

MAPFRE, S.A.

REPORT BY THE BOARD OF DIRECTORS ON
THE AMENDMENT OF ARTICLE 17 OF THE
CORPORATE BY-LAWS

Madrid, 1 June 2007

I. BACKGROUND

The MAPFRE Appointments and Remuneration Committee has resolved to issue a favourable report on an Incentives Plan linked to the value of the company's shares, with the following aims:

- To support the long-term planning and strategy of the MAPFRE Group.
- To attain higher motivation amongst the key members of the Group's Senior Management, and their involvement in MAPFRE's global strategies and objectives.
- To generate the maximum commitment of the Senior Management to the Group's success, by way of formulas that allow the value that is created for the Group to be shared through the parent company, MAPFRE, S.A..
- To improve the remuneration of the management team by way of a formula that does not entail an increase in the Group's fixed costs, but instead links the cost of remuneration to the creation of value for the shareholders.

Given the changes that the introduction of this system of remuneration entails, it is appropriate to make a partial amendment to Article 17 of the corporate by-laws, at the first sub-section of the second paragraph, in order for it to include an express reference to the said system of remuneration. This new system of remuneration shall be submitted to the company's Extraordinary General Meeting, which will have to approve or reject the amendment to the by-laws that is referred to in this report.

II. PROPOSED RESOLUTION

To amend the first sub-section of the second paragraph of Article 17 of the corporate by-laws, which shall have the following wording:

First sub-section of the second paragraph

"Those members of the Board of Directors who perform executive functions at the Company or at Group companies (Executive Directors) shall receive the remuneration assigned to them for performance of their executive functions (salary, incentives, which may or may not be linked to the value of the Company's shares, complementary bonuses, etc.) in accordance with the policy laid down for the remuneration of senior directors, in accordance as is laid down in their respective contracts, which may also provide for suitable indemnities in the event of said functions being removed or termination of the relationship with the Company."