



**REPORT OF THE APPOINTMENTS AND REMUNERATION COMMITTEE REGARDING
THE COMPENSATION POLICY FOR THE BOARD DIRECTORS OF MAPFRE S.A.**

Madrid, February 2, 2023

1. REGULATORY FRAMEWORK

Pursuant to Article 529 novodecies of the Recast Text of the Companies Act (hereinafter, "LSC"), *"the remuneration policy for directors must conform to the remuneration system set forth in the bylaws and shall be approved by the annual general meeting as a separate item on the agenda, to be applied for a maximum period of three fiscal years. However, proposals for new director remuneration policies must be submitted to the annual general meeting prior to the end of the last fiscal year of the previous policy's application, and the general meeting may determine that the new policy shall apply from the date of approval and during the following three fiscal years."* In accordance with that Article, *"the proposed compensation policy for the Board of Directors will be justified and must be accompanied by a specific report from the Appointments and Remuneration Committee."*

In accordance with the above, Article 23 of the Company Bylaws and Article 11.1.f) of the Regulations of the MAPFRE S.A. Board of Directors, the Appointments and Remuneration Committee has the authority to *"propose to the Board of Directors the compensation policy for board directors [...], as well as individual remuneration and the other terms and conditions of the Executive Board Directors' contracts, ensuring their observance."*

This document constitutes the legal report justifying the proposed compensation policy for board directors that will be submitted for the approval of the Board of Directors to be raised, if appropriate, at the Annual General Meeting.

2. APPOINTMENTS AND REMUNERATION COMMITTEE

The Appointments and Remuneration Committee is the delegate body of the Board of Directors for the coordinated development of appointments and compensation policy regarding the board directors. In the performance of its functions, the Committee periodically carries out a comparative study of the remuneration of the members of the Board of Directors of IBEX 35 companies, the results and conclusions of which were taken into account when creating the compensation policy referred to in this report.

Acting on the recommendation of the Board of Directors, the Annual General Meeting of March 11, 2022, approved the Compensation Policy for Board Directors for the 2022-2024 period.

The proposal of the new compensation policy discussed in this report aims to reflect the provisions contained in the proposed amendment of Article 17 of the Company Bylaws, which is submitted to this Annual General Meeting for consideration under item 3 of the agenda and is accompanied by its corresponding supporting report, which has been made available to shareholders in accordance with section d) Article 518 of the Recast Text of the Spanish Capital Corporations Act.

Likewise, the Compensation Policy for Board Directors for the 2023–2025 period includes the update to fiscal year 2023 of the short-term variable remuneration and the incentive corresponding to the second overlapping cycle (2023–2025) of the Medium- and Long-Term Incentive Plan.

3. GENERAL PRINCIPLES OF THE COMPENSATION POLICY FOR BOARD DIRECTORS

The preparation of the compensation policy for board directors took into account the following:

- Applicable regulations:

The Appointments and Remuneration Committee has verified that the policy is in line with the provisions of Articles 217 and 529 sexdecies to 529 novodecies, inclusive, of the LSC, as well as Article 275 of the European Commission's Delegated Regulation 2015/35, which supplements Directive 2009/138 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II).

- General principles:

The policy referred to in this report contributes to the Company's business strategy, interests, and long-term sustainability, with the objective of creating shareholder value in a sustainable manner over time, incorporating the necessary precautions to avoid excessive risk-taking and the rewarding of unfavorable results.

To this end, the proposed system for board directors' remuneration is based on the following general principles:

- a) Priority of the creation of value and profitability in the medium- and long-term over short-term results.
- b) Reasonable proportion between the Company's economic situation and the market standards of comparable companies.
- c) Alignment with the sales and risk management strategy, risk profile, objectives, and risk management practices.
- d) Appropriate and efficient risk management within the established risk tolerance limits.
- e) Attraction and retention of talent.
- f) Appropriate compensation for dedication, qualification and responsibility.
- g) Appropriate proportion of fixed and variable components, avoiding excessive reliance on variable components.
- h) Deferred payment of a significant portion of the variable remuneration.

- i) Possibility of ex-post adjustments to the variable remuneration.
- j) Avoidance of conflicts of interest.
- k) Alignment of the compensation system for executive directors with that of the Company's executives as a whole.
- l) Non-discrimination on the basis of gender, race or ideology, and equal remuneration for positions of equal value.

4. TERM OF THE COMPENSATION POLICY FOR BOARD DIRECTORS

If approved by the Annual General Meeting, the policy covered by this report will be in force during fiscal years 2023, 2024, and 2025. Once approved, it will be applicable as of January 1, 2023, thereby rendering the current compensation policy ineffective. Any amendments thereof will require the prior authorization of the Annual General Meeting in accordance with the stipulations of the current legislation.

5. PROPOSED RESOLUTION

The Company's Appointments and Remuneration Committee held a meeting on February 2, 2023, and considered that the remuneration principles and systems applicable to both the remuneration of board directors in their position as such and, where applicable, for the performance of executive functions, that are set out in the compensation policy for board directors, are in line with the provisions of the Companies Act and, in particular, Articles 217 and 529 sexdecies through 529 novodecies, inclusive, and the provisions in force regarding Solvency II, and are suitable to contribute to the business strategy, interests, and long-term sustainability of the Company and of its Group.

As a result, the Committee adopted the following resolutions at the aforementioned meeting:

- To submit the Compensation Policy for Board Directors of MAPFRE S.A. for the 2023–2025 period to the Board of Directors so that it may be presented at the Annual General Meeting as a separate point on the agenda.
- To prepare this report regarding the compensation policy for board directors, the approval of which is proposed.

* * * * *