shall have the following basic responsibilities:

(a) In respect of the General Shareholders' Meeting:

(i) To inform the General Meeting of the matters brought up in this body on matters within its competence;

(b) In respect of the Board of Directors:

(i) To inform the Board beforehand on the regular financial information that the Company periodically has to publish, through its status as a listed organization; in this respect, the Committee shall ensure that the interim accounts are drawn up with the same accounting criteria as the annual ones and to this end shall consider the suitability of a limited review by the external auditor;

(ii) To inform beforehand on the creation or acquisition of stock in concerns with a special purpose or registered in countries or territories considered to be tax havens, as well as any other transactions or operations of a similar nature whose complexity means that they might harm the Group's transparency;

(iii) To inform beforehand on related party operations.

(c) As regards information and internal control systems:

(i) To supervise the preparation process and the integrity of the financial information on the Company and, where applicable, the Group, verifying compliance with legal requirements, proper delimitation of the scope of consolidation and the proper application of accounting criteria;

(ii) Regularly assessing the internal control and risk management systems, so that the main risks are appropriately identified, managed and made known;

(iii) To ensure the independence and efficiency of the internal audit function; proposing the selection, appointment, reappointment and removal of the head of the internal audit service; proposing the budget for such service; receiving regular information on its activities; and checking that the senior management takes the conclusions and recommendations of its reports into account;

(iv) To establish and oversee a mechanism that enables employees to communicate – confidentially and where considered appropriate, anonymously – any possible important irregularities that they may observe in the Company, particularly those of financial and accounting nature.

(d) As regards the external auditor:

(i) To pass on to the Board any proposals for selection, nomination, reelection and replacement of the external auditor, as well as the conditions for contracting this person;

(ii) To regularly receive from the external auditor information about the auditing plan and the results of its execution, and to check that senior management takes his or her recommendations into account;

(iii) To ensure the independence of the external auditor, and for this purpose:

. For the Company to inform the CNMV (Spanish Stock Exchange Commission), as a relevant fact, of the change of auditor and to adjoin a declaration on the possible existence of disagreements with the outgoing auditor, and if there were any, of their content;

. For the Company and the auditor to ensure respect for current legislation on rendering services other than auditing, the limits to concentration of the auditor's business and in general the other rules laid down for ensuring auditors' independence;

. In the event of the external auditor resigning, to examine the circumstances which had given rise to this.

(iv) To promote the Group auditor's assuming responsibility for the audits of the companies forming part of the Group.

(e) As regards internal rules of conduct:

(i) To monitor compliance of the Internal Regulations on Conduct in Issues connected with the Securities Markets, of these Regulations, of the norms of conduct laid down in the 'Ethical Code of the Grifols Group' and in general, of any other internal rules for governance of the Company, as well as making the proposals required for improving these.

4. The Audit Committee shall meet as often as necessary for performing its work properly.

5. Any member of the management team or the staff of the Company whose presence were required by the Chairman shall be obliged to attend the Committee sessions, and to give cooperation and access to any information available to them. The Chairman may require them to appear in the absence of any other Director. The Chairman of the Committee may require attendance of Auditors at its sessions.

6. To perform its functions better, the Audit Committee may seek consultancy from external professionals, for which purpose what is laid down in article 25 of these Regulations shall be applicable.

7. At the first plenary session of the Board after its meetings, the Audit Committee shall report on its work and answer for the work done. All the members of the Board shall be given a copy of the minutes of the Audit Committee's sessions.

B.2.4 State the powers of each of the Committees as regards advice, consultancy and where applicable, delegations available:

Name of Committee

NOMINATING AND REMUNERATION COMMITTEE

Short description

See section B.2.3 above

Name of Committee

AUDIT COMMITTEE

Short description

See section B.2.3 above

B.2.5 State, where applicable, the existence of regulations governing the Board's Committees, the place where these are available for consultation, and any amendments that have been made during the financial year. It should also be stated whether any annual report on the work done by each Committee has voluntarily been drawn up.

Name of Committee

NOMINATING AND REMUNERATION COMMITTEE

Short description

The regulations of the Nominating and Remuneration Committee are contained in the Regulations of the Board of Directors, which may be consulted on the Company's web page (www.grifols.com). These regulations were amended at a meeting of the Board of Directors dated 25th April 2007, in order to adapt this to the recommendations of the Unified Code.

The Nominating and Remuneration Committee passed its annual report at its meeting of 9th December 2008.

Name of Committee

AUDIT COMMITTEE

Short description

The regulations of the Audit Committee are contained in the Regulations of the Board of Directors, which may be consulted on the Company's web page (www.grifols.com). These regulations were amended at a meeting of the Board of Directors dated 25th April 2007, in order to adapt this to the recommendations of the Unified Code.

The Audit Committee passed its annual report at its meeting of 9th December 2008.

B.2.6 State whether the composition of the Executive Committee reflects the participation on the Board of the different categories of Directors:

NO

If not, explain the composition of your Executive Committee
There is no Executive Committee

C – RELATED-PARTY TRANSACTIONS

C.1 State whether a plenary session of the Board has reserved for itself the function of approving transactions that the Company carries out with Directors, with significant shareholders or shareholders represented on the Board, or with related parties, following a favorable report from the Audit Committee or any other body entrusted with this task:

YES

C.2 Provide details of any relevant operations involving a transfer of assets or liabilities between the Company or Group entities and significant shareholders in the Company:

C.3 Provide details of any relevant operations involving a transfer of assets or liabilities between the Company or Group entities and the Company's managers or Directors:

Personal or corporate name of the managers or Directors	Personal or corporate name of the Company or entity in its Group	Nature of the operation	Type of operation	Amount (thousand euros)
THORTHOL HOLDINGS, B.V.	GRIFOLS, S.A.	CORPORATE	Dividends received	2,426
THORTHOL HOLDINGS, B.V.	GRIFOLS, S.A.	CONTRACTUAL (amounts received by Marca Grifols, S.L., in which it has a holding)	Transfers of ID and agreements on licenses	1,208
MR. TOMAS DAGA GELABERT	GRIFOLS, S.A.	CONTRACTUAL (amount received by Osborne Clarke, S.L., a practice in which he is a partner)	Services rendered	2,378

C.4 Give details of any relevant transactions carried out by the Company with other companies belonging to the same Group, provided they are not eliminated during the process of preparing the consolidated financial statements and do not form part of the normal business of the Company in terms of their subject and applicable terms and conditions:

C.5 State whether the members of the Board of Directors have found themselves involved in any conflict of interest during the financial year, in accordance with what is stipulated in article 127 three of the Spanish Public Limited Companies Law.

NO

C.6 Give details of any mechanisms set up to detect, determine and solve any possible conflicts of interest between the Company and/or its Group and its Directors, executives or significant shareholders.

One of the general obligations of any Director laid down in article 28.2 of the Regulations of the Board is that of clearly expressing their opposition, in particular concerning independent Directors and other Directors who are not affected by the potential conflict of interest, when this involves decisions which might harm the shareholders not represented on the Board.

Furthermore, article 30.2 of the Regulations of the Board establishes that a Director must consult the Nominating and Remuneration Committee before accepting any management position in another company or concern which might represent a conflict of interests or affect their dedication.

Finally, article 31 establishes the following: (i) the Director must refrain from attending and getting involved in discussions which affect matters in which he or she is personally, directly or indirectly, an interested party; and (ii) the Director shall not be able to carry out, directly or indirectly, any professional or commercial transactions with the Company unless the situation of conflict of interests is informed of in advance, and the Board approves the transaction, after receiving a report from the Nominating and Remuneration Committee.

C.7 Is more than one Company from the Group listed in Spain?

NO

Identify any subsidiaries that are listed:

D – RISK CONTROL SYSTEMS

D.1 General description of the risk policy of the Company and/or its Group, detailing and evaluating the risks covered by the system, together with an explanation of why these systems are appropriate for each type of risk.

The Company's risk management policy focuses on identifying, evaluating, reducing and controlling the different risks that may prevent it from attaining its business goals. To this end, the Company has the organization and infrastructures able to carry out the functions required, by means of a continuous process.

Risk management is the responsibility of senior management, whose main functions in this respect are:

- The identification and evaluation of risks.
- The definition, application and regulatory development of corporate risk management policies.
- The implementation of the processes required to ensure proper management of risks, their follow-up and control.

The Audit Committee oversees the way the management monitors compliance with the Group's risk management policies and procedures, and reviews whether these policies and procedures are appropriate, considering the risks to which the Group is exposed.

The Board of Directors' meeting on 25th April 2007 approved an amendment of the Regulations, reinforcing the internal control and information mechanisms of the Audit Committee in article 14, establishing the following amongst its competences for this purpose:

- (i) To supervise the preparation process and the integrity of the financial information on the Company and, where applicable, the Group, verifying compliance with legal requirements, proper delimitation of the scope of consolidation and the proper application of accounting criteria;
- (ii) Regularly assessing the internal control and risk management systems, so that the main risks are appropriately identified, managed and made known;
- (iii) To ensure the independence and efficiency of the internal audit function; proposing the selection, appointment, reappointment and removal of the head of the internal audit service; proposing the budget for such service; receiving regular information on its activities; and checking that the senior management takes the conclusions and recommendations of its reports into account;
- (iv) To establish and oversee a mechanism that enables employees to communicate – confidentially and where considered appropriate, anonymously – any possible important irregularities that they may observe in the Company, particularly those of financial and accounting nature.

The Audit Committee is assisted by the Internal Audit department in these functions.

Internal Auditing performs regular reviews of the checks and risk management procedures and informs the Audit Committee of the results.

The main risk factors covered in the Management Report and Note 4 of the Annual Report of Grifols for 2008 are as follows:

- The emergence of competitive products
- Changes in the regulatory norms of the markets in which it operates
- Credit, liquidity and market risk

The Group has the necessary departments and the backing of specialized external consultants to ensure compliance of laws and rules applicable to it. The healthcare legislation of different countries and the financial-accounting rules are prominent among these regulations.

The Group does not have any significant concentrations of credit risk due to the type of customers with which it works, most of which are public bodies, meaning that the risk of insolvency is low. Apart from this, no significant insolvency problems have been detected on the markets on which it sells to private bodies. The only risk that may affect credits with public bodies is that of delayed payment. The companies in the Group cover this risk by claiming their right to collect legal interest.

The Group implements cautious management of the liquidity risk, based on the availability of financing by means of a sufficient amount of guaranteed credit facilities and sufficient capacity to liquidate market positions.

The objective of management of market risk is to administer and control the Group's exposure to changes in market prices (including changes in exchange and interest rates) within reasonable parameters and at the same time, to optimize profitability.

The Group's main exposure to exchange rate risk is concentrated in the United States dollar. Since purchases and expenses in dollars represent 82% of the earnings in dollars in financial year 2008, the Group has a natural coverage of dollar fluctuations, and for this reason the risks stemming from fluctuations in the exchange rate are minimal.

The liabilities issued at variable rates expose the Group to exchange rate risk as regards cash flows. The Group has nevertheless decided to keep its liabilities at variable interest rates, in view of the foreseeable development of these.

The risk of the price of raw materials is minimized by vertical integration of the hemoderivatives business, a sector with a high level of concentration.

Apart from this, in the Bioscience division, the positive evolution of the demand for products, which is higher than the supply, guarantees suitable sales prices.

Other prominent operating risks of the Group are:

- Product liability
- Incidents which may occur on its premises
- The continuity of the business in the event of unexpected situations

Grifols has a quality system designed in order to guarantee the quality of our products from when the raw material is obtained until the release of the finished product for marketing. The quality controls of raw materials, production processes and finished product have been set up in order to minimize the risk of releasing onto the market a product that could have its quality, effectiveness or safety impaired.

Grifols also has a system for control of claims and pharmacovigilance, designed for early detection of any possible quality, efficiency or safety problems potentially connected with our products, and the adoption of the necessary corrective measures. Combined with the systems for monitoring product traceability on the market, this system enables fast and effective withdrawal of any batch of product from the market at any time.

Both the product responsibilities and possible incidents on the premises are furthermore covered by means of risk management policies and overall insurance schemes in order to guarantee appropriate and uniform protection for all the companies in the Group.

As regards the continuity of the business in cases of unexpected contingencies, Grifols has two plasma fractionation plants for producing hemoderivatives in Parets del Vallés (Barcelona) and Los Angeles (U.S.A.) and has implemented a number of measures to face up to contingency situations in information technology services. All the procedures which are considered critical are backed up by the most appropriate technology in each case. Apart from this, a replication system between the centers in Spain and the United States has been implemented for some services. For the others there is a crisis recovery plan enabling service to be given to the entire Group in contingencies.

D.2 State whether any of the different types of risk affecting the Company and/or its Group (operating, technological, financial, legal, image-related, tax, etc.) materialized during the financial year.

NO

If so, state the circumstances that led to them and whether the control system established worked.

D.3 State whether there is a Committee or other governing body responsible for establishing and supervising these control devices.

YES

If so please provide details of its functions

Name of the Committee or body

AUDIT COMMITTEE

Description of its functions

As regards information and internal control systems, article 14 of the Regulations of the Board gives the following competences to the Audit Committee:

- (i) To supervise the preparation process and the integrity of the financial information on the Company and, where applicable, the Group, verifying compliance with legal requirements, proper delimitation of the scope of consolidation and the proper application of accounting criteria;
- (ii) To regularly assess the internal control and risk management systems, so that the main risks are appropriately identified, managed and made known;
- (iii) To ensure the independence and efficiency of the internal audit function; proposing the selection, appointment, reappointment and removal of the head of the internal audit service; proposing the budget for such service; receiving regular information on its activities; and checking that the senior management takes the conclusions and recommendations of its reports into account;
- (iv) To establish and oversee a mechanism that enables employees to communicate – confidentially and where considered appropriate, anonymously – any possible important irregularities that they may observe in the Company, particularly those of financial and accounting nature.

D.4 Identification and description of the processes for complying with the different regulations that affect the Company and/or its Group.

The Group has the departments required to guarantee compliance with the laws and rules affecting the Company's proper operation. The healthcare legislation of different countries and the financial-accounting rules are prominent among these regulations.

Grifols also has external consultants helping to ensure compliance of any regulations applicable to the Group.

E – GENERAL SHAREHOLDERS' MEETING

E.1 State and where applicable provide details of whether there are any differences between the required quorum for the General Shareholders' Meeting and the quorum system laid down in the Spanish Public Limited Companies Act (LSA)

NO

	% quorum different to the one established in art. 102 of the LSA for general matters	% quorum different to the one established in 103 LSA for special cases of art. 103
Quorum required at 1st call	0	0
Quorum required at 2nd call	0	0

E.2 State and, where applicable, give details of any differences from the system envisaged in the Spanish Limited Companies Law (LSA) for the adoption of corporate resolutions.

NO

Describe how it is different from the system envisaged by the LSA.

E.3 List any rights held by shareholders as regards General Meetings, insofar as these are different to the ones established in the LSA.

E.4 State, where applicable, any measures adopted to encourage participation by shareholders at General Meetings.

The General Meeting Regulations govern the following aspects:

- (i) The shareholder's right to information over the web page and the request for information beforehand (art. 9);
- (ii) Attendance by proxy (art. 11);
- (iii) Shareholders' involvement in the Meeting (art. 16);
- (iv) Split voting is allowed, in order for financial intermediaries legitimated as shareholders but acting on behalf of different clients to be able to cast their votes in accordance with the latter's wishes (art. 19);
- (v) The procedures for remote voting (art. 20); and
- (vi) Publishing the agreements adopted on the Company's web page (art. 23).

E.5 State whether the Chairman of the General Shareholders' Meeting coincides with the position of Chairman of the Board of Directors. Give details, where applicable, of any measures that may have been adopted in order to guarantee the independence and proper operation of the General Meeting:

YES

Details of the measures
<p>Article 13 of the General Shareholders' Meeting stipulates that this shall be chaired by the Chairman of the Board of Directors or by the Director properly standing in for this person in accordance with what is laid down in the Regulations of the Board of Directors. Failing this, it shall be presided over by the attending shareholder designated for this purpose by the shareholders. In the event of being judicially called, the post of Chairman shall be determined by the competent judge. The Committee for the General Meeting shall be made up of the members of the Board of Directors attending the General Meeting, being presided over by the Chairman and in the presence of the Secretary of the Board.</p> <p>Finally, article 22 of the Regulations of the Board lays down that the Board of Directors may require the presence of a Notary to draw up the minutes of the Meeting, being obliged to do so whenever this is requested by shareholders representing at least one per cent (1%) of the share capital, five (5) days prior to the date on which the Meeting is intended to be held.</p>

E.6 State, where applicable, any changes made during the financial year to the Regulations of the General Shareholders' Meeting.

There have not been any modifications

E.7 Give details of attendance at General Meetings held during the financial year covered by this report:

Details of attendance					
Date of General Meeting	% of attendance in person	% as proxy	% remote voting		Total
			Electronic voting	Others	
06/13/2008	2.120	67.000	0.000	0.000	69.120

E.8 Briefly describe the resolutions adopted at the General Shareholders' Meetings held in the financial year covered by this report and the percentage of votes with which each resolution was adopted.

At the Ordinary General Shareholders' Meeting of 13th June 2008 each and all of the following resolutions were adopted:

One. Examination and approval, where applicable, of the annual accounts, the individual management report and the proposal for application of the result for the Company year closing as of 31st December 2007

Vote

In favor: 100%

Two. Examination and approval, where applicable, of the consolidated annual accounts and management report for the Company year closing as of 31st December 2007

Vote

In favor: 99.3247%

Abstentions: 0.6753%

Three. Examination and approval, where applicable, of the work done by the Board of Directors during the financial year closing as of 31st December 2007

Vote

In favor: 99.9339%

Abstentions: 0.0577%

Against: 0.0084%

Four. Reappointment of individual accounts auditors

Vote

In favor: 99.9810%

Against: 0.0190%

Five. Reappointment of consolidated accounts auditors

Vote

In favor: 99.9810%

Against: 0.0190%

Six. Reappointment of Directors

Vote

In favor: 99.9726%

Against: 0.0274%

Seven. Approval of the remuneration of Directors

Vote

In favor: 99.9998%

Against: 0.0002%

Eight. Authorization for acquisition of its own shares on the secondary market, revoking and invalidating the previous authorization passed by the General Meeting on 20th June 2007

Vote

In favor: 100%

Nine. Delegation of powers for formalization and execution of the agreements passed by the Meeting

Vote

In favor: 100%

Ten. Distribution of € 10,030,000 allocated to voluntary reserves

Vote

In favor: 97.5430%

Abstentions: 0.1050%

Against: 2.3520%

E.9 State whether there is any statutory restriction in the articles establishing a minimum number of shares needed to attend the General Shareholders' Meeting.

NO

Number of shares necessary for attending the General Meeting	
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E.10 State and explain the policies implemented by the Company with regard to granting proxies at General Shareholders' Meetings.

Right of representation (art. 11 General Meeting Regulations):

1. Any shareholder entitled to attend according to what is laid down in article 10 above may be represented by someone else, even though this person were not a shareholder.
2. The proxy must be granted specifically for each Meeting, either in writing or by remote communication channels, on condition that the identity of the principal and the proxy is properly identified, as well as the content of the proxy being granted. The Company's web page shall include the procedures and requisites for granting remote representation.
3. Any natural shareholders who are not in full possession of their civil rights, as well as shareholders who are legal persons, shall be able to be represented by those holding legal powers of attorney, which shall have to be duly accredited.
4. The proxy shall always be revocable. Personal attendance of the shareholder represented at the Meeting shall entail automatic revocation of the proxy.

Public request for representation (art. 12 General Meeting Regulations):

1. Public requests for representation shall be governed by what is laid down in article 107 of the Spanish Public Limited Companies' Act. In the event of the Company being listed on a secondary official market, the limitations established in article 114 of the Securities Market Law as regards exercising voting rights by the proxy shall be respected.
2. In any event, the document in which the power of attorney is given must contain or have adjoined to it the agenda, as well as the request for instructions for exercising voting rights and a statement of how the proxy is to vote in the event of instructions not being given.
3. As an exception, the representative may vote differently when circumstances arise which were not known at the time of sending the instructions, entailing running a risk of harming the principal's interests. In the event of a vote not being cast as specified in the instructions, the proxy must immediately inform the principal by means of a letter explaining the reasons for the vote.
4. There will be understood to have been a public request for representation when the same person is representing over three (3) shareholders.

Remote voting (art. 20 General Meeting Regulations):

1. In accordance with what is laid down in the Corporate Articles, any shareholders entitled to attend may vote remotely, as regards the proposals included in the agenda, through the following media:
 - (a) By postal vote, by sending in the duly signed attendance card with a statement of how they are voting;
 - (b) By other remote electronic channels, in accordance with the instructions given on the Company's web page, on condition that the electronic document pursuant to which the voting right is being practiced incorporates a recognized electronic signature, as laid down in the Electronic Signature Law, or which, without meeting the requisites of the recognized electronic signature, is accepted as being sufficient by the Board of Directors through displaying suitable guarantees of authenticity and identification of the shareholder exercising his/her voting right.
2. The announcement calling the General Meeting shall contain the procedure, requisites and deadline for exercising remote voting rights.
3. A remote vote will not be valid if it is not received by the Company at least five (5) days prior to the date on which the General Meeting is intended to be held.
4. Any shareholders issuing their remote vote as stipulated in this article shall be considered to be present for purposes of constituting the Meeting. Any delegations previously issued shall consequently be understood to be revoked and any granted thereafter shall be taken as unmade.
5. In spite of the above, any vote issued remotely as referred to in this article shall be invalidated by the personal attendance of the shareholder at the meeting.

E.11 State whether the Company is aware of the institutional investor policy regarding their participation in the Company's decision-making process:

NO

E.12 State the address and means of accessing corporate governance content on the Company's website.

The address of the Company's webpage is www.grifols.com. Information on corporate governance can be accessed through the link Investors Relations on the main page, or directly at http://inversores.grifols.com/portal/grifols/home_page_investors.

F – DEGREE TO WHICH CORPORATE GOVERNANCE RECOMMENDATIONS ARE FOLLOWED

State the extent to which the Company follows the recommendations of the Unified Good Governance Code. If any of these are not complied with, explain the recommendations, regulations, practices or criteria that the Company applies.

1. The Corporate Articles of listed companies should not place any upper limit on the number of votes that can be cast by a single shareholder, or impose other restrictions hindering the takeover of the Company by means of purchasing its shares on the market.

See sections: A.9, B.1.22, B.1.23 and E.1, E.2

Complied with

2. When a dominant and a subsidiary Company are stock market-listed, both should publicly disclose in detail:

- a) The respective areas of work engaged in and possible business dealings between them, as well as those of the subsidiary Company listed with other Group companies;
- b) Any mechanisms set up to settle any possible conflicts of interest that might arise.

See sections: C.4 and C.7

Not applicable

3. Even when not expressly required under Commercial Law, any decisions involving a structural corporate change should be submitted to the General Shareholders' Meeting, for approval or ratification, specifically the following ones:

- a) Turning the listed companies into holding companies by means of "subsidiarization" or assigning core activities that were previously carried out by the Company itself to subsidiaries, even when the former keeps full ownership over the latter;
- b) The acquisition or disposal of key operating assets that would effectively alter the Company's corporate purpose;
- c) Operations that effectively amount to the liquidation of the Company.

Explain

This is not expressly envisaged either in the Corporate Articles or in Internal Regulations. The Company did not consider it necessary to expressly include the above cases in the adaptation of the Regulations of the Board passed in 20th June 2007, through considering that these are highly hypothetical situations and to avoid possible conflicts with legal rules for distribution of powers between the General Meeting and Board.

4. Detailed proposals of the resolutions to be adopted at the General Shareholders' Meeting, including the information stated in recommendation 28, should be made known at the same time as publication of the announcement convening the Meeting.

5. Separate votes should be held at the General Meeting on materially separate items, in order for shareholders to express their voting preferences separately in each case. This rule should be applied particularly:

- a) To the appointment or ratification of Directors, who should be individually voted;
- b) In cases of amendments to the Articles, for each article or Group of articles which are materially independent.

See section: E.8

Complied with

6. Companies should allow split votes, so that financial intermediaries acting as nominees on behalf of different clients can issue their votes according to their clients' instructions.

See section: E.4

Complied with

7. The Board of Directors should perform its duties with unity of purpose and independent judgment, giving the same treatment to all shareholders. It should at all times be guided by the Company's interest, understood as maximizing its economic value in a sustained fashion.

It should also ensure that the Company abides by laws and regulations in its dealings with stakeholders, fulfils its obligations and contracts in good faith, respects the customs and good practices of the sectors and territories where it does business and upholds any additional social responsibility principles to which it has voluntarily subscribed.

Complied with

8. The Board should understand the core of its mission as being to approve the Company's strategy and the organization required to put this into practice, as well as to ensure and oversee that the Management complies with the goals set, while pursuing the Company's interests and corporate purpose. To this end, a plenary session of the Board should reserve the power to approve:

- a) The Company's general policies and strategies, and in particular:
 - i) The strategic or business plan, management targets and annual budgets;
 - ii) The investment and financing policy;
 - iii) The design of the structure of the corporate Group;
 - iv) The corporate governance policy;
 - v) The corporate social responsibility policy;
 - vi) The policy on remuneration and assessment of the performance of senior management;
 - vii) Risk control and management policy, and the regular monitoring of internal information and control systems.
 - viii) Dividend policy, as well as the policy and particularly limits applied to its treasury stock.

See sections: B.1.10, B.1.13, B.1.14 and D.3

b) The following decisions:

- i) At the proposal of the Company's chief executive, the appointment and removal of senior management, as well as their compensation clauses.

See section: B.1.14

- ii) Directors' remuneration, and, in the case of executive Directors, the additional consideration for their management duties and other conditions that have to be met in their contracts.

See section: B.1.14

iii) Any financial information that the Company must regularly disclose through its status as listed.

iv) Investments or operations of all kinds whose large amount or special characteristics mean that these have strategic importance, unless the General Meeting has to approve these;

v) The creation or acquisition of stock in concerns with special purposes or registered in countries or territories considered to be tax havens, as well as any other transactions or operations of a similar nature whose complexity means that they might harm the Group's transparency.

c) Operations carried out by the Company with Directors, significant shareholders or those represented on the Board or other persons linked with them ("related-party transactions").

This authorization of the Board shall not nevertheless be understood as being required in any related-party operations that simultaneously meet the following three conditions:

1. Ones carried out pursuant to contracts with standard conditions and applied on a large scale to a large number of clients;

2. Performed at prices or rates established on general terms by those supplying the goods or services in question;

3. Of an amount not exceeding 1% of the Company's annual income.

It is advisable for the Board to approve related-party operations only after a favorable report is issued by the Audit Committee or, where applicable, by any other to which the same function had been entrusted, and for the Directors involved, apart from not exercising nor delegating their voting right, to leave the meeting room while the Board discusses and votes on this. It is recommendable for the powers attributed to the Board herein not to be delegated, except for the ones stated in points b) and c), which could be passed by the Delegate Committee for urgent cases, with later ratification by the plenary session of the Board.

See sections: C.1 and C.6

Complied with

9. The Board should have the right size to ensure effective operation and participation, which makes it advisable for this to comprise no fewer than five and no more than fifteen members.

See section: B.1.1

Complied with

10. The proprietary and independent external Directors should constitute a broad majority of the Board, while the number of executive Directors should be the minimum required, taking into account the complexity of the corporate Group and the percentage of ownership interests in the Company capital that the executive Directors control.

See sections: A.2, A.3, B.1.3 and B.1.14

Complied with

11. In the event of there being any external Director who can neither be considered proprietary nor independent, the Company should explain this circumstance and this person's links with the Company or its senior management, or with its shareholders.

See section: B.1.3

Complied with

12. Among the external Directors, the ratio of proprietary and independent Directors should reflect the proportion between the capital of the Company represented by the proprietary Directors and the remainder of the capital.

This strict proportional criterion could be relaxed so that the weight of the proprietary Directors is greater than would actually correspond to the total percentage of capital that they represent:

1. In companies with high capitalization in which few or no equity holdings are legally considered significant, but where there are shareholders with stakes of a high absolute value.
2. When these are companies in which there is a plurality of shareholders represented on the Board but with no links between them.

See sections: B.1.3, A.2 and A.3

Complied with

13. The number of independent Directors should represent at least one third of the total number of Directors.

See section: B.1.3

Complied with

14. The status of each Director should be explained by the Board at the General Shareholders' Meeting that is to make or ratify their appointment, and annually be confirmed or where applicable reviewed in the Annual Corporate Governance Report, after being verified by the Nominating Committee. Said report should also explain the reasons why proprietary Directors have been appointed at the request of shareholders whose stake is under 5% of the capital. It should state the reasons why, where applicable, they had not entertained formal requests for presence on the Board from shareholders whose stake is equal to or over that of others at whose request proprietary Directors had been appointed.

See sections: B.1.3 and B.1.4

Complied with

15. When the number of female Directors is low or non-existent, the Board should explain the reasons and initiatives adopted to correct this situation, and specifically the Nominating Committee should take measures, when new vacancies arise, to ensure that:

- a) the selection procedures do not involve any implicit bias hindering the selection of female candidates;
- b) the Company is making a conscious effort to seek women meeting the professional profile being sought and includes these among potential candidates.

See sections: B.1.2, B.1.27 and B.2.3

Partially complied with

The Board bases its proposals for appointment of Directors strictly on professional qualification criteria (skill, knowledge and experience). At its session of 9th December 2008 the Board consequently decided to appoint Ms. Anna Veiga Lluch by co-optation procedure.

16. The Chairman, as person in charge of proper operation of the Board, shall ensure that Directors are previously given sufficient information, stimulate discussion and active participation of the Directors during Board meetings, safeguarding their right to freely take a stance and express their opinion, and to organize and coordinate with the chairmen of the relevant Commissions the regular evaluation of the Board, as well as, where applicable, that of the CEO or chief executive.

See section: B.1.42

Complied with

17. When the Chairman of the Board is also the Company's chief executive, one of the independent Directors should be empowered to request calling Board meetings or including new items on the agenda; to coordinate and reflect the concerns of external Directors, and to lead the Board's appraisal of its Chairman.

See section: B.1.21

Complied with

18. The Secretary of the Board should take care to ensure that the Board's actions:

- a) Adhere to the spirit and letter of the Laws and their regulations, including the ones issued by regulatory agencies;
- b) Comply with the Corporate Articles and with the regulations of the General Shareholders' Meeting, the Board of Directors and any others;
- c) Take into account the recommendations on good governance given in this Unified Code which the Company had accepted.

In order to safeguard the independence, impartiality and professionalism of the Secretary, his or her appointment and removal should be proposed by the Nominating Committee and approved by the Board in a plenary session; the relevant appointment and removal procedure should be stated in the Regulations of the Board.

See section: B.1.34

Complied with

19. The Board should meet with the frequency required to properly perform its functions, in line with the schedule of dates and agendas set at the beginning of the year, each Director being able to propose further points on the agenda not previously arranged.

See section: B.1.29

Complied with

20. Absences of Directors should be kept down to unavoidable cases and be quantified in the Annual Corporate Governance Report. If their vote needs to be delegated, this should be done with instructions.

See sections: B.1.28 and B.1.30

Complied with

21. When Directors or the Secretary express concerns about some proposal or, in the case of Directors, about the Company's performance, and such concerns are not resolved at the Board meeting, a record of these should be made in the minutes at the request of the person expressing these.

Complied with

22. The Plenary session of the Board should assess once a year:

- a) The quality and efficiency of the Board's operation;
- b) Starting from a report submitted by the Nominating Committee, the performance of the Chairman of the Board and chief executive of the Company;
- c) The performance of its Committees, starting from the reports supplied by these.

See section: B.1.19

Complied with

23. All the Directors should be able to exercise the right to obtain any further information that they may deem fit on matters within the Board's competence. Unless the Corporate Articles or the Regulations of the Board provide otherwise, any such requests should be addressed to the Chairman or the Secretary of the Board.

See section: B.1.42

Complied with

24. All the Directors should be entitled to obtain advice required for performance of their functions from the Company. The Company should provide suitable channels for exercising this right, which may in special circumstances include external advice at the Company's expense.

See section: B.1.41

Complied with

25. Companies should set up a guidance program to provide new Directors with fast and sufficient knowledge of the Company, as well as its corporate governance rules. Companies should also provide Directors with schemes for updating knowledge when circumstances make this advisable.

Complied with

26. Companies should require their Directors to devote the necessary time and effort to their function to perform this effectively and consequently:

- a) The Directors should inform the Nominating Committee of any other professional obligations they may have in case these might interfere with the dedication required;
- b) Companies should lay down rules on the number of boards which they Directors may sit on.

See sections: B.1.8, B.1.9 and B.1.17

Partially complied with

In accordance with article 28.2(e) of the Regulations of the Board, the Director is obliged to inform the Nominating and Remuneration Committee of his/her other professional obligations, in case these could interfere with the dedication required. Section 3 of said article also provides that the Company will establish rules on the number of boards on which their Directors may sit, in order to ensure their proper dedication to the post. At the present time, however, in view of the dedication of the Company's Directors, the Board has not yet deemed it fit to establish said rules.

27. The proposal for the appointment or reappointment of Directors which the Board submits to the General Shareholders' Meeting, as well as any provisional appointments by the co-optation method should be approved by the Board as follows:

- a) At the proposal of the Nominating Committee, in the case of independent Directors.
- b) Subject to a report from the Nominating Committee in all other cases.

See section: B.1.2

Complied with

28. Companies should publish the following details about their Directors on their web page, and keep this information updated:

- a) Professional and biographical profile;
- b) Other Boards of Directors to which they belong, whether these are of listed companies or not;
- c) A statement of the Director's classification and, in the case of proprietary Directors, stating the shareholder that they represent or with whom they have links.
- d) Date of their first and any subsequent appointments as a Company Director, and
- e) Shares held in the Company and any options over these belonging to them.

Partially complied with

The Company's web page does not contain all the information required by this recommendation. The Company will examine the suitability of complying with this.

29. Independent Directors should not continue to have this status for a continuous period of more than 12 years.

See section: B.1.2

Explain

None of the independent Directors has held their post for over 12 years. Although this is not laid down as a categorical obligation, article 6.2 of the Regulations of the Board of Directors stipulates that the Company shall attempt to ensure that independent Directors do not remain in their posts for over 12 years.

30. Proprietary Directors should resign when the shareholders that they represent sell their entire ownership interest. They should also do so, in the proportional amount, when any such shareholder reduces their stake to a level which requires a reduction in the number of their proprietary Directors.

See sections: A.2, A.3 and B.1.2

Complied with

31. The Board of Directors should not propose the removal of independent Directors before the expiry of the term of office for which they were statutorily appointed, except when the Board considers there is just cause for this after a report has been issued by the Nominating Committee. There will specifically be presumed to be just grounds when the Director had breached the duties imposed by his or her post or comes under any of the circumstances described in point 5 of section III of the definitions in this Code.

The removal of independent Directors may also be proposed as a result of a takeover bid, merger or similar corporate operation entailing a change in the Company's capital structure, when any such changes in the structure of the Board are brought about by the proportionality criterion stated in recommendation 12.

See sections: B.1.2, B.1.5 and B.1.26

Complied with

32. Companies should establish rules obliging Directors to inform the Board and, where applicable, resign in any cases which may threaten the creditworthiness and reputation of the Company and specifically be obliged to inform the Board of any criminal cases in which they are charged as well as the progress of any later hearings.

Should a Director have charges brought against him or her or when a judge's order for hearing to commence is issued for any of the offenses listed in article 124 of the Spanish Limited Companies Law, the Board shall examine the case as soon as possible and, in view of the specific circumstances, decide whether it is appropriate or not for the Director to continue serving in his or her post. The Board shall describe all these circumstances with proper reasoning in the Annual Corporate Governance Report.

See sections: B.1.43 and B.1.44

Complied with

33. All the Directors should clearly express their opposition when they consider that a proposal submitted for the Board's approval may go against corporate interests. This should also be done, particularly by independent and other Directors who are not affected by the conflict of interest, when these are decisions which might harm the shareholders not represented on the Board.

When the Board adopts significant or repeated resolutions on which the Director had expressed serious reservations, the latter should come to the relevant conclusions and, if he or she opted for resigning, should explain the reasons in the letter referred to in the next recommendation.

This recommendation also covers the Secretary of the Board, whether or not this person is a Director.

Complied with

34. When a Director gives up his/her post prior to the end of his/her term of office, either through resignation or for other reasons, the reasons for this should be explained in a letter sent to all the members of the Board. The grounds for the removal should be stated in the Annual Corporate Governance Report, irrespective of whether such removal is classified as a significant event.

See section: B.1.5

Complied with

35. The remuneration policy approved by the Board should specify at least the following points:

- a) The amount of the fixed components, itemized where necessary, of the attendance fees for the Board and its Committees and an estimation of the annual fixed remuneration to which this gives rise;
- b) Any variable remuneration components, including in particular:
 - i) The types of Directors to whom they apply, as well as an explanation of the relative weight of the variable remuneration items in respect of the fixed ones;
 - ii) Criteria for performance evaluation on which any entitlement to remuneration in shares, share options or any variable component is based;
 - iii) The main parameters and basis of any annual bonus system or other benefits not paid in cash; and
 - iv) An estimation of the sum total of the variable remuneration to which the remuneration scheme proposed would give rise, according to the degree of compliance with the hypotheses or targets taken as a reference.
- c) The main characteristics of benefit schemes (for example, supplementary pensions, life insurance and similar arrangements) with an estimation of the amount involved or equivalent annual cost.
- d) The conditions to apply to contracts of senior management such as executive Directors, these to include:
 - i) Duration;
 - ii) Notice periods; and
 - iii) Any other clauses covering initial engagement bonuses, as well as compensation or "golden parachutes" in the event of early cancellation or termination of the contractual relationship between the Company and the executive Director

See section: B.1.15

Complied with

36. Remuneration involving the delivery of shares in the Company or Group companies, stock options or other share-based instruments, variable remuneration linked to the Company's performance or benefit schemes should be restricted to executive Directors.

The delivery of shares shall not be covered by this limitation, when Directors are obliged to keep these until the end of their term of office.

See sections: A.3 and B.1.3

Complied with

37. External Directors' remuneration should be as required to compensate them for the dedication, skills and responsibilities entailed by the post, but not so high as to compromise their independence.

Complied with

38. Any remuneration linked with the Company's earnings should be subject to deductions calculated for any qualifications stated in the external auditors' report.

Complied with

39. In the case of variable remuneration, the remuneration policies should include technical safeguards required to ensure that these reflect the professional performance of their beneficiaries and not stem simply from the general development of the markets or of the Company's sector or other similar circumstances.

Complied with

40. The Board should submit a report on the Directors' remuneration policy to a vote of the General Shareholders' Meeting, as a separate point on the agenda. This report should be made available to the shareholders, either separately or in any other way that the Company may consider appropriate.

This report shall in particular focus on the remuneration policy that the Board has approved for the current year as well as, where applicable, the one planned for future years. It will address all the points referred to in recommendation 35, except the ones which might entail the disclosure of commercially sensitive information. It should stress the most significant changes in said policies with respect to the one applied the previous year referred to at the General Meeting. It shall also include an overall summary of how the remuneration policy was applied over said previous year.

The role played by the Remuneration Committee in preparing the remuneration policy should be reported at the Board meeting, as well as the identity of any external consultants if any external advice had been sought.

See section: B.1.16

Explain

The Board considers that the disclosure of the salaries paid to executive Directors for their services affects their privacy.

41. The Report (accompanying notes) should give details of the individual remuneration of the Directors during the financial year and include:

- a) A breakdown of the remuneration of each individual Director, to include where applicable:
 - i) Attendance fees and other fixed remuneration as a Director;
 - ii) Any additional remuneration as a chairman or member of one of the Board's Committees;
 - iii) Any payments made pursuant to profit-sharing or bonus schemes, and the grounds for paying these;
 - iv) Contributions made on the Director's behalf to defined benefit pension schemes, or any increase in the Director's vested rights in the case of contributions to defined benefit schemes;
 - v) Any compensation that may be agreed or paid as severance pay;
 - vi) Any remuneration collected as a Director of other companies in the Group;
 - vii) The remuneration that executive Directors receive for performance of senior management functions;

- viii) Any kind of compensation other than the ones listed above, whatever its nature and the Group entity paying this may be, especially when it may be considered to be a related-party transaction or when its omission would distort the true image of the total remuneration received by the Director.
- b) An individual breakdown of any possible deliveries to Directors of shares, stock options or other share-based instruments, detailing:
- i) The number of shares or options awarded in the year and the conditions set for exercising these;
 - ii) Number of options exercised during the year, stating the number of shares involved and the exercise price;
 - iii) Number of options not yet exercised at the year end, stating their price, date and other exercising requisites;
 - iv) Any modification during the year in the terms for exercising any options already granted.
- c) Information on the ratio in the previous year between the remuneration obtained by executive Directors and the results or other means of assessing the Company's performance.

Explain

The Board considers that the disclosure of the salaries paid to executive Directors for their services affects their privacy.

42. When there is a Delegate or Executive Committee (hereinafter known as "Delegate Committee"), the participation structure of the different types of Directors should be similar to that of the Board itself and its secretary should be the Secretary of the Board

See sections: B.2.1 and B.2.6

Not applicable

43. The Board should be kept fully informed of the business done and the decisions taken by the Delegate Committee and all the members of the Board should receive a copy of the minutes of the Delegate Committee's sessions.

Not applicable

44. As well as the Audit Committee required pursuant to the Securities Market Law, the Board of Directors should form from its members a Committee or two separate Committees for Nominations and Remunerations.

The rules governing the composition and operation of the Audit Committee and the Nominating and Remunerations Committee or Committees should be stated in the Regulations of the Board, and include the following:

- a) The Board should appoint the members of these Committees with regard to the knowledge, skills and experience of the Directors and the purpose of each Committee; it should discuss their proposals and reports and be responsible for answering for their activity and the work done at the first plenary session of the Board following their meetings;
- b) These Committees should be formed exclusively of external Directors, with a minimum of three. The above is understood not to affect the attendance of executive Directors or senior management, when this is expressly agreed by the members of the Committee.
- c) The Chairpersons of such Committees should be independent Directors.
- d) They may seek external advice when this is felt to be necessary for performance of their duties.
- e) Minutes of each meeting should be drawn up, a copy of which should be sent to all members of the Board.

See sections: B.2.1 and B.2.3

Partially complied with

Article 15 of the Regulations of the Board envisages that the Nominating and Remuneration Committee should be made up of a majority of external Directors. In actual fact, as of 31st December 2008, there is one executive Director and two independent Directors on this Committee.

45. Supervision of compliance with internal codes of conduct and corporate governance rules should be performed by the Audit Committee, the Nominating Committee or, as the case may be, separate Compliance or Corporate Governance Committees.

Complied with

46. Members of the Audit Committee, and in particular its chairman, should be appointed with regard to their knowledge and experience in accounting, auditing and risk management.

Complied with

47. Listed companies have an internal audit function, under the supervision of the Audit Committee, to ensure proper operation of the information and internal control systems.

Complied with

48. The person in charge of the internal auditing function should submit an annual work program to the Audit Committee, report to it directly on any incidents arising during its implementation, and submit an activities report at the end of each year.

Complied with

49. Control and risk management policy should specify at least:

- a) The different types of risk (operational, technological, financial, legal, reputation...) which the Company is exposed to, including contingent liabilities and other off-balance sheet risks among the financial or economic risks;
- b) Determination of the risk level that the Company sees as acceptable;
- c) Measures intended to mitigate the impact of risks identified, should these materialize;
- d) The internal information and control systems to be used to control and manage the above risks, including contingent liabilities and off-balance sheet risks.

See sections: D

Complied with

50. The Audit Committee's functions should be:

1. As regards information and internal control systems:

- a) To supervise the preparation process and monitor the integrity of the financial information on the Company and, where applicable, the Group, and to verify compliance of regulatory requirements, appropriate limitation of the consolidation perimeter and proper application of accounting principles.
- b) Regularly reviewing the internal monitoring and management of risks, so that the main risks can be identified, handled and properly made known.
- c) Ensuring the independence and efficiency of the internal audit function; proposing the selection, appointment, reappointment and removal of the head of the internal audit service; proposing the budget for such service; receiving regular information on its activities; and checking that the senior management takes the conclusions and recommendations of its reports into account.

d) To establish and oversee a mechanism that enables employees to communicate – confidentially and where considered appropriate, anonymously – any possible important irregularities that they may observe in the Company, particularly those of financial and accounting nature.

2. As regards the external auditor:

a) To submit to the Board any proposals for selection, appointment, reappointment and replacement of the external auditor, and the terms of its engagement.

b) To regularly receive information from the external auditor on the auditing plan and the results of its implementation and to make sure that the senior management is acting on its recommendations.

c) To ensure the independence of the external auditor, and for this purpose:

i) The Company should inform the CNMV of any change of auditor as a relevant fact, adjoining a statement of any disagreements that may arise with the outgoing auditor and the reasons for same, where applicable.

ii) The Committee should ensure that the Company and the auditor adhere to current regulations on rendering services other than auditing, the limits to concentration of the auditor's business and in general any other requirements in force to ensure the auditors' independence;

iii) In the event of the external auditor's giving up its functions, to examine the circumstances giving rise to this.

d) In the case of groups, the Committee should encourage the Group auditor to assume responsibility for auditing the individual companies in this.

See sections: B.1.35, B.2.2, B.2.3 and D.3

Complied with

51. The Audit Committee may order any employee or Director of the Company to appear before them and even do so without the presence of any other Director.

Complied with

52. The Audit Committee shall inform the Board, prior to the latter's adopting the relevant decisions, on the following matters indicated in recommendation 8:

a) Any financial information that the Company must regularly disclose through its status as listed. The Committee must ensure that the interim accounts are drawn up with the same accounting criteria as the annual statements and may ask the external auditor to perform a limited review for this purpose.

b) The creation or acquisition of stock in concerns with special purposes or registered in countries or territories considered to be tax havens, as well as any other transactions or operations of a similar nature whose complexity means that they might harm the Group's transparency.

c) Related-party operations, unless this preliminary reporting function had been assigned to another supervision and control Committee.

See sections: B.2.2 and B.2.3

Complied with

53. The Board of Directors should attempt to submit the annual accounts to the General Shareholders' Meeting with no reservations or qualifications in the auditing report and in exceptional cases of any of these existing, both the Chairman of the Audit Committee and the auditors should clearly explain to the shareholders the content and scope of said reservations or qualifications.

See section: B.1.38

54. Most of the Nominating Committee, or Nominating and Remuneration Committee if these were a single body, should be independent Directors.

See section: B.2.1

Complied with

55. The Nominating Committee should have the following functions in addition to the ones stated in earlier recommendations:

- a) Evaluating the skills, knowledge and experience necessary on the Board and defining the functions and abilities necessary for the candidates to fill each vacancy, and assess the time and dedication required for them to perform their duties properly.
- b) Examining or organizing, as it may deem appropriate, the succession of the Chairman and chief executive, making recommendations to the Board so the succession takes place in a well-organized and orderly manner.
- c) Reporting on the appointments and removals of senior management that the chief executive proposes to the Board.
- d) Reporting to the Board on any gender diversity issues as indicated in recommendation 14 of this Code.

See section: B.2.3

Partially complied with

Article 15 of the Regulations of the Board expressly includes sections a), b) and c). It does not include section d) for the reasons given in section F.15.

56. The Nominating Committee should consult with the Chairman and the chief executive of the Company, especially on matters concerning executive Directors.

Any Director may ask the Nominating Committee to take into consideration potential candidates to fill directorship vacancies, in case it considers these appropriate.

Complied with

57. The Remuneration Committee should have the following functions apart from the ones indicated in the previous recommendations:

- a) Proposing to the Board of Directors:
 - i) The remuneration policy for Directors and senior management.
 - ii) The individual remuneration and other contractual conditions of executive Directors.
 - iii) The standard conditions for senior management employment contracts.
- b) Monitoring compliance with the remuneration policy established by the Company.

See sections: B.1.14 and B.2.3

Complied with

58. The Remuneration Committee should consult with the Chairman and chief executive, especially on matters connected with executive Directors and senior management.

Complied with

G – OTHER INFORMATION OF INTEREST

If you consider that there is any relevant principle or aspect connected with the corporate governance practices applied by your Company which has not been covered by this Report, please mention and explain this below.

Include in this section any other information, explanation or qualification connected with the previous sections of the report, insofar as these are relevant and not reiterative.

Specifically state whether the Company is subject to any legislation other than Spanish law as regards its corporate government and, where applicable, include the information that you are obliged to supply other than what is required herein.

Binding definition of independent Director:

State whether any of the independent Directors has or has had any relation with the Company, its significant shareholders or its Directors, which, had this been sufficiently significant or important, would have meant that the Director could not be considered as being independent in accordance with the definition given in section 5 of the Unified Good Governance Code:

YES

Name of the Director

MR. THOMAS GLANZMANN

Type of relations

COMMERCIAL

Explanation

Mr. Thomas Glanzmann is the Chief Executive Officer of the Swedish Company Gambro AB. During the financial year ending on 12/31/2008 the Grifols Group and the Gambro Group had commercial relations involving sums that are irrelevant in view of the turnovers of both groups.

Date and signature:

This corporate annual governance report has been approved by the Company's Board of Directors, at its session held on

02/20/2009

State whether there were any Directors who had voted against or abstained as regards the approval of this Report.

NO