

**INSTITUTIONAL, CORPORATE,**  
**AND ORGANIZATIONAL PRINCIPLES**  
**OF THE MAPFRE GROUP**

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## 1. INTRODUCTION

MAPFRE is an independent global group of companies engaged primarily in insurance and reinsurance activities and services.

The company's origins can be traced to MAPFRE MUTUALIDAD, created in 1933 by the Association of Owners of Rural Properties in Spain to mutually cover the risks arising from their farming activities. In the 1960s, it embarked on a process of business expansion consisting of the creation of subsidiary trading companies. In 1980, these companies were grouped into the holding company CORPORACIÓN MAPFRE (now MAPFRE S.A.) and international expansion ensued, mainly in Latin America. Today, MAPFRE is the Leading insurance company in Spain and Latin America and is consolidating a growing presence in other markets such as North America, Europe, and Asia.

FUNDACIÓN MAPFRE is the majority shareholder in the company, which strengthens our independence and shareholder stability. MAPFRE S.A. shares are listed on the stock exchanges of Madrid and Barcelona.

MAPFRE's global dimension and its presence in markets with very different corporate governance regulations suggest the need for basic regulations that contain the institutional and governance principles applicable to all of them. MAPFRE's governing bodies, consisting of the administrative bodies and the management bodies, oversee compliance with these standards. To do so, they must be familiar with them and, where applicable, communicate through the established channels any circumstances or actions that they understand not to be in compliance. Likewise, as part of MAPFRE's public commitment to the different groups or collectives with which it maintains relationships, these rules will be made known to all of them, so said these regulations can guide mutual relationships.

This standard, approved by the Board of Directors of MAPFRE S.A. at its meeting of June 24, 2015, and last amended on March 11, 2022, constitutes the minimum framework of mandatory compliance for all MAPFRE companies and their respective governing bodies, which must adapt their internal regulations and their activities to the principles and standards defined herein.

## **2. INSTITUTIONAL PRINCIPLES**

The activities of all MAPFRE companies must be in line with the following principles:

2.1. Strict separation of MAPFRE's business activities, which have the objective of creating value for all its shareholders and other stakeholders, and of FUNDACIÓN MAPFRE's activities, which have objectives of general interest and of a social nature that must be conducted for non-profit. This implies the following:

- a) Separation of equity and finances between MAPFRE and FUNDACIÓN MAPFRE.
- b) Supervision and management of business activities will be carried out exclusively by MAPFRE's governing and management bodies and the foundation's activities by the analogous bodies of FUNDACIÓN MAPFRE.

2.2. Independence from any person, entity, group or power, which implies the following:

- a) No person, company, group, or institution may attribute to itself political or economic rights with respect to such companies, except for those given to it in accordance with the laws and bylaws.
- b) All governing bodies of such companies must adopt their decisions based exclusively on each company's business interests, and no one involved in adopting any agreements may lodge their own personal, family, professional, or business interests in such process.

- c) All assets and rights comprising the equity of such companies must be used exclusively to fulfill their respective purposes.

The principle of independence allows for alliances, partnerships, and collaboration agreements to be established with other companies or institutions so that MAPFRE may pursue its development and business objectives.

The governing bodies shall take special care to ensure that under no circumstances shall the funds and assets constituting MAPFRE's equity be applied, directly or indirectly, to ideological, political, or other purposes unrelated to their respective business objectives.

2.3. Ethical, transparent, and socially-committed action, in recognition of the role and responsibility of private companies in contributing to the effective development and progress of society. In addition, respect must be ensured for the legitimate rights of all natural persons and legal entities with which it maintains relations and those of society as a whole. This implies the following:

- a) Strict compliance with the laws, contracts, and obligations deriving from them and with good uses and commercial practices.
- b) Respect for the rights and commitments undertaken with anyone participating as partners or shareholders in the various MAPFRE companies.
- c) Fairness in relationships with directors, executives, employees, representatives, agents, and collaborators. This requires objectivity during the selection and promotion processes, appropriate and reasonable remuneration and collaboration conditions, and non-discrimination on the grounds of race, political ideology, religious beliefs, gender, or social status.
- d) Commitment to transparency and truthfulness in the offer of products and services, and in the information provided to shareholders, clients,

and the general public, and the constant pursuit of excellence when providing the services under contract.

- e) Development of sustainable businesses and activities over time and respect the surroundings, the environment, and the interests of the community.

Mutual respect and full consideration for human rights and values are the keystone of MAPFRE's relations with and between individuals.

- 2.4. Management based on strictly professional and technical criteria which avoid conflicts of interest.

Therefore, while members of the administrative bodies and the executives and other employees of the companies that comprise MAPFRE may be shareholders of MAPFRE S.A., they will require the express authorization of the Board of Directors, or of the body designated for this purpose, if their shareholding is significant (more than 1 per 1,000 of the outstanding shares).

Likewise, all members of the administrative and management bodies of the Group's companies must notify, through the General Counsel of the Group, the purchase and sale of shares of MAPFRE S.A., or any of its subsidiaries, within seven days of their execution.

In the event of dissolution, corporate transformation, or merger of any of the entities that form part of MAPFRE, neither the members of the governing bodies nor the executives or employees may reserve any share or special right over its tangible or intangible assets, without prejudice to what may correspond to them as shareholders.

- 2.5. Professional development of its employees and executives based on an objective assessment of their abilities and skills and an assessment of their performance, the value brought to the Group, their efficient management, the fulfillment of objectives, and their commitment to MAPFRE.

In addition, persons related up to the second degree of kinship, even by affinity, with members of the administrative bodies, employees, or executives in active service may not be incorporated as members of the administrative bodies as executives or employees. This proscription does not include supervening relationships, nor those that exist prior to bringing a company into the Group. The Board of Directors of MAPFRE S.A. must authorize the incorporation of persons related to the third degree of kinship.

Likewise, in commercial relations with third parties, any potential conflict of interest must be disclosed when there is a relationship of affinity or consanguinity up to the second degree with any employee or director, even if the latter do not participate in the negotiation with the third party. The communication must be made in writing, as soon as the situation becomes known, to the immediate supervisor and to the secretary of the administrative body of the company where the employee works or where they are a director. In cases where the employee is also a party to the negotiation, they must immediately refrain from participating in the business relationship, at which point their supervisor is responsible for appointing a substitute.

Members of administrative bodies who, at the time of their appointment, do not hold any executive position or perform any executive functions in a MAPFRE company, will not be able to perform any executive functions unless they first resign from their administrative position, even though they may subsequently remain eligible for the position.

### **3. CORPORATE PRINCIPLES**

MAPFRE defines itself as THE MOST TRUSTED GLOBAL INSURANCE COMPANY, a concept that refers to its geographic presence and the wide range of insurance and reinsurance products and services that it markets worldwide.

MAPFRE aims to become a leader in the markets in which it operates, via its proprietary and differentiated business model based on profitable growth, with a

clear and decided focus on the client, both private and corporate, a multi-channel approach and a firm commitment to service.

To do so, MAPFRE:

- Is firmly committed to growth, both in terms of business volume and geographic development, generating suitable and sufficient profitability from its activities.
- Manages its business in an efficient manner and constantly improves productivity, and reduces structural costs to enhance its competitiveness.
- Professionally manages the risks it assumes, ensuring sustainable growth and results.
- Steers its development by diversifying its portfolio of insurance, reinsurance, and service businesses to boost growth and minimize risks.
- Deploys a global management model with ample capacity for local implementation, ensuring an appropriate balance between corporate involvement and business development in each country. As such, MAPFRE utilizes a corporate structure that allows it to harness economies of scale and pursue its business plans in a uniform manner but with the flexibility to adapt to the markets in which it operates.
- Makes its resources available to the entire organization, thus harnessing the synergies derived from sharing talent, processes, and tools.
- Promotes specialized management as a means of continuously optimizing results and enhancing service quality.

In its strategic focus, MAPFRE defines itself as a multinational team that strives to constantly improve services and develop the best possible relationships with its clients, distributors, providers, shareholders, and society in general.



It also sets forth the following corporate values as its own:

- **Solvency:** financial strength with sustainable results and full capacity to meet all obligations to stakeholders.
- **Integrity:** ethical conduct as a core element in how everyone (executives, employees, agents, and collaborators) behaves, with a socially responsible focus on all long-term activities and commitments.
- **Vocation for service:** the constant quest for excellence in the pursuit of its activities and a continuous focus on building strong relationships with clients.
- **Innovation for leadership:** differentiation as a key aspect of continuous growth and improvement, using technology as the service of the different businesses and their objectives.
- **Committed team:** full engagement of employees, executives, agents, and other collaborators with the MAPFRE project and continuous development of the team's skills and abilities.

#### **4. ORGANIZATIONAL PRINCIPLES.**

##### **4.1 ORGANIZATIONAL BASES.**

MAPFRE takes a three-pronged approach to its business management:

- Corporate governance.

MAPFRE corporate governance accounts for the principles and regulations that ensure appropriate management and control, with wide participation by board members and executives in all decisions related to the orderly development of the company. Furthermore, good governance standards and practices must always be aligned with those required by and recommended by the authorities of each country, with duly justified exceptions.

- Company structure.

MAPFRE employs a simple, efficient, and decentralized company structure that enables it to meet its business objectives in a suitable manner. This principle means that the appropriate management of the business in each country is compatible with the efficient management of the resources, capital requirements, and distribution of dividends to shareholders. All this is governed by a legal framework and genuinely ethical and socially committed conduct in the countries in which the company operates.

- Executive organization.

MAPFRE's business model is subject to strict control and supervision at all levels: local, regional, and global. In turn, it allows for broad delegation of the execution and development of the competencies allocated to the teams and their leaders, ensuring in any event that the most important decisions at all levels undergo in-depth analysis, before and after their execution, by all management teams.

#### **4.2. INTERNAL ORGANIZATION.**

MAPFRE is structured around:

- Global Corporate Areas.
- Business Units.
- Regional Areas.
- Local companies.

##### ***Global Corporate Areas***

Within their scope of action, their competencies extend to all MAPFRE companies worldwide, defining developing, implementing, and monitoring global corporate policies and collaboration in regional and local areas.

They are as follows:

- Finance and Resources:
  - Investments
- People and Organization
- External Relations and Communication
- Operational Transformation:
  - Technology
  - Operations
- Internal Audit
- Strategy and M&A
- General Counsel and Legal Affairs
- Business

### ***Business Units***

The following Business Units correspond to the main business activities carried out by the Group:

- Insurance Unit (insurance subsidiaries in each country).
- Reinsurance Unit (MAPFRE RE).
- Global Risks Unit (MAPFRE GLOBAL RISKS).
- Assistance, Services, and Specialty Risks Unit (MAPFRE ASISTENCIA).

Insurance Unit. The insurance subsidiaries in each country carry out their activity with full capacity for local implementation, applying global, regional, and local policies.

Reinsurance Unit. It operates as a specialized Global Unit, with centralized management and two clearly differentiated areas: one aimed at marketing reinsurance for insurance companies and the other aimed at managing the reinsurance of MAPFRE companies.

Global Risks Unit. It operates with a focus on large corporate clients and is fully coordinated and integrated into MAPFRE's regional and local structure under the centralized management of MAPFRE GLOBAL RISKS.

Assistance, Services, and Specialty Risks Unit. It carries out its local activity and is integrated into MAPFRE's Regional Areas under the centralized global management of MAPFRE ASISTENCIA.

### ***Regional Areas***

Regional Areas are the geographical unit for planning, support, and supervision of all Business Units in a specific region, except for the Reinsurance Unit. They are, in turn, responsible for implementing the global policies promoted by the Corporate Areas in their geographical area.

The Regional Areas into which MAPFRE is structured are:

- IBERIA
- BRAZIL
- LATAM SOUTH-CENTER
- NORTH AMERICA
- EMEA

Each Regional Area is headed by a CEO, who reports directly to the person designated by the Executive Committee.

### ***Local companies***

Local companies are the primary management body of MAPFRE in the country and enjoy a broad local management capacity. They are responsible for compliance with corporate policies, both global and regional.

## **4.3 INTERNAL GOVERNANCE.**

### **4.3.1. Administrative and supervisory bodies.**

#### **4.3.1.1. Bodies**

- ***Annual General Meeting.***

The Annual General Meeting is the highest governing body of each company. It shall convene and hold its meetings following the provisions of the law, the bylaws of each company, and, in the case of MAPFRE S.A., the corresponding regulations.

- ***MAPFRE S.A. Board of Directors***

The MAPFRE S.A. Board of Directors is the senior administrative and supervisory body for the entire Group.

It has a Steering Committee that acts as a delegated body of the Board of Directors, with all of its powers, except those that cannot be granted by law or, where applicable, if expressly prohibited by the corporate Bylaws or the Regulations of the Board of Directors.

It also has three other Delegate Committees:

- Audit and Compliance Committee.
- Appointments and Remuneration Committee.
- Risk and Sustainability Committee.

The Board of Directors shall delegate the following positions:

- Chairman.
- Vice-Chairmen.
- Coordinating Independent Director.
- Secretary.

The position of Chairman, which entails the chairmanship of MAPFRE, will be held by an executive director, who will have the status of the most senior management representative of the Group.

The Chairman and First Vice-Chairman of the Board of Directors of MAPFRE S.A. are also Ex-officio Chairman and Vice-Chairman of the Steering Committee.

The Second Vice-Chairmanship may be held by an external director, who, if independent, will also hold the position of Coordinating Independent Director. The functions of the Coordinating Independent Director are those attributed to them by Spanish law, the MAPFRE bylaws, and its implementing regulations.

The Board of Directors of MAPFRE S.A. will have a majority representation of external, independent, and nominee directors. It shall also develop a plan to fill vacant positions that ensures the candidates' suitability based on their competences and professional and geographic background, as well as the sufficient presence of members of both sexes.

▪ ***Board of Directors of insurance subsidiaries.***

The Board of Directors of the insurance subsidiaries is the highest administrative and supervisory body of the activity in the country, in accordance with local laws and the Group's internal governance rules. At least half of the members of Board must be external directors. The Chairman of the Board of Directors of foreign insurance subsidiaries must be an external director, and the Vice-Chairman must be the chief executive officer. They shall have the necessary delegated bodies as provided for in the laws of each country.

Non-insurance subsidiaries will normally have administrators, and the Board of Directors of the insurance subsidiary in the country itself will supervise their performance.

In companies with external partners, the provisions of the shareholders' agreements, where applicable, will govern activities.

▪ ***Delegated Management Committee of the subsidiaries.***

The Group companies determined by MAPFRE S.A., or where local legislation so provides, shall have a Delegated Management Committee of the Board, made up exclusively of members of the Board of Directors, which shall act on a permanent basis as a delegated body of the Board of Directors.

#### **4.3.1.2. Members**

a) Qualitative composition.

All members of the Group's administrative bodies must meet the following requirements:

- Professional qualification: A university degree or at least five years of experience in administration, management, control, or advising of financial or insurance entities subject to the rules and supervision of the Public Administration, or in functions involving a similar level of responsibility in other public or private entities of a similar size and with similar requirements.
- Personal, professional, and commercial ethics:
  - Longstanding compliance with the commercial laws and other laws regulating business activity and operations, as well as good sales, financial, and insurance practices.
  - No criminal record.
  - Must not be disqualified from exercising public, administration, or management positions in financial or insurance companies.

- Must not be disqualified under the Bankruptcy Law.
- Capacity and compatibility:
  - Must have no involvement in legal incompatibility, incapacity, or proscription proceedings in accordance with law.
  - Must not possess significant shareholdings, provide professional services to companies competing with the company or any Group, or be an employee, executive, or administrator unless otherwise expressly authorized by the administrative body.
  - Must have no relationship up to the second degree, even by affinity, with members of the administrative bodies, executives, managers, or employees in active service of any Group company, except for situations that occurred prior to the entry into force of this regulation.
  - Must not be involved in an insurmountable situation of conflict of interest.
  - Must not have incurred in circumstances that could lead to their membership in the administrative body jeopardizing the interests of the Group.
- Age: Must not have reached the age of 70.

If a supervening breach of any of these requirements affects MAPFRE's reputation, even in the absence of a court sentence or final administrative decision, the governing bodies shall decide.

b) Appointments and dismissals.

- Efforts will be made to ensure an adequate turnover rate in the Board of Directors, to which effect no external director may remain on the Board for more than three consecutive terms or a maximum of 12 years. However, nominee directors may serve a fourth term when justified in the opinion of the MAPFRE S.A. Board of Directors.



- External directors of MAPFRE S.A. who were once executive directors will cease to hold office, at the latest, five years after they cease to be executive directors.
- The competent bodies shall ensure vacancies will be filled in favor of diversity of knowledge, experience, age, and gender.
- When appointing independent directors, several candidates for each position will be considered before the proposal is submitted to the Board of Directors of MAPFRE S.A.

All members of the administrative bodies will cease to hold office at the age of 70, even if they have not completed their terms of office and will not be eligible for reappointment.

#### **4.3.2. Management bodies.**

##### **▪ *Executive Committee of MAPFRE.***

The Executive Committee is the body which, under mandate from the Board of Directors of MAPFRE S.A., exercises direct supervision over management of the Business Units and Corporate Areas and guarantees they take coordinated action. It will be chaired by the Chairman of the Group and will be composed of executives who, at the proposal of the Chairman, are appointed by the Board of Directors. The First Vice-Chairman of the Group will be Vice-Chairman.

##### **▪ *Regional Management Committee.***

The Regional Management Committee is the body responsible for direct supervision of the management of the Business Units in the region, except the Reinsurance Unit, and promotion of all global or regional corporate projects.

It will be chaired by the CEO of the corresponding Regional Area and will include at least the most senior management representatives of the insurance subsidiaries and the regional directors of the Global Risks Unit and the Assistance, Services, and Special Risks Unit.

- ***Management Committees of the Reinsurance, Global Risks and Assistance, Services, and Special Risks Business Units.***

The Management Committee of each of the aforementioned Business Units, with centralized management, is the body responsible for direct supervision of the management of each of one at a global level and promotion of all their global projects.

It will be chaired by the CEO of the corresponding Business Unit, and its members will be the executives of the Unit who, at the proposal of the CEO, are approved by the Executive Committee.

- ***Management Committees of insurance subsidiaries***

The Local Management Committee is the body responsible for direct supervision of the management of the Insurance Business Unit in the country. It will be chaired by the most senior management representative of the subsidiary and will include the executives approved by the Regional Management Committee, at the proposal of the local CEO.

## **5. APPLICATION AND VERIFICATION OF COMPLIANCE**

All administrative and management bodies of MAPFRE shall be aware of and take on the regulations contained in this document, and they shall ensure compliance with them within the scope of their activities and competencies.

The General Counsel of the Group will mobilize the appropriate instructions to the various MAPFRE bodies around the world to ensure compliance with these regulations.

MAPFRE's Audit and Compliance Committee shall monitor and verify overall compliance with the same and shall propose, where appropriate, any recommendations it deems pertinent to the Board of Directors of MAPFRE S.A.

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*Approved on June 24, 2015*

*Last amendment approved on February 9, 2022 (effective as of March 11, 2022)*