

LABORATORIO REIG JOFRE, S.A., AUDIT, COMPLIANCE AND CONFLICT OF
INTEREST COMMITTEE REGULATION

Approved by the Board of Directors on February 27, 2017.



TITLE I. NATURE, PURPOSE AND APPROVAL

Article 1. Nature and purpose.

1. In accordance with the Law and the By-laws of LABORATORIO REIG JOFRE, S.A. (hereinafter the "Company"), the Board of Directors shall be responsible for the establishment and maintenance of the Audit, Compliance and Conflict of Interest Committee (hereinafter the "Committee"), a permanent internal organ of an informational and consultative nature, without executive powers, with powers of information, advice and proposal within its scope of competence, governed by the provisions contained in the By-laws, the Board of Directors Regulations and in this Audit, Compliance and Conflict of Interest Committee Regulation (hereinafter the "Regulation").
2. This Regulation Audit, Compliance and Conflict of Interest Committee Regulation is to determine the Committee's principles of action and the rules of internal functioning, together with its rules of organization. It is to serve as a guide for the Committee's members.

Article 2. Approval, revision, amendment and order of prevalence.

1. This Regulation, and any amendment to the same, must be approved by the Board of Directors, its Chair, the Chair of Committee, a third of the Directors or by a third of the members of the Committee.
2. The Committee will assess the Regulation annually and, if deemed necessary, will recommend any necessary modifications to the Board of Directors.
3. This Regulation develops and complements the rules of the Corporate By-laws and the Board of Directors Regulations applicable to the Committee. These latter rules shall prevail in the event of contradiction or disagreement with the former.



TITLE II. FACULTIES.

Article 3. Scope of competence.

Notwithstanding the provisions of the Corporate Enterprises Act, the Corporate By-Laws, or other responsibilities that may be assigned the Board of Directors, the Committee will, as a minimum, have the following duties:

1. Report to the General Meeting on the issues raised by shareholders in matters of its competence.
2. Monitor the effectiveness of the Company's internal control, the internal audit and the risk management systems, including those relative to taxation.
3. Supervise the preparation and integrity of the company's financial statements, as well as the periodical financial statements to be filed with the regulatory or market supervisory bodies relating to the Company and, where applicable, to the consolidated group, monitoring compliance with legal provisions, the accurate delimitation of the consolidation perimeter and the correct application of accounting principles
4. Inform, in advance, the Board of Directors in relation to all matters contemplated by the applicable legislation, the corporate by-laws and in the Board Regulation, and specifically in relation to:
 - a. The financial information that the Company must periodically disclose.
 - b. The creation or acquisition of shares in special purpose vehicles or entities resident in countries or territories considered tax havens.
 - c. Transactions with related parties.
5. Verify that senior management take into account the internal auditor's recommendations.
6. Monitor the effectiveness of the internal risk control and management policy in order to propose improvements to the Board of Directors.
7. Any other competences under this Regulation.



TITLE III. FUNCTIONS.

Article 4. Verification and supervision of the preparation and presentation of regulated financial information.

The Audit Committee's functions include:

1. Reviewing and analyzing, together with the Management and the external auditors, the integrity of the financial information preparation processes (both internal and external).
2. Monitoring Management decisions on the adjustments proposed by the external auditor, as well as monitoring and, where appropriate, mediating in disagreements between the same.
3. Periodically reviewing the suitability and effectiveness of the Company's disclosure controls and procedures.

Article 5. Functions related to the internal audit.

The Committee will also have the following functions:

1. Ensuring the independence and effectiveness of the internal audit function.
2. Proposing the selection, appointment, re-appointment and removal of the head of the internal audit.
3. Proposing the budget of the internal audit service.
4. Receiving regular information on the internal audit activities.
5. Verifying that senior management take into account the recommendations contained in the internal auditor's report.
6. Approving the annual internal audit plans, monitoring their development in detail and supervising the budget allocated.
7. Assessing whether the internal auditors are monitoring the essential controls and identifying and addressing any emerging risks.
8. Supervising the existence of a suitable relationship between the internal audit and other functions related to risk management, for example, the legal function, safety, environmental health and safety, loss prevention, quality and risk management, regulatory compliance and credit risk.



9. Monitoring the implementation of corrective measures or recommendations made by the internal auditor and, where appropriate, the justification of any non-compliance with the same.
10. Ensuring the internal auditors free access to any and all documentation that they may require for the proper exercise of their functions and the compatibility with the proper functioning of the services concerned.
11. Assessing the quality of the work of the internal audit service, its degree of objectivity and its technical capacity to meet the challenges arising from the implementation of new technologies and the sophistication of financial products.

Article 6. Functions relating to the external auditor:

In this area, the Committee is to:

1. Submit proposals to the Board of Directors, for their submission to the General Shareholders' Meeting, for the selection, appointment, reappointment, removal and non-reappointment of the Company's auditor, as well as the terms of their engagement and the scope of their mandate.
2. Obtain information about the audit plan and its execution from the external auditor.
3. Obtain an assessment from the external auditor of the results of each audit conducted.
4. Discuss with the external auditor any significant weaknesses detected in the internal control system in the course of the audit.
5. Verify and report to the Board of Directors on the necessary independence of the external auditor, as well as the suitability and origin of any other service which, independently of the audit, it carries out. In this sense, it will obtain an annual statement from the external auditor relative to its independence in relation to the Company or companies directly or indirectly related thereto, as well as information on additional services of any kind provided and the corresponding fees perceived from such companies by the external auditor or by persons or entities related to the auditor pursuant to the provisions of the legislation applicable to account auditing.
6. Manage the relationships with the external auditors: monitor compliance with the audit contract, assess the results of each audit, monitor the conditions of and the compliance with the contracts established with the auditors for the performance of tasks other than those included in the audit contract.



7. Ensure that the external auditor's remuneration for the work undertaken neither compromises or its independence.
8. Issue, annually and prior to the issuance of the account audit report, a report expressing an opinion on the independence of the external auditor. This report shall include, in all cases, the assessment of the provision of additional services referred to previously, considered individually and collectively, other than the statutory audit and in relation with the regulations governing independence or the audit regulations.
9. Ensure that the Company and the auditor adhere to current regulations on the provision of services other than audit services and, in general, all other regulations established to ensure the independence of the auditors. The Committee must approve, in advance, the contracting of the auditor for services other than those of auditing.
10. Monitor the Company's reporting of any change of external auditor to the Spanish Securities Market Commission as a material fact, accompanied by a statement of any disagreements arising with the outgoing auditor, and the reasons for the same.
11. Annually assess the technical competence (qualifications, performance and independence) of the external auditor.

Article 7. Functions in relation to the General Shareholders' Meeting.

The Committee has the obligation, among other possible functions, to inform the General Shareholders' Meeting on issues arising in relation to those matters within the Committee's scope of competence and, in particular, on the audit result, explaining its contribution to the integrity of the financial reporting and the role played by the Committee in this process.

Article 8. Functions in relation to the Board of Directors.

The Committee is to monitor the preparation and presentation of the obligatory financial information and is to submit recommendations or proposals aimed at safeguarding the integrity of the same to the Board of Directors. Consequently, its functions are as follows:

1. Inform the Board of Directors in relation to all matters under the Law, the By-laws and the Board Regulation, and in particular; the financial information which the company must periodically disclose, the creation or acquisition of shareholding interests in special purpose vehicles or entities resident in countries or territories considered tax havens, and transactions with related-parties.
2. Submit proposals to the Board of Directors for the selection, appointment, reappointment and removal of the external auditors in relation with the General Shareholders' Meeting, assuming responsibility for the selection process, as well as the terms of the external auditors' engagement, and regularly obtaining information



from the auditor about the audit plan and its execution, as well as preserving its independence in the performance of its duties.

Article 9. Functions in relation to the effectiveness of the Company's internal risk control and management systems.

In this context, the Audit Committee will have the following functions, among others:

1. Monitor the effectiveness of the Company's internal control, the internal audit and the risk management systems.
2. Discuss with the external auditor any significant weaknesses detected in the internal control system in the course of the audit.
3. Review, at a minimum on an annual basis, the internal risk control and management systems to ensure that the main risks (including the risks associated with compliance with the applicable laws and regulations) have been identified, managed and disclosed correctly.

Article 10. Functions in relation to compliance with the internal codes of conduct and corporate governance regulations.

1. Periodically monitor, review and update the Company's internal codes of conduct and corporate governance regulations, as well as the system for monitoring the compliance with and application of the same.

TITLE IV. COMPOSITION.

Article 11. Composition and posts.

1. The Committee is to be composed of a minimum of three and a maximum of five Directors, appointed by the Board of Directors upon the proposal of the Committee from among the non-executive Directors. The majority must be independent Directors, one of whom must be appointed in accordance with their knowledge and experience in the fields of accounting and/or auditing. As a group, the committee members shall have the relevant expertise in relation to the sector of activity to which the audited entity belongs.
2. The Board of Directors shall ensure that the members of the Committee have the necessary knowledge and experience in the fields of accounting, auditing, risk management, and those others which fall within the Committee's scope of competence.



3. Within the above-mentioned limits, the Committee may submit a proposal to the Board to amend the number of its members, with the aim of the final composition proving the most appropriate for its effective operation.
4. The Chair of the Committee will be appointed from among the independent Directors, and must be substituted each four years. A Director may be re-elected Chair of the Committee one year after the termination of his/her previous term.
5. The Committee may also to appoint a Secretary, who need not be a Director or a member of the Committee.

Article 12. Term.

1. The terms and periods specified in the preceding point shall be subject to the Committee member in question retaining their Directorship.
2. In all circumstances, the condition of member of the Committee shall not persist following the termination of the term of the Director, unless the Director is re-elected.
3. The post of Chair of the Committee shall be held for a maximum period of four years, upon the termination of which the Director who has held the post may not be re-elected as Chair of the Committee for at least one year as of the year of their termination, without prejudice to their continuity as a member of the Committee.
4. Members of the Committee who are re-elected as Company Directors by agreement of the General Shareholders' Meeting will continue in their posts in the Committee without the need for re-election, unless the Board of Directors decides to the contrary.

Article 13. Cessation.

The members of the Committee shall vacate their posts:

1. When they cease to be Directors of the Company.
2. In the case of those considered Independent Directors, when, whilst maintaining the condition of Company Director, they cease hold their condition as such.
3. Upon the conclusion of the period for which they were appointed.
4. By agreement of the Board of Directors.

TITLE V. SESSIONS.

Article 14. Sessions.



1. The Audit Committee will meet as often as necessary and at least once every six months.
2. It must also meet when so requested by at least two of its members.
3. The Chair of the Board of Directors and the CEO may request informative of the Committee, on an exceptional basis.

Article 15. Call.

1. The Chair of the Committee shall convene the meetings with a minimum of five calendar days notice, except in the case of urgent meetings.
2. The call shall be made by any means that allow for its reception and which include the meeting's agenda.
3. Prior calls need not be issued for the Committee's meeting when all the members are present and agree to the celebration of the same.

Article 16. Venue and delegation.

1. The meetings of the Committee shall be held in the venue indicated in the call.
2. The Committee's meetings may be held at several venues connected by systems that allow the recognition and identification of the participants, the permanent communication between them, the intervention of all the participants and the voting process in real-time.
3. The members of the Committee attending any of the interconnected venues shall be deemed for all purposes as having attended the meeting. The meeting shall be understood as celebrated in the location in which the greater number of Committee members are present and, in the event of equal numbers present in different locations, in the location in which the Chair, or the person performing the duties of the Chair, is present.
4. The members of the Committee may delegate their representation to another member of the Committee by written communication addressed to the Secretary of the Committee, in which the terms of the delegation are to be included. They may not, however, delegate their representation on issues affecting them personally or in relation to which they find themselves in a conflict of interest.

Article 17. Constitution.

1. The Committee shall be validly constituted with the direct or represented attendance of at least half of its members.



2. The meeting will be chaired by the Chair of the Committee. In the event of vacancy, illness, disability or absence of the Chair of the Committee, the session shall be chaired by the Committee's most senior Director and, in the event of several Directors sharing seniority, by the Committee's oldest Director.
3. The Committee secretary will act as secretary of the meeting. In the event of the vacancy, illness, disability or the absence of the Secretary of the Committee, the post shall be assumed by the person designated for this purpose by the Committee.

Article 18. Agreements.

1. The Committee must adopt its agreements by the absolute majority of the members present or represented at the meeting. In the event of a tied vote, the Chair of the Committee shall have the casting vote.
2. The agreements shall be recorded in minutes signed by the Chair of the Committee and its secretary, or by the person acting in their stead. They must be approved during the same meeting or the immediately subsequent meeting, they shall be available to all Directors and shall be recorded in the Committee's minutes book, which shall remain in the custody of the Secretary.
3. The Committee shall consult with the Chair of the Board of Directors and the CEO prior to adopting agreements on matters relating to the Executive Directors.

Article 19. Conflicts of interest.

1. When the matters to be discussed at meetings of the Committee directly affect any of its members or persons related thereto and, in general, when such members are subject to a conflict of interest, the member(s) in question must leave the meeting until the decision is taken, and be deducted from the number of members of the Committee for the purposes of calculating the quorum and majorities with respect to the matter at hand.

Article 20. Attendance.

1. The Chair of the Committee, by virtue of a request made to this effect, may request, through the Chair of the Board, the attendance of any Director at the Committee's meetings. The Chair of the Committee may also request, through the Secretary of the Board, the attendance of any Director, officer or employee of the Company or of its subsidiaries, as well as any member of the governing bodies of investees whose appointment has been proposed by the Company, provided there is no legal impediment to the same.



2. Such persons that do not form part of the Committee may not attend meetings of the same when issues which do not fall within the scope of their competence or functions are subject to debate, unless such persons obtain express authorization to attend the meeting from the Chair of the Committee.
3. The Committee may request the presence at its meetings of the auditor responsible for the Company's accounts, or for those of its subsidiaries.

TITLE VI. POWERS OF THE COMMITTEE AND THE DUTIES OF ITS MEMBERS.
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Article 21. Powers and advice.

1. The Committee may freely access, through the Secretary of the Board, any information or documentation to which the Company has access in relation to questions which fall within the Committee's scope of action, and which are considered necessary for the fulfilment of its duties.
2. The Committee may also request, under the responsibility of the Company, collaboration or advice from outside professionals, who must submit their reports directly to the Chair of the Committee. In this case, the Committee shall ensure that any conflicts of interest do not impair the independence of the external advice received.

Article 22. Duties of Committee members.

1. The members of the Committee must act with independent judgement and action with respect to the rest of the organization and undertake their work with the utmost diligence and professional competence.
2. The members of the Committee are subject, as such, to all the duties of Directors provided in the Board of Directors Regulation, to the extent of their application to the functions performed by the Committee.

Article 23. Information for the Board of Directors.

1. The Chair of the Committee shall inform the Board of Directors of the matters discussed and the resolutions adopted at its meetings during the first Board meeting to be held following the Committee meeting.
2. Likewise, within the first three months after year-end of each of the Company's tax years, the Committee shall submit an annual report on its work during the previous year to the approval of the Board of Directors.



PART VII RELATIONSHIP WITH THE DIFFERENT BODIES.
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Article 24. Relationship with the General Shareholders' Meeting.

1. The Chair of the Committee shall inform the General Shareholders' Meeting about the issues raised by shareholders in matters of its competence.
2. Upon the calling of the Annual General Meeting, the report on the Committee's activities referred to in the previous article shall be made available to the Company's shareholders and investors.

Article 25. Relationship with the Board of Directors.

1. During all the meetings of the Board of Directors, the Chair of the Committee shall inform the Board of Directors of the matters discussed and the resolutions adopted during the Committee's previous meetings.

Article 26. Relationship with the Company's executive team.

1. The Company's executive team shall regularly inform the Committee on operational issues and business development.
2. The Committee shall inform the executive team about the annual internal audit plan and, where appropriate, will raise any corrective action relative to the reports prepared by the internal audit department.

Article 27. Relationship with the internal audit department.

1. The internal audit is a centralized function and forms part of the organizational structure by virtue of its direct relation with the Board of Directors, to which it is to report via the Audit Committee.
2. The manager of the internal audit reports regularly to the Committee, who in turn is the main recipient of the results obtained from the internal audit function in relation to the work undertaken in the different areas of audit and risk control.
3. The internal audit department will be responsible for preparing the information required at meetings of the Audit Committee. The Chair of the department is to attend such meetings, when such a measure is deemed opportune by the Committee.
4. The Committee will monitor the internal audit department, reviewing and approving the annual internal audit plan, the activities report and its budget.

Article 28. Relationship with the external auditors.



1. Relations between the Board of Directors and the Group's external auditors are to be channelled through the Audit Committee, and as such the Committee shall assess the results of each audit and the management team's response to its recommendations. It will also mediate in the event of discrepancy between both in relation to the principles and criteria applicable to the preparation of the financial statements.
2. The external auditors may attend the meetings of the Audit Committee, unless the Committee decides to the contrary.
3. Submit proposals to the Board of Directors, for their submission to the General Shareholders' Meeting, for the selection, appointment, reappointment, removal and non-reappointment of the Company's auditor, as well as the terms of their engagement and the scope of their mandate.
4. The Committee will not propose to the Board of Directors, which in turn will refrain from submitting to the General Shareholders' Meeting, the appointment as the Company's accounts auditor of any audit firm that is affected by any circumstance of incompatibility or lack of independence under the law on auditing, as well as those firms whose fees to be paid the Company, for all concepts, are greater than five percent of total income during the last financial year.
5. In the case of groups, it will favour the undertaking by the group auditor of the auditing of all the group companies
6. In exceptional cases in which the auditor introduces reservations into the prepared accounts, both the Chair of the Audit Committee and the external auditors shall clearly explain to the shareholders the content and scope of the same.

Article 29. Relationship with the information systems and the risk policy and management.

1. The Corporate Management will be the habitual organ of communication between the Audit Committee and the rest of the Company's organization on specific risk issues.
2. Likewise, it will establish the level of risk considered acceptable by the Company and the measures to mitigate the impact of the identified risks, in the event of their materialization.
3. The Committee will establish and supervise a mechanism whereby staff are to report confidentially and, if necessary, anonymously, any irregularities of potential importance, especially those of a financial and accounting nature, and those related to the prevention of money laundering and market abuse, detected within the Company.



4. The Committee will identify the information and internal control system to be employed to manage the different types of risk (operative, technological, financial, legal, reputational) faced by the company, including, among those of a financial or economic nature, contingent liabilities and other off-balance sheet risks.

Article 30. Relationship with the obligations of listed companies.

The Committee shall inform the Board in advance prior to the Board's adoption of the appropriate decisions on:

1. The financial reporting that all listed companies must periodically disclose. The Audit Committee must ensure that interim statements are drawn up under the same accounting principles as those employed for the annual statements and, to this end, may ask the external auditor to conduct a limited revision.
2. The creation or acquisition of shares in special purpose vehicles or entities domiciled in countries or territories considered tax havens, and any other transactions or operations of a comparable nature whose complexity might impair the transparency of the Group.
3. Related-party transactions, except where their scrutiny has been entrusted to a separate supervision and control committee.

TITLE VIII. COMPLIANCE, PUBLICITY AND INTERPRETATION.

Article 31. Compliance and Publicity.

1. The members of the Committee, as well as the other members of the Board of Directors in matters by which they are affected, are required to know and comply with this Regulation, to which effect the secretary of the Board of Directors shall include the same in the Director's website and publish the same on the Company's corporate website.
2. Additionally, the Committee shall have the obligation to ensure compliance with this Regulation and to take the appropriate measures to ensure its dissemination throughout the rest of the organization.

Article 32. Interpretation.



1. This Regulation shall be construed in accordance with the Law and the Corporate Governance System.
2. Any doubt or dispute regarding the interpretation of this Regulation shall be resolved by the Committee itself or, to the contrary, by its Chair, assisted by those persons designated by the Board of Directors for this purpose, when applicable. The interpretation and resolution of any doubts or disagreements arising from the same must be reported to the Board.
3. In the absence of a specific rule, the Committee shall be subject, to the extent they are consistent with its nature, to the provisions of the Board of Directors Regulation relative to its operation and, in particular, with regard to the calling of meetings , the delegation of representation in favour of other Directors, its constitution, uncalled meetings, celebration and the rules governing the adoption of agreements, ballot voting without meetings and the approval of the minutes of the meetings.