

**REPORT BY THE APPOINTMENTS AND REMUNERATION COMMITTEE
TO THE MAPFRE S.A. BOARD OF DIRECTORS REGARDING ITS
COMPOSITION AND OPERATION IN FISCAL YEAR 2020**

The Appointments and Remuneration Committee is the delegate body of the Board of Directors of MAPFRE S.A. (hereinafter, the "Company") for undertaking the functions of appointment, dismissal and reelection of Board Directors and Senior Managers of MAPFRE S.A. and its Group, and for establishing their remuneration.

Its governing regulations are contained in Article 23 of the Bylaws and in Article 11 of the Board of Directors' Regulations.

1. Composition

The Appointments and Remuneration Committee should consist of a minimum of three and a maximum of five Board Directors, all non-executive and at least two of whom should be Independent Board Directors. The Chairman should be an Independent Board Director and the Secretary is the Secretary of the Board of Directors.

As on December 31, 2020, the Appointments and Remuneration Committee was composed of the following Board Directors:

Name	Position	Category
Ms. Catalina Miñarro Brugarolas	Chairwoman	Independent
Mr. José Antonio Colomer Guiu	Member	Independent
Ms. Rosa María García García	Member	Independent
Mr. Luis Hernando de Larramendi Martínez	Member	Nominee
Mr. Alfonso Rebuelta Badías	Member	Nominee

2. Competences

The Appointments and Remuneration Committee has the following competences in accordance with Article 11 of the Regulations for the Board of Directors:

- a) To evaluate the balance of competences, knowledge and experience required on the Board of Directors, defining the functions and capabilities required of the candidates to fill each vacancy accordingly and deciding the time and dedication necessary for them to properly perform their functions.
- b) To establish a representation target for the gender least represented on the Board of Directors and to draw up guidelines on how to achieve this target.
- c) To submit to the Board of Directors any proposals for the appointment of Independent Board Directors so that they may be designated by co-opting or so that they may be subject to the decision of the Annual General Meeting, as well as proposals for reappointment or removal, and to report on cases related to proposals that affect the remaining Board Directors.
- d) To notify proposals for the appointment and dismissal of Senior Managers and their basic contractual conditions.
- e) To examine and organize the succession of the Chairman of the Board of Directors and, where appropriate, to make the corresponding proposals to the Board so that said succession occurs in an orderly and well-planned manner.
- f) To propose to the Board of Directors the remuneration policy for Board Directors and general directors or anyone who performs C-Suite functions under the direct control of the Board, the Steering Committee or the Managing Directors, as well as the individual remuneration and other conditions of the contracts of Executive Board Directors, ensuring their enforcement.

- g) To propose to the Board of Directors the candidates for appointment as FUNDACIÓN MAPFRE Trustees whose appointment is the responsibility of the Company.
- h) To authorize the appointment of External Directors in the other Group companies.

3. Operational framework

As laid down in the Regulations for the Board of Directors, the Appointments and Remuneration Committee meets whenever necessary in order to appropriately perform its functions and, to this end, the Senior Manager supervising the Human Resources Division will be in attendance.

During the 2020 fiscal year, the Committee met five times¹, whereby the main topics addressed were as follows:

- **Appointment and reelection of board directors:**

In compliance with the current Board Director Selection Policy and Board Renewal Plan, the Appointments and Remuneration Committee completed the selection processes and made proposals to the Board of Directors to reelect three Independent Directors, and reported to the Board of Directors with regard to the proposal to reelect one Executive Director.

To this effect, the Appointments and Remuneration Committee contributed toward analyzing the needs of both the Company and the Group and to assessing prestige and suitability, avoiding at all times any implicit bias that may imply discrimination, especially with regard to the selection of candidates of one gender or the other.

In each case, the Committee assessed the personal and professional qualities of the candidates and took into account the need for a diverse set of profiles on the Board to enable suitable balance and diversity in terms of training, experience, age, gender and nationality.

¹ Independently of the aforementioned meetings, the Appointments and Remuneration Committee has adopted resolutions through written procedure, without a meeting.

Furthermore, and in accordance with the provisions established in current legislation, the Appointments and Remuneration Committee analyzed the suitability of the members of the Board of Directors to be a part of said body, assessing the existence of circumstances that may affect their personal and professional prestige.

In particular, in order to promote gender equality in the composition of the Board of Directors, the Board Director Selection Policy was modified in the 2020 fiscal year to establish that efforts will be made to ensure that female directors constitute at least thirty percent (and will be increased before the end of the 2022 fiscal year to at least forty percent) of all members on the Board of Directors.

The Committee has also reported favorably on the proposals for appointments and dismissals of external directors of MAPFRE Group companies.

- **Assessment of the Chairman of the Board of Directors and CEO**

The Appointments and Remuneration Committee assessed the CEO and Chairman of the MAPFRE S.A. Board of Directors.

The Appointments and Remuneration Committee, following the appropriate analysis, deemed the conduct of the CEO and Chairman of the MAPFRE S.A. Board of Directors to be very satisfactory, both in said capacity and in the capacity of the Group's most senior management representative, in all aspects: dedication to the role, fulfillment of the institutional principles established in the rules of good governance; performance of the functions of providing high institutional representation of the company and direction of the activities of its Board of Directors and delegate bodies, inherent to the position of Chairman and CEO; and performance of the executive C-Suite of the Group's activities.

- **Compensation Policy for Board Directors 2020–2022**

The Appointments and Remuneration Committee issued a favorable report for the 2020–2022 Compensation Policy for Board Directors, for the purpose of its submission by the Board of Directors to the Annual General Meeting, and which was approved at its meeting on March 13, 2020.

- **Short-term variable remuneration**

The Appointments and Remuneration Committee reported favorably on the proposal to modify the short-term variable remuneration of Executive Directors and members of the C-Suite to establish an additional short-term element for the fiscal year 2020 that is jointly linked to Return on Equity (ROE) and the Global Non-Life Combined Ratio of the fiscal year, to be approved by the Board of Directors.

- **Remuneration of Board Directors:**

In compliance with its competences and within the framework of the Compensation Policy for Board Directors approved by the Annual General Meeting held on March 13, 2020, the Appointments and Remuneration Committee made a proposal for the remuneration of Board Directors in their capacity as such, and the contractual conditions, including remuneration, for Executive Board Directors corresponding to the 2020 fiscal year, for their approval by the Board of Directors.

- **Annual Report on Remuneration for Board Directors**

The Appointments and Remuneration Committee issued a favorable report for the Annual Report on Remuneration for Board Directors corresponding to the 2019 fiscal year, for its submission on a consultation basis by the Board of Directors to the Annual General Meeting, and which was approved at the meeting held on March 13, 2020.

- **C-Suite Appointments**

The Appointments and Remuneration Committee analyzed the proposals for appointments and dismissals for members of the MAPFRE S.A. and MAPFRE Group C-Suite, issuing a report on said appointments and dismissals to be submitted for approval by the competent MAPFRE Group administrative bodies in each case.

- **Contract conditions for C-Suite members:**

The Committee analyzed, and submitted to the Board of Directors, the proposals for the applicable contractual conditions, including fixed and variable remuneration, corresponding to the 2020 fiscal year for C-Suite members in the MAPFRE Group, under the terms provided for in the MAPFRE Group Compensation Policy.

- **Remuneration and relevant personnel from MAPFRE INVERSIÓN SOCIEDAD DE VALORES, S.A. and MAPFRE ASSET MANAGEMENT, S.G.I.I.C.**

In accordance with current legislation, the Company's Appointments and Remuneration Committee performs functions related to remuneration for MAPFRE INVERSIÓN SOCIEDAD DE VALORES, S.A. and MAPFRE ASSET MANAGEMENT, S.G.I.I.C., S.A. To this effect, it issued a favorable report for the remuneration of relevant personnel from these companies in fiscal year 2020 and the list of persons comprising this category, as well as the modification of their respective compensation policies.

- **Appointment and reelection of Fundación MAPFRE trustees**

In accordance with the provisions of the Regulations for Board of Directors, the Appointments and Remuneration Committee has proposed to the Board the appointment of a Fundación MAPFRE Trustee.

- **Report on the composition and operation of the Committee in 2019**

The Appointments and Remuneration Committee prepared a report on its composition and operation during the 2019 fiscal year.

- **Succession Plan for the CEO and Chairman Board of Directors**

The Appointments and Remuneration Committee reported favorably on the Succession Plan for the CEO and Chairman of the MAPFRE Board of Directors for approval by the Board of Directors.

- **Board of Directors' Competency Matrix**

The Appointments and Remuneration Committee approved the MAPFRE Board of Directors' Competency Matrix, which defines the skills and knowledge of its members.

4. 2020 assessment

The assessment was carried out based on the review of the corporate information and the self-assessment questionnaires carried out by each board director.

The result of the Appointments and Remuneration Committee's assessment on composition and operation in 2020 was very positive, and did not give rise to any observations or suggestions for improvement from its members.

The Appointments and Remuneration Committee has therefore unanimously agreed to submit this report to the MAPFRE S.A. Board of Directors so that the latter may evaluate the operation of the Committee during 2020 based on the report content.

Madrid, February 5, 2021
Committee Secretary

Ángel L. Dávila Bermejo