



BOARD OF DIRECTORS REPORT ON THE PROPOSALS FOR THE APPOINTMENT, RE-ELECTION AND RATIFICATION OF DIRECTORS

Madrid, February 7, 2017

I. BACKGROUND AND JUSTIFICATION FOR THE PROPOSALS

This report was prepared by the MAPFRE S.A. Board of Directors, ("MAPFRE" or the "Company") in accordance with the provisions of article 529 paragraph 5 of the capital Companies Act. to justify the following proposals for the appointment, re-election and ratification of directors submitted to the Annual General Meeting for approval under point 4 of the agenda: (i) Ms. Adriana Casademont i Ruhí and Ms. Ana Isabel Fernández Álvarez, under the category of Independent Directors; and (ii) Mr. Fernando Mata Verdejo and Mr. Francisco José Marco Orenes, under the category of Executive Directors.

The aim of this report is to assess the competence, experience and merits of the candidates proposed for appointment, re-election and ratification to the Annual General Meeting, for which the Board of Directors have taken into consideration the suitability of the director's professional profiles, the specific nature of the business and the international character of the company. The Board of Directors has also verified that the candidates meet the requirements for prestige, suitability, solvency, competence, experience, qualifications, training, availability and commitment to their function, and that they are neither directly nor indirectly affected by any of the causes for incompatibility, prohibition or conflict of interest established by Law, the Corporate Statutes or the Regulations for the Board of Directors.

The Appointments and Remuneration Committee issued a prior report in which it values the engagement of Mr. Fernando Mata Verdejo in his position, as well as favorable report on the appointment of Mr. Francisco José Marco Orenes as an Executive Director, both of which were approved at the meeting held on January 31, 2017. At the same meeting the Committee also agreed to propose the re-election of Ms. Adriana Casademont i Ruhí and Ms. Ana Isabel Fernández Álvarez as Directors, under the category of Independent Directors.

II. PROPOSALS

MS. Adriana Casademont i Ruhí

She has a degree in Business Science from the Universidad Autónoma de Barcelona (Autonomous University of Barcelona), a diploma in Communication and Public Relations from the Universitat De Girona (Girona University) and a Master's Degree in Strategic Marketing from ESADE. She is currently President of CASADEMONT S.A., and holds a number of senior representational and management posts in companies in the agro-food sector and in educational institutions.

Ms. Casademont i Ruhí has been an Independent Director since accepting her appointment by the Annual General Meeting on March 9, 2013. Furthermore, she is currently a member of the MAPFRE Appointments and Remuneration Committee and the Audit Committee and a member of the MAPFRE ASISTENCIA Board of Directors.



In view of the proposal made by the Appointments and Remuneration Committee, the Board of Directors considers that Ms. Casademont's brilliant personal and professional performance, together with the predominance of management roles in her professional career recommend her re-election as a Director, with the category of Independent Director.

Ms. Ana Isabel Fernández Álvarez

She has a Degree and Doctorate in Economics and Business Science from the Universidad de Oviedo (Oviedo University). She was a member of the Spanish National Securities and Exchange Commission (the "CNMV") (2010-2014), the European Securities Authority (2011-2013) and the Financial Innovation and Consumer Protection Subcommittee of the European Banking, Insurance and Securities Joint Committee (2012-2014).

She is currently a member of the Advisory Committee on Corporate Reporting for the European Securities Authority, and she is member of the Board of Trustees for the Princesa de Asturias Foundation and the Banco de Sabadell Foundation. She is also a Professor of Financial Economics at the University of Oviedo and Professor of Finances at CUNEF.

Ms. Fernández Álvarez has been an Independent Director since accepting her appointment by co-option by the Board of Directors on July 26, 2016. She is also currently a member of the MAPFRE Risk and Compliance Committee and a member of the Boards of Directors of MAPFRE ASISTENCIA and MAPFRE GLOBAL RISKS.

In view of the proposal made by the Appointments and Remuneration Committee, the Board of Directors considers that Ms. Fernández Álvarez's brilliant personal and professional performance, together with her broad experience and knowledge of the banking and insurance sectors as well as the regulatory framework applicable to these sectors and to the securities markets recommend her ratification and re-election as a Director, with the category of Independent Director.

Mr. Fernando Mata Verdejo

He has a degree in Business Science from the Universidad Autónoma de Madrid (Autonomous University of Madrid). He has developed most of his professional career with MAPFRE, where he has held the positions of Internal Audit Manager for MAPFRE AMÉRICA, Financial Manager for MAPFRE PRAICO (Puerto Rico), Financial Manager for MAPFRE FAMILIAR, General Manager for the Corporate Strategy and Development Area and General Manager for the MAPFRE Risk Management Function. Since 2017 he held the position of General Manager of the MAPFRE Corporate Finance Area.



Mr. Fernando Mata Verdejo has been an Executive Director of the Company since January 1, 2017, the effective date of his appointment by co-option agreed by the Board of Directors on September 29, 2016. He is also currently a member of the Boards of Directors of MAPFRE ESPAÑA, MAPFRE VIDA and MAPFRE INTERNACIONAL.

In view of the report made by the Appointments and Remuneration Committee, the Board of Directors considers that the performance of Mr. Mata Verdejo as a member of the MAPFRE Board of Directors since his appointment by co-option by the Board of Directors has been satisfactory in all its facets: his performance as a Director; the amount and quality of his work; and his engagement in the job. In the view of the Board of Directors this, together with his broad experience and knowledge in the finance, strategy and risk management sectors justifies his ratification and re-election as a Director with the category of Executive Director.

Mr. Francisco José Marco Orenes

He has a degree in Medicine and Surgery from the University of Murcia, he is a specialist in Geriatrics from the University of Murcia and in Nutrition from the University of Granada and he has a Masters Degree in Company Administration from the IDAE. He has spent most of his professional career at MAPFRE where he has held the positions of Executive Vice Chairman of MAPFRE ESPAÑA (2013-2014), Chairman of MAPFRE EMPRESAS (2012-2014), Vice Chairman-Managing Director of MAPFRE FAMILIAR (2008-2013) and Executive Chairman of MAPFRE PERU. He has also been Chairman of the UNESPA Automobile Insurance Commission (2009-2014) and Chairman of the Spanish Chamber of Commerce in Peru. Since 2015 he has held the position of General Manager of the MAPFRE Corporate Business Support Area. He is also current the Chairman of FUNESPAÑA, a member of the MAPFRE INTERNACIONAL Board of Directors and a Trustee of Fundación MAPFRE.

The Board of Directors considers that the brilliant personal and professional performance of Mr. Marco Orenes, who has broad experience and knowledge of the insurance industry and the technology sector, make him an appropriate candidate for this position.
