

SISTEMA MAPFRE'S GOOD GOVERNANCE CODE

ACTION PRINCIPLES

The activities of the whole of Sistema Mapfre and the management of its component companies must be in keeping with the following principles:

| A) INSTITUTIONAL PRINCIPLES | B) BUSINESS PRINCIPLES |
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| <ul style="list-style-type: none">• Independence | <ul style="list-style-type: none">• Wide-ranging offer with constant innovation |
| <ul style="list-style-type: none">• Social Responsibility | <ul style="list-style-type: none">• Multinational vocation |
| <ul style="list-style-type: none">• Ethical behaviour | <ul style="list-style-type: none">• Specialisation |
| <ul style="list-style-type: none">• Humanism | <ul style="list-style-type: none">• Decentralisation |
| <ul style="list-style-type: none">• Business and equity growth | <ul style="list-style-type: none">• Coordinated action |
| | <ul style="list-style-type: none">• Making the best use of synergies |
| | <ul style="list-style-type: none">• Leadership vocation |
| | <ul style="list-style-type: none">• High quality of service to clients |
| | <ul style="list-style-type: none">• Permanent search for efficiency |

A) INSTITUTIONAL PRINCIPLES

- **Independence:** As an essential requirement stemming from the associative nature of the parent company, the actions of Sistema MAPFRE and its different entities must be independent of any person, entity, group or authority of any kind. This implies:
 - a) That no person, entity, group or institution may take upon itself any political or economic rights with respect to Sistema MAPFRE and its entities, other than those that duly correspond in keeping with the law and the Articles of Association.
 - b) That all the governing and management bodies must adopt their decisions exclusively on the basis of the business interests of Sistema MAPFRE, with no interference from individual, family, professional or business interests on the part of those participating in the approval of each resolution.
 - c) That all the property and rights that go to make up the assets of

the whole of Sistema MAPFRE must be devoted exclusively to fulfilling its business goals, with the sole exception of those contributions to the MAPFRE Foundations made by the component entities of Sistema MAPFRE, following due approval from their respective General Assemblies or Meetings, and donations for charitable or social welfare purposes authorised by the Audit and Institutional Control Commission.

The principle of independence is compatible with the establishment of alliances or agreements of association and collaboration with other entities or institutions for the appropriate development of Sistema MAPFRE and the achievement of its business objectives, but the said principle must be taken into account when granting rights to others as a result of such alliances or agreements.

- **Social responsibility:** The actions of Sistema MAPFRE and all those who participate in its management at any level must be inspired by a sense of service to society as a whole, in recognition of the duty and responsibility its correct development and progress duly entail.

Sistema MAPFRE has thus signed up to the ideals of the United Nations Global Compact and the UNEP (United Nations Environment Programme) Protocol and wholeheartedly assumes the commitments these pacts entail, insofar as human rights and sustainable development are concerned.

With this goal in mind, Sistema MAPFRE allocates a proportion of the value created each year by its activities to running non-profit, general-interest activities through its private foundations.

- **Ethical behaviour:** The socially responsible behaviour of Sistema MAPFRE must translate into respect for the legitimate rights of all those natural or legal persons with whom it has dealings and with those of society as a whole. This implies:
 - a) Transparency in the corporate and executive structures and in company management.
 - b) Veracity when offering products and services and in the information furnished to mutualists, shareholders, clients and the public at large.
 - c) Swift, rigorous fulfilment of any and all obligations stemming from contracts entered into with clients and providers, avoiding any

situation that might compromise the required objectivity when it comes to taking decisions in relation to the same.

- d) Equity in relationships with those who provide services to Sistema MAPFRE: directors, managers, employees, delegates and agents, and any professional collaborators. This calls for objectivity in relation to selection and promotion, remuneration and setting appropriate, reasonable conditions for collaborations; as well as non-discrimination on the grounds of political ideology, religious beliefs, gender or social status.
 - e) Respect for the rights of the mutualists, as they are, ultimately, the owners of Sistema MAPFRE, and of those who participate as partners or shareholders in the ownership of the various business corporations it comprises.
 - f) Strict compliance with pertinent legislation and the obligations arising therefrom, as well as with the codes and standards of behaviour that may be laid down by Sistema MAPFRE's governing bodies.
- **Humanism:** The evolution of Sistema MAPFRE is based on the people who form part of it and constitute its principal asset; therefore, taking priority even over ethical reasons, it is deemed essential that the relationships between the members of the same should be based on mutual respect and human values such as tolerance, cordiality and solidarity, in such a way that they can perform their work within a cohesive group, where trust and enthusiasm reigns.
 - **Business and equity growth:** The development of Sistema MAPFRE's business activities inevitably entails an increase in its overall size and equity value, to the benefit of the mutualists, the shareholders and the possibilities for promotion and personal advancement of those who participate or collaborate in the activities of Sistema MAPFRE. This implies that:
 - a) Planning the company must focus on obtaining profits on a regular basis and optimising them in the long term.
 - b) The adoption of new investment projects must be based on achieving an adequate return, in relation to the capital cost involved.
 - c) Those surplus resources not required for new investment projects

or to maintain the financial soundness of Sistema MAPFRE must benefit the mutualists – in the form of increased, enhanced services or a reduction in the cost of their policies – and the shareholders of the business corporations within Sistema MAPFRE – to ensure they obtain an adequate yield from their investment.

The creation of value must not be based on carrying out speculative operations, but rather on hard work, efficacy, dynamism and taking suitable advantage of the means provided by technological progress in order to constantly improve company management; and it must be achieved while respecting the demands laid down by the other institutional principles defined in this Code, particularly that of ethical behaviour.

B) BUSINESS PRINCIPLES

- **Wide-ranging offer with constant innovation**, with a view to offering Sistema MAPFRE's clients a comprehensive range of products and services for the prevention and coverage of their risks and meeting their personal and family savings and retirement needs.
- **Multinational vocation**, in order to achieve continuous development and increased business dimension for Sistema MAPFRE, while, at the same time, contributing towards the economic and social progress of other countries, by starting up companies there, whose management is based on MAPFRE's institutional and business principles.
- **Specialisation**, through the creation of specific structures and teams, with considerable management autonomy for each of the different activities within Sistema MAPFRE, as a means of achieving a high degree of efficiency.
- **Decentralisation**, bringing the decision-making process as close as possible to the location of the problems, as a means of streamlining management to the maximum and exploiting to the full the capacities of the whole organisation.
- **Coordinated action** when setting objectives and developing common action policies on all fronts, where suitable, under the supervision of the governing bodies of the Mutualidad.
- **Making the best use of synergies**, in such a way that the application of the principles of specialisation and decentralisation

in no way impede the development of common services and the best possible advantage is taken of economies of scale.

- **Leadership vocation** in every sector of activity and market in which Sistema MAPFRE is present.
- **High quality of service to clients** in every sector of activity and market in which Sistema MAPFRE operates, both for ethical reasons and as a more effective way of fostering their loyalty.
- **Permanent search for efficiency**, in order to optimise the use of the resources within Sistema MAPFRE, which implies, among other factors:
 - Pragmatism and flexibility for adapting the structures and strategies to suit the changing environment in which Sistema MAPFRE's activities are carried out.
 - Swift decision-making process.
 - Taking advantage of the opportunities technological development presents.
 - Maximum objectivity in the selection of personnel and the professionals who collaborate with Sistema MAPFRE, and continual attention to their preparation and training.
 - Strict spending control, striving permanently to control and reduce costs, exclusion of superfluous expenses and moderation in the salaries of the governing bodies and top executives.