



REPORT OF THE BOARD OF DIRECTORS ON THE PROPOSED APPROVAL OF THE
NEW REGULATIONS OF THE ANNUAL GENERAL MEETING

Madrid, 10th February 2015

I. BACKGROUND

Law 31/2014, of 3rd December, which amends the Spanish Companies Act with the aim of improving corporate governance, introduced several provisions which modify the functioning of the General Meeting, especially at public listed companies.

Accordingly, it is necessary to approve the new Regulations of the Annual General Meeting of MAPFRE, S.A., replacing the regulations currently in force, and include the provisions required to adhere to current legislation. For this purpose, the Board of Directors has unanimously approved, at its meeting held on 10th February 2015, to submit to the next General Meeting a proposal for the approval of the new Regulations of the General Meeting, whose final text shall read as follows:

PROPOSED TEXT

REGULATIONS OF THE ANNUAL GENERAL MEETING OF MAPFRE, S.A.

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Chapter I. INTRODUCTION

Article 1. Content

These Regulations implement the legal and statutory provisions concerning the calling, preparation, information, attendance and conduct of the General Meeting, as well as the exercise of the shareholders' political rights on the occasion of the Meeting, all the foregoing in accordance with the Law and the Company Bylaws.

Article 2. Annual General Meeting

The Annual General Meeting is the Company's supreme governing body. The resolutions it passes in accordance with the Law and the Company Bylaws shall be binding on all shareholders, including those who are absent or dissent.

The Annual General Meeting is empowered to decide on any corporate matter. In particular, it is the only competent body to decide on the following matters:

- a) Approval of the individual and consolidated financial statements, distribution of earnings and approval of the corporate management.*
- b) Appointment and removal of Directors, the External Auditor and, where required, Liquidators, as well as exercising activities which are socially responsible in relation to the aforementioned parties.*
- c) Amendment of the Company Bylaws and the Regulations of the General Meeting.*
- d) Increase and reduction of the share capital, revocation or limitation of pre-emptive subscription rights, issuance of securities, restructuring, merger, de-merger and cession of assets and liabilities en bloc, as well as the relocation of the registered office to another country.*
- e) Acquisition, disposal or transfer of key assets to another company, where key assets shall be considered to be whenever the amount of the operation exceeds twenty five per cent of the total assets on the last approved balance sheet.*
- f) Dissolution of the Company, approval of the final settlement amount, as well as operations with an impact equivalent to the liquidation of the company.*
- g) Approval of the Directors' remuneration policy, in accordance with current legislation.*
- h) Any other issues determined by Law or the Company Bylaws.*



Article 3. Types of Meetings

General Meetings can be Ordinary or Extraordinary and shall be called by the Board of Directors.

The Ordinary General Meeting shall be necessarily held once a year, within the six months following the end of each annual financial year, in order to approve the corporate management and, where required, previous year's Financial Statements, as well as decide on the distribution of earnings. Likewise, it may decide on any other issue in the agenda.

Any meeting which does not adhere to the provisions of the preceding paragraph shall be considered an Extraordinary General Meeting.

Chapter II. CALLING OF GENERAL MEETINGS

Article 4. Calling of Meetings

The Board of Directors of the Company is the body responsible for calling General Meetings. It shall call Ordinary General Meetings, which should be held within the first six months of the financial year, and it shall call an Extraordinary General Meeting whenever it deems necessary in the interests of the Company.

The Board of Directors shall call the General Meeting when this is duly requested by shareholders who hold, at least, three per cent of the share capital, indicating in the request the matters to be addressed at the meeting, together with a justified list of proposed resolutions. In this case, the General Meeting shall be called and held within two months from the date on which the Board of Directors has been required by notarial means to convene it. The Board of Directors shall prepare the agenda, including necessarily those matters contained in the request.

Article 5. Announcement of Meetings

The General Meeting shall be called by publication, at least one month prior to the date set for the Meeting, at least in the following media:

- *The Official Gazette of the Spanish Companies House or one of biggest selling dailies in Spain.*
- *The website of the Spanish Securities and Exchange Commission (CNMV)*
- *The Company's website (www.mapfre.com).*



The announcement will indicate the date, time and venue of the Meeting and all the matters to be discussed, as well as any other information provided for in current legislation.

Shareholders who represent, at least, three per cent of the share capital may request the publication of an addendum to the calling of an ordinary annual general meeting, including one or more items in the agenda, provided the new items are followed by a justification or, where appropriate, a justified proposed resolution. This right must be exercised by giving due notice, which must be received at the registered office within the five days following the publication of the call.

The addendum to the call must be published at least two weeks before the date set for the meeting.

Shareholders who represent at least three per cent of the share capital may also, within five days of the announcement of the meeting, submit well-founded proposals on matters already included or to be included in the agenda.

Chapter III. PREPARATION OF GENERAL MEETINGS

Article 6. Information available to shareholders on the occasion of the General Meeting

The Board of Directors shall promote the informed participation of shareholders at the General Meeting, and adopt whatever measures it considers necessary to ensure that such meeting actually fulfil its purpose pursuant to the Law and the Company Bylaws.

After the calling of the meeting, shareholders will be able to consult – at the registered office or on the Company’s website (www.mapfre.com) – all the information necessary for the General Meeting, including the detailed proposed resolutions to be submitted thereto, and the forms to be used for proxy and postal voting. Likewise, shareholders may also request that these documents be sent to them free of charge, whenever this is legally permitted.

Notwithstanding the above, the Company shall provide this information through the Investor Relations Department (MAPFRE. Departamento de Relaciones con Inversores. Carretera de Pozuelo a Majadahonda, n.º 52, 28222 Majadahonda - Madrid; e-mail: relacionesconinversores@mapfre.com). The Company shall use these same means, as well as its website so that shareholders can contact the Company in relation to any matter of interest.

Furthermore, the Company shall provide on its website and through the Investor Relations Department any information it considers relevant to facilitate the attendance and participation of shareholders at the meeting.

Likewise, in accordance with current legislation, the Company shall provide an Electronic Shareholder Forum on the occasion of each Meeting on its website (www.mapfre.com), which shall be operative from the publication of the announcement of the meeting to the date on which it is held. This forum may be accessed, in due process of law, both by individual shareholders and by any associations of shareholders they may establish in accordance with legal provisions, in order to facilitate communication between shareholders and the Company. Any proposals that are to be presented as an addendum to the agenda announced in the meeting call, any requests to adhere to such proposals, any initiatives to reach the percentage required to exercise the legally established minority right, as well as any offers or requests for voluntary representation will be published in this Forum. Said Forum, which in no case shall constitute a communication channel between the Company and its shareholders, shall be governed by its own Regulations and by current legislation.

Article 7. Period for exercising the right to information prior to the General Meeting

From the calling of the General Meeting until the fifth day prior to the scheduled date for the holding thereof, shareholders may request in writing to the Board of Directors any information or clarifications they consider necessary regarding the items included in the agenda, as well as submit in writing any questions they deem relevant in relation to said items. During this period they may also request information or clarifications, or send written questions about publicly accessible information provided by the Company to the Spanish Securities and Exchange Commission since the last General Meeting, as well as regarding the auditor's report. The Board of Directors shall be obliged to provide information in writing until the date on which the General Meeting is to be held.

Moreover, during the holding of the General Meeting, the Company's shareholders may verbally request the information or clarifications referred to in the preceding paragraph. If it is not possible to satisfy the shareholder's right to information at that time, the Board of Directors shall be obliged to provide this information in writing within seven days of the ending of the Meeting.

Valid requests for information, clarification or questions in writing will be published on the Company's website.

The Board of Directors shall be obliged to provide the information requested in accordance with the two preceding paragraphs, save in those cases where disclosure of said information might not be necessary for the defence of shareholders' rights, or objective reasons exist to consider that it might be used for non-corporate purposes or its release might be detrimental to the Company or its controlled companies. In any case, information must be provided when it is requested by shareholders who represent, at least, twenty five per cent of the share capital.



The Board of Directors may authorise any of its members or its Secretary so that, on behalf and in representation of the Board, they may respond to any request for information made by shareholders.

In the event of abusive or harmful use of the information requested, the shareholder shall be held liable for any damages caused.

Chapter IV. CONDUCT OF GENERAL MEETINGS

Article 8. Right to attend General Meetings

The holders of 1,000 shares which are registered in the Accounts Register five days prior to the Meeting date shall be entitled to attend the General Meeting.

Those shareholders who hold a smaller number of shares than that indicated above may pool their shares until at least the said number is reached. They shall appoint a representative and communicate this to the Secretary of the Board of Directors of the Company five days prior to the date of the Meeting, by means of a letter signed by all the syndicated shareholders indicating the name and acceptance of the shareholders' representative, who will exercise the right to vote on behalf of all of them.

They may also delegate their representation at the Meeting to another shareholder who is entitled to attend the meeting pursuant to the Law, by syndicating their shares together with those of that shareholder. The syndication must be set down in writing specifically for each meeting.

Shareholders entitled to attend must identify themselves at the Shareholders' Registration Desk by presenting the stock certificate proving ownership of the shares, issued for such purpose by the relevant custodian firms or by the Company itself after the meeting is called. They may also provide proof of ownership by sending the aforesaid document by post to the registered office. This document must be received by the Company at least twenty-four hours prior to the holding of the Meeting.

The General Meeting will be attended by the members of the Board of Directors, as well as by any other person duly authorised by the Chairman. The Meeting may, however, revoke such authorisation.

Article 9. Right of representation

The right to attend the General Meeting may be delegated to another person, who may or may not be a shareholder. A proxy, which shall require the express acceptance by the representative, must be conferred in writing specifically for each



Meeting through any means that duly authenticate the identity of the person exercising the right of delegation.

A proxy may also be delegated by e-mail to the address provided for this purpose by the Company on its website (www.mapfre.com), sent with electronic signature which authenticates the identity of the shareholder exercising the right of delegation, completing the form required for this purpose and attaching the additional documentation required on the website. Said e-mail, containing all the aforementioned documentation, must be received by the Company at least twenty-four hours before the Meeting is held.

Proxies may always be revoked. Personal attendance at the General Meeting by the shareholder being represented shall be sufficient to effectuate the revocation. No more than one representative shall be allowed at the Meeting.

Any public application for representation by the Board of Directors of the Company shall be governed by the rules provided for in the current legislation. In particular, the document that contains the proxy must include or attach the agenda, the request for instructions on how to exercise the right to vote, as well as an indication as to how the representative will vote if no specific instructions are given, and it shall explicitly set out, where appropriate, any possible conflict of interest.

Article 10. Quorum

The General Meeting shall be validly held on first call when the shareholders in attendance, whether in person or by proxy, hold at least twenty-five per cent of the share capital with voting rights. If there is no quorum, the General Meeting may be held on second call, which shall be quorate regardless of the share capital represented.

However, in order for the General Meeting to validly resolve to increase or reduce the share capital, make any amendment to the Company Bylaws, issue securities, revoke or limit pre-emptive rights to acquire new shares, restructure, merge, de-merge or cede assets and liabilities en bloc and relocate the Company's registered office to another country, as well as in any other circumstances provided for by Law, it shall be required that the shareholders attending the Meeting on first call, whether in person or by proxy, hold at least fifty per cent of the share capital with voting rights; on second call, it shall be sufficient that twenty-five per cent of the share capital is present or represented.

Article 11. Venue

The General Meeting shall be held in the location where the Company has its registered office and at the place designated for that purpose in the calling. However, the meeting may be held in any other place nationwide if the Board of Directors sees



fit when calling the Meeting. Likewise, when the meeting is a General Meeting of Shareholders, it may be held anywhere in the country.

Article 12. Chairman and Secretary of the Meeting

The Chairman and the Secretary of the Meeting shall be whoever hold the same offices on the Board of Directors, or whoever may be standing in for them temporarily, in accordance with provisions contained in the Company Bylaws.

It shall rest with the Chairman to declare the Meeting to be quorate, and to coordinate and establish the order of the deliberations and speeches, as well as the time allowed for them in accordance with the provisions contained in these Regulations; to conclude any discussions whenever he or she may consider sufficient consideration has been given to any matter, to organise the voting and, in general, to exercise all powers as may be necessary so that the Meeting is conducted in an orderly fashion.

Article 13. Formalities for a valid General Meeting

Shareholders and representatives must show their credentials in accordance with the provisions of Article 8 of these Regulations in order to access the Meeting. After the time indicated in the calling for the start of the Meeting, no further credentials will be accepted.

Shareholders who send their votes by post, under Article 16 of these Regulations, shall be considered to be present.

Once there is a sufficient quorum, a General Meeting shall be deemed to be validly constituted and the list of attendees shall be drawn up. The list of attendees will be included in an electronic storage device, and the corresponding identification certificate will be attached to its sealed cover, duly signed by the Secretary of the General Meeting and countersigned by the Chairman thereof.

The shareholders who arrive late at the venue of the General Meeting, after the time for presenting credentials has expired, will be able to attend the meeting as guests but will not be included in the list of attendees or be able to take part in any discussions or votes.

The Chairman or Secretary shall publicly communicate the information contained in the list of attendees, and the Annual General Meeting will be declared to be quorate on first or second call, as appropriate.

Article 14. Shareholder participation

Shareholders who wish to take part in the Meeting, once the round of questions begins, shall identify themselves at the Meeting by indicating their name and



surname, the number of shares they hold and those they represent by proxy. If a request is made for a statement to be recorded verbatim in the minutes of the Meeting, such statement must be delivered in writing there and then to the Secretary of the Meeting.

Shareholders shall participate in the order established for this purpose by the Chairman.

The Chairman, depending on the number of requests made by shareholders to participate, shall set the initial period of time assigned to each, which shall be the same for all shareholders and shall not exceed five minutes. However, the Chairman may extend the time limit initially set for each shareholder should he or she deem this to be necessary so that a proper explanation can be given regarding a specific matter.

Article 15. Attendance of the Audit Committee at Meetings

The Chairman of the Audit Committee or, in his or her absence, another member thereof, shall inform the General Meeting of any matter raised by the shareholders on any of the matters falling within the remit of said Committee.

Chapter IV. VOTING AND DOCUMENTING RESOLUTIONS

Article 16. Voting at General Meetings

After the addresses made by shareholders have been concluded, the proposed resolutions on the items in the agenda shall be voted.

Those items which are substantially independent shall be voted on separately, so that the shareholders may also exercise their right to vote separately. This rule shall apply in particular to:

- a) The appointment, ratification, re-election or removal of Directors.*
- b) In the case of amendments to the Company Bylaws, each article or group of articles that is essentially independent.*
- c) All those issues envisaged in the Company Bylaws.*

Any financial intermediaries who attend the Meeting acting on behalf of various clients may split their votes and exercise these divergently according to the instructions received from each of them.



Shareholders may issue their vote by post using the form produced by the Company for this purpose, duly completed and signed by hand by the shareholder wishing to exercise such right. This form must be sent by registered post to the registered office, expressly and clearly indicating their vote with regard to each of the proposed resolutions submitted to the meeting, enclosing the original stock certificate, issued for such purpose by the custodian firm, and a photocopy of the shareholder's national identity card or passport. In the case of a legal entity, a copy of the document which accredits the representation of the individual signing the postal voting form must also be sent on his or her behalf. Said communication must be received by the Company twenty-four hours prior to the Meeting.

Resolutions shall be adopted by a simple majority of votes of the shareholders in attendance or represented at the General Meeting, and a resolution shall be deemed to be approved when it receives more votes in favour than against, save in those cases in which a qualified vote in favour is required by Law or the Company Bylaws. Each share entitles its holder to one vote.

The Chairman of the Meeting shall inform the shareholders of whether the resolutions submitted to the General Meeting have been approved or not, when he or she is aware of the existence of enough votes to reach the majorities required for each resolution.

The Chairman shall be responsible for declaring the Meeting ended and closing the session.

Article 17. Minutes of Meetings

The Secretary of the Meeting shall draw up minutes of each meeting, which shall include a summary of the speeches and a verbatim account of each of the resolutions adopted, indicating the voting results.

The minutes of the meeting may be approved by the General Meeting, or within a fortnight thereafter, by the Chairman and two scrutineers appointed by the Meeting, one to represent the majority and another, where appropriate, to represent the minority.

In the event that the presence of a Notary Public is requested at the General Meeting, the notarial deed shall be considered as the minutes of the meeting and it will not be necessary to approve it in such case.

Article 18. Publication of resolutions

Without prejudice to any other legal obligations, the Company shall publish on its website the text of the resolutions adopted by the General Meeting, as well as the voting results.