

## **GRIFOLS, S.A.**

### **REPORT ON THE FUNCTIONING OF THE APPOINTMENTS AND REMUNERATION COMMITTEE DURING FISCAL YEAR 2022**

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#### **I. Introduction**

The Appointments and Remuneration Committee of Grifols, S.A. (the "**Company**" or "**Grifols**") was set up in 2004 in accordance with the international good governance principles and later in compliance with Law 31/2014, of 3 December, by virtue of which all companies issuing securities, whose shares or stocks have been admitted to trade on official secondary securities markets must have an Appointments and Remuneration Committee.

Since then, the legal regime governing Appointments and Remuneration Committees has been expanded and developed through the Royal Legislative Decree 1/2010, of 2 July, which approves the text of the Companies Law and the principles and practices on Corporate Governance.

The regulation of the composition, performance and organization of Grifols' Appointments and Remuneration Committee is established in the applicable Law, the Company's Articles of Association, the Company's Board of Directors' Regulation and the Technical Guide 1/2019 of the CNMV regarding appointments and remuneration committees. In this sense, Grifols, with the aim to comply and apply the best practices and principles on Corporate Governance matters, has incorporated the applicable legal regime to its Appointments and Remuneration Committee.

This report has been prepared by the Appointments and Remuneration Committee of Grifols on its meeting held on 1 December 2022 and it includes the most relevant aspects of the activities carried out during year 2022, as well as details on its structure and main responsibilities.

#### **II. Composition**

In accordance with the applicable regulations, all the members of the Appointments and Remuneration Committee of Grifols are non-executive directors, of which at least two are independent directors. Besides, the Chairperson is also an independent director.

The last time that the Company's Board of Directors approved to change the composition of the Appointments and Remuneration Committee was in the Board of Directors' meeting that was held on 9 October 2020. Since then, its composition has undergone the following change only: on 10 June 2022, the Company's Board of Directors unanimously resolved, prior proposal of the Company's Appointments and Remuneration Committee, (a) to appoint Ms. Susana González Rodríguez as new member of the Appointments and Remuneration Committee in substitution of Ms. Marla E. Salmon, as well as (b) to appoint Mr. James Costos as new Chairperson of the Appointments and Remuneration Committee, replacing Mr. Marla E. Salmon.

Therefore, since then its composition<sup>1</sup> is as follows:

<b>Name</b>	<b>Position</b>	<b>Type</b>
Mr. James Costos	Chairperson	Independent
Ms. Susana González Rodríguez	Member	Independent
Mr. Tomás Dagá Gelabert	Member	Other External
Ms. Núria Martín Barnés	Secretary (non-member)	--

In accordance with the recommendations set forth in the Technical Guide 1/2019 of the CNMV regarding appointments and remuneration committees, the members of the Appointments and Remuneration Committee have been designated based on their diversity, particularly for their gender, professional experience, sectorial skills and knowledge and geographical origin, all of which encourages different points of view and diverse positions.

The professional profile of the members of the Appointments and Remuneration Committee can be found on Grifols' corporate website ([www.grifols.com](http://www.grifols.com)).

### **III. Responsibilities**

The Company's Articles of Association and the Board of Directors' Regulations confer to the Appointments and Remuneration Committee the following basic responsibilities:

- (a) to formulate and review the criteria to be followed for the composition of the Board of Directors and the selection of candidates, taking into account their competence, knowledge and experience necessary on the Board, specifying the duties and aptitudes that each candidate must have in case of vacancies in addition to assessing the time and commitment needed to perform their duties effective and efficiently;
- (b) to establish a representation target for the gender that is least represented in the Board of Directors and prepare guidelines to achieve said target;
- (c) to submit to the Board of Directors any proposals to appoint, re-elect and/or separate the independent directors prior to being submitted to the General Shareholders' Meeting or, as the case may be, being adopted by the Board exercising its power of co-option, and in all cases informing about the character of the director proposed;
- (d) to report the proposals of appointment, re-election and/or separation of the non-independent directors for their appointment by the Board of Directors by means of co-option or their submission to the General Shareholders' Meeting by the Board of Directors;
- (e) to report the proposals of appointment and removal of the Chairperson and Vice-chairpersons of the Board of Directors;

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<sup>1</sup> *NOTE: the shareholders are hereby informed that after the drafting of this report by the Appointments and Remuneration Committee there has been the following change in the composition of the same. On 21 February 2023, the Company's Board of Directors resolved, prior proposal of the Company's Appointments and Remuneration Committee, to appoint Ms. Carina Szpilka Lázaro, independent director, as new member and Chairperson of the Appointments and Remuneration Committee, in substitution of Mr. James Costos.*

- (f) to examine and organize the succession of the Chairperson of the Board of Directors and the chief executive officer and, as the case may be, to make proposals to the Board so that said succession takes place in an orderly and well planned manner;
- (g) to report the proposals of appointment and resignation of the Secretary and Vice-Secretaries of the Board of Directors;
- (h) to report the proposal of appointment and removal of senior management proposed by the chief executive officer to the Board and the basic conditions of their contracts;
- (i) to propose to the Board the Directors the directors who shall be part of each of the Committees;
- (j) to propose to the Board of Directors the remuneration policy of the directors and general managers or anyone performing top-level management duties under the direct supervision of the Board, executive committees or executive directors, as well as the individual remuneration and other contractual terms regarding the executive directors, ensuring its fulfilment;
- (k) to periodically review the payment programmes of executive officers, considering their adequacy and performance;
- (l) to report to the Board the results of the annual evaluation on the performance of the Board, the Chairperson of the Board, the chief executive officers of the Company and the performance of the Committees; and
- (m) to report on the transactions that imply or could imply conflicts of interest and, in general, on matters covered in Chapter IX of the Board of Directors' Regulations.

#### **IV. Meetings and Activities**

During fiscal year 2022 this Committee met on 8 occasions, specifically on the following dates:

- 23 February 2022;
- 6 April 2022;
- 28 April 2022;
- 10 June 2022;
- 29 September 2022;
- 19 October 2022;
- 2 November 2022; and
- 1 December 2022.

During the meetings its members discussed and, when applicable, approved different matters related to their main responsibilities, in accordance with the applicable Law, the Company's Articles of Association, the Board of Directors' Regulations, the Unified Good Governance Code of Listed Companies and the Technical Guide 1/2019 of the CNMV regarding appointment and remuneration committees.

The most relevant events that took place during the referred fiscal year 2022 are detailed below:

- Report on the results of the Board of Directors' and Committees' evaluation for fiscal year 2021;
- Approval of the annual remuneration report corresponding to the fiscal year 2021;
- Proposal to appoint Mr. Íñigo Sánchez-Asiaín as new member and Chairperson of the Audit Committee, substituting Ms. Carina Szpilka Lázaro in such positions;
- Proposal to appoint Ms. Carina Szpilka Lázaro as new Lead Independent Director;
- Proposal to appoint Ms. Carina Szpilka Lázaro as new member of the Sustainability Committee, substituting Mr. Íñigo Sánchez-Asiaín in such position;
- Beginning discussion of DEI statement and potential expanded use as part of sustainability efforts;
- Drafting the report on the proposal of the director Remuneration Policy for fiscal years 2022-2024;
- Proposal not to re-elect Ms. Marla E. Salmon and Ms. Belén Villalonga Morenés as independent members of the Board of Directors;
- Drafting of the report on the prior analysis of the Board of Directors' required competences;
- Proposal to appoint Ms. Montserrat Muñoz Abellana as independent member of the Board of Directors;
- Proposal to appoint Ms. Susana González Rodríguez as independent member of the Board of Directors;
- Proposal to reorganize the Appointments and Remuneration Committee;
- Proposal to reorganize the Sustainability Committee;
- Proposal to appoint Mr. Steven F. Mayer as Executive Chairperson of the Board of Directors;
- Proposal to appoint Mr. Víctor Grifols Roura as Chairperson of Honour of the Board of Directors;
- Proposal to reorganize the Audit Committee on (i) 10 June 2022 and (ii) 29 September 2022;
- Approval of the evaluation of the Board of Directors to be performed internally;
- Joint meeting with the Sustainability Committee on the Remuneration of the Executive Board members linked to ESG objectives;
- Review of the term end dates of the Board members;

- Proposal of the Executive Chairman Services Agreement to be entered with Mr. Steven F. Mayer as Executive Chairperson of the Board of Directors;
- Review of the remuneration policies for FY 2023 for key employees has been postponed until late December or January 2023;
- Review of the remuneration of the Executive Board Members linked to ESG objectives;
- Report on the results of the Board of Directors' and Committees' evaluation performed internally;
- Annual review of the performance of the Committee, the Chairman and CEOs and drafting of the relevant report on the functioning and performance of the Committee during fiscal year 2022; and
- Review and approval of the category of the members of the Board of Directors.

#### **V. Date of approval by the Board of Directors**

This report is drawn up by the Appointments and Remuneration Committee on 1 December 2022 and has been approved by Grifols' Board of Directors on its meeting held on 12 December 2022.

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