

---

**ISSUER'S IDENTITY DATA**

---

End date of the reference fiscal year: [ 12/31/2019 ]

Tax ID: [ A08055741 ]

Company Name:

[ **MAPFRE S.A.** ]

Registered office:

[ CARRETERA DE POZUELO A MAJADAHONDA, 52 EDIF.1 (MAJADAHONDA) MADRID ]

## **A. COMPENSATION POLICY OF THE COMPANY FOR THE CURRENT FISCAL YEAR**

---

**A.1.** Explains the current compensation policy for board directors applicable to the current fiscal year. If applicable, certain information regarding the compensation policy approved by the Annual General Meeting may be included, provided that such inclusion is clear, specific and definite.

The resolutions specific to the current fiscal year shall be described, both for compensation of board directors for their status as such and for the performance of executive functions that may be performed by the board in compliance with the provisions in contracts signed with the executive directors and with the compensation policy approved by the Annual General Meeting.

In any event, at a minimum the following items shall be indicated:

- Description of the procedures and entities within the company involved in determining and approving the compensation policy and its conditions.
- Indicate and if applicable explain whether comparable companies have been taken into consideration in establishing the compensation policy of the company.
- Information regarding whether any external advisor took part, and if so, that individual's identity.

i) General principles underpinning the current policy:

The remuneration of board directors is determined in accordance with the provisions of regulations applicable to corporations, the corporate bylaws and regulations of the company's Board of Directors, and the decisions adopted by the Annual General Meeting.

In the meeting held on February 11, 2020, the Board of Directors agreed to refer a new Compensation Policy for Board Directors for the period 2020-2022 to the Annual General Meeting. The general principles are:

- Priority of the creation of value and profitability in the medium and long-term over short-term results.
- Reasonable proportion between the company's economic situation and the market standards of comparable companies.
- Alignment with the commercial and risk management strategy, risk profile, objectives, and risk management practices.
- Appropriate and efficient risk management within the established risk tolerance limits.
- Attraction and retention of talent.
- Appropriate remuneration for dedication, qualification and responsibility.
- Appropriate proportion of fixed and variable components, avoiding excessive reliance on variable components.
- Deferred payment of a significant portion of the variable remuneration.
- Possibility of ex-post adjustments to the variable remuneration.
- Avoidance of conflicts of interest.

Based on the principles indicated above, the remuneration system for board directors, in their status as such, is defined by the following characteristics:

- It is transparent in terms of the board directors' remuneration information.
- It provides an incentive to reward dedication, qualifications and responsibility, without constituting an obstacle to the duty of loyalty.
- It consists of a fixed amount for membership of the Board of Directors and, where applicable, of the Steering Committee and sub-steering committees, which may be higher for people with positions on the Board or who chair the sub-steering committees. In addition, members of the Steering Committee shall receive an allowance for attending its meetings. This remuneration is supplemented with other non-monetary benefits (Life or health insurance, discounts on products marketed by companies of the MAPFRE Group, etc.) established on a general basis for the company's personnel.

- It does not include variable components or those indexed to share value.
- Board directors are reimbursed for traveling expenses and other costs incurred to attend company meetings or carry out their functions.

The remuneration system for board directors who carry out executive functions within the company is based on the following criteria:

- The remuneration for carrying out executive functions is determined in line with those functions, levels of responsibility and professional profile, in accordance with the criteria governing the remuneration of MAPFRE Group senior executives.
- This remuneration consists of a balanced and efficient relationship between fixed and variable components, with fixed components forming a sufficiently high proportion of total remuneration.
- Executive board directors may not receive the remuneration assigned to board directors in their status as such.
- The remuneration of executive board directors is designed with a view to the medium- and long-term, which drives their performance in strategic terms while encouraging them to achieve short-term results.
- The remuneration system is compatible with appropriate and effective risk management, with the business strategy and with the long-term values and interests of the company, without variable remuneration compromising the company's capacity to maintain an adequate capital base.
- It takes into account market trends and its position in the market reflects the strategic approach of the company, being effective for attracting and retaining the best professionals.
- It guarantees equality for all MAPFRE professionals, regardless of their gender, race or beliefs.

The compensation policy is therefore aimed at creating value for the company, seeking alignment with the interests of shareholders, with prudent risk management and strict compliance with current regulations regarding the remuneration of directors of publicly traded companies.

With regard to the criteria followed to determine the different components in the remuneration package for board directors, in the case of external board directors, the aim is compensate them in accordance with their professional experience, dedication to the position and the responsibility involved, while ensuring that their objectivity in the defense of company interests is not affected by the remuneration received.

For executive board directors, as for the rest of the Group's executive managers, the aim is to provide competitive remuneration packages that will attract and retain outstanding professionals while establishing and sustaining a stable relationship between remuneration, results and accepted risk (this risk therefore constitutes a determining factor of the variable remuneration in the medium-term).

[THE INFORMATION IN THIS SECTION CONTINUES IN SECTION D OF THIS REPORT]

- Relative importance of the variable remuneration items in relation to fixed items (remuneration mix) and which criteria and objectives have been considered in its establishment, and to guarantee a proper balance between fixed and variable remuneration items. In particular, explain the actions taken by the company relating to the remuneration system to reduce exposure to excessive risk and adjust it to the company's long term goals, values, and interests which will include, where appropriate, reference to measures provided to guarantee that the compensation policy gives due consideration to the long-term results of the company, the measures adopted with regard to the categories of personnel whose professional activities have a material effect on the risk profile of the company, and measures designed to avoid conflicts of interest, if applicable.

It also indicates whether the company has set any accrual or vesting period for specific remuneration variables, in cash, shares or other financial instruments, a deferral period for payment of sums or provision of accrued and vested financial instruments, or whether any reduction of deferred remuneration clause has been agreed upon that obligates the director to return any remuneration received whenever that remuneration based on data which is clearly shown later to be inaccurate.

Executive board directors have a short-term variable remuneration system based mainly on an annual component linked to the Company's consolidated net profit and, in addition, another component linked to the fulfillment of specific objectives established by the Board of Directors. They also have multi-year variable incentive schemes linked to the achievement of objectives established in line with the Group's Strategic Plan.

In accordance with the Compensation Policy for Board Members, the fixed and variable components (short, medium and long-term) of the remuneration package must be balanced in such a way that the fixed component constitutes a sufficiently large part of the total remuneration, thus enabling the application of a completely flexible policy with regard to the variable components of the remuneration package, including the possibility of not paying these. To avoid the excessive assumption of risk, the percentage of the variable component with respect to the fixed remuneration should not exceed 150 percent.

The weight of the annual variable remuneration for the 2020 fiscal year (with consideration of proration of multi-annual variables and contribution to the defined-contribution pensions commitment as their calculation is partly connected to the meeting of annual objectives and the variable premium of the pension commitment) over fixed remuneration (with consideration of other pension commitments) is 110.01 percent of the Executive Board Directors, and is in a range between 87.42 percent and 120.86 percent.

For the purpose of an appropriate balance between fixed and variable components, the Company has used the remuneration practices of IBEX35 companies as its reference.

Furthermore, employee categories whose professional activity could have a material impact on the company's risk profile have a variable remuneration system linked to the achievement of pre-set objectives directly matched to strategic plans that is also subject to deferral rules. In particular, executive board directors of the Company have been assigned, in the 2019-2021 Medium-term Incentive Plan, a multi-year variable remuneration with objectives (Earning per Share (EPS), Total Shareholder Return (TSR), Return on Equity (ROE) and the Transformation Index) pegged generally to averages of a period of three years, so that it is only possible to obtain the remuneration through management that generates results and business models that are sustainable over time.

Regarding deferral of short-term variable remuneration for executive board directors, the payment of at least thirty percent of it will be deferred for a minimum of three years.

In addition, in the case of medium and long-term variable remuneration, the payment of at least sixty percent of the same will be deferred for a minimum of three years. In addition, executive board directors are required to hold shares received as incentives as stock during a period for a maximum of two years from its payout. Furthermore, contracts for executive board directors include the following clauses that may affect 100 percent of the variable remuneration:

- Reduction clause (malus): provides for the partial or total reduction of remuneration accrued and pending issue under certain serious circumstances, either for improper actions or situations that effect the settlement.
- Recovery cause (clawback): provides specifically for the partial or total return of variable remuneration paid within three years following its payout.

In relation to potential conflicts of interest, the internal regulations of the company establish that these must be reported to the governing bodies of MAPFRE through General Counsel by those affected. These governing bodies must establish whether or not there is a conflict of interest, and if this is case they must establish measures to protect the company interest in accordance with the circumstances. These measures must be accepted by those affected.

- Amount and form of fixed components that are provided will be accrued by the board directors within the fiscal year based on their position.

External board directors receive a fixed amount for their membership of the Board of Directors as basic remuneration and, where applicable, for membership of the Steering Committee and sub-steering committees, which may be higher for people who occupy positions on the Board itself or who chair any of the Board committees or sub-committees. In addition, members of the Steering Committee shall receive an allowance for attending its meetings. This remuneration may be supplemented with other non-monetary remuneration as established for the company staff in general.

(i) Fixed allocation and attendance allowance.

Basic remuneration of external board directors consists of an annual fixed allocation for membership on the Board of Directors, and on the Steering committees if applicable. In addition, members of the Steering Committee shall receive an allowance for attending its meetings. The amounts for these categories for fiscal year 2020 shall be as follows:

- Membership of the Board of Directors: 110,000 euros
- Vice Chairman of the Board of Directors - Independent Lead Board Director: 220,000 euros
- Membership of the Steering Committee: 10,000 euros plus an attendance allowance of 3,000 euros per meeting

- - Chairperson of the Audit and Compliance Committee: 68,000 euros
- Members of the Audit and Compliance Committee: 48,000 euros
- Chairperson of the Appointments and Remuneration Committee: 60,000 euros
- Voting Members of the Appointments and Remuneration Committee: 39,000 euros
- Chairperson of the Risks Committee: 60,000 euros
- Voting Members of the Risk Committee: 39,000 euros

(ii) Life insurance and other non-monetary benefits.

External board directors have life insurance with an insured capital of 150,253 euros in case of death, and other benefits such as discounts on products sold by MAPFRE Group companies in line with those established for the company staff in general.

(iii) Amounts for taking part in the Boards of Directors of subsidiary companies.

External board directors who are members of the Board of Directors of subsidiary companies also receive a fixed amount for this membership and, as applicable, for membership of their management committees.

These amounts vary depending on the size and geographic location of the subsidiary company.

- Amount and form of fixed components that will be accrued in the fiscal year for performance of senior management functions of executive board directors.

(i) Fixed remuneration.

Executive board directors will not receive the fixed allocation or attendance allowance set for external board directors.

Board directors' fixed remuneration for carrying out their executive functions is determined in line with the policy established for the remuneration of MAPFRE senior managers, and in accordance with the stipulations of their respective contracts.

For 2020, the fixed salary remuneration of the five Executive Board Directors totals 2,618,258 euros, of which 2,214,258 euros corresponds to the company and 404,000 euros to other companies of the Group.

(ii) Life insurance and other benefits.

Executive board directors are entitled to the allowances or social benefits established for senior executives as well as those established for company staff in general, as stipulated in the collective bargaining agreement signed by MAPFRE.

Part of these company benefits for executive board directors includes a specific health insurance policy and a supplementary life insurance policy with an insured value of 400 percent of the fixed remuneration in case of death or total disability, with a double indemnity clause for accidental death. They also receive additional benefits such as discounts on products sold by MAPFRE Group companies

- Amount and form of any remuneration component in kind that will be accrued in the fiscal year, including but not limited to insurance premiums paid in favor of the board director.

External board directors are entitled to the following company benefits in accordance with the policy established for company staff in general:

- Life insurance, described above.
- Discounts on products sold by companies belonging to the MAPFRE Group.
- Christmas gift.

In the case of executive board directors, in addition to the company benefits applicable to all senior executives and for all MAPFRE staff they are entitled to receive the following as remuneration in kind:

- Specific Health Insurance, described above.

- Specific life insurance policy, described above.
- The private use of a company vehicle according to the terms and conditions established in the policy for assignment of MAPFRE vehicles.
- Amount and form of variable components, distinguished by short- and long-term types. Financial and non-financial parameters, the latter including social, environmental and climate change parameters, selected to determine the variable remuneration in the current year, explanation of the extent to which such parameters relate to the performance of both the board director, the company and its risk profile, and the methodology, time required and techniques envisaged to determine, at year end, the degree of attainment of the parameters used in the design of variable remuneration.

It indicates in monetary terms the range of the various variable components in relation to the degree of compliance with established objectives and parameters, and any maximum monetary amount in absolute terms, if applicable.

As indicated above, only executive board directors receive variable remuneration, three types of which can be distinguished:

(i) Short-term variable remuneration:

The executive board directors of the Group are part of the senior management collective that has set up a short-term variable remuneration system based mainly on an annual component linked to the objective of net consolidated profits of the company. In 2020 this short-term variable remuneration may reach a maximum total of 3,863,576 euros, with 3,257,576 euros corresponding to the company and 606,000 euros to other companies in the Group.

On February 11, 2020, the Board of Directors, at the behest of the Appointments and Remuneration Committee, approved an additional short-term component for the 2020 financial year, which is jointly linked to Return on Equity (ROE) and The Combined Global Non-Life Ratio for the year.

The Compensation Policy of the Directors for the period 2020-2022 escalated by the Board of Directors to the Annual General Meeting of Shareholders states that in 2020 this remuneration can reach a total amount of 1,200,000 euros, 980,000 euros of which is for the Company and 220,000 euros of which is for other Group companies.

The short-term variable remuneration, which is paid, in all cases, in cash, is approved annually by the Board of Directors, after the report by the Appointments and Remuneration Committee, which also assesses, at year end, the degree of fulfillment of the objectives.

Payment of at least 30 per 100 of the short-term variable remuneration shall be deferred for a minimum of three years.

(ii) Medium- and long-term variable remuneration:

In 2019, the Board of Directors of MAPFRE S.A., at the behest of the Appointments and Remuneration Committee, approved the Medium-Term Incentives Plan 2019-2021, which is extraordinary, non-binding and multi-annual. The period of evaluation of the degree of attainment of the objectives of the Plan runs from January 1, 2019 to December 31, 2021, where the executive board directors take part in their capacity as senior executives.

The payment from this Plan is subject to the fulfillment of the Plan objectives, as well as remaining within the Group, under the terms set out in that Plan. The incentive will partly be paid in cash and partly by means of shares in MAPFRE S.A. The receipt of 60 percent of the incentive by each executive board director will be deferred for a period of three years, in thirds, with 50 percent of the deferred part paid in cash and the remaining 50 percent in shares. The incentive shall be subject to malus or clawback clauses and the shares must be kept for a maximum period of two years, starting from the payment date.

The quantification of the incentive to be paid depends on the degree of fulfillment of the objectives that have been established in line with the Group's strategic plan. The objective-setting metrics set out in this report are for Total Shareholder Return (TSR), Return on Equity (ROE), Earnings per Share (EPS), and The Transformation Index (IT).

The rules for calculating the incentive are as follows:

- The fulfillment of the objectives weighted as a whole must reach an average of 50 percent, otherwise there is no entitlement to receive the incentive.

- For any percentage of fulfillment of the objectives between 50 and 80 percent, the degree of attainment of the incentive would be 60 percent.
- If the fulfillment of the objectives is between 80 and 100 percent, the degree of attainment of the Incentive is calculated proportionally.
- If the fulfillment of the objectives is equal to or higher than 100 percent, with an upper limit of 150 percent, the degree of attainment of the incentive corresponds to a fulfillment of 100 percent of the objectives, applying a multiplication coefficient of 2 on the excess fulfillment above 100 percent.
- For any percentage of fulfillment of the objectives above 150 percent, the degree of attainment would be 200 percent.

The Compensation Policy for board directors for the period 2019-2021 that was approved by the Annual General Meeting held on March 8, 2019, established a total of 2,586,212 shares as the maximum number of shares that may be distributed for this purpose.

To avoid excessive assumption of risk, the percentage of the variable element (short, medium and long-term) in relation to the executive directors' fixed remuneration must not exceed 150%.

- Principal characteristics of the long-term savings systems. The information will include the contingencies covered by the system, if it is of definite contribution or benefit, the annual contribution to be made to the defined contribution systems, the benefit to which the beneficiaries are entitled in the case of defined benefit systems, the conditions for consolidation of the board directors' economic rights and their compatibility with any type of payment or indemnification for termination or early termination, or arising from the termination of the contractual relationship, in the terms provided, between the company and the board director.

It must be indicated whether or not the vesting or accrual of any of the long-term savings plans is linked with the attainment of specific objectives or parameters related to the long and short-term performance of the board director.

Under the provisions of their contracts, executive board directors, like other company employees, are beneficiaries of the MAPFRE Employment System Pension Plan, saving insurance and mixed saving insurance policies.

Additionally, executive board directors, under the compensation policy in place for MAPFRE senior executives, are entitled to specific contribution pension agreements in the event of retirement, death or permanent disability, which are externalized through group life insurance.

Expenses for 2020 under this item are predicted to amount to 4,591,099 euros, with 3,834,371 euros corresponding to the Company and 756,728 euros to other companies in the Group.

The annual vesting of defined contribution pension commitments is partially related to the attainment of objectives that determine the collection of annual variable remuneration by the executive board director.

The conditions for vesting economic rights in favor of executive board directors are set forth in the contracts that govern their relationship with the Company. The rights are vested, in some cases, from the time of 10 years of service to the MAPFRE Group and 5 years of senior executive, circumstances that are applicable to all executive board directors, and in others, at the time the covered contingencies are met (retirement, permanent disability and death), as well as in the case of improper dismissal or termination of the board director's relationship with by MAPFRE for reasons not attributable to the board director.

There is no incompatibility with any kind of indemnification for early termination or the conclusion of the contractual relationship between the company and the board director.

- Any type of payment or indemnification due to early termination or dismissal or arising from the contractual relationship between the company and the board director under the terms provided between the company and the board director, whether at the behest of the company or the board director, as well as any agreements such as agreements for exclusivity, post-contractual non-competition and permanence or loyalty, which give the board director the right to any type of payment.

In the case of external board directors, there is no indemnification agreed or paid if they terminate their functions as board directors. In the case of executive board directors, the termination of their role implies lifting the suspension of the relationship prior to their appointment as such. Early termination of the previous relationship entails indemnification under the terms established in the workers' statute in relation to unfair dismissal, except where there is good cause for dismissal.

- Indicate the terms and conditions that must be included in the contracts of people who perform senior management functions as executive board directors. This information should cover aspects such as duration, limits to compensation amounts, continuity of service clauses, notice periods, as well as the amount paid in lieu of this notice period, and any other clauses related to hiring bonuses, indemnification or financial protection in the event of early termination or the conclusion of the contractual relationship between the company and the executive board director. Include agreements or accords of non-competition, exclusivity, non-separation or loyalty and post-contractual non-competition, unless they have been indicated in the previous paragraph.

The term of the contracts of the executive board directors is related to their time as an executive board director. Removal from this position entails the lifting of the suspension of the relationship prior to the appointment as such.

Contracts governing the prior relationship establish the termination of this relationship as January 1 of the year after which the board director reaches the age of 60, unless annual extensions are implemented at the initiative of the company until the date on which the executive reaches the age of 65, as a maximum. The termination on the date of its expiration of the previous relationship shall not in itself entail any economic right, unless the company chooses not to extend the contract until the age of 65, in which case the board director would receive indemnification up to one monthly payment for the number of months remaining until they reach the aforementioned age.

Without prejudice to the foregoing, the Board of Directors has the power to agree, on the proposal of its Chairman and the Appointments and Remuneration Committee, on an extraordinary basis, performance-based bonuses during the career.

In the event of early termination by decision of the company, the company must inform the board director of their removal three (3) months prior to the date of termination.

Executive board directors must have an exclusive relationship with the company, and there are no contractual conditions relating to post-contractual non-competition agreements or continuity of service.

There are no clauses related to hiring bonuses.

- The type and estimated amount of any other supplementary remuneration that shall be accrued by the board directors in the current fiscal year in compensation for services rendered other than those involved in their position.

Board directors will receive no remuneration whatsoever for services other than those involved in their responsibilities as board directors or executive functions, if applicable, with the exception of Alfonso Rebuelta Badias, for his duties with the MAPFRE GLOBAL RISKS Council, for which he will receive 35,000 euros in 2020.

- Other remunerative items such as those arising, if applicable, from the granting by the company of advance payments, loans and guarantees and other remunerations to board directors.

None of the Group companies have granted any payments in advance or loans to board directors, or has provided guarantees on their behalf.

- The type and estimated amount of any other supplementary remuneration provided that is not covered in the above sections, whether paid by the company or another company of the group, that will be accrued by the board directors in the current fiscal year.

There are no remuneration items other than those described above.



**A.2.** Explain any relevant change to the compensation policy applicable in the current fiscal year arising due to:

- A new policy or a modification of a policy already approved by the Annual General Meeting.
- Relevant changes in specific rulings agreed upon by the board for the current fiscal year on the current compensation policy regarding remuneration for the previous year.
- Proposals that the Board of Directors may have agreed to present to the Annual General Meeting to which this annual report will be submitted and that it is proposed to be adopted for the current fiscal year.

At its meeting held on March 8, 2019, the Annual General Meeting approved, on the proposal of the Board of Directors, the Compensation Policy of board directors for the period 2019-2021, For the purpose of incorporating the Medium-term Incentive Plan 2019-2021 described in section A.1 above.

As indicated in section A.1, in the meeting held on February 11, 2020, the Board of Directors agreed to submit a new board director Remuneration Policy for the period 2020-2022 to the Annual General Meeting, in order to modify the characteristics of the short-term variable remuneration for 2020.

**A.3.** Provide the direct link to the document presenting the current compensation policy for the company that should be available on the company's website.

[https://www.mapfre.com/corporativo-es/images/13-politica-remuneraciones-consejeros-2019-2021\\_tcm884-535045.pdf](https://www.mapfre.com/corporativo-es/images/13-politica-remuneraciones-consejeros-2019-2021_tcm884-535045.pdf)

**A.4.** In light of the data provided in section B.4, explain how the vote of the shareholders at the Annual General Meeting at which the annual report on remuneration for the previous fiscal year was submitted to vote on an advisory basis was taken into consideration.

As indicated in section B.4, the annual report on remuneration for fiscal year 2018 was approved with the support of 85.95 percent of the votes cast in the meeting of the Annual General Meeting held on March 8, 2019. The Board of Directors considers that the remuneration practices contained in the report have the agreement of a significant majority of shareholders and are in accordance with the practices of other IBEX 35 companies and international insurance groups, and it has therefore decided to continue with them. In this regard, the Board of Directors submitted to the Annual General Meeting the Compensation Policy for board directors for the 2020-2022 period.

## **B. GENERAL SUMMARY OF HOW THE COMPENSATION POLICY WAS APPLIED DURING THE CLOSED FISCAL YEAR**

---

**B.1.** Explain the process that was followed to apply the compensation policy and determine the individual remuneration indicated in section C of this report. This information shall include the role played by the remuneration committee, the decisions taken by the Board of Directors and, where appropriate, the identity and role of external advisers whose services have been used in the process of applying the compensation policy in the closed fiscal year.

At the proposal of the Appointments and Remuneration Committee, the Board of Directors unanimously approved the items and amounts assigned to each of the directors for the 2019 fiscal years at their meeting held on February 6, 2019, and which appear in section C of this report.

Regarding the short-term variable remuneration for executive board directors, at the close of the 2019 fiscal year the amount was determined based on the fulfillment of the objective in relation to the consolidated profits obtained by the Company. For the determination of medium-term variable remuneration, it was generally determined in March 2019 for the Medium-Term Incentive Plan 2016-2018, on the fulfillment of corporate and specific objectives by board directors.

- B.2.** Explain the various actions adopted by the company related to the remuneration system and how they have contributed to reducing exposure to excessive risk and adapting it to the long-term objectives, values and interests of the company, including a reference to measures provided to guarantee that the compensation policy gave due consideration to the long-term results of the company and reached an adequate balance between the fixed and variable remuneration components, which measures were adopted with regard to the categories of personnel whose professional activities have a material effect on the risk profile of the company, which measures were adopted to avoid conflicts of interest, if applicable.

The actions taken by the Company in relation to the remuneration system, to reduce exposure to excessive risks and to adjust remuneration to the entity's long-term objectives, values and interests, which have been detailed in section A.1 above as part of the description of the remuneration system applicable to board directors.

- B.3.** Explain how the remuneration accrued during the fiscal year meets the provisions of the current compensation policy.

Also report on the relationship between the remuneration obtained by directors and the company's results or other measures of performance, in the short- and long-term, explaining where applicable how variations in the company's performance have affected the variation in the remuneration for board directors, including accrued payments that have been deferred, and how these contribute to the company's short- and long-term results.

As indicated in section B.2 above, at its meeting of March 8, 2019, the Annual General Meeting approved the Compensation Policy of Board Directors for the period 2019-2021, which provides for the existence of fixed remuneration elements and, in the case of executive board directors, variable elements in the short-, medium- and long-term, the characteristics of which are established therein.

All remunerative items for which remuneration has been accrued during the 2019 fiscal year, both by board directors acting as such and executive board directors, are expressly provided in the policy without any remuneration being accrued or distributed in the fiscal year for items not provided therein.

As indicated in section A.1, only executive board directors receive variable remuneration.

The linkage of short-term variable remuneration to the results of the company has been total in all board directors (100 per cent). Therefore, and given the relative importance of the variable element in remuneration, total linking of the directive to favorable management of the company has been achieved.

Information regarding the ratio between after-tax results and non-controlling interests of the Company and the average variable annual remuneration for the last three fiscal years is broken down below:

**A. Fiscal year 2019:**

- After-tax result and non-controlling interests of MAPFRE S.A.: 609,239,000 euros.
- Average short-term variable remuneration: 389,673 euros.
- Ratio: 0.064%

**B. Fiscal year 2018:**

- After-tax result and non-controlling interests of MAPFRE S.A.: 528,859,000 euros.
- Average short-term variable remuneration: 386,920 euros.
- Ratio: 0.073%

**C. Fiscal year 2017:**

- After-tax result and non-controlling interests of MAPFRE S.A.: 700,510,000 euros.
- Average short-term variable remuneration: 396,231 euros.

- Ratio: 0.057%

There is a high correlation between ordinary company results and the amount of annual variable remuneration received by the executive board directors.

With regard to medium- and long-term remuneration, 2019 the Medium-Term Incentive Plan 2016-2018, not consolidated, approved by the Board of Directors of MAPFRE S.A. in the 2016 fiscal year, the settlement period of which expired on March 31, 2019, of which the executive board directors were a member, as senior managers, have been settled under the terms described in paragraph C of this report.

The amount derived from this plan depended in general on each beneficiary fulfilling certain corporate and specific objectives and (except for special cases of severance expressly established), remaining in the Group's employment until the termination date of the plan. The incentive is partly paid in cash and partly by means of MAPFRE S.A. shares. The receipt of 60 percent of the incentive by each executive board director is deferred for a period of three years, in thirds, with the deferred part paid in cash and the other part to be paid in shares. The incentive is also subject to reduction (malus) or recovery (clawback) clauses. In addition, board directors are required to hold shares received as incentives as stock during a period for a maximum of two years from its payout.

The quantification of the settled incentive has depended on the degree of success in reaching the targets regarding the Total Shareholder Return (TSR) and Return on Equity (ROE) and to specific individual objectives related to the metrics and financial indicators of the MAPFRE Group Balanced Scorecard, technical ratios (expense ratio, net combined ratio, etc.) and the return on written premiums.

The rules for calculating the incentive are as follows:

- The fulfillment of the objectives weighted as a whole must reach an average of 50 percent, otherwise there is no entitlement to receive the incentive.
- If the fulfillment of objectives is between 50 percent and 80 percent, 60 percent of the incentive will be paid.
- If the fulfillment of objectives is between 80 percent and 100 percent, the same proportion of the incentive will be paid.
- If the fulfillment of objectives exceeds 100 percent, with an upper limit of 150 percent, the incentive paid will be proportional to the fulfillment of 100 percent of the objectives, plus a multiplication coefficient of 2 on the surplus fulfillment above 100 percent.

The Compensation Policy for board directors for the period 2016-2018 established a total of 2,645,655 shares as the maximum number of shares to be distributed for this purpose.

Also, in the case of the Medium-Term Incentive Plan for 2019-2021, objectives tied to share value (TSR - Total Shareholder Return and EPS - Earnings Per Share), the ROE and the Conversion Rate (CR) of the company have also been established, with weights between 20 and 30 percent, which represents a high correlation of this remunerative element with the long-term performance of the Company.

Therefore, and in line with the calculation standards for compliance with the objectives indicated in section A.1, medium- and long-term variable remuneration is directly tied not only to the medium- and long-term company results but also to various indicators related to the profitability of the company and its sustainability to avoid any excessive assumption of risk.

**B.4. Report on the result of the advisory vote at the Annual General Meeting on the annual report on remuneration for the previous fiscal year, indicating the number of any negative votes cast.**

	Number	% of total
Votes cast	2,512,523,62	99.04

	Number	% cast
Negative votes	346,897,686	13.81
Votes in favor	2,159,413,173	85.95
Abstentions	6,212,762	0.25

Observations

**B.5. Explain how the fixed elements accrued during the fiscal year for the board directors in their positions as such were determined, and how they varied from the prior year.**

External board directors received a fixed amount in 2019 as basic remuneration for their membership on the Board of Directors and, as applicable, of the Steering Committee and delegate bodies, which was higher for those who occupied positions on the Board or chaired its committees. This remuneration was supplemented with other non-monetary compensation of a general nature established for company personnel.

(i) Fixed allocation and attendance allowance.

Basic remuneration of external board directors consisted of an annual fixed allocation for membership on the Board of Directors of the Company, and on the Steering committees if applicable. The amounts relating to these items for fiscal years 2019 and 2018 are indicated below, along with any existing variation, if applicable:

- Membership of the Board of Directors: 110,000 euros in 2019 and 2018.
- Vice-Chairman of the Board – Lead Board Director: 220,000 euros in 2019 and 2018.
- Membership of the Steering Committee: 10,000 euros plus an attendance allowance of 3,000 euros per meeting in 2019 and 20,000 euros in 2018 (increase of 25%). This increase results from the modification of the remuneration system of the members of the Steering Committee to a fixed allocation for membership of said body and an attendance allowance for its meetings, which was included in the compensation policy for board directors for the period 2019-2021.
- Chair of the Audit and Compliance Committee: 68,000 euros in 2019 and 65,000 euros in 2018 (4.6% increase).
- Members of the Audit and Compliance Committee: 48,000 euros in 2019 and 45,000 euros in 2018 (6.7% increase).
- Chair of the appointments and remuneration Committee: 60,000 euros in 2019 and 57,000 euros in 2018 (increase of 5.3%).
- Members of the appointments and remuneration Committee: 39,000 euros in 2019 and 37,000 euros in 2018 (5.4% increase).
- Chair of the Risk Committee: 60,000 euros in 2019 and 57,000 in 2018 (increase of 5.3%).
- Members of the Risk Committee: 39,000 euros in 2019 and 37,000 in 2018 (increase of 5.4%).

(ii) Life insurance and other non-monetary benefits.

During 2019, external board directors were provided with a life insurance policy in the event of death under the same conditions as described in section A.1 above.

(iii) Amounts for membership of the Board of Directors of subsidiary companies

External board directors who are members of the Board of Directors of subsidiary companies also receive a fixed amount for this membership and, as applicable, for membership on their management committees, under the same conditions described in section A.1 above.

**B.6. Explain how the balances accrued during the closed fiscal year for each of the executive board directors for the performance of their senior management functions were determined, and how they varied from the prior year.**

As indicated in section C.1, the salary of the executive board directors in fiscal year 2019 totals 2,592,335 euros, of which 2,192,335 euros relates to the Company and 400,000 euros to other companies of the Group.

These amounts were set by the Board of Directors in their meeting of February 6, 2019, on the recommendation of the Appointments and Remuneration Committee, with consideration of the external reports provided by the Ernst & Young consulting firm and KPMG.

The individual breakdown of the balances received by the people that held the position of executive board director in fiscal year 2019 are indicated below, with its variance from the prior fiscal year:

- Antonio Huertas Mejias: 836,543 euros in 2019 and 824,180 in 2018 (increase of 1.5%).
- Ignacio Baeza Gómez: 536,247 euros in 2019 and 505,894 in 2018 (increase of 6%).
- José Manuel Inchausti Pérez: 400,000 euros in 2019 and 334,950 euros in 2018. He was appointed board director on July 18, 2018. (19.42% increase)
- Francisco José Marco Orenes: 389,297 euros in 2019 and 360,460 euros in 2018 (increase of 8%).

- Fernando Mata Verdejo: 430,248 euros in 2019 and 413,700 in 2018 (increase of 4%).

**B.7.** Explain the nature and the principal characteristics of the variable elements of the remuneration systems accrued in the closed fiscal year.

In particular:

- Identify each of the remuneration plans that governed the different variable forms of remuneration accrued by each of the board directors during the closed fiscal year, including information on their extent, their date of approval, date of implementation, accrual periods and term, criteria used to evaluate performance and how this affected the determination of the variable amount accrued, and measurement criteria used and the period required to be in a position to properly measure all stipulated conditions and criteria.

In the case of plans involving stock options or other financial instruments, the general characteristics of each plan will include information regarding their conditions both for acquiring unconditional title (vesting) and for enabling the exercise of such options or financial instruments, including the price and period for exercise.

- Each of the board directors, and their category (executive board directors, nominee external board directors, independent external board directors and other external board directors) who are beneficiaries of remuneration systems or plans which include variable remuneration.
- If applicable, include information on the applied accrual or postponement periods for payment established and/or the retention/non-disposal periods for any shares or other financial instruments.

Explain the short-term variable elements of the remuneration systems:

Only executive board directors have received short-term variable remuneration linked to the company's consolidated net profit. As indicated in section C.1, the short-term variable remuneration of executive board directors for the 2019 fiscal year was overall 1,948,364 euros, with 1,642,764 euros relating to the company, and 305,600 euros to other companies of the Group. This remuneration is always paid in cash.

Short-term variable remuneration for executive board directors accrued from January 1 to December 31, 2019. At the end of 2019 the amount was determined based on the fulfillment of the Company's profit objectives.

The annual variable remuneration is approved annually by the Board of Directors following a report from the Appointments and Remuneration Committee, which at the end of the fiscal year also assesses the degree to which the objectives have been met.

Regarding deferral of variable remuneration for board directors, the payment of at least 30 percent of the annual variable remuneration will be deferred for a minimum of three years.

In addition, the executive board directors' contracts include the reduction (malus) and recovery (clawback) clauses in the terms described in section A.1 above.

The Company has no option plans involving stock or other financial instruments.

Explain the long-term variable elements of the remuneration systems

Only executive board directors receive variable medium- and long-term remuneration. These board directors are part of the group of beneficiaries of The Incentive Plan for 2016-2018, the settlement of which was carried out in 2019, and The Incentive Plan for 2019-2021.

The approval date, maximum amount, deferral rules, retention periods and other characteristics of the 2016-2018 Incentive plan and 2019-2021 Incentive Plan are set out in sections B.3 and A.1, respectively.

**B.8.** Indicate whether there has been any reduction of or claims for the return of specific variable elements, if any, in the first case when payment is vested or deferred, or in the second case vested and paid, based on data which was clearly demonstrated as inaccurate at a later date. Describe the amounts reduced or returned due to the application of reduction or return (clawback) clauses, why they were applied and the fiscal years involved.

No remuneration amount has ever been reduced or claimed for any reason.

**B.9.** Explain the principal characteristics of the long-term savings plans whose amount or annual equivalent cost appear in the tables in section C, including retirement and any other survival benefit provision that is financed in whole or part by the company, whether provided internally or externally, indicating the type of plan, whether it is a defined contribution or defined benefit plan, the situations that it covers and the conditions for vesting in any type of indemnification due to early cancellation or termination of the contractual relationship between the company and the board director.

During fiscal year 2019, the executive board directors were beneficiaries of the same long-term savings systems as described in section A.1.

Under this item, a total amount of 1,472,191 euros was recorded in relation to contributions made to savings systems with consolidated rights and to the amount of accumulated funds consolidated in fiscal year 2019, of which 1,310,691 euros corresponded to the Company, and 161,500 euros to other companies of the Group.

**B.10.** Explain, if applicable, the indemnifications or any other type of payment related to early cancellation, whether at the behest of the company or the director, or the termination of the contract under the terms provided therein, accrued and/or received by the directors during the closed fiscal year.

No indemnification was paid to directors in fiscal year 2019.

**B.11.** Indicate whether any significant modifications were made to the contracts of those individuals that held senior management positions as executive directors, and if so, explain them. Also, explain the principal conditions of the new contracts signed with executive directors during the fiscal year, unless they have already been explained in section A.1.

In the fiscal year 2019, Mr. Antonio Huertas Mejías' contract was amended to change the system of contributions of his pension commitment, from a constant periodic premium to a fixed periodic premium and another variable referenced to comply with the budget for the vested result after taxes and non-controlling interests for the fiscal year. This amendment has been approved by the governing bodies of the Company.

With the exception of the foregoing, there have been no significant changes in the contracts of the other members who carry out C-Suite functions as board directors.

**B.12.** Explain any supplementary remuneration earned by the board directors for services rendered other than those inherent to their position.

No director has performed any services other than those involved in their responsibilities as directors or executive functions, if applicable, with the exception of those performed by Alfonso Rebuella Badías, for his membership in the MAPFRE GLOBAL RISKS Advisory Council, for which he received 35,000 euros.

**B.13.** Explain any remuneration derived from the concession of advance payments, loans or guarantees, specifying the interest rate, their essential characteristics and the amounts returned and any obligations undertaken on their behalf by way of a guarantee.

None of the Group companies granted any advance payments or loans to directors, or have provided guarantees on their behalf during fiscal year 2019.

**B.14.** Provide details on the remuneration in kind accrued by the directors during the fiscal year, briefly explaining the nature of the different salary components.

During the 2019 fiscal year, the board directors were beneficiaries of the social benefits in force for the fiscal year 2020 and in the terms already described in paragraph A.1, with the exception of health insurance of the executive directors, which was granted to all Company personnel in 2019.

**B.15.** Explain the remuneration earned by board directors by virtue of the payments made by the company to a third party for which the directors render services, when such payments are intended to compensate the board directors for the services provided to the company.

No such remuneration was earned under this heading during 2019.

**B.16.** Explain any other remuneration item other than those indicated above, whatever its nature or the Group company paying it, especially if treated as a related party transaction or if its payment could distort the true and fair image of the total remuneration earned by directors.

There were no other remuneration items other than the ones cited above in fiscal year 2019.

**C. BREAKDOWN OF THE INDIVIDUAL REMUNERATION EARNED BY EACH BOARD DIRECTOR**

Name	Type	Vesting period fiscal year 2019
Mr. ANTONIO HUERTAS MEJÍAS	Chairman and CEO	From 01/01/2019 to 31/12/2019
Mr. IGNACIO BAEZA GÓMEZ	Executive Vice Chairman	From 01/01/2019 to 31/12/2019
Ms. CATALINA MIÑARRO BRUGAROLAS	Independent Vice Chairman	From 01/01/2019 to 31/12/2019
Mr. JOSÉ MANUEL INCHAUSTI PÉREZ	Executive Vice Chairman	From 01/01/2019 to 31/12/2019
Mr. JOSÉ ANTONIO COLOMER GUIU	Independent Board Director	From 01/01/2019 to 31/12/2019
Mr. GEORG DASCHNER	Independent Board Director	From 01/01/2019 to 18/08/2019
Ms. ANA ISABEL FERNÁNDEZ ÁLVAREZ	Independent Board Director	From 01/01/2019 to 31/12/2019
Ms. MARÍA LETICIA DE FREITAS COSTA	Independent Board Director	From 01/01/2019 to 31/12/2019
Ms. ROSA MARÍA GARCÍA GARCÍA	Independent Board Director	From 09/26/2019 to 31/12/2019
Mr. ANTONIO GÓMEZ CIRIA	Independent Board Director	From 01/01/2019 to 31/12/2019
Mr. LUIS HERNANDO DE LARRAMENDI MARTÍNEZ	Nominee Board Director	From 01/01/2019 to 31/12/2019
Mr. FRANCISCO JOSÉ MARCO ORENES	Executive Board Director	From 01/01/2019 to 31/12/2019
Mr. FERNANDO MATA VERDEJO	Executive Board Director	From 01/01/2019 to 31/12/2019
Mr. ANTONIO MIGUEL-ROMERO DE OLANO	Nominee Director	From 01/01/2019 to 31/12/2019
Ms. MARÍA DEL PILAR PERALES VISCASILLAS	Independent Board Director	From 01/01/2019 to 31/12/2019
Mr. ALFONSO REBUelta BADÍAS	Nominee Board Director	From 01/01/2019 to 31/12/2019



C.1. Complete the following tables on the individual remuneration for each of the directors (including the remuneration for executive functions) earned during the year.

a) Remuneration from the company that is the subject of this report:

i) Remuneration in cash (thousands of euros)

Name	Fixed remuneration	Attendance fees	Remuneration for membership of Board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Indemnification	Other items	Total fiscal year 2019	Total fiscal year 2018
Mr. ANTONIO HUERTAS MEJÍAS				836	649	576		2	2,063	2,131
Mr. IGNACIO BAEZA GÓMEZ				536	409	216		5	1,166	1,113
Ms. CATALINA MIÑARRO BRUGAROLAS	220	15	70					1	306	302
Mr. JOSÉ MANUEL INCHAUSTI PÉREZ										
Mr. JOSÉ ANTONIO COLOMER GUIU	110	9	151					1	271	249
Mr. GEORG DASCHNER	70	6	44						120	187
Ms. ANA ISABEL FERNÁNDEZ ÁLVAREZ	110		94					1	205	192
Ms. MARÍA LETICIA DE FREITAS COSTA	110								110	110
Ms. ROSA MARÍA GARCÍA GARCÍA	29								29	
Mr. ANTONIO GÓMEZ CIRIA	110		14					1	125	
Mr. LUIS HERNANDO DE LARRAMENDI MARTÍNEZ	110	15	49					3	177	169
Mr. FRANCISCO JOSÉ MARCO ORENES				389	295			3	687	621
Mr. FERNANDO MATA VERDEJO				430	291			6	727	702
Mr. ANTONIO MIGUEL-ROMERO DE OLANO	110	15	97					2	224	213
Ms. MARÍA DEL PILAR PERALES VISCASILLAS	110		48						158	150
Mr. ALFONSO REBUELTA BADÍAS	110		39					3	152	149

Observations

ii) Table of remuneration system movements based on shares and gross profits from shares or vested financial instruments

Name	Name of Plan	Financial instruments at the beginning of the fiscal year 2019		Financial instruments granted during the fiscal year 2019		Financial instruments vested in fiscal year				Expired but not exercised instruments	Financial instruments at the end of the fiscal year 2019	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent/vested shares	Price of vested shares	Gross profits from vested shares or financial instruments (thousands of €)	No. of instruments	No. of instruments	No. of equivalent shares
Mr. ANTONIO HUERTAS MEJÍAS	Incentives Plan for Medium-Term 2016-2018 with delivery of Shares	621,263	621,263					0.00				
Mr. ANTONIO HUERTAS MEJÍAS	Incentives Plan for Medium-Term 2019-2021 with delivery of Shares			775,864	775,864			0.00			775,864	775,864
Mr. IGNACIO BAEZA GÓMEZ	Incentives Plan for Medium-Term 2016-2018 with delivery of Shares	436,263	436,263					0.00				
Mr. IGNACIO BAEZA GÓMEZ	Incentives Medium-Term incentives 2019-2021 with			560,346	560,346			0.00			560,346	560,346

Name	Name of Plan	Financial instruments at the beginning of the fiscal year 2019		Financial instruments granted during the fiscal year 2019		Financial instruments vested in fiscal year				Expired but not exercised instruments	Financial instruments at the end of the fiscal year 2019	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent/vested shares	Price of vested shares	Gross profits from vested shares or financial instruments (thousands of €)		No. of instruments	No. of instruments
	delivery of shares											
Mr. FRANCISCO JOSÉ MARCO ORENES	Medium-Term Incentives Plan 2016-2018 with delivery of shares	258,860	258,860					0.00				
Mr. FRANCISCO JOSÉ MARCO ORENES	Medium-Term Incentives Plan 2019-2021 with delivery of shares			387,932	387,932			0.00			387,932	387,932
Mr. FERNANDO MATA VERDEJO	Medium-Term Incentives Plan 2016-2018 with delivery of shares	253,065	253,065					0.00				
Mr. FERNANDO MATA VERDEJO	Medium-Term Incentives Plan 2019-2021 with delivery of shares			387,932	387,932			0.00			387,932	387,932

### Observations

The previous board directors who are beneficiaries of the "Medium-Term Incentive Plan 2016-2018 with delivery of shares" have not received any incentive because the degree of achievement regarding the objective outlined in the aforementioned plan has not been achieved.

### iii) Long-term savings systems

Name	Remuneration by vesting of rights to savings systems
Mr. ANTONIO HUERTAS MEJÍAS	541
Mr. IGNACIO BAEZA GÓMEZ	471
Mr. FRANCISCO JOSÉ MARCO ORENES	145
Mr. FERNANDO MATA VERDEJO	153

Name	Contribution during the year made by the company (thousands of euros)				Amount of accumulated funds (thousands of euros)			
	Savings systems with vested economic rights		Savings systems without vested economic rights		Savings systems with vested economic rights		Savings systems without vested economic rights	
	Fiscal year 2019	Fiscal year 2018	Fiscal year 2019	Fiscal year 2018	Fiscal year 2019	Fiscal year 2018	Fiscal year 2019	Fiscal year 2018
Mr. ANTONIO HUERTAS MEJÍAS	541	527	1,200	1,200	4,423	3,747	6,237	4,930
Mr. IGNACIO BAEZA GÓMEZ	471	459			2,488	1,942		
Mr. JOSÉ MANUEL INCHAUSTI PÉREZ					871	818		
Mr. FRANCISCO JOSÉ MARCO ORENES	145	136	753	753	813	641	2,369	1,585

Name	Contribution during the year made by the company (thousands of euros)				Amount of accumulated funds (thousands of euros)			
	Savings systems with vested economic rights		Savings systems without vested economic rights		Savings systems with vested economic rights		Savings systems without vested economic rights	
	Fiscal year 2019	Fiscal year 2018	Fiscal year 2019	Fiscal year 2018	Fiscal year 2019	Fiscal year 2018	Fiscal year 2019	Fiscal year 2018
Mr. FERNANDO MATA VERDEJO	153	151	545	545	866	680	1,723	1,159

Observations

iv) Breakdown of other items

Name	Item	Amount of remuneration
Mr. ANTONIO HUERTAS MEJÍAS	Life insurance premiums	18
Mr. IGNACIO BAEZA GÓMEZ	Life insurance premiums	14
Mr. JOSÉ ANTONIO COLOMER GUIU	Life insurance premiums	3
Mr. GEORG DASCHNER	Life insurance premiums	3
Ms. ANA ISABEL FERNÁNDEZ ÁLVAREZ	Life insurance premiums	1
Ms. MARÍA LETICIA DE FREITAS COSTA	Life insurance premiums	1
Mr. ANTONIO GÓMEZ CIRIA	Life insurance premiums	2
Mr. LUIS HERNANDO DE LARRAMENDI MARTÍNEZ	Life insurance premiums	3
Mr. FRANCISCO JOSÉ MARCO ORENES	Life insurance premiums	14
Mr. FERNANDO MATA VERDEJO	Life insurance premiums	12
Mr. ANTONIO MIGUEL-ROMERO DE OLANO	Life insurance premiums	2

Name	Item	Amount of remuneration
Mr. ALFONSO REBUelta BADÍAS	Life insurance premiums	3

Observations

[ ]

b) Remuneration to the company's board directors for membership of boards in other Group companies:

i) Remuneration in cash (thousands of euros)

Name	Fixed remuneration	Attendance fees	Remuneration for membership of Board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Indemnification	Other items	Total fiscal year 2019	Total fiscal year 2018
Mr. ANTONIO HUERTAS MEJÍAS										
Mr. IGNACIO BAEZA GÓMEZ										
Ms. CATALINA MIÑARRO BRUGAROLAS	96		11						107	96
Mr. JOSÉ MANUEL INCHAUSTI PÉREZ				400	306	225		7	938	693
Mr. JOSÉ ANTONIO COLOMER GUIU	48								48	47
Mr. GEORG DASCHNER	32								32	37
Ms. ANA ISABEL FERNÁNDEZ ÁLVAREZ	96								96	90
Ms. MARÍA LETICIA DE FREITAS COSTA	85								85	48
Ms. ROSA MARÍA GARCÍA GARCÍA	10								10	
Mr. ANTONIO GÓMEZ CIRIA	96		11						107	
Mr. LUIS HERNANDO DE LARRAMENDI MARTÍNEZ	107		11						118	114

Name	Fixed remuneration	Attendance fees	Remuneration for membership of Board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Indemnification	Other items	Total fiscal year 2019	Total fiscal year 2018
Mr. FRANCISCO JOSÉ MARCO ORENES										
Mr. FERNANDO MATA VERDEJO										
Mr. ANTONIO MIGUEL-ROMERO DE OLANO	96		22						118	116
Ms. MARÍA DEL PILAR PERALES VISCASILLAS	107		11						118	112
Mr. ALFONSO REBUELTA BADÍAS	107							35	142	144

Observations

[ ]

ii) Table of remuneration system movements based on shares and gross profits from shares or vested financial instruments

Name	Name of Plan	Financial instruments at the beginning of the fiscal year 2019		Financial instruments granted during the fiscal year 2019		Financial instruments vested in fiscal year				Expired but not exercised instruments	Financial instruments at the end of the fiscal year 2019	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent/vested shares	Price of vested shares	Gross profits from vested shares or financial instruments (thousands of €)	No. of instruments	No. of instruments	No. of equivalent shares
Mr. JOSÉ MANUEL INCHAUSTI PÉREZ	Incentive Plan to	324,437	324,437			103,544	103,544	2.51	260			

Name	Name of Plan	Financial instruments at the beginning of the fiscal year 2019		Financial instruments granted during the fiscal year 2019		Financial instruments vested in fiscal year				Expired but not exercised instruments	Financial instruments at the end of the fiscal year 2019	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent/vested shares	Price of vested shares	Gross profits from shares or vested financial instruments (thousands of €)	No. of instruments	No. of instruments	No. of equivalent shares
	Medium-Term 2016-2018 with delivery of shares											
Mr. JOSÉ MANUEL INCHAUSTI PÉREZ	Medium-Term Incentives Plan 2019-2021 with delivery of shares			474,138	474,138			0.00			474,138	474,138

Observations

The delivery of the shares corresponding to the "Medium-Term Incentive Plan 2016-2018 with Share Delivery" will be broken down over a period of three years into thirds, from March 31, 2019, that is, within the period 2020-2022.



iii) Long-term savings systems

Name	Remuneration by vesting of rights to savings systems
Mr. JOSÉ MANUEL INCHAUSTI PÉREZ	161

Name	Contribution during the year made by the company (thousands of euros)				Amount of accumulated funds (thousands of euros)			
	Savings systems with vested economic rights		Savings systems without vested economic rights		Savings systems with vested economic rights		Savings systems without vested economic rights	
	Fiscal year 2019	Fiscal year 2018	Fiscal year 2019	Fiscal year 2018	Fiscal year 2019	Fiscal year 2018	Fiscal year 2019	Fiscal year 2018
Mr. ANTONIO HUERTAS MEJÍAS					725	689		
Mr. IGNACIO BAEZA GÓMEZ					1,937	1,866		
Mr. JOSÉ MANUEL INCHAUSTI PÉREZ	161	136	600	600	829	507	1,648	1,028
Mr. FRANCISCO JOSÉ MARCO ORENES					1,106	1,037	299	292
Mr. FERNANDO MATA VERDEJO					475	453		

Observations

[

]

iv) Breakdown of other items

Name	Item	Amount of remuneration
Mr. JOSÉ MANUEL INCHAUSTI PÉREZ	Life insurance premiums	6

Observations

c) Summary of remuneration (thousands of euros)

The summary must include the amounts corresponding to all remuneration items described in this report that have been earned by directors, in thousands of euros.

Name	Remuneration earned within the company					Remuneration earned within Group companies				
	Total remuneration in cash	Gross profit of shares or financial instruments consolidated	Remuneration via savings systems	Remuneration by other means	Total 2019 company	Total remuneration in cash	Gross profit of shares or financial instruments consolidated	Remuneration via savings systems	Remuneration by other means	Total 2019 Group
Mr. ANTONIO HUERTAS MEJÍAS	2,063		541	18	2,622					
Mr. IGNACIO BAEZA GÓMEZ	1,166		471	14	1,651					
Ms. CATALINA MIÑARRO BRUGAROLAS	306				306	107				107
Mr. JOSÉ MANUEL INCHAUSTI PÉREZ						938	260	161	6	1,365
Mr. JOSÉ ANTONIO COLOMER GUIU	271			3	274	48				48
Mr. GEORG DASCHNER	120			3	123	32				32
Ms. ANA ISABEL FERNÁNDEZ ÁLVAREZ	205			1	206	96				96

## ANNUAL REPORT ON THE REMUNERATION OF DIRECTORS OF PUBLICLY TRADED COMPANIES

Name	Remuneration earned within the company					Remuneration earned within Group companies				
	Total remuneration in cash	Gross profits from vested financial instruments or shares	Remuneration via savings systems	Remuneration by other means	Total 2019 company	Total remuneration in cash	Gross profits from vested financial instruments or shares	Remuneration via savings systems	Remuneration by other means	Total 2019 Group
Ms. MARÍA LETICIA DE FREITAS COSTA	110			1	111	85				85
Ms. ROSA MARÍA GARCÍA GARCÍA	29				29	10				10
Mr. ANTONIO GÓMEZ CIRIA	125			2	127	107				107
Mr. LUIS HERNANDO DE LARRAMENDI MARTÍNEZ	177			3	180	118				118
Mr. FRANCISCO JOSÉ MARCO ORENES	687		145	14	846					
Mr. FERNANDO MATA VERDEJO	727		153	12	892					
Mr. ANTONIO MIGUEL-ROMERO DE OLANO	224			2	226	118				118
Ms. MARÍA DEL PILAR PERALES VISCASILLAS	158				158	118				118
Mr. ALFONSO REBUelta BADÍAS	152			3	155	142				142
<b>TOTAL</b>	<b>6,520</b>		<b>1,310</b>	<b>76</b>	<b>7,906</b>	<b>1,919</b>	<b>260</b>	<b>161</b>	<b>6</b>	<b>2,346</b>

### Observations

[ ]

#### D. OTHER USEFUL INFORMATION

If there is any relevant aspect regarding the remuneration of directors which has not been covered in the other sections of this report but which should be included to provide more complete and explanatory information about the remuneration structure and practices of the company in relation to its board directors, please provide a brief explanation here.

ii) Description of the procedures and entities within the Company involved in determining and approving the Compensation Policy:

MAPFRE is aware of the importance of having a corporate governance system to steer the structure and operations of its management bodies in the interests of the company and its shareholders.

The MAPFRE Board of Directors has implemented regulations which take into account the principles and elements of the corporate governance system and comprise the internal regulations and operations of the Board, the Steering Committee and the Sub-Steering Committees, as well as the rights and duties of the directors in carrying out their functions.

In order to comply with the legal requirements for remuneration of directors and to continue adhering to corporate governance best practices regarding remuneration, the Regulations of the Board of Directors govern the areas related to remuneration of the Board of Directors and the Appointments and Remuneration Committee.

Accordingly, the MAPFRE Board of Directors carries out the following functions:

- Decisions regarding the remuneration of directors, within the statutory framework and, as applicable, the compensation policy approved by the Annual General Meeting.
- Approval of the terms and conditions of the contracts of the managing director and directors who perform executive functions.
- Definition of the remuneration of board directors who perform executive functions.

The MAPFRE corporate governance system is designed to ensure that the recommendations regarding remuneration that are submitted to the company's Board of Directors originate in the Appointments and Remuneration Committee, which analyzes them previously in consultation with the different internal services within the company and external experts where necessary. The committee is also assisted by the company's senior executive responsible for the Human Resources Corporate Area.

In accordance with Article 11 of the Regulations of the MAPFRE Board of Directors, the Appointments and Remuneration Committee recommends to the Board of Directors the remuneration policy for directors, for general managers and for those who perform senior management functions and report directly to the Board, to the Steering Committee or to the managing directors, as well as individual remuneration and the other terms and conditions of the executive directors' contracts, ensuring their observance.

To exercise the aforementioned responsibilities, the committee must consult the Chairman of the Board and consider his recommendations on issues related to executive directors and senior managers.

In accordance with the Regulations of the Board of Directors, and with the provisions of the legislation in force, the Appointments and Remuneration Committee must consist of a minimum of three and a maximum of five directors, all non-executive, and at least two of whom must be independent. This committee must also be chaired by an independent director.

The committee meets whenever necessary to ensure the correct exercise of its functions and responsibilities, and five meetings were held in 2019.

As on the date of preparation of this report, the committee is made up of the following members:

President: Ms Catalina Miñarro Brugarolas (independent).

Voting Member: José Antonio Colomer Guiu (Independent).

Voting Member: Luis Hernando de Larramendi Martínez (nominee).

Voting Member: Alfonso Rebuella Badias (nominee).

The Board of Directors agreed in its meeting on February 11, 2020, to appoint Ms. Rosa María García as a member of the Appointments and Remuneration Committee.

Remuneration practices of companies listed on the IBEX35 were taken into consideration in the preparation of the remuneration policy for Board Members for the 2020-2022 period that the Board of Directors has resolved to submit to the Annual General Meeting this coming March 13, based on the following external reports:

- KPMG report "Remuneration of Board Members of IBEX35 Companies 2019 Edition".
- EY report "Remuneration of IBEX35 Board Members 2019".
- "2019 Executive Survey Report- Spain" By Willis Towers Watson.

This annual report on remuneration was approved by the company's Board of Directors at its meeting on:

[ 02/11/2020 ]

Indicate whether any board directors voted against the report or abstained.

[ ] Yes

[  ] No