



ANNUAL REPORT ON THE CORPORATE GOVERNANCE OF PUBLICLY TRADED

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. OWNERSHIP STRUCTURE

A.1. Complete the following table on the company's share capital:

Date of last modification	Share capital (€)	Number of shares	Number of voting rights
07/01/2011	307,955,327.30	3,079,553,273	3,079,553,273

Indicate if there are different kinds of shares with different rights associated with them:

Yes

No

A.2. State the direct and indirect holders of substantial interests in the company at the close of the fiscal year, excluding board directors:

Name or company name of the shareholder	% voting rights attributed to shares		% voting rights through financial instruments		% total voting rights
	Direct	Indirect	Direct	Indirect	
FUNDACIÓN MAPFRE	0.00	67.71	0.00	0.00	67.71

Detail of indirect interests:

Name or company name of the indirect holder	Name or company name of the direct holder	% voting rights attributed to shares	% voting rights through financial instruments	% total voting rights
FUNDACIÓN MAPFRE	CARTERA MAPFRE, S.L. SINGLE-MEMBER COMPANY	67.60	0.00	67.60
FUNDACIÓN MAPFRE	FUNDACIÓN CANARIA MAPFRE GUANARTEME	0.11	0.00	0.11

State any significant modifications in the shareholding structure that have occurred during the fiscal year:

A.3. Complete the following tables about the members of the Board of Directors of the company who have voting rights on company shares:

Name or company name of the board director	% voting rights attributed to shares		% voting rights through financial instruments		% total voting rights	% of voting rights <u>that can be transferred</u> through financial instruments	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
MR. ANTONIO HUERTAS MEJÍAS	0.01	0.00	0.00	0.00	0.01	0.00	0.00
MR. IGNACIO BAEZA GÓMEZ	0.01	0.00	0.00	0.00	0.01	0.00	0.00
MS. CATALINA MIÑARRO BRUGAROLAS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MR. JOSÉ MANUEL INCHAUSTI PÉREZ	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MR. JOSÉ ANTONIO COLOMER GUIU	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MS. ANA ISABEL FERNÁNDEZ ÁLVAREZ	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MS. MARÍA LETICIA DE FREITAS COSTA	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MS. ROSA MARÍA GARCÍA GARCÍA	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MR. ANTONIO GÓMEZ CIRIA	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MR. LUIS HERNANDO DE LARRAMENDI MARTÍNEZ	0.00	0.03	0.00	0.00	0.03	0.00	0.00
MR. FRANCISCO JOSÉ MARCO ORENES	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MR. FERNANDO MATA VERDEJO	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MR. ANTONIO MIGUEL-ROMERO DE OLANO	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MS. MARÍA DEL PILAR PERALES VISCASILLAS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MR. ALFONSO REBUELTA BADÍAS	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Total % of voting rights held by the Board of Directors	0.05
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Detail of indirect interests:

Name or company name of the board director	Name or company name of the direct holder	% voting rights attributed to shares	% voting rights through financial instruments	% total voting rights	% of voting rights that <u>can be transferred</u> through financial instruments
No data					

A.4. Where applicable, list any family, commercial, contractual or corporate relationships between holders of significant interests, insofar as the company is aware of them, unless they are of little relevance or due to ordinary commercial traffic and exchange, excluding those reported in section A.6:

Related name or company name	Type of relationship	Brief description
No data		

A.5. Where applicable, list any family, commercial, contractual or corporate relationships between holders of significant interests, and the company and/or its group, unless they are of little relevance or due to ordinary commercial traffic and exchange:

Related name or company name	Type of relationship	Brief description
No data		

- A.6. Describe the relationships, unless they are barely relevant for both parties, that exist between the significant shareholders or those represented on the board and the board directors, or their representatives, in the case of legal company administrators.

Explain, as the case may be, how significant shareholders are represented. Specifically, those board directors who have been appointed on behalf of significant shareholders, those whose appointment would have been promoted by significant shareholders, or who are linked to significant shareholders and/or companies of their group, explaining the nature of such relationships, shall be indicated. In particular, the existence, identity and position of members of the board, or representatives of board directors, of the listed company, who are, in turn, members of the administrative body, or its representatives, in companies that hold significant interests in the listed company or in companies of the group of said significant shareholders:

Name or company name of the related board director or representative	Name or company name of the affiliated significant shareholder	Company name of the significant shareholder group	Description relationship/position
MR. LUIS HERNANDO DE LARRAMENDI MARTÍNEZ	CARTERA MAPFRE, S.L. SINGLE-MEMBER COMPANY	CARTERA MAPFRE, S.L. SINGLE-MEMBER COMPANY	Appointed board director as proposed by the significant shareholder
MR. ANTONIO MIGUEL-ROMERO DE OLANO	CARTERA MAPFRE, S.L. SINGLE-MEMBER COMPANY	CARTERA MAPFRE, S.L. SINGLE-MEMBER COMPANY	Appointed board director as proposed by the significant shareholder
MR. ALFONSO REBUelta BADÍAS	CARTERA MAPFRE, S.L. SINGLE-MEMBER COMPANY	CARTERA MAPFRE, S.L. SINGLE-MEMBER COMPANY	Appointed board director as proposed by the significant shareholder
MR. ANTONIO HUERTAS MEJÍAS	CARTERA MAPFRE, S.L. SINGLE-MEMBER COMPANY	CARTERA MAPFRE, S.L. SINGLE-MEMBER COMPANY	Chairman of the Board of Directors of CARTERA MAPFRE, S.L. SINGLE-MEMBER COMPANY
MR. IGNACIO BAEZA GÓMEZ	CARTERA MAPFRE, S.L. SINGLE-MEMBER COMPANY	CARTERA MAPFRE, S.L. SINGLE-MEMBER COMPANY	Board Director of CARTERA MAPFRE, S.L. SINGLE-MEMBER COMPANY
MR. JOSÉ MANUEL INCHAUSTI PÉREZ	CARTERA MAPFRE, S.L. SINGLE-MEMBER COMPANY	CARTERA MAPFRE, S.L. SINGLE-MEMBER COMPANY	Board Director of CARTERA MAPFRE, S.L. SINGLE-MEMBER COMPANY
MR. FERNANDO MATA VERDEJO	CARTERA MAPFRE, S.L. SINGLE-MEMBER COMPANY	CARTERA MAPFRE, S.L. SINGLE-MEMBER COMPANY	Board Director of CARTERA MAPFRE, S.L. SINGLE-MEMBER COMPANY

A.7. Indicate if any shareholder agreements have been disclosed to the company that affect it under art. 530 and 531 of the Companies Act. Where applicable, briefly describe them and list the shareholders bound by such agreement:

Yes
 No

Indicate whether the company knows of the existence of concerted actions among its shareholders. If so, describe them briefly:

Yes
 No

If there have been any modifications or terminations of said pacts or agreements or concerted actions during the fiscal year, indicate this expressly.

A.8. Indicate whether any person or organization exercises or may exercise control over the company pursuant to article 4 of the Securities Market Act. If so, identify them:

Yes
 No

Name or company name
FUNDACIÓN MAPFRE

A.9. Complete the following tables regarding the company's treasury stock:

As at the closing date of the fiscal year:

Number of direct shares	Number of indirect shares (*)	Total % of the share capital
30,489,839		0.99

(*) Through:

Name or company name of the direct holder of the interests	Number of direct shares
No data	

Explain the significant variations during the fiscal year:

Explain significant changes

In 2019, a total of 6,057,949 treasury stocks were added, representing 0.20 percent of capital and amounting to 15,585,821.85 euros.

A.10. Describe the terms and conditions of the current Annual General Meeting authorization to the Board of Directors to issue, buy back or transfer treasury stock.

The Board of Directors is currently authorized by the Annual General Meeting so that the Company can increase the share capital once or several times by up to a maximum of 153,977,663.65 euros, equivalent to 50 percent of the share capital. The duration of the authorization is five years calculated from the date of the resolution, passed on Friday, March 9, 2018.

The Board of Directors is currently authorized by the shareholders at the Annual General Meeting to allow the company to proceed, directly or through subsidiaries, to the derivative acquisition of treasury stock, subject to the following limits and requirements:

- a) Schemes: Acquisition by sale or by any other transaction inter vivos for good and valuable consideration, of shares free of any liens or encumbrances.
- b) Maximum number of shares to be acquired: Shares whose face value, added to the face value of the shares already owned by the company and its subsidiaries, does not exceed 10 percent of the share capital of MAPFRE S.A.
- c) Minimum and maximum acquisition price: 90% and 110%, respectively, of their market value on the date of acquisition.
- d) Duration of the authorization: Five years calculated from the date of the resolution, passed on March 11, 2016. The shares purchased may be fully or partially used: (i) for disposal or amortization, (ii) delivery to workers, employees or administrators of the company or its group whenever there is a recognized right to do so directly or as a result of exercising call option rights held thereby as provided for in the last paragraph of article 146, section 1, letter a) of the Recast Text of the Companies Act, and (iii) reinvestment plans involving dividends or similar instruments.

A.11. Estimated floating capital:

	%
Estimated floating capital	31.25

A.12. Indicate whether there are any restrictions (statutory, legal or otherwise) on the transfer of securities and/or any restriction on the right to vote. Particularly, the existence of any type of restrictions that may make it difficult to take control of the company through the acquisition of its shares in the market shall be communicated, as well as those authorization or prior notice systems that, over the acquisitions or transfers of financial instruments of the company, are applicable by sectoral regulations.

- Yes
- No

A.13. Indicate whether the Annual General Meeting has approved measures to counteract a public acquisition bid, pursuant to Law 6/2007.

Yes
 No

If so, explain the measures approved and the terms and conditions under which the restrictions would become inefficient:

A.14. Indicate whether the company has issued securities that are not traded on a regulated EU market.

Yes
 No

If so, indicate the different kinds of shares and, for each kind of shares, the rights and obligations conferred:

B. ANNUAL GENERAL MEETING

B.1. Indicate and, where applicable, give details, about whether there are any differences from the minimum standards established under the Companies Act with respect to the quorum and constitution of the Annual General Meeting:

Yes
 No

B.2. Indicate, and where applicable give details, whether there are any differences from the minimum standards established under the Companies Act with respect to the adoption of corporate resolutions:

Yes
 No

	Reinforced majority different from that established in art. 201.2 of the Companies Act for the cases cited in art.	Other cases of reinforced majority
% established by the company for adopting agreements	0.00	50.01

Article 201 of the Spanish Companies Law establishes that, to adopt the agreements referred to in article 194, if the present or represented capital exceeds 50 percent, it will be enough for the agreement to be adopted by absolute majority. However, the favorable vote of two thirds of the capital present or represented at the meeting will be required when at the second call there are shareholders who represent 25 percent or more of the share capital with voting rights without reaching fifty percent. At the second call, a minimum of 25 percent of capital is required.

Pursuant to the provisions of article 26 of the Corporate Bylaws, the amendment of the provisions of Title IV "Protection of the Company's General Interest" (articles 26 to 29) can only be amended by a resolution approved with the votes in favor of more than 50 percent of the share capital at the Extraordinary Annual General Meeting specifically called for this purpose.

B.3. Indicate the rules applicable to amendment of the company's bylaws. In particular, indicate the majorities established for the amendment of the bylaws, as well as, where applicable, the rules established for protection of the partner's rights in the amendment of the bylaws.

There are no particularities other than those established in the legislation in force for amendment of the company's bylaws, except for the amendment of articles 26 to 29 (Title IV- Protection of the Company's General Interest). As stated in the previous paragraph B.2, a resolution adopted with the favorable vote of more than 50 percent of share capital at the Extraordinary General Meeting called for that purpose is necessary.

B.4. Give attendance data on the Annual General Meetings held during the fiscal year to which this report refers and those from the two previous fiscal years:

Date of board meeting	Attendance data				Total
	% of physical presence	% in representation	% remote voting		
			Electronic Vote	Others	
3/10/2017	68.88	13.42	0.00	0.90	83.20
Of which floating capital	1.15	13.42	0.00	0.90	15.47
3/9/2018	68.73	13.10	0.00	0.24	82.07
Of which floating capital	1.26	13.10	0.00	0.24	14.60
3/8/2019	68.64	12.69	0.00	1.05	82.38
Of which floating capital	0.12	12.69	0.00	1.05	13.86

B.5. Indicate whether at the General Meetings held during the fiscal year there has been any item on the agenda that, for whatever reason, has not been approved by the shareholders:

Yes
 No

B.6. Indicate if there are any statutory restrictions that establish a minimum number of shares required to attend the Annual General Meeting, or to vote remotely:

Yes
 No

Number of shares necessary to attend the Annual General Meeting	1,000
Number of shares required to vote remotely	1

B.7. Indicate whether it has been established that certain decisions, other than those established by law, involving an acquisition, transfer, contribution to another company of essential assets or other similar corporate operations, must be submitted for approval by the Annual General Meeting:

- Yes
 No

B.8. Indicate the address and method of access to the company's website, to the information on corporate governance and other information on Annual General Meetings that must be available to shareholders through the Company's website:

Access is as follows: www.mapfre.com
Section titled Shareholders and Investors.

C. GOVERNANCE STRUCTURE OF THE COMPANY

C.1. Board of Directors

C.1.1 Maximum and minimum number of board directors foreseen in the bylaws and the number set out by the Annual General Meeting:

Maximum number of board directors	20
Minimum number of board directors	5
Number of board directors set by the Annual General Meeting	15

C.1.2 Complete the following table on the board members:

Name or company name of the board director	Representative	Category of the board director	Position on the Board	Date of first appointment	Date of last appointment	Election procedure
MR. ANTONIO HUERTAS MEJÍAS		Executive	CHAIRMAN AND CEO	12/29/2006	3/9/2018	ANNUAL GENERAL MEETING RESOLUTION
MR. IGNACIO BAEZA GÓMEZ		Executive	FIRST VICE CHAIRMAN	3/8/2008	3/11/2016	ANNUAL GENERAL MEETING RESOLUTION
MS. CATALINA MIÑARRO BRUGAROLAS		Independent	SECOND VICE CHAIRMAN	10/30/2013	3/9/2018	ANNUAL GENERAL MEETING RESOLUTION
MR. JOSE MANUEL INCHAUSTI PÉREZ		Executive	THIRD VICE CHAIRMAN	7/18/2018	3/8/2019	ANNUAL GENERAL MEETING RESOLUTION
MR. JOSE ANTONIO COLOMER GUIU		Independent	BOARD DIRECTOR	2/9/2016	3/11/2016	ANNUAL GENERAL MEETING RESOLUTION
MS. ANA ISABEL FERNÁNDEZ ALVAREZ		Independent	BOARD DIRECTOR	7/26/2016	3/10/2017	ANNUAL GENERAL MEETING RESOLUTION

Name or company name of the board director	Representative	Category of the board director	Position on the Board	Date of first appointment	Date of last appointment	Election procedure
MS. MARÍA LETICIA DE FREITAS COSTA		Independent	BOARD DIRECTOR	7/23/2015	3/11/2016	ANNUAL GENERAL MEETING RESOLUTION
MS. ROSA MARÍA GARCÍA GARCÍA		Independent	BOARD DIRECTOR	9/26/2019	9/26/2019	CO-OPTING
MR. ANTONIO GÓMEZ CIRIA		Independent	BOARD DIRECTOR	1/1/2019	3/8/2019	ANNUAL GENERAL MEETING RESOLUTION
MR. LUIS HERNANDO DE LARRAMENDI MARTÍNEZ		Nominee	BOARD DIRECTOR	4/17/1999	3/8/2019	ANNUAL GENERAL MEETING RESOLUTION
MR. FRANCISCO JOSÉ MARCO ORENES		Executive	BOARD DIRECTOR	3/10/2017	3/10/2017	ANNUAL GENERAL MEETING RESOLUTION
MR. FERNANDO MATA VERDEJO		Executive	BOARD DIRECTOR	1/1/2017	3/10/2017	ANNUAL GENERAL MEETING RESOLUTION
MR. ANTONIO MIGUEL-ROMERO DE OLANO		Nominee	BOARD DIRECTOR	4/17/1999	3/8/2019	ANNUAL GENERAL MEETING RESOLUTION
MS. MARÍA DEL PILAR PERALES VISCASILLAS		Independent	BOARD DIRECTOR	1/1/2018	3/9/2018	ANNUAL GENERAL MEETING RESOLUTION
MR. ALFONSO REBUELTA BADÍAS		Nominee	BOARD DIRECTOR	4/17/1999	3/8/2019	ANNUAL GENERAL MEETING RESOLUTION

Total number of board directors	15
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Indicate the changes that, whether due to resignation, dismissal or for any other reason, have taken place in the board of directors during the informed period:

Name or company name of the board director	Category of the board director on termination	Date of last appointment	Termination date	Specialized committees of which he was a member	Indicate whether the change occurred before the end
MR. GEORG DASCHNER	Independent	3/8/2019	8/18/2019	Steering Committee (member) Risk Committee (Chairman)	YES

Causes of the change and other observations

D. Georg Daschner resigns from his duties on the grounds of having reached the maximum age provided for in the Company's bylaws. Mr. Daschner explained the reasons for his resignation in a letter addressed to all members of the Board of Directors.

C.1.3 Complete the following tables on the Board members and their different kinds of board directorship:

EXECUTIVE DIRECTORS		
Name or company name of the board director	Position within company organization	Pro file
MR. ANTONIO HUERTAS MEJÍAS	CHAIRMAN AND CEO	Holds a law degree from the University of Salamanca. Has occupied, among others, the positions of Chairman and CEO of MAPFRE FLORIDA and MAPFRE PUERTO RICO, General Director of MAPFRE MUTUALIDAD, Chairman of MAPFRE FAMILIAR and Third Vice Chairman of MAPFRE. For more information on the current positions, please see sections A.6, C.1.10 and C.2.1.
MR. IGNACIO BAEZA GÓMEZ	FIRST VICE CHAIRMAN	Degree in Economics from the Complutense University of Madrid. He has spent a large part of his professional career at MAPFRE, holding several senior executive positions since he joined. For more information on the current positions, please see sections A.6, C.1.10 and C.2.1.
MR. JOSÉ MANUEL INCHAUSTI PÉREZ	THIRD VICE CHAIRMAN	A Law graduate from the Complutense University of Madrid who also completed the Senior Management Program at IESE He has spent a large part of his professional career at MAPFRE, holding several senior executive positions since he joined. CEO of the IBERIA Territorial Area since 2015. For more information on the current positions, please see sections A.6 and C.1.10.
MR. FRANCISCO JOSÉ MARCO ORENES	GROUP CHIEF BUSINESS SUPPORT OFFICER AND MEMBER OF THE BOARD	Has a degree in Medicine and Surgery from the University of Murcia. He is a specialist in Geriatrics from the University of Murcia and in Nutrition from the University of Granada and he has a Masters Degree in Company Administration from the IDAE. He has held various senior management positions at MAPFRE since joining. Group Chief Business Support Officer

EXECUTIVE DIRECTORS		
Name or company name of the board director	Position within company organization	Profile
		since 2015. For more information on the current positions, please see section C.1.10.
MR. FERNANDO MATA VERDEJO	CFO AND MEMBER OF THE BOARD	Has a degree in Business Science from the Universidad Autónoma de Madrid (Autonomous University of Madrid). He has spent much of his professional career in MAPFRE, holding different senior management positions since he started. CFO of the Corporate Finance and Resources Area since 2017. For more information on the current positions, please see sections A.6 and C.1.10.

Total number of executive board directors	5
% of total board	33.33

NOMINEE EXTERNAL DIRECTORS		
Name or company name of the board director	Name or denomination of the significant shareholder whom he/she represents or who has suggested his/her appointment	Profile
MR. LUIS HERNANDO DE LARRAMENDI MARTÍNEZ	CARTERA MAPFRE, S.L. SINGLE-MEMBER COMPANY	A Law graduate from the Complutense University of Madrid, Official Industrial and Intellectual Property Agent in Spain and European Patent Agent. He was a member and board member of Elizaburu, S.L.P. until 2016 and is a member of the International Association for the Protection of Intellectual Property. For more information on the current positions, please see sections A.6, C.1.10 and C.2.1.
MR. ANTONIO MIGUEL-ROMERO DE OLANO	CARTERA MAPFRE, S.L. SINGLE-MEMBER COMPANY	Agricultural Engineer graduate from the Polytechnic University of Madrid. Also holds a Masters in Business Administration (MBA) from the Madrid Business Institute. From 1986 to 2005 he was Deputy Risk Manager at FIAT FINANCIERA. For more information on the current positions, please see sections A.6, C.1.10 and C.2.1.
MR. ALFONSO REBUelta BADÍAS	CARTERA MAPFRE, S.L. SINGLE-MEMBER COMPANY	Is a graduate in Business Sciences from Pontificia Comillas University and also holds a Masters in Business Administration (MBA) from the University of Colombia (New York). He was Vice Chairman of JP Morgan and Vice Chairman of Citibank until 1991, a partner at Heidrick & Struggles and consultant partner at Asset Executive. He has been a partner at Signium International since 2004. For more information on the current positions, please see sections A.6, C.1.10 and C.2.1.

Total number of nominee board directors	3
% of total board	20.00

INDEPENDENT EXTERNAL BOARD DIRECTORS	
Name or company name of the board director	Profile
MS. CATALINA MIÑARRO BRUGAROLAS	Degree in law. State attorney on leave of absence. For more information on the current positions, please see sections C.1.10 and C.2.1.
MR. JOSÉ ANTONIO COLOMER GUIU	Business Administration Degree (School of Business Management and Administration - Barcelona). For more information on the current positions, please see sections C.1.10 and C.2.1.
MS. ANA ISABEL FERNÁNDEZ ÁLVAREZ	Has a Degree and Doctorate in Economics and Business Science from the Universidad de Oviedo (Oviedo University). Member of the Board of Directors of BME Bolsas y Mercados Españoles, S.A., member of the corporate reporting consultative committee of the European Securities Authority, General Director of CUNEF and member of the Board of Directors of the Princesa de Asturias Foundation and the Banco de Sabadell Foundation. She is also a Professor of Financial Economics at the University of Oviedo and Professor of Finances at CUNEF. For more information on the current positions, please see sections C.1.10 and C.2.1.
MS. MARÍA LETICIA DE FREITAS COSTA	Holds a degree in Product Engineering and a Master's Degree in Business Administration (MBA). Manager of the Insper Center for Strategic Research and a partner at Prada Assessoria. For more information on the current positions, please see section C.1.10.
MS. ROSA MARÍA GARCÍA GARCÍA	Has a degree in Law from the Autonomous University of Madrid. She has been non-executive Chairman of the SIEMENS GAMESA Board of Directors, Chairman and CEO of SIEMENS SPAIN. She is a member of the Board of Directors of Tubacex, S.A. and Sener Grupo de Ingeniería, S.A. For more information on the current positions, please see section C.1.10.
MR. ANTONIO GÓMEZ CIRIA	A graduate in Economic and Business Sciences and in Mathematical Sciences from the Complutense University of Madrid who holds an Executive MBA from the IESE. He is a member of the Board of Directors of Red Eléctrica Corporación, S.A. and Chairman of its Audit Committee and a member of the Advisory Board of Experts on Accounting and Financial Information of the General Board of the College of Economists. For more information on the current positions, please see sections C.1.10 and C.2.1.
MS. MARÍA DEL PILAR PERALES VISCASILLAS	Law degree from the Autonomous University of Madrid and PhD in law from the Carlos III University of Madrid. Professor of mercantile law at the Carlos III University of Madrid. For more information on the current positions, please see sections C.1.10 and C.2.1.

Total number of independent board directors	7
% of total board	46.67

Indicate whether any board director classified as independent receives from the company, or from its Group, any amount or earning for an item other than the board director's remuneration, or maintains or has maintained, during last fiscal year a business relationship with the company or with any company from its Group, whether on his behalf or as a significant shareholder, board director or senior management member of a company that maintains or has maintained such a relationship.

If so, include a reasoned statement from the Board on the reasons why it considers that this board director may perform his functions as an independent board director.

Name or company name of the board director	Relationship description	Reasoned statement
No data		

No board director classified as independent receives, from the Company or the Group, any amount or benefit for an item other than board director's remuneration.

OTHER EXTERNAL BOARD DIRECTORS

Identify other external board directors and explain in detail the reasons for which they cannot be considered nominee or independent board directors, as well as their affiliations with the company, its management or its shareholders:

Name or company name of the board director	Reasons	Company, executive or shareholder with whom holds the affiliation	Profile
No data			

Total number of external board directors	N/R
% of total board	N/R

Indicate any changes that may have occurred during the period in the type of category for each board director:

Name or company name of the board director	Date of change	Previous category	Current category
No data			

C.1.4 Complete the following table with information relating to the number of female board directors at the closure of the last four fiscal years, as well as the category of these female board directors:

	Number of female board directors				% of the total of board directors of each category			
	Fiscal year 2019	Fiscal year 2018	Fiscal year 2017	Fiscal year 2016	Fiscal year 2019	Fiscal year 2018	Fiscal year 2017	Fiscal year 2016
Executives					0.00	0.00	0.00	0.00
Nominees					0.00	0.00	0.00	0.00

	Number of female board directors				% of the total of board directors of each category			
	Fiscal year 2019	Fiscal year 2018	Fiscal year 2017	Fiscal year 2016	Fiscal year 2019	Fiscal year 2018	Fiscal year 2017	Fiscal year 2016
Independent	5	4	4	4	71.43	66.67	66.67	57.14
Other External					0.00	0.00	0.00	0.00
Total	5	4	4	4	33.33	28.57	26.67	23.53

C.1.5 Indicate whether the company has diversity policies regarding the board of directors with regard to issues such as age, gender, disability, or professional training and experience. Small and medium-sized companies, in accordance with the definition established in the Account Audit Law, shall have to inform, at least, of the policy they have established regarding gender diversity.

- Yes
 No
 Partial policies

If yes, please describe such diversity policies, their objectives, the measures and the way in which they have been implemented and their results in the fiscal year. The specific measures adopted by the board of directors and the appointments and remuneration committee should also be indicated in order to achieve a balanced and diverse presence of board directors.

Should the company not apply a diversity policy, please explain the reasons why.

Description of the policies, objectives, measures and manner in which they have been applied, as well as the results obtained

The Institutional, Business and Organizational Principles of the MAPFRE Group, approved by the MAPFRE Board of Directors on June 24, 2015, expressly state that the MAPFRE Board of Directors will develop a plan for filling vacancies that guarantees the suitability of the applicants to these vacancies, based on their skills and professional and geographical backgrounds as well as on a sufficient presence of members of both genders.

Likewise, MAPFRE has established a Policy for the Selection of Board Directors that establishes that in the selection process any type of implicit bias that may involve discrimination and, in particular, that hinders the selection of persons from gender or the other will be avoided and that in 2020 the number of female board directors will represent at least thirty percent of the total members of the Board of Directors. On September 26, 2019, Mrs. Rosa María García García was appointed as an independent board director, the percentage of women's representation on the Board of Directors consequently reaching 33 percent.

Similarly, it is established that the competent bodies of Group companies will ensure that, when vacancies arise, equal opportunities are guaranteed for candidates regardless of their gender, and they must seek to achieve an effective presence of board directors of both genders.

The Board of Directors currently consists of fifteen members, who as a whole possess knowledge, qualifications and experience relating to the following areas: insurance and financial markets, business strategy and business models, governance systems, financial and actuarial analysis and regulatory framework. Currently five of the fifteen members of the Board of Directors are women and the majority participate in the specific committees of the Board and/or have a key role: i) Ms. Catalina Miñarro Brugarolas is the 2nd Vice Chairman of the Board of Directors and the Steering Committee, Chair of the Appointments and Remuneration Committee and independent Lead board director; ii) Ms. Ana Isabel Fernández Álvarez is a member of the Audit and Compliance Committee and the Risk Committee; and iii) Ms. María del Pilar Perales Viscasillas is a member of the Audit and Compliance Committee.

Geographic and cultural diversity is also visible at Board level, with two nationalities represented: Spanish and Brazilian.

- C.1.6 Explain the measures which, where applicable, the Appointments Committee has agreed so that the procedure for filling Board vacancies has no implicit bias against women candidates, and the company makes a conscious effort to include women with the target profile among the candidates for Board seats, and achieve a balanced presence of women and men:

Explanation of the measures

The Appointments and Remuneration Committee must ensure that during the candidate selection process any kind of implicit biases are always avoided, which may involve discrimination and, in particular, those biases that interfere with the selection of persons of either gender.

In 2015 the Appointments and Remuneration Committee approved a renewal plan for the Board of Directors establishing the steps to follow in the period 2015-2020 to adapt the structure of the Board of Directors to the new legal requirements and recommendations contained in the Code of Good Governance of the National Securities and Exchange Commission.

When, in spite of the measures which, where applicable, have been adopted, there are few or no female board directors, explain the reasons that justify this.

Explanation of the reasons

Not applicable.

- C.1.7 Explain the conclusions of the Appointments Committee on the verification of compliance with the Board of Directors Selection Policy. In particular, explain how this policy is promoting the objective that by 2020 the number of female board directors represents at least 30 percent of the total of members of the Board of Directors.

MAPFRE's Board of Directors Selection Policy aims to ensure that the proposals for nomination and re-election of board directors are based on a preliminary analysis of the Board of Directors needs, and to promote a diversity of knowledge, experiences and gender on the Board. It expressly sets out the commitment to ensure that in the year 2020 the number of female board directors shall represent at least 30 percent of the total of members of the Board of Directors.

As indicated in section C.1.6 above, with the appointment of Ms. Rosa Maria Garcia Garcia as an independent board director, the objective set in the aforementioned policy (to get the number of female board directors to represent at least thirty percent of the total members of the Board of Directors in 2020) was reached. In accordance with the provisions of the Board of Directors renewal plan, this participation will be maintained or increased, depending on the suitability of the proposed candidates.

Throughout the year, the Appointments and Remuneration Committee has carried out a constant analysis of the structure, size and composition of the Board and of the principles and objectives established in the Board of Directors Selection Policy and in the renewal plan, which have already been described in sections C.1.5 and C.1.6 above, all based on the needs of the company, regulatory requirements and best corporate governance practices.

In particular, the Appointments and Remuneration Committee verified compliance with the Board of Directors Selection Policy during fiscal year 2019 when preparing the proposals for the appointment of Mrs. Rosa Maria Garcia Garcia and the re-election of Mr. José Manuel Inchausti Pérez, Mr. Antonio Gómez Ciria, Mr. Georg Daschner (who resigned as a board director on August 18, 2019), Mr. Luis Hernando de Larramendi Martínez, Mr. Antonio Miguel-Romero de Olano and Mr. Alfonso Rebuella Badias.

- C.1.8 Explain, where applicable, the reasons why nominee board directors have been appointed at the behest of shareholders whose shareholding is less than 3 percent of the capital:

Name or company name of the shareholder	Justification
No data	

Indicate whether formal petitions for a seat on the board have been ignored from shareholders whose holding is equal to or higher than others at whose behest nominee board directors were appointed. Where applicable, explain why these petitions have been ignored:

- [] Yes
[v] No

C.1.9 Indicate, if any, the powers delegated by the board of directors on board directors or committees of the board:

Name or company name of the board director or committee	Brief description
STEERING COMMITTEE	The Steering Committee is the delegate body of the Board of Directors for the executive management and permanent supervision of the everyday management of the Company and its subsidiaries in strategic and operational aspects and for the adoption of decisions necessary for their proper functioning. It has general decision-making capacity, with express delegation in its favor of all the powers that correspond to the Board of Directors except those that are not delegable by the Law, the Company's Bylaws or the Board of Directors Regulations. It may delegate to any of its members the necessary powers for the final adoption of decisions previously discussed by the Committee, and for the implementation of the agreements it adopts.

C.1.10 Identify, where applicable, any members of the Board holding posts as board directors, representatives of board directors or managers in other companies that are part of the listed company of the group:

Name or company name of the board director	Company name of the Group company	Position	Do they have executive functions?
MR. ANTONIO HUERTAS MEJÍAS	MAPFRE INTERNACIONAL, S.A.	CHAIRMAN AND CEO	NO
MR. IGNACIO BAEZA GÓMEZ	MAPFRE ASISTENCIA, COMPAÑÍA INTERNACIONAL DE SEGUROS Y REASEGUROS, S.A.	CHAIRMAN	NO
MR. IGNACIO BAEZA GÓMEZ	MAPFRE PARTICIPATIONS, S.A.U.	ADMINISTRATOR	NO
MR. IGNACIO BAEZA GÓMEZ	MAPFRE INTERNACIONAL, S.A.	BOARD DIRECTOR	NO
MS. CATALINA MIÑARRO BRUGAROLAS	MAPFRE ESPAÑA, COMPAÑÍA DE SEGUROS Y REASEGUROS, S.A.	BOARD DIRECTOR	NO
MS. CATALINA MIÑARRO BRUGAROLAS	MAPFRE VIDA SOCIEDAD ANÓNIMA DE SEGUROS Y RESASEGUROS SOBRE LA VIDA HUMANA	BOARD DIRECTOR	NO

Name or company name of the board director	Company name of the Group company	Position	Do they have executive functions?
MS. CATALINA MIÑARRO BRUGAROLAS	MAPFRE INTERNACIONAL, S.A.	BOARD DIRECTOR	NO
MR. JOSÉ MANUEL INCHAUSTI PÉREZ	MAPFRE ESPAÑA, COMPAÑÍA DE SEGUROS Y REASEGUROS, S.A.	FIRST VICE CHAIRMAN AND MANAGING DIRECTOR	YES
MR. JOSÉ MANUEL INCHAUSTI PÉREZ	MAPFRE VIDA SOCIEDAD ANÓNIMA DE SEGUROS Y RESASEGUROS SOBRE LA VIDA HUMANA	BOARD DIRECTOR	NO
MR. JOSÉ MANUEL INCHAUSTI PÉREZ	MAPFRE INTERNACIONAL, S.A.	BOARD DIRECTOR	NO
MR. JOSÉ MANUEL INCHAUSTI PÉREZ	MAPFRE GLOBAL RISKS, AGENCIA DE SUSCRIPCIÓN, S.A.	BOARD DIRECTOR	NO
MR. JOSÉ MANUEL INCHAUSTI PÉREZ	MAPFRE SEGUROS GERAIS	CHAIRMAN	NO
MR. JOSÉ MANUEL INCHAUSTI PÉREZ	VERTI ASEGURADORA, COMPAÑÍA DE SEGUROS Y REASEGUROS, S.A.	ADMINISTRATOR	NO
MR. JOSÉ MANUEL INCHAUSTI PÉREZ	SANTANDER MAPFRE SEGUROS Y REASEGUROS, S.A.	CHAIRMAN	NO
MR. JOSÉ MANUEL INCHAUSTI PÉREZ	MAPFRE RE, COMPAÑÍA DE REASEGUROS, S.A.	BOARD DIRECTOR	NO
MR. JOSÉ ANTONIO COLOMER GUIU	MAPFRE ESPAÑA, COMPAÑÍA DE SEGUROS Y REASEGUROS, S.A.	BOARD DIRECTOR	NO
MR. JOSÉ ANTONIO COLOMER GUIU	MAPFRE VIDA SOCIEDAD ANÓNIMA DE SEGUROS Y RESASEGUROS SOBRE LA VIDA HUMANA	BOARD DIRECTOR	NO
MS. ANA ISABEL FERNÁNDEZ ÁLVAREZ	MAPFRE GLOBAL RISKS, AGENCIA DE SUSCRIPCIÓN, S.A.	BOARD DIRECTOR	NO
MS. ANA ISABEL FERNÁNDEZ ÁLVAREZ	MAPFRE RE, COMPAÑÍA DE REASEGUROS, S.A.	BOARD DIRECTOR	NO
MS. MARÍA LETICIA DE FREITAS COSTA	BB MAPFRE PARTICIPAÇÕES, S.A.	BOARD DIRECTOR	NO
MS. MARÍA LETICIA DE FREITAS COSTA	MAPFRE PARTICIPAÇÕES, S.A.	VICE CHAIRMAN	NO

Name or company name of the board director	Company name of the Group company	Position	Do they have executive functions?
MS. ROSA MARÍA GARCÍA GARCÍA	MAPFRE ESPAÑA, COMPAÑÍA DE SEGUROS Y REASEGUROS, S.A.	BOARD DIRECTOR	NO
MR. ANTONIO GÓMEZ CIRIA	MAPFRE ESPAÑA, COMPAÑÍA DE SEGUROS Y REASEGUROS, S.A.	BOARD DIRECTOR	NO
MR. ANTONIO GÓMEZ CIRIA	MAPFRE RE, COMPAÑÍA DE REASEGUROS, S.A.	BOARD DIRECTOR	NO
MR. ANTONIO GÓMEZ CIRIA	MAPFRE VIDA SOCIEDAD ANÓNIMA DE SEGUROS Y RESASEGUROS SOBRE LA VIDA HUMANA	BOARD DIRECTOR	NO
MR. LUIS HERNANDO DE LARRAMENDI MARTÍNEZ	MAPFRE INTERNACIONAL, S.A.	BOARD DIRECTOR	NO
MR. LUIS HERNANDO DE LARRAMENDI MARTÍNEZ	MAPFRE ESPAÑA, COMPAÑÍA DE SEGUROS Y REASEGUROS, S.A.	SECOND VICE CHAIRMAN	NO
MR. LUIS HERNANDO DE LARRAMENDI MARTÍNEZ	MAPFRE VIDA SOCIEDAD ANÓNIMA DE SEGUROS Y RESASEGUROS SOBRE LA VIDA HUMANA	SECOND VICE CHAIRMAN	NO
MR. FRANCISCO JOSÉ MARCO ORENES	MAPFRE INTERNACIONAL, S.A.	BOARD DIRECTOR	NO
MR. FRANCISCO JOSÉ MARCO ORENES	MAPFRE GLOBAL RISKS, AGENCIA DE SUSCRIPCIÓN, S.A.	CHAIRMAN	NO
MR. FRANCISCO JOSÉ MARCO ORENES	FUNESPAÑA, S.A.	CHAIRMAN	NO
MR. FERNANDO MATA VERDEJO	MAPFRE INTERNACIONAL, S.A.	BOARD DIRECTOR	NO
MR. FERNANDO MATA VERDEJO	MAPFRE ESPAÑA, COMPAÑÍA DE SEGUROS Y REASEGUROS, S.A.	BOARD DIRECTOR	NO
MR. FERNANDO MATA VERDEJO	MAPFRE VIDA SOCIEDAD ANÓNIMA DE SEGUROS Y RESASEGUROS SOBRE LA VIDA HUMANA	BOARD DIRECTOR	NO
MR. FERNANDO MATA VERDEJO	MAPFRE INMUEBLES S.G.A., S.A.	ADMINISTRATOR	NO
MR. FERNANDO MATA VERDEJO	MAPFRE PARTICIPATIONS, S.A.U.	ADMINISTRATOR	NO

Name or company name of the board director	Company name of the Group company	Position	Do they have executive functions?
MR. ANTONIO MIGUEL-ROMERO DE OLANO	MAPFRE ASISTENCIA, COMPAÑÍA INTERNACIONAL DE SEGUROS Y REASEGUROS, S.A.	BOARD DIRECTOR	NO
MR. ANTONIO MIGUEL-ROMERO DE OLANO	MAPFRE ESPAÑA, COMPAÑÍA DE SEGUROS Y REASEGUROS, S.A.	BOARD DIRECTOR	NO
MR. ANTONIO MIGUEL-ROMERO DE OLANO	MAPFRE VIDA SOCIEDAD ANÓNIMA DE SEGUROS Y RESASEGUROS SOBRE LA VIDA HUMANA	BOARD DIRECTOR	NO
MS. MARÍA DEL PILAR PERALES VISCASILLAS	MAPFRE ASISTENCIA, COMPAÑÍA INTERNACIONAL DE SEGUROS Y REASEGUROS, S.A.	VICE CHAIRMAN	NO
MS. MARÍA DEL PILAR PERALES VISCASILLAS	MAPFRE GLOBAL RISKS, AGENCIA DE SUSCRIPCIÓN, S.A.	BOARD DIRECTOR	NO
MR. ALFONSO REBUelta BADÍAS	MAPFRE GLOBAL RISKS, AGENCIA DE SUSCRIPCIÓN, S.A.	VICE CHAIRMAN	NO
MR. ALFONSO REBUelta BADÍAS	MAPFRE INTERNACIONAL, S.A.	BOARD DIRECTOR	NO

C.1.11 Detail, where appropriate, the board directors or representatives of legal persons of their company, who are members of the board of directors or representatives of legal persons of other companies listed on official securities markets other than their group, which have been notified to the company:

Name or company name of the board director	Company name of the listed company	Position
MS. CATALINA MIÑARRO BRUGAROLAS	ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A.	BOARD DIRECTOR
MS. ANA ISABEL FERNÁNDEZ ÁLVAREZ	BOLSAS Y MERCADOS ESPAÑOLES, SOCIEDAD HOLDING DE MERCADOS Y SISTEMAS FINANCIEROS, S.A.	BOARD DIRECTOR
MS. ROSA MARÍA GARCÍA GARCÍA	TUBACEX, S.A.	BOARD DIRECTOR
MR. ANTONIO GÓMEZ CIRIA	RED ELÉCTRICA CORPORACIÓN, S.A.	BOARD DIRECTOR

C.1.12 Indicate and, if applicable, explain if the company has established rules on the maximum number of boards of companies in which its board directors can be part, identifying, where appropriate, where it is regulated:

Yes
 No

Explanation of the rules and identification of the document where it is regulated

According to article 4 of the MAPFRE Regulation of the Board of Directors, no board director can simultaneously be a member of more than five Boards of board directors of companies that do not form part of the Group, except for personal or family companies.

C.1.13 Indicate the amounts of the items related to the overall remuneration of the following board of directors:

Remuneration accrued in the fiscal year in favor of the board of directors (thousands of euros)	10,252
Amount corresponding to the rights accumulated by current board directors regarding pensions (thousands of euros)	26,809
Amount corresponding to the rights accumulated by former board directors regarding pensions (thousands of euros)	

C.1.14 Identify those executive management members who are not also executive board directors, and indicate the total remuneration earned by them during the fiscal year:

Name or company name	Position/s	
MR. ÁNGEL LUIS DÁVILA BERMEJO	GENERAL COUNSEL	
MR. JOSÉ LUIS JIMÉNEZ GUAJARDO-FAJARDO	GROUP CHIEF INVESTMENT OFFICER	
MS. EVA PIERA ROJO	GROUP CHIEF EXTERNAL RELATIONS AND COMMUNICATION OFFICER	
MS. MARÍA ELENA SÁNZ ISLA	GROUP CHIEF PEOPLE OFFICER	
MR. JOSÉ MANUEL CORRAL VÁZQUEZ	GROUP CHIEF BUSINESS OFFICER	
MR. JOSÉ LUIS GURTUBAY FRANCIA	GROUP CHIEF STRATEGY AND M&A OFFICER	
MS. MARÍA LUISA GORDILLO GUTIÉRREZ	GROUP CHIEF INTERNAL AUDIT OFFICER	
MR. JOSÉ ANTONIO ARIAS BERMÚDEZ	GROUP CHIEF OPERATIONS OFFICER	
Total remuneration of executive management employees (in thousands of euros)		4,391

C.1.15 Indicate whether during the fiscal year there has been any change in the board regulations:

Yes
 No

Description of amendments

The Board of Directors, at its meeting on December 13, 2019, approved the following amendments to the Rules of Procedure of the Board of Directors:

- Amendment of article 2 in order to include the new non-delegable jurisdiction of the Board of Directors introduced by Law 11/2018, of December 28, which amends the Commercial Code, the Recast Text of the Spanish Companies Law approved by Royal Legislative Decree 1/2010, of July 2, and Law 22/2015, of July 20, on Account Auditing, regarding non-financial information and diversity.
- Amendment of section 3 of article 9 in order to eliminate a minimum annual number of meetings to be held by the Steering Committee.
- Amendment of sections 1 and 3 of article 12 in order to eliminate references to the former functions of the Compliance Risk Committee.

C.1.16 Indicate procedures for selection, appointment, re-election and removal of board directors. List the competent bodies, the procedures to be followed and the criteria to be employed in each procedure.

The persons to whom the position of board director of MAPFRE S.A. or of a subsidiary company is offered must make a prior, true and full statement of their personal, family, professional or business circumstances, specially stating: (i) the persons or companies that have, with respect to him/her, the status of related persons in accordance with the provisions of the current legislation; (ii) any circumstances that could entail any incompatibility in accordance with the laws, the Bylaws and the Regulations of the Board of Directors, or a situation of conflict of interest; (iii) his/her remaining professional obligations, in case they could interfere with the dedication required for the position; (iv) criminal cases in which he/she appears as the defendant or prosecuted party; and (v) any other event or situation that affects him/her and that may be relevant for his/her performance as a Board director. This declaration must be made on the form provided for such purposes by MAPFRE, and shall include an express acceptance of the regulations set out in the Corporate Bylaws and other internal regulations, as well as in current legislation.

Any person who holds the position of board director must be of renowned prestige in his/her professional and business area, and hold all necessary professional qualifications or experience as provided by law for financial institutions or insurance companies subject to supervision by Public Authorities.

Specifically, people cannot be members of the Board of Directors if they hold significant shares in, or provide professional services to, competing businesses of the Company or of any company of the Group, or if they work as employees, managers, or administrators of them, unless they are granted express authorization from the Board of Directors.

- Proposals for the appointment or reappointment of Independent Board Directors must be preceded by a proposal from the Appointments and Remuneration Committee. The proposed reappointment of such board directors must include an assessment of the performance of their positions by board directors during the previous mandate and, where appropriate, of the positions performed by candidates on the Board, taking into account or assessing the amount and quality of the work done by them, and their commitment to the position.

- The formulation of proposals for appointment or reappointment by the Board of Directors must be preceded:

- a) In the case of Nominee Board Directors, by a suitable proposal of the shareholder backing their appointment or reappointment.
- b) In the case of Executive Board Directors, as well as the Secretary, whether or not a Board Director, by a suitable proposal from the Chairman of the Board.

Both types of proposals must also be preceded by the corresponding report from the Appointments and Remuneration Committee.

- The proposed reappointment of Nominee and Executive Board Directors must be subject to a prior report issued by the Appointments and Remuneration Committee, which must include an assessment of the performance of their positions by board directors during the previous mandate and, where appropriate, of the positions performed by candidates on the Board, taking into account or assessing the amount and quality of the work done by them, and their commitment to the position.

In any case, the proposals for appointment and reappointment of Board Directors must be accompanied by an explanatory report from the Board which assesses the responsibility, experience and merits of the candidate.

The Board of Directors shall not propose to the Annual General Meeting that any independent board director be removed from office before the end of the term for which the board director has been elected unless the Board of Directors considers, based on a report from the Appointments and Remuneration Committee, that there are grounds for doing so. In particular, the removal proposal shall be deemed justified when the Board Director has failed to comply with the duties inherent to the position, has not complied with any requirement set forth for Independent Board Directors, or has incurred in an insuperable conflict of interest according to the provisions of current legislation.

C.1.17 Explain how the annual assessment of the board has led to significant changes in its international organization and in the procedures that apply to its activities:

Description of amendments

In line with international best practices, in 2019 the Board of Directors agreed to hire Deloitte Legal S.L.P. as an external advisor to evaluate the functioning of the Board and its committees as well as the Chairman of the Board. Based on the result of the annual self-assessment, the Board of Directors resolved to take the following measures for 2020:

- Introduce executive summaries to accompany documentation presented to facilitate the understanding thereof, where appropriate.
- Publish documentation from meetings in advance.
- Assess the possibility of incorporating new profiles, when there are future vacancies, with sectoral knowledge and experience in other companies or businesses of an international nature.
- Develop basic MAPFRE terminology (acronyms, etc.) that also facilitates the onboarding of new board directors.
- To evaluate the incorporation to the Appointments and Remuneration Committee of a third independent board director, in line with recommendation 47, pertaining to a majority of independent directors, of the Code of Good Governance of the CNMV.
- To develop the program of training of Board Directors and to complete the planning schedule for this in the medium-term (one year), so as to facilitate adequate planning on the part of the Board Directors.
- Continue developing programs to update the knowledge of board directors on matters related to their specific needs.
- To develop a competency matrix that defines the skills and knowledge that members of the Board of Directors should cover based on the characteristics of the MAPFRE Group, so as to facilitate the Committee with the definition of the adequate profiles required for future Board incorporation.
- To promote a succession protocol for the Chairman and CEO, which contemplates a succession plan that would allow the Group to be sufficiently prepared to tackle unforeseen situations and guarantee the project's long-term stability.

Describe the assessment process and the areas assessed by the board of directors with the assistance, where applicable, of an external consultant, regarding the operation and composition of the board and its committees and any other area or aspect that has been subject to assessment.

Description of the assessment process and assessment areas

In accordance with the provisions of the Regulations of the Board of Directors of MAPFRE, the Board undertakes an annual assessment of the quality of its work, the performance of the Chairman based on the report drawn up for this purpose by the Appointments and Remuneration Committee, and the operation of its Committees and Steering Committee. Where appropriate, it proposes an action plan to correct any deficiencies detected.

For this fiscal year we relied on the collaboration of Deloitte Legal, S.L.P. and it has been based on a questionnaire and personal interviews with the board directors, including the Chairman, and the best practices of corporate governance at a national and international level. The process has focused on the following matters: structure, composition and operation of the Board and its Committees during the 2019 fiscal year.

The report containing the conclusions was submitted to the Board of Directors on December 13, 2019. Based on the report, the Board undertook the evaluation of its composition and operation during fiscal year 2019, as well as that of its Committees and Steering Committee.

C.1.18 Itemize, in those fiscal years in which the assessment was carried out with an external consultant, the business relationships that the consultant or any company of its group maintains with the company or any company of its group.

Deloitte, a group to which Deloitte Legal S.L.P. belongs, has participated throughout the fiscal year by providing other consulting services for the Company. The Appointments and Remuneration Committee favorably reported on the independence of Deloitte Legal S.L.P. as an external advisor in the evaluation process of the Board of Directors of MAPFRE S.A. and its delegated bodies in 2019 considering that the relationships between the Company and Deloitte are not significant.

C.1.19 Indicate the circumstances under which board directors are obliged to resign.

In accordance with the Corporate Bylaws, the Board of Directors Regulation and the MAPFRE Group's Institutional, Business and Organizational Principles, all members of the Board of Directors will formally resign their post at the age of 70, for the purposes of which they must submit the corresponding resignation. The Chairman, Vice Chairmen and Board Directors who perform executive functions, and the Secretary of the Board must retire from office on reaching 65 years of age or, on any earlier date according to the terms and conditions of their respective contracts, submitting the corresponding resignations, but they may continue as members of the Board without

any executive duties for a maximum of five years in the same conditions as external nominee board directors.

All Board Directors must resign from their directorship on the Board of Directors and any office held, such as on the Committees and Steering Committee, and tender their formal resignation should the Board of Directors deem it pertinent, in the following cases:

- a) Whenever they are removed from the executive office associated with their appointment as members of these governing bodies.
- b) Should they become subject to any disqualification or prohibition laid down under law.
- c) If they are accused of (or a court issues an order for the opening of a trial for) allegedly committing any crime or are involved in disciplinary proceedings involving a serious or very serious fault at the instance of the supervisory authorities.
- d) If they receive a serious warning from the Audit and Compliance Committee due to infringement of their obligations as board directors.
- e) When they are affected by circumstances in which their remaining on any such management bodies might cause damage to the Company's credit or reputation, or place its interests at risk. When such events or circumstances are well-known or public, the Appointments and Remuneration Committee, by agreement of the majority of its members, may request the resignation of the affected Board Director.
- f) If the reasons (if any expressly exist) for which they were appointed cease to apply.

Resignation from these positions must be formally tendered in a letter addressed to all members of the Board of Directors. Board directors who, at the time of their appointment, do not hold any executive position or perform any executive functions in the Company, or in another Group company, will not be able to perform any executives functions unless they first resign their directorship, even though they may subsequently remain eligible for the position.

Nominee Board Directors must also tender their resignation when the shareholder that appointed them sells its shareholding. When a shareholder reduces its shareholding, a proportionally equivalent number of Nominee Board Directors that it has appointed must resign.

MAPFRE's Independent Board Directors must also tender their resignation when they have held office for 12 years in a row.

C.1.20 Are reinforced majorities required, aside from legal majorities, for any type of resolution?

- Yes
- No

If so, describe the differences.

C.1.21 Explain whether there are specific requirements, other than those regarding board directors, to be appointed chairman of the board.

- Yes
- No

Requirements description

In accordance with the provisions of article 5 of the Regulations of the MAPFRE Board of Directors, the position of Chairman must go to an Executive Board Director who has the status of most senior management representative, and such a designation requires the favorable vote of two thirds of the members of the Board of Directors.

C.1.22 Indicate whether the bylaws or the board regulations establish any age limit for board directors:

- Yes
- No

	Age limit
Chairman	65
Managing Director	65
Board Director	70

C.1.23 Indicate whether the bylaws or the board's regulations establish a limited mandate or other stricter requirements than those legally provided for independent board directors, other than that established in the regulations:

- Yes
 No

C.1.24 Indicate whether the bylaws or the regulations of the board of directors establish specific regulations for delegating votes on the board of directors in favor of other board directors, how to do it, and in particular, the maximum number of delegations a board director may have, as well as whether any limit has been established regarding the categories in which it is possible to delegate, beyond the limits imposed by legislation. If so, describe such regulations briefly.

There are no specific regulations for delegating votes on the Board of Directors.

C.1.25 Indicate the number of meetings the board of directors has held during the fiscal year. Where applicable, indicate how many times the board has met without the chairman in attendance. In calculating this number, attendance shall mean proxies given with specific instructions.

Number of board meetings	10
Number of board meetings not attended by the chairman	0

Indicate the number of meetings held by the lead board director with the rest of the board directors, without the assistance or representation of any executive board director:

Number of meetings	0
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Indicate the number of meetings the board's different committees have held during the fiscal year.

Number of meetings of the STEERING COMMITTEE	5
Number of meetings of the AUDIT AND COMPLIANCE COMMITTEE	10
Number of meetings of the APPOINTMENTS AND REMUNERATION COMMITTEE	6
Number of meetings of the RISK COMMITTEE	6

C.1.26 Indicate the number of meetings the board of directors has held during the fiscal year and the attendance information of its members:

Number of meetings with in person attendance of at least 80 percent of board directors	10
% of attendance over total votes during the year	100.00
Number of meetings with in person attendance, or representations made with specific instructions, from all board directors	10
% of votes cast with in person attendance and representations made with specific instructions, on total votes during the fiscal year	100.00

C.1.27 Indicate whether the individual and consolidated annual accounts presented to the board for formulation were certified beforehand:

Yes
 No

Where applicable, identify the person(s) who certified the individual and consolidated annual accounts to be drawn up by the board:

Name	Position
MR. FERNANDO MATA VERDEJO	FINANCIAL GENERAL DIRECTOR
MS. MARÍA LUISA GORDILLO GUTIÉRREZ	GENERAL DIRECTOR OF THE CORPORATE AREA OF INTERNAL AUDIT
MR. CARLOS BARAHONA TORRIJOS	ASSISTANT GENERAL DIRECTOR OF CONTROL AND FINANCIAL INFORMATION

C.1.28 Explain the mechanisms, if any, established by the board of directors to prevent the individual and consolidated accounts that it draws up from being presented to the Annual General Meeting with reservations in the audit report.

The company has never issued financial statements with reservations in the auditor's report.

The company has Corporate Finance and Resources, General Counsel and Internal Audit Areas to oversee all aspects of the annual accounts, as well as the MAPFRE Audit and Compliance Committee, which is a delegate body that was created by the Board for this purpose and granted supervisory powers in 2000.

According to article 25 of the Regulation of the Board of Directors of MAPFRE, the Board of Directors must always draw up the annual accounts so that the External Auditor has no reservations or provisos regarding them. Nonetheless, when the Board considers that it must maintain its criteria, the Chairman of the Audit and Compliance Committee will publicly explain the content and scope of the discrepancies that may have led to these reservations or provisos.

C.1.29 Is the board secretary a board director?

- Yes
 No

If the secretary does not have the status of board director, complete the following table:

Name or company name of the secretary	Representative
MR. ÁNGEL LUIS DÁVILA BERMEJO	

C.1.30 Indicate the specific mechanisms established by the company to preserve the independence of the external auditors, as well as, if any, the mechanisms to preserve the independence of the financial analysts, the investment banks and the rating agencies, including how they have implemented the legal provisions in practice.

In addition to abiding by statutory provisions, the Company has decided to voluntarily propose compliance with a number of general guidelines that clearly and precisely aim to achieve and uphold the necessary independence of the external auditors in such regard as is advocated by the MAPFRE Board of Directors Regulations, which set out the following criteria in respect of the relationship with external auditors:

- The relationship of the Board of Directors with the Company's External Auditor shall be maintained through the Audit and Compliance Committee.
- The Board of Directors shall refrain from hiring any auditing firms that receive or that will receive annual fees from the Group, where the amount for all items exceeds 5 percent of its total annual revenue; and it shall report, in the annual public documentation, the total fees that the Group paid the External Auditor for the various services it provided.

Apart from the Audit and Compliance Committee's powers and functions as specified in the bylaws and the Board of Directors Regulations, the Audit Committee will be informed at least once every six months of all services rendered by the external auditor and their corresponding fees.

Every year, the Audit and Compliance Committee assesses the Accounts Auditor, the scope of the audit and the external auditor's independence, considering whether the quality of the audit control measures is adequate and any services other than accounts audit services are compatible with the auditor's independence.

Furthermore, the Audit and Compliance Committee verifies the independence of the external auditor in relation to the Company and its subsidiaries, receiving from it the declaration of its independence and issuing the Committee the corresponding report on the independence of the auditor.

In accordance with the provisions of the Internal Code of Conduct regarding listed securities issued by MAPFRE, which sets out the procedures relating to the publication of relevant information, the financial analysts will not be provided with any relevant information that is not available to the public at large.

C.1.31 Indicate whether the Company changed its external auditor during the fiscal year. If so, identify the incoming and outgoing auditors:

- Yes
 No

If there were disagreements with the outgoing auditor, explain the grounds.

Yes
 No

C.1.32 Indicate whether the audit firm does other work for the company and/or its group other than the audit. If so, declare the amount of fees received for such work and the percentage of such fees in the total fees charged to the company and/or its group:

Yes
 No

	Company	Group companies	Total
Amount for work other than audit (thousands of euros)	173	1,438	1,611
Amount from jobs other than audit / Amount audit jobs (in percentage)	35.03	19.94	20.91

C.1.33 Indicate whether the audit report on the annual financial statements for the previous fiscal year contained reservations or exceptions. If any, indicate the reasons given to the shareholders at the Annual General Meeting by the Chairman of the Audit Committee to explain the content and scope of said reservations or exceptions.

Yes
 No

C.1.34 Indicate the number of fiscal years during which the current audit firm has been continuously performing the audit of the individual and/or consolidated annual accounts of the company. Indicate the percentage of the number of fiscal years audited by the current auditing firm to the total number of fiscal years in which the annual financial statements have been audited:

	Individual	Consolidated
Number of fiscal years underway	5	5

	Individual	Consolidated
Number of fiscal years audited by current audit firm/number of fiscal years the company or its group has been audited (in percentage)	16.66	16.66

C.1.35 Indicate and, where applicable, give details on the existence of a procedure for board directors to obtain the information they need to prepare the meetings of the management bodies in sufficient time:

Yes
 No

Details of the procedure

In accordance with the provisions of the Regulations of the Board of Directors, the meeting shall always include the agenda, which shall be established by the Chairman, and shall be accompanied by the appropriate information on the matters to be discussed, and duly prepared.

The agenda will be circulated to all members at least five days in advance of the meeting and will specifically state those items that are for information purposes and those that require a Board resolution. The documentation will be circulated among members at least three days ahead of the meeting, to allow for due analysis and study of the same by board directors.

The Chairman of the Board of Directors, as the person responsible for the effective operation thereof, shall take the necessary measures to ensure that the Directors receive sufficient information in advance of the meeting on the items on the agenda.

In addition, Directors are vested with the broadest powers to obtain information on any aspect of the Company, to examine their books, records, documents and other background on social operations. This right to information is extended to the Group companies to the extent necessary to enable the effective performance of their duties by the board directors.

This aspect is subject to a specific analysis by the Board of Directors of the Company in its annual self-evaluation session.

C.1.36 Indicate and, where applicable, give details on whether the company has established rules obliging board directors to inform and, where applicable, to resign in those cases that may harm the company's credit and reputation:

- Yes
 No

Explain the rules

The board directors must place their office(s) at the disposal of the Board of Directors, both as board directors and any other position they might hold on any Committee or Steering Committees thereof, and formalize any resignation, should the Board deem it necessary, in the following cases:

- Whenever they are removed from the executive office associated with their appointment as a member of these governing bodies.
- Should they become subject to any disqualification or prohibition laid down under law.
- If they are accused of (or a court issues an order for the opening of a trial for) allegedly committing any crime or are involved in disciplinary proceedings involving a serious or very serious fault at the instance of the supervisory authorities.
- If they receive a serious warning from the Audit and Compliance Committee due to infringement of their obligations as board directors.
- When they are affected by circumstances that might harm the company's credit or reputation or place its interests at risk were they to remain on these governing bodies. When such events or circumstances are well-known or public, the Appointments and Remuneration Committee, by agreement of the majority of its members, may request the resignation of the affected board director.
- If the reasons (if any expressly exist) for which they were appointed cease to apply.

C.1.37 Indicate whether any member of the Board of Directors has informed the company of being sued or having any court proceedings opened against him or her for any of the offenses listed in article 213 of the Companies Act.

- Yes
 No

C.1.38 List the significant resolutions adopted by the company and that take effect, are amended or conclude in the event of a change in control of the company on account of a public takeover bid, and its effects.

There are no significant resolutions adopted by the company and that take effect, are amended or conclude in the event of a change in control of the company on account of a public takeover bid.

C.1.39 Identify individually, when referring to board directors, and in aggregate form in all other cases and indicate, in detail, resolutions between the company and its administrative and management positions or employees that provide indemnification, guarantee clauses or shielding, when they resign or are dismissed unfairly or if the contractual relationship is terminated on the occasion of a public invitation to tender or other transactions.

Number of beneficiaries	0
Beneficiary type	Description of the resolution
N/R	The term of the contracts of the executive directors is related to their time as an executive director. Removal from this position entails the lifting of the suspension of the relationship prior to the appointment as such. Executive 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. 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. In the event of an early termination decided by the Company, the latter must notify the board director of the termination with a notice period of three (3) months with respect to the date of termination. 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. There are no clauses related to signing bonuses.

Indicate whether, other than the cases stipulated in the regulations, these contracts have to be communicated and/or approved by the bodies of the company or its group. If so, specify the procedures, foreseen assumptions and the nature of the bodies responsible for approving or communicating them:

	Board of Directors	Annual General Meeting
Body authorizing the clauses	√	
	Yes	No
Is the Annual General Meeting informed of the clauses?		√

C.2. Board of Directors' Committees

C.2.1 List all the Board of Directors' committees, their members and the percentage of executive, nominee, independent and other external directors that compose them:

STEERING COMMITTEE		
Name	Position	Category
MR. ANTONIO HUERTAS MEJÍAS	CHAIRMAN AND CEO	Executive
MR. IGNACIO BAEZA GÓMEZ	VICE CHAIRMAN	Executive
MS. CATALINA MIÑARRO BRUGAROLAS	VICE CHAIRMAN	Independent
MR. JOSÉ ANTONIO COLOMER GUIU	MEMBER	Independent
MR. LUIS HERNANDO DE LARRAMENDI MARTÍNEZ	MEMBER	Nominee
MR. ANTONIO MIGUEL-ROMERO DE OLANO	MEMBER	Nominee

% of executive board directors	33.33
% of nominee board directors	33.33
% of independent board directors	33.33
% of other external board directors	0.00

Explain the functions that this committee has attributed, and describe the procedures and rules of organization and operation thereof. For each of these functions, indicate its most important actions during the fiscal year and how it has performed in practice each of the functions attributed to it, whether in the law, in the bylaws or other corporate agreements.

Is the delegate body of the Board of Directors, responsible for the executive management and permanent oversight of the strategic and operational aspects of the company's ordinary business affairs and those of its subsidiaries. It also makes any decisions necessary for proper operation. It has the general capacity of decision and has been expressly delegated all the powers that correspond to the Board of Directors, except for those that may not be delegated by legal imperative or, where applicable, by express provision in the Corporate Bylaws or in the Regulations of the Board of Directors of MAPFRE S.A.

A maximum of 10 members, all members of the Board of Directors. Its Chairman, First and Second Vice Chairmen and Secretary will automatically be members of the Board. Members must be appointed with a favorable vote from two-thirds of the members of the Board of Directors.

During the 2019 fiscal year, the Steering Committee was responsible for being familiar with the economic information of the Company and its Group, authorizing the acquisition and disposal transactions of subsidiary and investee companies, approving the Group's real estate transactions, being familiar with relationships with official bodies and the main contentious issues of the Group's companies, and being familiar with the purchase of MAPFRE shares by members of governing and management bodies, among other things.

AUDIT AND COMPLIANCE COMMITTEE		
Name	Position	Category
MS. ANA ISABEL FERNÁNDEZ ÁLVAREZ	CHAIRWOMAN	Independent
MR. JOSÉ ANTONIO COLOMER GUIU	MEMBER	Independent
MR. ANTONIO MIGUEL-ROMERO DE OLANO	MEMBER	Nominee
MS. MARÍA DEL PILAR PERALES VISCASILLAS	MEMBER	Independent

% of executive board directors	0.00
% of nominee board directors	25.00
% of independent board directors	75.00
% of other external board directors	0.00

Explain the functions, including, as the case may be, those additional to those legally provided, that this committee has attributed, and describe the procedures and rules of organization and operation thereof. For each of these functions, indicate its most important actions during the year and how it has performed in practice each of the functions attributed to it, whether in the law, in the bylaws or other corporate agreements.

The Audit and Compliance Committee has the following responsibilities:

- a) To apprise the Annual General Meeting of matters that are the responsibility of the Committee and, in particular, regarding the results of the audit, explaining how the committee has contributed to the integrity of the financial information and role that the Committee had in said process.
- b) To supervise the efficacy of internal controls at the Company, internal audits and risk management systems, as well as discussing with the External Auditor any significant weaknesses identified in the internal control system in the course of audits.
- c) To supervise the process for drawing up and presenting the mandatory financial information, and present recommendations or proposals to the Board of Directors with a view to safeguarding its integrity.
- d) Bringing before the Board of Directors the proposals for the selection, appointment, re-election and substitution of the External Auditor, being accountable for the selection process as contemplated in the pertinent legislation in force, as well as the conditions of his/her hiring and regularly gather from him/her information regarding the audit plan and its execution.
- e) To establish appropriate relationships with the External Auditor in order to receive information concerning those issues which may jeopardize their independence, so that they may be examined by the Committee, and any other issues relating to the accounts auditing process, and where appropriate, authorizations for services other than those prohibited in the terms contemplated in the corresponding legislation currently in force for auditing accounts, for the regime of independence, as well as other communications envisaged in account audit legislation and auditing standards.
- f) To issue a yearly report, prior to the publication of the accounts audit report, expressing an opinion concerning whether the independence of the External Auditor has been compromised.
- g) To ensure that, as far as possible, the External Auditor of the Group takes responsibility for auditing all the companies belonging to it.
- h) To ensure the independence and efficacy of the Internal Audit; to propose the selection, appointment, reappointment and removal of its most senior management, as well as its annual budget; to receive regular information on its activities; and to check that the executive management takes the conclusions and recommendations of its reports into account.
- i) To inform the Board of Directors in advance on all matters provided in the law, the Corporate Bylaws and Board of Directors Regulations.
- j) To establish and supervise a mechanism that enables employees to communicate confidentially any irregularities they notice within the company that may be of potential importance, especially financial and accounting irregularities.
- k) To verify the application of the established good governance regulations at all times.
- l) To supervise compliance with internal and external regulations, especially with internal codes of conduct, regulations and procedures for the prevention of money laundering and financing terrorism, as well as making proposals for their improvement.
- m) To supervise the adoption of actions and measures resulting from inspection reports or actions taken by administrative supervision and control authorities.
- n) Any other responsibilities which may be assigned by the Board of Directors or attributed to it in the Regulations of the said body.

The Committee is made up of a minimum of three and a maximum of five members, all of which must be non-executive, and the majority of which must be independent directors, one of which must be designated based on his or her knowledge and experience in the area of accounting, auditing or both. Overall, the members of the Committee should have the pertinent technical knowledge in relation to the company's sector of activity. Its Chairman must be an Independent Board Director and they must be substituted in this position every four years, only to be reelected to the post one year after leaving that position. The Secretary of this Committee will be the secretary to the Board of Directors. The Group Chief Internal Audit Officer shall attend the meetings as a guest.

In 2019 the Audit and Compliance Committee was responsible for, among other things, issuing an opinion on the Annual Accounts for fiscal year 2018, supervising the efficacy of the Company's internal control, supervising the information of the Company and its Group in the framework of Solvency II, supervising the internal audit and the risk management systems of the Company and the Group, reporting on transactions with significant shareholders and senior management, approving extra fees from the External Auditor, reporting on the relationship with the External Auditor, being familiar with appointments in Internal Audit and being familiar with the quarterly financial information presented to the Spanish National Securities and Exchange Commission, and ensuring the correct application

within the company and Group of the good governance rules and external and internal regulations.

For more information, please check the Report on the Composition and Functioning of the Committee during fiscal year 2019, available on the Company's website, which is made available to shareholders for the Annual General Meeting.

Identify the members of the audit committee that have been appointed taking into account their knowledge and experience in accounting, auditing or both and report on the date of appointment of the Chairman of this committee in such position.

Names of experienced board directors	MS. ANA ISABEL FERNÁNDEZ ÁLVARE / MR. JOSÉ ANTONIO COLOMER GUIU
Date of appointment of the chairman in the position	8/18/2019

APPOINTMENTS AND REMUNERATION COMMITTEE		
Name	Position	Category
MS. CATALINA MIÑARRO BRUGAROLAS	CHAIRWOMAN	Independent
MR. JOSÉ ANTONIO COLOMER GUIU	MEMBER	Independent
MR. LUIS HERNANDO DE LARRAMENDI MARTÍNEZ	MEMBER	Nominee
MR. ALFONSO REBUELTA BADÍAS	MEMBER	Nominee

% of executive board directors	0.00
% of nominee board directors	50.00
% of independent board directors	50.00
% of other external board directors	0.00

Explain the functions, including, as the case may be, those additional to those legally provided, that this committee has attributed, and describe the procedures and rules of organization and operation thereof. For each of these functions, indicate its most important actions during the year and how it has performed in practice each of the functions attributed to it, whether in the law, in the bylaws or other corporate agreements.

The Appointments and Remuneration Committee is the delegate body of the Board of Directors for the coordinated development of appointment and remuneration policy regarding the Board Directors and Senior Management of the Group.

It has the following responsibilities:

- To evaluate the balance of skills, knowledge and experience required on the Board, defining the functions and capabilities required of the candidates to fill each vacancy accordingly and deciding the time and dedication necessary for them to properly perform their functions.

- b) To establish a representation target for the gender least represented on the Board of Directors and to draw up guidelines on how to achieve this target.
- c) To bring before the Board of Directors the appointment proposals of Independent Board Directors for them to be designated by co-opting or for them to be subject to the decision of the Annual General Meeting, as well as proposals for reappointment or removal, and to report on cases related to proposals that affect the remaining Board Directors.
- d) To notify proposals for the appointment and termination of senior managers and their basic contractual conditions.
- e) To examine and organize the succession of the Chairman of the Board, and where appropriate, to make the corresponding proposals to the Board so that this succession is orderly and well-planned.
- f) To propose to the Board of Directors the remuneration policy for Board Directors and general managers or anyone who performs executive management functions under the direct control of the Board, the Steering Committee or the Managing Directors, as well as individual remuneration and other conditions of the contracts of Executive Board Directors, ensuring their enforcement.
- g) To propose to the Board of Directors the candidates for Fundación MAPFRE Trustees whose appointment is the responsibility of the Company.
- h) To authorize the appointment of External Directors in the other Group companies.

The Committee is made up of a minimum of three and a maximum of five members, all of whom must be non-executive, and at least two of whom must be Independent Directors. The Chairman must be an Independent Board Director. The Secretary of the Board of Directors will also be the secretary of the Committee.

In 2019 the Appointments and Remuneration Committee was responsible for, among other things, reporting on the appointments and removals of board directors and executives, reporting on the Chairman's actions during fiscal year 2018, bringing before the Board of Directors the re-election proposals concerning the independent board directors, proposing to the Board of Directors the Compensation Policy for Directors and the Medium-Term Incentive Plan 2019-2021, approving the salary remuneration of Senior Management for fiscal year 2019, authorizing the granting of pension commitments, approving the granting of management contracts and proposing to the Board of Directors candidates for the appointment of Fundación MAPFRE Trustees.

For more information, please check the Report on the Composition and Functioning of the Committee during fiscal year 2019, available on the Company's website, which is made available to shareholders for the Annual General Meeting.

RISK COMMITTEE

Name	Position	Category
MR. JOSÉ ANTONIO COLOMER GUIU	CHAIRMAN	Independent
MS. ANA ISABEL FERNÁNDEZ ÁLVAREZ	MEMBER	Independent
MR. ANTONIO MIGUEL-ROMERO DE OLANO	MEMBER	Nominee
MR. ANTONIO GÓMEZ CIRIA	MEMBER	Independent

% of executive board directors	0.00
% of nominee board directors	25.00
% of independent board directors	75.00
% of other external board directors	0.00

Explain the functions that this committee has attributed, and describe the procedures and rules of organization and operation thereof. For each of these functions, indicate its most important actions during the fiscal year and how it has performed in practice each of the functions attributed to it, whether in the law, in the bylaws or other corporate agreements.

This delegate body of the Board of Directors supports and advises the Board on the definition and evaluation of the Group's risk management policies and on the determination of susceptibility to risk and the risk strategy.

It has the following functions:

a) Provides support and advice to the Board of Directors in the definition and evaluation of the risk policies of the Group and in the determination of the susceptibility to risk and the risk strategy.

b) To assist the Board of Directors in overseeing the application of the risk strategy.

c) To be familiar with and assess the risk management methods and tools, monitoring the models applied regarding results and validation.

The Committee will be made up of a minimum of three and a maximum of five members, all of whom must be non-executive, and at least two of whom must be Independent Board Directors. The chairman must be an Independent Board Director. The Board of Directors must designate a Secretary, a position which need not be filled by a Board Director. The Senior Director who oversees the Group's risk area will attend the Committee as a guest.

During fiscal year 2019, the Risk Committee was responsible, among other things, for the review of the solvency position of the Company and its subsidiaries, for the review of the policies approved by the Company in the framework of Solvency II, and for the determination of risk propensity and risk strategy.

C.2.2 Complete the following table with information related to the number of board directors who have belonged to Board of Directors' Committees at the closing of the last four fiscal years:

	Number of female board directors							
	Fiscal year 2019		Fiscal year 2018		Fiscal year 2017		Fiscal year 2016	
	Number	%	Number	%	Number	%	Number	%
STEERING COMMITTEE	1	16.67	1	16.67	1	12.50	1	10.00
AUDIT AND COMPLIANCE COMMITTEE	2	50.00	2	50.00	2	40.00	2	40.00
APPOINTMENTS AND REMUNERATION COMMITTEE	1	25.00	1	25.00	2	50.00	2	50.00
RISK COMMITTEE	1	25.00	1	25.00	1	20.00	0	0.00

C.2.3 Indicate, where applicable, the existence of regulations for the board committees, where they can be consulted and any amendments made to them during the fiscal year. Indicate whether an annual report on the activities of each committee has been drawn up voluntarily.

STEERING COMMITTEE

The regulation of the Steering Committee is included in the company's bylaws (article 21) and in the Board Regulations (articles 9 and 13). These documents, as well as the composition of the Committee, are always available for consultation on the company's website, www.mapfre.com.

In fiscal year 2019, Article 9 of the Regulations for the Board of Directors was modified in order to eliminate the minimum number of annual meetings to be held by the Steering Committee.

The Steering Committee submitted a report on its own functioning to the Board of Directors in fiscal year 2019. **AUDIT AND COMPLIANCE COMMITTEE**

The regulation of the Audit and Compliance Committee is included in the company's bylaws (article 22) and in the Board Regulations (articles 10 and 13). These documents, as well as the composition of the Committee, are always available for consultation on the company's website, www.mapfre.com.

In fiscal year 2019, article 2 of the Regulations for the Board of Directors was modified in order to include the new non-delegable competence of the Board of Directors introduced by Law 11/2018, of December 28, which modifies the Commercial Code, the

Recast Text of the Companies Law approved by Royal Legislative Decree 1/2010, of July 2, and Law 22/2015, of July 20, on Account Auditing, regarding non-financial information and diversity.

The Audit and Compliance Committee submitted a report on its functioning in fiscal year 2019 to the Board of Directors.

APPOINTMENTS AND REMUNERATION COMMITTEE

The regulation of the Appointments and Remuneration Committee is included in the company's bylaws (article 23) and in the Board Regulations (articles 11 and 13). These documents, as well as the composition of the Committee, are always available for consultation on the company's website, www.mapfre.com.

No changes have been made to the operating system of the Appointments and Remuneration Committee.

The Appointments and Remuneration Committee submitted a report on the functioning of the Appointments and Remuneration Committee for fiscal year 2019 to the Board of Directors.

RISK COMMITTEE

The regulation of the Risk Committee is included in the company's bylaws (article 24) and in the Board Regulations (articles 12 and 13). These documents, as well as the composition of the Committee, are always available for consultation on the company's website, www.mapfre.com.

In fiscal year 2019, article 12 of the Regulations for the Board of Directors was modified in order to eliminate references to the Committee's old functions in terms of compliance.

The Risk Committee submitted a report on the functioning of the Risk Committee for fiscal year 2019 to the Board of Directors.

D. RELATED-PARTY TRANSACTIONS AND INTRA-GROUP TRANSACTIONS

D.1. Explain, where applicable, the procedure and competent bodies for approving related-party and intra-group transactions.

MAPFRE has a policy for managing conflicts of interest and related-party transactions with significant shareholders and senior representative or management positions, which regulates the procedure to be followed in relation to related-party transactions.

The Board of Directors shall be familiar with the transactions conducted by the Company, directly and indirectly, with Board Directors, with significant shareholders or shareholders represented on the Board of Directors, or with persons related to them, and these transactions shall require authorization by the Board of Directors, after receiving a report from the Audit and Compliance Committee, unless they are transactions that are part of the normal or ordinary activities of the parties concerned, which are undertaken under normal market conditions and for amounts that are insignificant or irrelevant to the Company.

Significant shareholders, board directors and senior management must inform the secretary of the Board of Directors of MAPFRE in writing regarding any transaction that they or individuals associated with them (in this last case, whenever the affected person is aware of it) intend to conduct with MAPFRE or with any other company of its Group and which constitutes a related-party transaction subject to authorization by the Board of Directors.

The notification must include sufficient information on the aspects of the transaction to make it possible for MAPFRE to properly identify it.

D.2. List any significant transactions between the company or its Group companies and the company's significant shareholders which are relevant due to their amount or subject matter:

Name or company name of the significant shareholder	Name or company name of the company or Group company	Nature of the relationship	Type of transaction	Amount (thousands of euros)
CARTERA MAPFRE, S.L. SINGLE-MEMBER COMPANY	MAPFRE S.A.	Corporate	Dividends and other profits distributed	304,568

D.3. List the transactions between the company or Group companies and the company's associates or executives which are relevant due to their amount or subject matter.

Name or company name of the associates or executives	Name or company name of the related party	Link	Nature of the transaction	Amount (thousands of euros)
No data				N/R

- D.4. Report on the significant transactions in which the company has engaged with other companies belonging to the same group, as long as they are not eliminated in the process of drawing up the consolidated financial statements and are not part of the company's usual trade with respect to its purpose and conditions.

In any case, report any intra-group transaction carried out with companies established in countries or territories which have the consideration of tax haven:

Company name of the Group company	Brief description of the transaction	Amount (thousands of euros)
No data		N/R

- D.5. Detail the significant operations carried out between the company or Group companies and with other related parties, which have not been informed in the previous sections:

Company name of the related party	Brief description of the transaction	Amount (thousands of euros)
No data		N/R

- D.6. List the mechanisms in place to detect, determine and resolve possible conflicts of interest between the company and/or its Group, and its board directors, executives and/or significant shareholders.

All board directors and executives must make a Prior Declaration with regard to these matters at the time of their appointment. Furthermore, they are required to update this declaration on a regular basis, and whenever a potential situation of conflict arises.

Additionally, the internal code of conduct and the policy for managing conflicts of interest and related transactions with significant shareholders and senior representative or management positions regulate the special obligations relating to potential conflicts of interest.

The Board of Directors has the final decision on these issues. There is a special procedure for the approval of resolutions with regard to matters where there is a potential conflict of interest with a board director. The board director in question must refrain from attending or participating in these decisions.

- D.7. Is there more than one of the Group's companies listed in Spain as a publicly traded company?

Yes
 No

E. RISK CONTROL AND MANAGEMENT SYSTEMS

E.1. Explain the scope of the Risk Control and Management System of the company, including taxation:

The MAPFRE Group has a Risk Management System (RMS) based on the continuous and integrated management of each of the business processes and on the suitability of the level of risk to the established strategic objectives, consolidating said management by area, business unit, activities, subsidiaries, geographical areas and corporate support areas,

The different types of risks have been grouped under four areas, or categories, as described below:

- Insurance Activity Risks: This groups together, separately for Life and Non-Life, the risk of premium shortfalls and insufficient technical and catastrophe provisions.
- Financial and Credit Risks: This includes interest rate, liquidity, exchange rate and credit risks.
- Strategic Risks and Corporate Governance: This includes business ethics and corporate governance risks as well as risks related to the organizational structure, alliances, mergers and acquisitions derived from the regulatory environment, including those of a tax nature, and competition risks.
- Operational Risks: This includes possible losses arising from the unsuitability or malfunction of internal processes, personnel or systems, or arising from external events (not including risks arising from strategic decisions or reputational risk).

Operational Risks include the risk of non-compliance that includes the risk of material financial sanctions and losses as a result of non-compliance with internal and external laws, regulations and standards, as well as the risks of fiscal non-compliance (risks of discrepancies in the interpretation of tax regulations and the determination of market prices between related companies).

E.2. Identify the bodies of the company which are responsible for the preparation and implementation of the system for the control and management of risks, including of a tax nature:

The internal control and risk management systems are integrated into the organizational structure of the Group according to the three-lines-of-defense model, so that all the staff of the organization are assigned responsibilities for the compliance with the control and risk management objectives.

The Board of Directors is ultimately responsible for guaranteeing the effectiveness of the internal control and risk management systems. It is its sole competence to determine the general policies and strategies, and in particular the policy for the identification, management and control of risks, including fiscal risks, and the supervision of internal information and control systems.

The Steering Committee is the delegate body of the Board of Directors for the executive management and permanent supervision of the ordinary management of the company and its subsidiaries in its strategic and operational aspects, and acts with all its powers except those that are not delegable by legal imperative or, where appropriate, by express provision in the company's bylaws or in the Regulations for the Board of Directors of MAPFRE S.A.

The Risk Committee has the following functions:

- To support and advise the Board of Directors on the definition and evaluation of the risk policies of the Group and on the determination of the susceptibility to risk and the risk strategy.
- To assist the Board of Directors in overseeing the implementation of the risk strategy.
- To be familiar with and assess the risk management methods and tools, monitoring the models applied regarding results and validation.

The Audit and Compliance Committee is the delegate body of the Board of Directors with the responsibility of overseeing the effectiveness of internal control, internal audit and the risk management systems; monitoring the development and presentation of financial information, establishing appropriate relationships with the External Auditor; monitoring the implementation of good governance standards; and monitoring compliance with internal and external regulations, in particular internal codes of conduct and the rules and procedures for the prevention of money laundering and financing of terrorism.

E3. List the main risks, including tax risks and, to the extent that they are significant, those derived from corruption (understood within the scope of Royal Decree Law 18/2017), which may impact the achievement of business objectives:

1. Insurance Activity Risk

The organization of MAPFRE, specializing in various business lines, requires them to be highly autonomous in the management of their business, in particular in terms of underwriting and tariff fixing, as well as the indemnification or provision of services in case of incident.

The adequacy of premiums is an element of particular importance and its determination is supported by specific computer applications. The adequacy of premiums and provisions are an element of special importance and are basic principles of insurance management. Technical provisions are estimated by the actuarial teams of the different companies and their amount is validated by an independent party that did not participate in the calculation. The relevance of the personal damage business in MAPFRE, with a rapid settlement of claims, as well as the low importance of long-term insured risks (such as asbestos or professional liability) are mitigating elements of the risk of inadequacy of technical provisions.

MAPFRE operates in countries highly prone to disasters (earthquakes, hurricanes, etc.), which calls for special treatment of these types of risk. Exposed companies have access to specialized catastrophic exposure analyses, which are generally prepared by independent experts, which estimate the scope of losses should a catastrophic event occur. Underwriting catastrophic risks is undertaken based on this information and the economic capital available to the underwriting company. Where appropriate, the equity exposure to these types of risk is mitigated by taking out specific reinsurance coverage.

In this regard, it is important to highlight the contribution of MAPFRE RE, which brings to the management of the Group its long experience in the market of catastrophic risks, determining annually the global catastrophic capacity by territory and establishing the maximum underwriting capabilities per risk and event. MAPFRE RE also has risk retrocession protection programs to cover deviations or increases in the catastrophic loss ratio in different territories.

MAPFRE's policy regarding reinsurance risk is to transfer business to reinsurers of proven financial capacity that meet the credit quality conditions set out in the MAPFRE Group's Reinsurance Policy. Business is ceded to other reinsurers on an exceptional basis after an internal analysis verifying the possession of a solvency margin equivalent to the aforementioned classification or if adequate guarantees are provided.

2. Financial and Credit Risks

MAPFRE mitigates its exposure to this type of risk by means of a prudent investment policy characterized by a high proportion of investment-grade fixed income securities.

Four different types of portfolios are managed within the investment portfolio:

- Those that seek strict immunization from the obligations deriving from insurance contracts.
- Portfolios that cover unit-linked policies made up of assets whose risk is assumed by the policyholders.
- Those that look to exceed the guaranteed return and achieve the highest return for the policyholders within prudential parameters, such as portfolios with profit sharing.
- Open-management portfolios where the active management is only conditioned by legal rules and internal risk limits.

In the first case, the immunized portfolios minimize the interest rate risk through immunization techniques based on the matching of flows or durations.

In the second case, portfolios that cover the unit-linked policies are made up of financial instruments whose risk is assumed by the policyholders.

A certain degree of market risk is accepted in the remaining portfolios, as set out below:

- The variable of interest rate risk management is the modified duration that is conditional on the limits established in the Investment Plan.
- Exposure to the exchange rate risk is minimized in the case of insurance liabilities. The Transferable Security and Real Estate Investment Plan establishes the maximum net position limit in currencies that can be adopted in asset management.
- Investments in shares are subject to a maximum limit of the investment portfolio.
- The risk limitations are established in easily observable quantitative terms of variables. However, a risk analysis in probabilistic terms is carried out in accordance with past volatility and correlations.

With regard to credit risk, the policy is based on applying criteria of prudence in line with the issuer's solvency and seeking a high degree of geographical correspondence between the issuers of the assets and the commitments.

Thus, limits are established according to the risk profile of the counterparty or the investment instrument and in relation to the solvency of the counterparty, and there is a system for monitoring and reporting the exposure to credit risk.

The Security Committee also reviews the main exposures to insurance and reinsurance counterparties. [THE INFORMATION IN THIS SECTION CONTINUES IN SECTION H.1 OF THIS REPORT]

E.4. Identify whether the company has a tolerance levels for risks, including tax risks:

The Risk Appetite Policy of the MAPFRE Group, approved by the Board of Directors of MAPFRE S.A., establishes the risk level that the Group would be ready to assume to attain its business objectives with no relevant deviations, even in adverse situations. That level, which defines limits and sub-limits per risk type, constitutes the MAPFRE Group's Risk Appetite.

As one of its risk management objectives, the MAPFRE Group strives to maintain an amount of eligible own funds at the consolidated level which is equivalent to a target solvency ratio of 200 percent of the solvency capital required under Solvency II, with a tolerance of 25 percentage points. A secondary risk management objective is to maintain a sufficient level of economic capital at the consolidated level to meet its obligations in accordance with a rating of "A" or higher, or its equivalent.

The prospective capital required of the insurance and reinsurance subsidiaries is generally determined pursuant to an estimation based on the budgets for the following fiscal year, and it is reviewed on a regular basis during the course of the year in line with risk trends.

For metrics that quantify the aggregate risks of the MAPFRE Group, tolerance levels are established and risk exposure is monitored through a measurement scale based on the distance of the risk level from its maximum limit: i) green zone: risk that can be assumed and maintained without restrictions; ii) yellow zone: risk that has reached a sufficient level of exposure and that requires monitoring and control measures; and iii) red zone: risk that exceeds the maximum tolerance and that requires the immediate adoption of control and mitigation measures.

The Governing Bodies receive information relating to the quantification of the main risks to which the Group is exposed and the capital resources available to cover them, as well as information relating to compliance with the established Risk Appetite limits and other specific risk policies.

E.5. Indicate the risks, including tax risks, which have arisen during the fiscal year:

During fiscal year 2019, a large industrial accident has been registered in MAPFRE RE (19.6 million euros net of reinsurance) and risks of the insurance activity have materialized as a result of catastrophic events, for example, typhoons in Japan and heavy rains on the east coast of Spain. While these events have had a significant effect on the profit attributable for the fiscal year (147.5 million euros), it should be noted that the reinsurance protection for this type of event has been effective, so that the Group maintains its compliance with the legal solvency requirements and remains within the limits of tolerance foreseen in the risk appetite.

In addition, within the Financial and Credit Risks, there was an appreciation of the euro during fiscal year 2019 with respect to the currencies of some of the main subsidiaries, such as the Brazilian real and the Turkish lira, with the subsequent negative effect on the Group's shareholders' equity (through negative currency conversion differences) and operating results and cash flows in euros from the said subsidiaries.

E.6. Explain the response and supervision plans for the main company risks, including fiscal risks, as well as the procedures followed by the company to ensure that the board of directors responds to the new challenges that arise:

The integration of internal control and risk management systems into the organizational structure is performed under the three-lines-of-defense model, assigning responsibilities regarding compliance with the internal control and risk management objectives according to the said model:

1) A first line of defense consisting of employees, management, and the business and supporting operating areas which are responsible for maintaining effective control over the activities carried out as an inherent part of their day-to-day work. Therefore, they assume the risks and are responsible for designing and applying the control mechanisms that are necessary to mitigate the risks associated with the processes that they carry out and to ensure that they do not exceed established limits.

2) A second line of defense integrated by the key functions of risk, actuarial and compliance management and other insurance functions, which guarantee the operation of the internal control and risk management systems.

3) A third line of defense consisting of Internal Audit, which carries out the independent assessment of the suitability, adequacy and effectiveness of the internal control and risk management systems, communicating any deficiencies to the parties responsible for applying the corrective measures in a timely manner, including senior management positions and governing bodies, as the case may be.

To ensure effective control and management of risks, MAPFRE has a written policy on Internal Control and has developed a set of risk management policies in which (i) the different types of risk faced are identified and (ii) the risk appetite considered acceptable, the measures envisaged to mitigate the impact of the identified risks and the information and internal control systems to be used in relation to them are established.

The Risk Management Teams of the companies coordinate the set of strategies, processes and procedures necessary to identify, measure, monitor, manage and continuously notify the risks to which the entity is or may be exposed, as well as their interdependencies.

The General Counsel and Corporate Legal Affairs Area offers the Governing Bodies and the different Corporate Areas and Business Units legal, fiscal and corporate governance advice; and actively defends the interest of the Group in these matters, both in the processes of application of current regulations and in the elaboration and processing of new provisions. Likewise, through the Corporate Tax Advisory Department, this corporate division has information regarding the tax risks detected in each country.

In any case, the actions to adopt regarding the risks identified are decided by the Board of Directors, which is informed immediately of any risk which:

- Depending on how it evolves, may exceed the established risk limits.
- May lead to losses equal to or in excess of the established risk limits.
- May endanger compliance with the solvency requirements or the continuity of the Group's operation.

The Group Risk Office provides assistance and advises the Governing Bodies, Executive Chairman and executive management of the Group within the scope of their powers and informs the Governing Bodies on the level of exposure to the different risks, taking into consideration their interdependencies, and compliance with the limits established.

The foregoing includes the internal risk and solvency assessment of the Group, as well as the reports requested by the Governing Bodies on certain risk areas.

In addition, the Group promotes different procedures for the identification and assessment of risks and controls that involve the main areas and departments, showing a comprehensive and complete view of all the risks intrinsic to the business and identifying those risks that may be faced by the company throughout the period set out in its business plan.

Likewise, the Group companies promote the preparation and reporting to the respective Governing Bodies of the periodic reports of monitoring of operational risks, which include, among others, risk control reports and periodic reports of monitoring of incidents and operational risk events.

At the operational level, the MAPFRE Group also has the following key actions:

- The MAPFRE Group has a Corporate Business Continuity Model developed by the Corporate Security Office, the ultimate aim of which is to be able to provide a timely and effective response should a high-impact incident occur, therefore minimizing the damage caused. The model adopts the form of contingency plans that include recovery strategies for each process based on the criticality of the process and situation and the availability of the elements affected (employees, buildings, technology and providers).

The Corporate Anti-Fraud Plan, also coordinated by the Corporate Security Office, which establishes the response and lines of action of the Group in the fight against fraud in all its aspects (prevention, detection, investigation and prosecution), as well as the measures to minimize their effects in the most efficient way possible.

F. INTERNAL RISK CONTROL AND MANAGEMENT SYSTEMS IN RELATION TO THE FINANCIAL REPORTING PROCESS (ICFR)

Describe the mechanisms that comprise control systems and risk management in relation to the company's procedure for the issuing of financial information (ICFR).

F.1. Control environment of the company.

Report on the following, indicating the main characteristics:

F.1.1 Which bodies and/or functions are responsible for: (i) the existence and maintenance of an adequate and effective ICFR; (ii) its implementation; and (iii) its supervision.

The MAPFRE Internal Control System takes the form of a set of continuous processes for which the MAPFRE S.A. Board of Directors is ultimately responsible. The Board is assisted by the Executive Committee and the executive teams of the different units, companies, corporate areas and other departments as regards the implementation, update and monitoring of the tasks and processes related to compliance with the objectives of the Internal Control System. The MAPFRE Internal Control System is implemented across the organization through the three-lines-of-defense model, as indicated in the latest update to the Group's Internal Control Policy, approved by the Board of Directors on February 6, 2019.

The Regulation of the Board of Directors, which was amended and approved on December 13, 2019 includes the functions and responsibilities of the Board of Directors, the Steering Committee and other Board committees (Audit and Compliance, Appointments and Remuneration, and Risk).

The Board of Directors delegates ordinary management to the Steering Committee and the executive management, and reserves the approval of risk control and management policies and approval of the periodic monitoring of both internal information and control systems and financial information to be published, owing to its status as a listed company.

The Executive Committee is the body which, under mandate from the Board of Directors, exercises direct supervision over management of the Business Units and Corporate Areas and ensures the coordinated actions of the same.

On the other hand, the Audit and Compliance Committee, in its capacity as Delegate Body of the Board of Directors, has - in relation to the information and internal control systems - the power to, among other things: supervise the process of preparation and presentation of mandatory financial information and submit recommendations or proposals to the Board of Directors aimed at safeguarding their integrity; supervise the effectiveness of internal control, internal auditing and risk management systems and provide information, in advance, to the Board of Directors particularly in terms of financial information that the Company must publish periodically.

The document titled "Internal Audit Policy and Charter," in force in fiscal year 2019, was updated and approved by the Audit and Compliance Committee on December 11, 2018 and by the Board of Directors on February 6, 2019, and sets out the main Internal Control System supervisory activities as well as those relating to the Solvency II Directive, conducted by the Audit and Compliance Committee through the Corporate Internal Audit Area, which are listed in section F.5.1 of this document.

F.1.2 Whether there are, particularly relative to the procedure for the preparation of financial information, the following items:

Departments and/or mechanisms in charge of: (i) the design and review of the organizational structure; (ii) the clear definition of lines of responsibility and authority, with an appropriate distribution of tasks and functions; and (iii) ensuring the existence of sufficient procedures for correct diffusion in the company:

The regulation on the Institutional, Business and Organizational Principles of the MAPFRE Group, approved by the Board of Directors of MAPFRE S.A. at its meeting on June 24, 2015 and amended on February 7, 2017 with effect from March 10, 2017, is the minimum mandatory framework for all the companies making up MAPFRE and their respective governing bodies.

The Board of Directors reviews and authorizes the Group's organizational structure and approves the lines of responsibility and authority based on the organizational structure defined. During fiscal year 2019 there were only changes in the denomination of some corporate areas, which were approved in the Executive Committee of July 22, 2019, effective September 1, 2019. The new Management Organization Chart entered into force on that date.

The distribution of functions and definition of scopes of activity/authority and of hierarchical levels are undertaken in line with the Organizational Structure Manual approved by the Corporate People and Organization Area.

Concordance between the organization of positions and the hierarchical structure is essential because it maps functions to roles and responsibilities, ensuring that business activities are conducted properly.

The Corporate Finance and Resources Area establishes the accounting policies and standards applicable to the Group and is responsible for the coordination between the various Business Units and Corporate Areas in relation to the consolidated financial information preparation procedure.

· **Code of conduct, approval body, degree of diffusion and instruction, principles and values included (indicating if there are specific mentions to the registry of operations and preparation of financial information), body entrusted with analyzing noncompliance and recommending corrective measures and sanctions:**

The Code of Ethics and Conduct was approved by the Board of Directors on July 25, 2019, replacing the one previously approved in 2017.

It aims to reflect corporate values and the basic principles that should guide the conduct of MAPFRE and its staff.

As at December 31, 2019, 20,875 employees worldwide have completed the one-hour e-learning course on the Code of Ethics and Conduct.

The content of the online course on the Code of Ethics and Conduct is currently being updated and will be finalized by 2020. However, this Code is public both on the Intranet and on the Group's website, and can be consulted by anyone who wishes to do so.

The Code sets out specific principles that are binding for all employees, regarding the processing of the Group's financial information so as to ensure its confidentiality, integrity and availability in accordance with MAPFRE's data security standards. It also states that all employees are responsible for ensuring that the information provided is accurate, clear and truthful.

To guarantee application of the Code, as well as supervision and control of its compliance, the Ethics Committee is entrusted with ensuring its compliance and analyzing and resolving any complaints lodged as a result of its violation. Any employee who has a query about the application of the Code, or who observes a situation that might involve a breach or violation of any of the principles and rules of ethics or conduct, must report it to the Ethics Committee, which acts within the scope of its advisory functions or resolves any complaints that may arise regarding breaches of the Code.

Queries and complaints to the Ethics Committee can be communicated by post, by email or through the Whistleblower Channel with direct access through the Group's internal portal. The operation of this channel is set out in the Code of Ethics and Conduct.

Every year, the Ethics Committee reports to the Steering Committee on the activities carried out during the fiscal year.

· **Whistleblower channel that allows employees to report financial and accounting irregularities to the audit committee, in addition to possible breaches of the code of conduct and irregular activities in the organization, indicating whether any of the information reported is confidential:**

In addition to the Ethics Committee Whistleblower Channel indicated in the previous section, there is a Financial and Accounting Whistleblower Channel which allows Group employees to report any potentially significant financial and accounting irregularities they observe to the Audit and Compliance Committee confidentially, via an electronic general queries mailbox or written correspondence to a specific address.

The operating standards of the Financial and Accounting Whistleblower Channel of the MAPFRE Group, with its last update approved by the Audit Committee in 2016, are published on the Intranet or internal portal of the Group.

The Audit and Compliance Committee receives the complaints and reviews and resolves them by addressing each one as it deems appropriate. In order to perform its functions properly, it relies on assistance from General Counsel and the Corporate Internal Audit Area.

In cases of complaints concerning the Group's subsidiary companies which have their own mandatory Whistleblower Channel, the Audit and Compliance Committee and the competent body of the subsidiary company liaise in handling and resolving any complaints received.

The parties involved in the Channel have controls for restricting access to the information, and the confidentiality of the whistleblower's identity is assured through the collection of personal data provided in accordance with the requirements of current data protection legislation.

General Counsel issues an annual report for the Audit and Compliance Committee outlining the activities conducted through the Whistleblower Channel and the final result of the complaints made.

- Regular training and refresher programs for staff involved in the preparation and review of financial information, as well as evaluation of the ICFR, covering at least the accounting rules, audit, internal control and risk management.

MAPFRE has a Global Training Model, and a learning strategy that is implemented globally. All our training knowledge and actions designed and deployed are associated with specific objectives of the BSC (MAPFRE's strategy map). All knowledge, depending on its nature, is channeled through Schools within the framework of the MAPFRE Corporate University.

MAPFRE has set a goal so that in 2019 77% of the training effort worldwide will have technical and sales content and programs. In this area of technical knowledge is financial training, which is channeled through the School of Finance, the objective of which is to provide all professionals in all areas of MAPFRE with financial knowledge in risk management, management control and accounting, to become more effective and competitive within this function.

In 2019 MAPFRE organized several training programs in Spain on financial, risk and internal control issues, representing a total of 3,314.8 training hours delivered to 1,239 participants.

Additionally, the Iberia Regional Area has continued to develop the financial certification training plan for the MAPFRE Sales Network taught by the FEF School (Fundación Estudios Financieros).

The agreement signed by MAPFRE and FEF grants a wide group of professionals from the Commercial Organization throughout Spain to have access to a high level program that qualifies them as Financial Advisors approved by the Spanish National Securities and Exchange Commission (the "CNMV") as required by MiFID II standard. This training adds great value to the MAPFRE sales network by providing cutting-edge, complete and practical knowledge that will significantly help sales efforts related with savings and investments.

At the close of 2019, 512 employees and 677 brokers had received certification.

The program has a minimum duration of 280 hours and uses a blended system: in-person, video training, website and forums.

In the e-learning training modality, it is worth mentioning the course on "Internal Control Standards," which has been renewed in our three corporate languages in 2019. In MAPFRE, the Internal control model is represented with a three-dimensional cube-shaped matrix, in which each face represents a dimension. In this online program these dimensions are detailed, as well as the lines of defense and who supervises the internal control. As at December 31, 2019, 3,887 employees have completed said program at the GLOBAL level.

MAPFRE also offers an e-learning course on the Regulatory Compliance Function, the objective of which is to advertise this function, objectives and responsibilities and the importance acquired by the implementation thereof in organizations to minimize the risk of legal and regulatory non-compliance to which they are exposed. As at the close of 2019, 1,039 employees had undertaken this program since it was launched in 2015.

In 2017, a 45-minute e-learning course was developed on the Solvency II regulations, aimed at all employees around the world who perform their functions in the Risk, Financial, Actuarial, Compliance and Audit Areas. This program is available in Spanish and English. As at the close of 2019, 738 employees have completed this program since it was launched in 2017.

The global online training program "Management of Risks in Insurance Matters" continued in 2019, with a duration of 280 hours, resulting in certification in this area, aimed at 28 employees, in 6 countries.

Internal Audit training also continued in 2019, aiming to provide all professionals in MAPFRE audit areas around the world with the knowledge necessary to perform internal audits and to share established management tools and best practices.

In December 2019, a training seminar was held for the auditors of Spain and Portugal for an approximate duration of 12 hours, in which 65 employees participated, and the content of which focused on deepening business knowledge and areas directly related to Internal Audit, in addition to learning about the evolution and status of the implementation of IFRS 17 in MAPFRE, the new version of Auditmap, the Map of insurance within MAPFRE and the current IT situation and technological positioning within MAPFRE, among others.

F.2. Financial information risk assessment.

Report on at least the following:

F.2.1 The main characteristics of the risk identification process, including error or fraud risks, in relation to:

- Whether the process exists and is documented:

MAPFRE has a Risk Management System (hereinafter, RMS) that applies to Group companies, in accordance with the internal regulations of each of the risk categories considered.

The description of the RMS is included in Section E. Risk Control and Management Systems of this Corporate Governance Report.

Regarding the Risk Control System, risk factors are identified for each of the processes that the Group considers to be critical, which are classified into 24 risk types. Among the risk factors considered for each process, one is always included regarding the registration and accounting of operations with an economic or accounting impact.

These risk factors are associated with the key figures for the main items in financial statements. In this process of identifying the key figures, quantitative and qualitative factors (complexity of transactions, risk of fraud and other aspects) were considered.

These risk factors are evaluated by the areas and departments of the companies during the development of the risk control activities that, among other aspects, allow: i) the identification of risks through specific questionnaires on controls and risks, ii) finding out about the risk factors that have been relevant so far and iii) the adoption of corrective measures in those cases, where necessary.

- The procedure covers all financial information objectives (existence and occurrence; integrity; assessment; presentation, breakdown and comparability; and rights and obligations), whether it is updated and how frequently.

Identifying the risks that cover the objectives of existence and occurrence, integrity, assessment, presentation, breakdown and comparability, and rights and obligations of financial information is materialized through the process of preparing the quarterly questionnaire of internal controls over financial reporting.

The purpose of this procedure is to identify and verify that controls are implemented during the process of preparing the financial information, to create documentary evidence of the controls carried out by the company relating to Cash and Investment, Consolidation, Accounting and Tax processes, as well as of the result of its application, and acting as an internal communication channel to share the relevant information related to the issuance of financial information.

The procedure was reviewed in the first quarter of 2018, the main change being the increase in the number of controls in each of the four above-mentioned processes, from a total of 105 in the last quarter of 2017 to 234 controls in the questionnaire of the first quarter of 2018. This procedure remained operational during 2019.

- Existence of a procedure for identifying the consolidation scope, bearing in mind, inter alia, the possible existence of complex corporate structures, instrumental companies or those with a special purpose:

The MAPFRE Consolidation Manual, prepared by the Corporate Finance and Resources Area, describes the process for identifying the scope of consolidation, which encompasses all the companies of the Group and is updated on a monthly basis.

The Consolidation Supervisor of each Subgroup receives details from the Consolidation Assistant Management of the companies included in the scope of consolidation with the percentages of direct and indirect participation and the method of consolidation that applies. Any modification to the information provided must be reported to the Consolidation Assistant Management, which will make a decision on the modification after analyzing the reasons given.

The functional structure and the tasks assigned to the process supervisors are reflected in the Consolidation Manual.

Whether the procedure takes into account the effects of other risk types (operational, technological, financial, legal, fiscal, reputational, environmental, etc.) insofar as they affect financial statements:

Risk control takes into account the different types of operational, technological, financial, legal, reputational and environmental risks, as well as the risks inherent in the insurance and reinsurance business.

In this process, each risk factor, where appropriate, is linked to the section of the financial statements that would be affected if the potential risk became a reality, the main sections being: premiums, provisions, financial returns, acquisition expenses, administration expenses and benefit expenses.

Risk control is promoted in the Group, both in Spain and abroad, through the Riskm@p computer application, which is developed internally by MAPFRE and which aids in the creation of company Risk Maps. These maps analyze the significance and probability of occurrence of different risks. The management model is based on a dynamic analysis by processes, in which the managers of each area or department identify and assess the potential risks that affect business and support processes, as well as key economic figures, among other aspects, by completing self-evaluation questionnaires.

Which of the company's governing bodies oversees the process:

The Audit and Compliance Committee, in regards to the information and internal control systems, has the competence, among other tasks, to periodically review the internal control systems and the risk identification and management systems, an ongoing task undertaken throughout the year by Internal Audit.

Regarding the ICFR report prepared by the Financial Department, External Audit reviews and analyzes its contents, issuing its own report on the consistency or incidents of the information that could impact it.

The ICFR report, alongside the report prepared by External Audit, is supervised by the Audit and Compliance Committee prior to its approval by the Board of Directors.

F.3. Control activities.

Indicate whether at least the following are in place and describe the main characteristics:

F.3.1 Procedures for reviewing and authorizing financial information and the description of the ICFR, to be published in stock markets, indicating who is responsible for them, as well as descriptive documentation of the flows of activities and controls (including those related to fraud risk) of the various types of transactions that may materially affect the financial statements, including the accounting closing procedure and the specific review of the relevant judgments, estimates, valuations and projections.

The financial reports on the annual accounts, and biannual and quarterly information prepared by the Corporate Finance and Resources Area, are submitted to the Audit and Compliance Committee first and then to the Board of Directors.

In the case of individual and consolidated annual accounts, the Chief Financial Officer, the Chief Internal Audit Officer and the executive responsible for preparing these accounts certify their accuracy and integrity to the Board of Directors.

The closing calendar, prepared by the Procedures and Supervision Assistant Management, lists the main activities of the process of consolidating and preparing the annual and biannual accounts and the corresponding controls, providing deadlines for compliance.

The different Group companies report financial information through their assigned supervisors, which the Corporate Finance and Resources Area consolidates to prepare the reports. During the consolidation process, controls are in place to detect any errors liable to significantly affect the financial statements.

The Audit and Compliance Committee supervises the following information:

- The management report and individual and consolidated annual accounts of MAPFRE S.A. and its subsidiaries.
- The report on the limited review of the consolidated abridged interim financial statements of MAPFRE S.A. corresponding to the intermediate period ending on June 30 of each fiscal year.
- The information that MAPFRE S.A. sends to the Spanish National Securities and Exchange Commission (the "CNMV") every quarter.

- The information prepared by MAPFRE S.A. for investors and analysts, which is reviewed and analyzed by the Audit and Compliance Committee before publication.
- Documents relating to Pillar II and Pillar III of Solvency II: ORSA (Own Risk and Solvency Assessment) and SFCR (Solvency and Financial Condition Report).

Additionally, as indicated in the previous section, each quarter the companies complete the questionnaire on internal controls of financial information. This questionnaire includes documented evidence of the activities and controls performed with regard to the main financial information processes.

Control activities are performed through the risk control process. The departmental and area supervisors prepare internal control manuals and other descriptive documents, which contain procedures, activities and the parties involved in them, identifying the associated risks and the controls for mitigating them, including those related to fraud risk and the accounting close process. The knowledge and documentation of controls allows those responsible for the various areas and departments of MAPFRE companies to evaluate the effectiveness of the established controls, to find out if the relevant risks that have been identified are sufficiently controlled and take the necessary corrective measures.

Regarding the judgments and estimates, the Board of Directors makes them based on assumptions on the future and about uncertainties which are mainly related to technical provisions; losses due to deterioration of certain assets; the calculation of provisions for risks and expenses; the actuarial calculation of liabilities and commitments for post-employment remuneration; the useful life of intangible assets and tangible fixed assets; and the fair value of certain non-listed assets.

The estimates and assumptions used are included in the accounting close instructions, are reviewed regularly, and are based on historical experience and on other factors that may be considered more reasonable at the time. If the review leads to changes in estimates in a given period, their effect is applied during that period and, if applicable, in subsequent periods.

F.3.2 Internal control policies and procedures for information systems (inter alia, safe access, change control, operation, operational continuity and separation of functions) that concern the company's relevant procedures in relation to the preparation and publication of financial information.

The Corporate Security and Environmental Division (DISMA), which until July 18, 2018, was dependent on the Corporate Resources and Institutional Coordination Area, becomes dependent from that date on the Corporate Business Support Area, which is managed by the General Director of Business Support. These changes were approved by the Board of Directors of MAPFRE S.A. on June 18, 2018. The DISMA acts directly on the regulations regarding data security.

In particular, the measures established are specified in a Documentary Data Security System (SDSI) or Regulatory Body for Data Security (CNSI), which derives from the Master Plan for Security and Environment and the Corporate Security and Privacy Policy, both documents whose latest update was approved by the Board of Directors of MAPFRE S.A., at its meeting held on December 13, 2018. In this version, these documents have been adapted to the new regulatory requirements, mainly regarding the General Data Protection Regulations (GDPR), and the creation of the Privacy and Data Protection Committee as the delegate body of the Security and Environment Committee, and as a support body of the Crisis and Business Continuity Committee.

"These security controls and procedures established on information systems can be classified as: preventive, detective and corrective, and result in the development and dissemination of standards, the establishment of design security, the monitoring of networks and systems, the review of measures and controls implemented, and the ability to respond to possible security incidents that may occur."

Among other aspects, the Data Security Regulations set out the following: information systems must be tracked and monitored through inventory procedures to identify the resources and the information that they contain; verification of the identity of the people who use them; and the use of passwords in keeping with the password strength criteria laid down in the regulations, which help maintain the appropriate separation of functions.

Likewise, MAPFRE also has an e-learning Security course, developed and integrated in the eCampus platform, whose purpose is to raise awareness and train its employees in this area, its objectives and responsibilities and the importance that this acquires in organizations to minimize risks and fulfill their responsibilities in this regard. During 2019 a new updated and improved version of this course has been distributed, which also provides a recurring process to update awareness in this area.

To facilitate compliance with the responsibilities and commitments established in the Data Security Regulations, MAPFRE has a General Control Center (which acts as a Computer Emergency Response Team (CERT) and belongs to the international network known as FIRST or Forum of Incident Response and Security Teams). This center monitors activity in the networks and in the Group's information systems, and is the body responsible for responding to potential security incidents.

Additionally, every year the Corporate Security and Environment Division implements a calendar of security checks to verify the security controls in place and discover any vulnerabilities in the information systems.

Both the Corporate Security and Privacy Policy and the Security and Environment Governance Model, and the rules and standards of the Data Security Regulatory Body, are published on the Global Intranet in order to enable access to all employees.

In addition, the Group has a Corporate Business Continuity Model consisting of a Policy, a Governance Framework and a Business Continuity Methodology that define the framework and the necessary actions to be taken to ensure the correct development of the operation before the materialization of a high impact incident, so that the damage caused is minimized.

Every two years, the Corporate Internal Audit Area verifies the proper functioning of the Internal Control System of the main IT Systems whose scope is the general controls of information technology (IT), the IT control environment, and the application controls. In those years where no specific review is carried out, the identified action plans are monitored and their status is reviewed.

F.3.3 Internal control policies and procedures designed to supervise the management of activities subcontracted to third parties, as well as those aspects of evaluation, calculation or valuation entrusted to independent experts, which may have a material effect on financial statements.

All services subcontracted to third parties are articulated through specific contracts, and the contracting units or areas directly supervise the providers, except in the case of exceptional services (that are not recurring over time), of reduced amount, duration and lesser importance which are processed through the system based on the provider's offer.

Providers are selected on the basis of objective criteria that assess factors such as quality, price, provider infrastructure, market recognition and, in particular, membership of the groups of associates that collaborate with the Group's companies and their track record in terms of service quality.

Compliance with prevailing legislation in the various countries and the implementation of security measures where warranted are prerequisites. Other highly rated attributes include response times, after-sales service, geographic reach and the added value they can contribute.

Currently under development by the Purchase and Resources Division is a project to be deployed in the countries of the Purchase and Contracting Services Global Model (which is already present in 15 countries), which includes different categories including the category corresponding to services of independent professionals, which includes services with a possible financial impact derived from the evaluation, calculation or valuation assigned.

In implementing this plan, in 2013 the Steering Committee approved the Procurement Regulations which contain the principles and basic criteria for the procurement of goods and services by all Group companies, irrespective of their geographic location and type of business. A Purchasing Procedure is also defined and approved internally that completes the Purchasing Standard, which was updated during 2017 and which entered into force on January 1, 2018. Both documents were reviewed and updated in January 2019 according to recommendations provided by Internal Audit and based on experience gained in the years since they were approved.

Additionally, each organization or country that has been given the ability to negotiate contracts, by having enough agency, must develop a specific procedure to regulate its hiring, always respecting and in compliance with the minimum criteria established in the Purchase Standard and General Procedure.

In general, providers are approved and contracted by the Procurement Area, and once the contract has been formalized it is the requester who ensures that the service is delivered correctly and in line with current legislation.

Notwithstanding the foregoing, in cases where the services of outsourced independent professionals have to be treated with special confidentiality (M&A) it is the area itself that directly hires and supervises the service, although minimal information to document the hiring, as established in the Procedure for Sensitive Hiring, must be registered in the system.

Currently, the main providers that are contracted repeatedly (those with an annual turnover of more than thirty thousand euros) have been approved and, in line with the Procurement Procedure, the objective is to approve all recurring providers or providers with special relevance for the MAPFRE Group as stated in the Purchase Procedure.

F.4. Information and Communication.

Indicate whether at least the following are in place and describe the main characteristics:

- F.4.1 A specific function responsible for defining, keeping accounting policies up-to-date (accounting policies area or department) and resolving queries or disputes derived from their interpretation, maintaining continuous communication with those responsible for operations in the organization, as well as an updated manual of accounting policies that is communicated to the units through which the company operates.

The Accounting Regulations Assistant Management, which reports to the Corporate Area of Finance and Resources, is entrusted, among other things, with updating accounting policies and applicable rules that concern the Group's financial information, and for resolving consultations and disputes deriving from the interpretation thereof.

It also maintains a close and fluid relationship with the financial divisions of the different companies and with the Corporate Areas, to which it communicates formally established accounting procedures and rules.

With regard to the preparation of financial information, General Counsel and the Corporate Finance and Resources Area issued memos containing instructions and updates on applicable regulations. In addition, financial supervisors have specific models and instructions for preparing financial information, using the Accounting Models and the Consolidation Manual (which includes applicable accounting standards and policies), which are updated annually.

The subsidiaries of the Group receive the information about the applicable procedures and standards through the parent entities of the Subgroups, which in turn receive the instructions directly from the Accounting Regulations Assistant Management and the Procedures and Supervision Assistant Management.

The Procedures and Supervision Assistant Management updates the individual and consolidated Annual Accounting Models used by the various Group companies, which include accounting policies and breakdowns of information to be presented.

The Consolidation Assistant Management of the Corporate Finance and Resources Area specifies the instructions on accounting policies and breakdowns for preparation of the Group's consolidated information using the Consolidation Manual.

At least once a year, and during the last quarter of the fiscal year, the Annual Accounting Models and the Consolidation Manual are reviewed and any changes are reported to the parties involved. However, whenever there are changes that affect periods of time of less than one year, these changes are reported immediately.

- F.4.2 Mechanisms for the capture and preparation of financial information with standard formats, for application and use by all units of the company or the Group, that support the main financial statements and notes, as well as information provided on the ICFR.

The financial information of MAPFRE Group companies is managed through the corporate consolidation application, a tool that represents a centralized database (common and single data repository). This application has been programmed to automatically execute the consolidation entries and process controls, which guarantees that the criteria set out in the consolidation manual are applied uniformly to all the automatic entries and minimizes the likelihood of errors.

Within the procedure for preparing financial information, the consolidation certificates constitute the channel of communication about the information required in the consolidation procedure or in the preparation of consolidated financial statements. The certificates are reviewed and updated at least once a year.

Based on the information contained in the consolidation certificates and following the Accounting Models prepared by the Procedures and Supervision Assistant Management, the Consolidation Assistant Management prepares the consolidated annual accounts and other financial statements.

The Internal Accounting Control Assistant Management is responsible for the preparation of the report on the ICFR. To do this, it identifies the areas involved in the financial information preparation process, sends them instructions on how to complete the report, and at least once a year asks them to update the support documentation for the actions performed.

F.5. Supervision of the system's operation.

Report on the following, indicating the main characteristics:

- F.5.1 The supervision activities of the ICFR conducted by the audit committee and whether the company has an internal audit function that includes supporting the committee in its supervision of the internal control system, including the ICFR. Additionally, the scope of the ICFR evaluation carried out during the fiscal year and the procedure by which the person in charge of carrying out the evaluation will communicate their results will be reported, as well as information about whether the company has an action plan detailing the possible corrective measures, and if its impact on financial information has been considered.

MAPFRE S.A. has a Corporate Internal Audit Area consisting of six Internal Audit Services located in Spain (Seguros Iberia, Seguros Latam, Seguros Internacional, Reinsurance, Assistance and Global Risks, and Information Technologies), a Continuous Internal Audit Unit in Spain and 27 internal audit units and departments abroad that are fully independent, and which review and assess the suitability and correct functioning of the Group's processes, as well as the Internal Control System.

The structure of MAPFRE's Corporate Internal Audit Area depends functionally on the Board of Directors of MAPFRE S.A. through the Audit and Compliance Committee (Delegate Body of the Board) and on the Chairman in particular.

The directors of the audit departments and units depend (functionally and hierarchically) on the Group Chief Internal Audit Officer.

The Audit and Compliance Committee supervises the financial information described in the previous Section F.3.1 of this report, and also approves the Internal Audit Plan and monitors it on a quarterly basis.

The Audit Plan outlines the supervisory work that the Corporate Internal Audit Area will carry out during the next fiscal year, the content and scope of which are established in terms of the risks identified, requests received and own experience. The plan is managed uniformly through a single Group-wide technological platform that allows the information to be processed in line with the access levels established for the different responsibilities. The 2019 Internal Audit Plan was approved by the Audit and Compliance Committee in the session held on February 5, 2019.

The MAPFRE Group Internal Audit Statute and Policy in force in fiscal year 2019, which was approved by the Board of Directors on February 6, 2019, states that the Corporate Area of Internal Audit has the following exclusive functions, among others:

- To supervise the suitability and efficacy of the Internal Control System and other elements of the Governance System, which is centered on:
 - * Evaluating the suitability, sufficiency and efficacy of elements of the Internal Control System.
 - * Evaluating the Risk Management System (RMS), based on the integrated management of all the business processes and suitability of the risk level to MAPFRE's strategic objectives by reviewing, as a minimum requirement, the quantification and qualification processes for the types of risks provided for in the Solvency II Directive.
 - * Evaluating the suitability and performance of the key Functions set out in the Governance System provided for in the Solvency II Directive.
- Contributing to good Corporate Governance by verifying compliance with the rules established by the MAPFRE Group's Institutional, Corporate and Organizational Principles and the Solvency II Directive.
- In accordance with the Annual Audit Plan or as specified, evaluating the reliability and integrity of accounting and individual and consolidated information and other economic information prepared by MAPFRE S.A., its Subsidiaries, Business Units, Territorial Areas, Regional Areas and Corporate Areas, as well as the validity, sufficiency and application of the accounting and legal principles and rules.

The evaluation and assessment of the MAPFRE Internal Control System conducted by the Internal Audit Corporate Area follows a methodology based on variables such as the review of the IT internal control, the assessments of the audits conducted during the year and compliance with recommendations, which are first approved by the Audit and Compliance Committee. The result of this review is reflected in the Internal Control System Assessment Report. Whenever appropriate, individual recommendations are made to the company with a view to improving the Internal Control System and then the Audit and Compliance Committee monitors their compliance.

Every year the Audit and Compliance Committee analyzes the assessments and any recommendations issued by the Corporate Internal Audit Area on the Internal Control System (which includes those from the ICFR).

The Corporate Internal Audit Area assesses the performance of the Internal Control System for the main IT systems, as indicated in section F.3.2 above.

Additionally, the Corporate Internal Audit Area carries out a check on the work carried out throughout the year in relation to the ICFR.

Likewise, as part of the audit procedures performed to validate the annual financial statements, the external auditor issues a memorandum of recommendations after his/her interim visit, which is presented to the Audit and Compliance Committee.

F.5.2 Whether there is a procedure for discussion whereby the account auditor (pursuant to the provisions of the NTAs), the internal audit function and other experts can notify the executive management and the audit committee or company executives of any significant weaknesses in internal control identified during procedures to review the annual accounts or others that have been entrusted to them. Also indicate whether there is an action plan that endeavors to correct or mitigate the weaknesses observed.

The previous section F.5.1 indicates the procedure used by the Corporate Internal Audit Area to report assessments of aspects relating to internal control.

Communication with the external auditor is very frequent and fluid in the MAPFRE Group. Both at the beginning, during and at completion of work to review the company's annual accounts by the external auditors, planning, follow-up and coordination meetings are held and attended by the external auditors, internal auditors, General Counsel and the Corporate Finance and Resources Area. Additionally, on completion of the work a meeting is held with the Group Chief Internal Audit Officer to discuss the results and conclusions detected. The external auditor attends the Audit and Compliance Committee when the agenda includes topics regarding the review of the annual and half-yearly accounts, their preliminary review, and whenever required on account of other issues.

F.6. Other relevant information.

There is no other relevant information about the ICFR that has not been included in this report.

F.7. External auditor report.

Indicate:

F.7.1 Whether the ICFR information sent to the markets has been reviewed by the external auditor. If so, the company should attach the relevant report as an annex. Otherwise, state the reasons.

The ICFR information has been reviewed by the external auditor, whose report is attached as an annex.

G. DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

Indicate the extent to which the company follows the recommendations of the Good Governance Code for listed companies.

In the event that any recommendation is not followed or is partially followed, a detailed explanation of the reasons should be included so that shareholders, investors and the market in general have enough information to assess the conduct of the company. No general explanations will be accepted.

1. The bylaws of listed companies should not place a maximum limit on the votes that can be cast by a single shareholder, or impose other obstacles to the takeover of the company by purchasing their shares on the market.

Complies [X] Explain []

2. When a parent and a subsidiary company are publicly traded, both should provide detailed disclosure on:

- a) The respective areas of activity and possible business relationships between them, as well as those of the dependent subsidiary listed with the other companies in the group.
- b) The mechanisms in place to resolve possible conflicts of interest.

Complies [] Complies in part [] Explain [] Not applicable [X]

3. During the Annual General Meeting, in addition to broadcasting the annual corporate governance report, the chairman of the board of directors must inform the shareholders verbally, in sufficient detail, of the most relevant corporate governance aspects of the company and, in particular:

- a) The changes that have occurred since the last Annual General Meeting.
- b) The specific reasons why the company does not follow any of the recommendations of the Corporate Governance Code and, if applicable, the alternative rules that it applies on these matters.

Complies [X] Complies in part [] Explain []

4. The company shall define and promote a new policy on communication and contact with shareholders, institutional investors and proxy advisors that is fully respectful of the rules against market abuse and treats all shareholders in the same position equally.

The company shall make this policy public through its website, including information relating to the way in which it has been put into practice and identifying the interlocutors or those responsible for this happening.

Complies [X] Complies in part [] Explain []

5. At the Annual General Meeting, the board of directors shall not put forward a proposal for delegating powers to issue shares or convertible values, excluding the right of first refusal, for more than 20 percent of the capital at the time of delegation.

When the board of directors approves any issuance of shares or convertible bonds, excluding the right of first refusal, the company shall publish the reports on this exclusion, referred to by corporate legislation, on its website immediately.

Complies [X] Complies in part [] Explain []

6. The listed companies that prepare the reports indicated below, whether on a mandatory or voluntary basis, shall publish them on their website with sufficient notice before the Annual General Meeting is held, even if their distribution is not mandatory:

- a) Report on the independence of the auditor.
- b) Report on the operation of the audit committee and the appointments and remuneration committee.
- c) Report of the audit committee on related operations.
- d) Report on the corporate social responsibility policy.

Complies [X] Complies in part [] Explain []

7. The company shall broadcast the Annual General Meeting live on its website.

Complies [X] Explain []

8. The audit committee shall ensure that the board of directors seeks to present accounts to the Annual General Meeting without limitations or reservations in the audit report. When this is not possible, both the chairman of the audit committee and the auditors must clearly explain the content and scope of these limitations or reservations.

Complies [X] Complies in part [] Explain []

9. On its website, the company shall make publicly and permanently available the requirements and procedures that it shall accept to support the ownership of shares, the right to attend the Annual General Meeting and voting or proxy voting.

These requirements and procedures shall promote attendance and the exercising of rights of the shareholders and must be applied in a non-discriminatory manner.

Complies [X] Complies in part [] Explain []

10. When, prior to the Annual General Meeting, any entitled shareholder has exercised the right to complete the agenda or present new proposals for resolution, the company:

- a) Shall immediately broadcast these new and additional proposals for resolution.
- b) Shall publicize the model attendance card or proxy or distance vote form with the necessary modifications so that they can vote on the new points in the agenda and proposed alternatives for resolution in the same terms as those proposed by the board of directors.
- c) Shall submit all of those points and proposed alternatives to voting and apply the same voting rules as those set by the board of directors, including, in particular, the presumptions or inferences on how to vote.
- d) Following the Annual General Meeting, it shall communicate the breakdown of the vote on those additional points or proposed alternatives.

Complies [] Complies in part [] Explain [] Not applicable []

11. If the company plans to pay attendance premiums for the Annual General Meeting, it shall establish a general policy on those premiums previously and this policy must be permanent.

Complies [] Complies in part [] Explain [] Not applicable []

12. The board of directors shall perform its functions with a unified purpose and independent judgment, treat all shareholders in the same position equally and be guided by corporate interest, understood as a profitable business that is sustainable in the long-term and that promotes the continuation and maximization of the economic value of the company.

In the pursuit of corporate interest, in addition to compliance with the laws and regulations and a behavior based on good faith, ethics and in compliance with the commonly accepted uses and good practices, it shall seek to reconcile, as appropriate, corporate interest with the legitimate interests of its employees, providers, clients and those of the other stakeholders that may be affected, as well as the impact of the company's activities on the community as a whole and the environment.

Complies [] Complies in part [] Explain []

13. The board of directors shall be of the required size to permit its efficient and participatory operation, meaning that it is advisable for it to comprise between five and 15 members.

Complies [] Explain []

14. The board of directors shall approve a board director selection policy which:

- a) Is specific and verifiable.
- b) Ensures that the appointment or reappointment proposals are based on a prior analysis of the needs of the board of directors.
- c) Promotes diversity of knowledge, experience and gender.

The results of the prior analysis of the needs of the board of directors shall be included in the explanatory report of the appointments committee that is published when the Annual General Meeting is called, to which the ratification, appointment or reappointment of each board director is submitted.

The board director selection policy shall promote the objective for the number of directors in 2020 to represent at least 30 percent of the total members of the board of directors.

The appointments committee shall verify the compliance with the board director selection policy annually and shall inform on this in the annual corporate governance report.

Complies [X]

Complies in part []

Explain []

15. The nominee and independent board directors shall constitute a large majority of the board of directors, and the number of executive board directors should be the minimum required to deal with the complexity of the corporate group and reflect the percentage of shares held in the company by the executive board directors.

Complies [X]

Complies in part []

Explain []

16. The percentage of nominee board directors of the total number of non-executive board directors should not be greater than the ratio between the company capital represented by these board directors and the rest of the capital.

This criterion can be relaxed:

- a) In large cap companies where there are few equity stakes that are legally considered as significant.
- b) In companies with a plurality of shareholders represented on the board of directors who are not related.

Complies [X]

Explain []

17. Independent directors should account for at least half of the total number of board directors.

However, when the company is not large cap, or when, even though it is, it has one or several shareholders acting in unison controlling more than 30 percent of the share capital, the number of independent board directors should represent at least a third of all board directors.

Complies [X] Explain []

18. Companies shall publish the following board director particulars on their website and keep them permanently updated:

- a) Professional and biographical profile.
- b) Other boards to which they belong, whether or not listed companies, as well as other paid activities performed, whatever their nature.
- c) An indication as to whether the directorship is executive, indicating shareholder-nominated or independent; in the case of nominee board directors, stating the shareholder they represent or to whom they are affiliated.
- d) The date of first and subsequent appointments as a company board director, as well as later reappointments.
- e) Company shares, and share options, of those which are held.

Complies [X] Complies in part [] Explain []

19. The annual corporate governance report, following verification by the appointments committee, shall disclose the reasons for the appointment of nominee board directors at the behest of shareholders controlling less than three percent of capital; and it should explain any rejection of a formal request for a board place from shareholders whose equity stake is equal to or greater than that of others appointed for a nominee directorship.

Complies [] Complies in part [] Explain [] Not applicable [X]

20. Nominee board directors must resign when the shareholders they represent transfer their ownership interest in its entirety. If such shareholders reduce their stakes, thereby losing some of their entitlement to nominee board directors, the number of such nominee board directors should be reduced accordingly.

Complies [] Complies in part [] Explain [] Not applicable [X]

21. The board of directors must not propose the removal of independent board directors before the expiry of their term in office pursuant to the bylaws, except where due cause is found by the board of directors, based on a report from the appointments committee. In particular, it must be understood that there is just cause when the board director takes on new positions or contracts new obligations that prevent him/her from devoting the necessary time to the performance of the functions of a board director, fails to comply with the work inherent to his/her position or is involved in any of the circumstances that cause the loss of his/her independent status, in accordance with that established in applicable legislation.

The removal of independent board directors can also be proposed as a result of public takeover bid, merger or similar corporate actions that cause changes in the capital structure of the company, when these changes in the structure of the board of directors are supported by the proportionality criteria, indicated in recommendation 16.

Complies Explain

22. Companies shall establish rules obliging board directors to inform the board of directors of any circumstance that might undermine the organization's name or reputation, tendering their resignation as the case may be, with particular mention of any criminal charges brought against them and the progress of any subsequent proceedings.

If a board director is indicted or tried for any of the crimes stated in corporate law, the board of directors should examine the matter as soon as possible and, in view of the particular circumstances, decide whether or not he/she should be called on to resign. The board of directors should also disclose all of this in the annual corporate governance report.

Complies Complies in part Explain

23. The board directors should clearly express their opposition when they consider that a resolution submitted to the board of directors may go against the corporate interest. In particular, independent board directors and other board directors unaffected by the potential conflict of interest should challenge any decision that could go against the interests of shareholders lacking representation in the board of directors.

When the board of directors adopts important or reiterated resolutions on issues about which a board director has expressed serious reservations, it must draw the pertinent conclusions. If chosen to resign, the reasons for this must be set out in the letter referred to in the following recommendation.

This recommendation should also apply to the secretary of the board of directors, even if the secretary is not a board director.

Complies Complies in part Explain Not applicable

24. If leaving office before the end of his/her term, whether due to resignation or other reasons, the board director should explain the reasons in a letter sent to all members of the board of directors. Whether or not such resignation is filed as a significant event, the reasons for leaving must be explained in the annual corporate governance report.

Complies [X] Complies in part [] Explain [] Not applicable []

25. The appointments committee must ensure that non-executive board directors have sufficient time available to perform their functions correctly.

The board regulations establish the maximum number of company directorships that can form part of their board directors.

Complies [X] Complies in part [] Explain []

26. The board of directors should meet with the necessary frequency to perform its functions properly, and at least eight times a year, following the schedule of dates and matters established at the beginning of the fiscal year, to which each board director may propose the addition of other items individually.

Complies [X] Complies in part [] Explain []

27. Board directors should keep their absences to a bare minimum. Absences should be quantified in the annual corporate governance report. When they have to be absent, they should delegate their representation with instructions.

Complies [X] Complies in part [] Explain []

28. When board directors or the company secretary express concerns about a proposal or, in the case of board directors, about the company's performance, and such concerns are not resolved by the board of directors, the person expressing them may request that they be recorded in the minutes.

Complies [X] Complies in part [] Explain [] Not applicable []

29. The company must establish the appropriate channels for the board directors to obtain precise advice for the fulfillment of their functions, including, if the circumstances demand it, external advice at the company's expense.

Complies [X] Complies in part [] Explain []

30. Irrespective of the knowledge demanded of the board directors to perform their functions, companies also offer refresher programs, when the circumstances so dictate.

Complies [X] Explain [] Not applicable []

31. The agenda of the sessions must clearly indicate the points about which the Board of Directors must make a decision or a resolution that enables the board directors to study or previously obtain the information required for this to take place.

When, in exceptional circumstances, as a matter of urgency, the board director wishes to submit decisions or resolutions that are not part of the agenda to the board of directors, prior and express consent must be obtained from the directors present, which must be duly recorded in the minutes.

Complies [X] Complies in part [] Explain []

32. The board directors must be informed periodically on the transactions of the shareholders and the opinions that the significant shareholders, investors and ratings agencies have on the company and group.

Complies [X] Complies in part [] Explain []

33. The chairman, as the person responsible for the effective functioning of the board of directors, in addition to exercising the functions that he has been legally and statutorily assigned, must prepare and submit to the board of directors a program of dates and matters to be discussed; organize and coordinate the periodic evaluation of the board, as well as, where appropriate, that of the company's chief executive; and must be responsible for the management of the board and the effectiveness of its operation; and must ensure that sufficient discussion time is devoted to strategic issues, and agree and review refresher programs for each board director, when the circumstances so dictate.

Complies [X] Complies in part [] Explain []

34. When there is a lead board director, the bylaws or regulations of the board of directors, as well as the powers that are legally entitled, he/she is assigned the following: to chair the board of directors in the absence of the chairman and vice chairmen, if applicable, voice the concerns of the non-executive board directors, maintain contact with investors and shareholders to be aware of their points of view in order to form an opinion on their concerns, particularly in relation to the corporate governance of the company, and coordinate the succession of the chairman.

Complies [] Complies in part [X] Explains [] Not applicable []

The company complies with the entire recommendation, except with respect to assigning the Lead Board Director with the power to chair the Board of Directors in the absence of the Chairman, to maintain contact with investors and shareholders, and to coordinate the succession of the Chairman. The Regulations of the Board of Directors assigns the Lead Board Director the powers to request the Board of Directors to be convened, or the inclusion of new points in the agenda from a Board meeting already convened, to coordinate and bring together the non-executive Board Directors and, if required, direct the periodic evaluation of the Chairman of the Board of Directors.

In accordance with the Board of Directors Regulations, in the absence of the Chairman and Vice Chairmen, the oldest board director is called upon to chair the meeting. However, the Lead female Director is also the Second Vice Chairwoman of the Board and, accordingly, is entrusted with chairing meetings in the absence of the Chairman and the First Vice Chairman.

With respect to relationships with shareholders and investors, article 21 of the Board of Directors Regulations establishes that the Board of Directors is responsible for establishing and supervising appropriate communications and relations mechanisms with shareholders and investors, establishing the pertinent communications channels in the Policy for Communication with Shareholders, Institutional Investors and Proxy Advisors. The company considers that this configuration ensures better and more efficient coordination of the company's relationships with its investors and shareholders.

Finally, the Board of Directors' Regulations assign the Appointments and Remuneration Committee the power to examine and organize the succession of the Chairman of the Board, as established in article 529 of the Companies Act.

35. The secretary of the board of directors should in particular ensure that board of directors has the recommendations on good governance at hand during its actions and decisions applicable to the company. These are contained in this Good Governance Code.

Complies [X] Explain []

36. The board of directors should evaluate and adopt an action plan in full once a year, if applicable, that corrects the weaknesses detected, in relation to:

- a) The quality and efficiency of the operational aspects of the board of directors.
- b) The operational aspects and composition of its committees.
- c) The diversity in the composition and responsibilities of the board of directors.
- d) The performance of the chairman of the board of directors and the chief executive of the company.
- e) The performance and contribution of each board director, paying special attention to those responsible for the different board committees.

The various committees are evaluated on the basis of the report that they present to the board of directors, and for the latter, on the report presented to the appointments committee.

Every three years, the board of directors shall be assisted by an external advisor to perform the evaluation, the independence of whom shall be verified by the appointments committee.

The business relationships maintained by the advisor or any company in its group with the company or any company in its group must be indicated in the annual corporate governance report.

The process and the areas evaluated must be described in the annual corporate governance report.

Complies [X] Complies in part [] Explain []

37. When there is an executive committee, the breakdown of its members by board director category should be similar to that of the board of directors. The secretary of the board should also act as secretary to the executive committee.

Complies [X] Complies in part [] Explain [] Not applicable []

38. The board of directors should be kept fully informed of the matters discussed and resolutions adopted by the executive committee. To this end, all members of the board of directors should receive a copy of the executive committee's minutes.

Complies [X] Complies in part [] Explain [] Not applicable []

39. All members of the audit committee, particularly its chairman, should be appointed with regard to their knowledge and background in accounting, auditing and risk management. The majority of these members should be independent board directors.

Complies [X]

Complies in part []

Explain []

40. Under the supervision of the audit committee, there should be a unit that assumes the internal audit function that ensures the proper performance of the information and internal control systems, and functionally operates under the non-executive director of the board or the audit committee.

Complies []

Complies in part []

Explain []

41. The manager of the unit that assumes the internal audit function must present an annual work program to the audit committee, report to it directly about any incidents arising during its implementation, and present an activity report at the end of each fiscal year.

Complies [X]

Complies in part []

Explain []

Not applicable []

42. In addition to the provisions of the law, the audit committee has the following functions:

1. In relation to the information and internal control systems:
 - a) To supervise the process of preparing the financial information and its integrity for the company and group, reviewing compliance with regulatory requirements, checking the scope of the consolidation perimeter and making sure that the accounting principles are applied properly.
 - b) To ensure the independence of the unit that assumes the internal audit function; to propose the selection, appointment, reappointment and removal of the internal audit officer; to propose the budget for the internal audit department; to approve the guidance and work programs, ensuring that the unit's activity primarily focuses on risks relevant to the company; to receive periodic information on its activities; and to check that the executive management takes the conclusions and recommendations of its reports into account.
 - c) To establish and supervise a mechanism that enables employees to confidentially and, if this is deemed possible and appropriate, anonymously report any irregularities they notice within the company which may be of potential importance, especially financial and accounting irregularities.
2. With respect to the external auditor:
 - a) Should the external auditor resign, to examine the circumstances leading to the resignation.
 - b) To ensure that the remuneration of the external auditor for his/her work does not compromise his/her quality or independence.
 - c) To ensure that the company notifies any change of auditor to the Spanish National Securities and Exchange Commission (the "CNMV") as a significant event, accompanied by a statement of any disagreements arising with the outgoing auditor and the reasons for these.
 - d) To ensure that the external auditor holds an annual plenary meeting of the board of directors to inform them about the work performed, the accounting situation and any risks to the company.
 - e) To ensure that the company and the external auditor respect the prevailing standards on the provision of services other than auditing, the limits on the concentration of the auditor's business and, in general, other standards established to guarantee auditors' independence.

Complies [X]

Complies in part []

Explain []

43. The audit committee can summon any company employee or executive, even ordering their appearance without the presence of another executive.

Complies [X]

Complies in part []

Explain []

44. The audit committee must be informed of any corporate and structural modifications which the company plans to make so that, in advance of the next board of directors meeting, the committee can analyze these modifications and draw up a report about any economic conditions and accounting impact, particularly as regards the proposed exchange ratio.

Complies [X] Complies in part [] Explain [] Not applicable []

45. The risk control and management policy should specify at least the following:

- a) The different types of risk, both financial and non-financial (operational, technological, legal, social, environmental, political and reputational), faced by the company. In the case of financial or economic risks, the contingent liabilities and other off-balance-sheet risks must be identified.
- b) The fixing of the risk level that the company considers acceptable.
- c) The measures established to mitigate the impact of the risks identified, should they materialize.
- d) The internal oversight and reporting systems that will be used to control and manage these risks, including contingent liabilities and off-balance-sheet risks.

Complies [X] Complies in part [] Explain []

46. Under the direct supervision of the audit committee, or, if applicable, a specialized committee of the Board of Directors, there should be an internal risk control and management function performed by a unit or department within the company that is expressly assigned the following functions:

- a) To ensure that the risk control and management systems function properly and, in particular, that they identify, manage and quantify all the significant risks that affect the company.
- b) To actively participate in the development of the risk strategy and important decisions regarding its management.
- c) To ensure that the risk control and management systems mitigate the risks properly and in accordance with the policy defined by the board of directors.

Complies [X] Complies in part [] Explain []

47. The members appointed to the appointments and remuneration committee—or the appointments committee and remuneration committee if separate—must have the knowledge, skills and experience appropriate for the functions that they are called to fulfill. The majority of these members should be independent board directors.

Complies [X] Complies in part [] Explain []

48. The large cap companies have a separate appointments committee and a remuneration committee.

Complies []

Explain []

Not applicable []

The company considers the issues regarding appointments and remuneration to be closely related, and it is therefore seen as appropriate for them to be analyzed by the same committee.

49. The appointments and remuneration committee must consult with the chairman of the board of directors and the chief executive, particularly with respect to matters relating to executive board directors.

Any board director may ask the appointments committee to take into consideration any candidates he/she deems suitable to fill a board director vacancy.

Complies []

Complies in part []

Explain []

50. The remuneration committee must perform its functions independently and, in addition to the functions assigned by law, the following ones:

- a) To propose the basic conditions for the contracts of the top executives to the board of directors.
- b) To check compliance with the compensation policy set by the company.
- c) To periodically review the compensation policy applicable to board directors and top executives, including compensation systems with shares and the application thereof, as well as to guarantee that individual remuneration is proportional to that paid to the rest of the board directors and top executives of the company.
- d) To ensure that possible conflicts of interest do not compromise the independence of the external advice provided to the committee.
- e) To check the information on remuneration of board directors and top executives contained in the different corporate documents, included in the annual report on the remuneration of board directors.

Complies []

Complies in part []

Explain []

51. The remuneration committee must consult with the chief executive, especially with respect to matters related to executive board directors and senior managers.

Complies []

Complies in part []

Explain []

52. The rules governing the composition and operation of the supervision and control committees must be included in the regulations of the board of directors and be consistent with those applicable to legally obliged committees in line with the previous recommendations, including:
- a) They are formed exclusively of non-executive board directors, with a majority of independent board directors.
 - b) Their chairmen are independent board directors.
 - c) The Board of Directors appoints the members of these committees based on their knowledge, skills and experience and the terms of reference of each committee; discusses its proposals and reports; and reports on and defends its activity at the first plenary board of directors meeting held after its own meetings.
 - d) The committees may engage external advice when it is considered necessary for the performance of their functions.
 - e) Minutes must be taken at their meetings and made available to all board directors.

Complies [X]

Complies in part []

Explain []

Not applicable []

53. The supervision of compliance with corporate governance rules, internal codes of conduct and the corporate social responsibility policy must be attributed to one or distributed among several committees of the board of directors, which may be the audit commission, the appointments committee, the corporate social responsibility committee, if these exist, or a specialized commission that the board of directors, in the exercise of its powers of self-organization, decides to create for this purpose, to which the following minimum functions are specifically attributed:
- a) Supervision of the company's compliance with its internal codes of conduct and rules of corporate governance.
 - b) Supervision of the communication strategy and relationship with shareholders and investors, including small and medium shareholders.
 - c) Periodic assessment of the suitability of the company's corporate governance system to fulfill its mission of promoting the corporate interest and bearing in mind, as applicable, the legitimate interests of the remaining stakeholders.
 - d) Review of the company's corporate responsibility policy to ensure that it is aimed at the creation of value.
 - e) Monitoring of the corporate social responsibility strategy and practices and evaluation of the degree of compliance.
 - f) Supervision and evaluation of the relational processes with other stakeholders.
 - g) Evaluation of everything relating to the non-financial risks of the company, including operational, technological, legal, social, environmental, political and reputational.
 - h) Coordination of the report process for non-financial and diversity information, in line with the applicable regulations and international reference standards.

Complies []

Complies in part []

Explain []

Functions a) and c) expressly correspond to the Audit and Compliance Committee and function g) to the Risk Committee.

As indicated in recommendation 34, the Board of Directors itself is responsible for establishing and supervising appropriate communication mechanisms and relations with shareholders and investors.

With regard to the responsibilities relating to corporate social responsibility, the company has a Corporate Social Responsibility Committee. This permanent internal body has executive functions and is responsible, among other things, for approving the Social Responsibility strategy and proposing specific actions, objectives and deadlines. In accordance with the Corporate Social Responsibility Policy, this Committee reports annually to the MAPFRE S.A. Board of Directors and/or to the delegate body of this that is competent in this respect, on the degree of compliance with the Corporate Social Responsibility Policy and strategy.

54. The corporate social responsibility policy shall include the principles and commitments which the company assumes voluntarily in its relationship with other stakeholders and it should identify at least the following:

- a) The objectives of the corporate social responsibility policy and development of support instruments.
- b) The corporate strategy related to sustainability, the environment and social issues.
- c) Specific practices on matters relating to: shareholders, employees, clients, providers, social issues, the environment, diversity, fiscal responsibility, respect for human rights, and the prevention of illegal conduct.
- d) Methods or systems for monitoring the results of the application of the specific practices indicated above, as well as the associated risks and their management.
- e) Mechanisms for supervising non-financial risk, ethics and corporate conduct.
- f) Channels of communication, participation and dialog with stakeholders.
- g) Responsible communication practices that prevent information manipulation and protect honor and integrity.

Complies [X] Complies in part [] Explain []

55. The company reports on matters relating to corporate social responsibility in a separate document or within the management report, using one of the internationally accepted methodologies.

Complies [X] Complies in part [] Explain []

56. The remuneration of directors must be sufficient to attract and retain board directors from the desired profile and reward the commitment, qualification and responsibility demanded by the position, but not so high that the independence of criteria for non-executive board directors is compromised.

Complies [X] Explain []

57. The executive board directors must receive the variable remuneration relating to the performance of the company and their individual performance, as well as remuneration in the form of shares, options or rights on shares and instruments referenced to the share value and long-term saving systems such as pension plans, retirement systems or other social protection systems.

The delivery of shares shall be considered as remuneration for non-executive board directors on condition that the shares are held for the duration of the directorship. This does not apply to the shares that a board director needs to transfer, if necessary, to meet the costs related to their acquisition.

Complies [X] Complies in part [] Explain []

58. In the case of variable remuneration, the compensation policies must include the limits and specific technical safeguards to ensure that the remuneration reflects the professional performance of the beneficiaries and not simply the general progress of the markets, the company sector or similar circumstances.

In particular, the variable elements of the remuneration:

- a) Are linked to performance criteria that are predetermined and measurable, and these criteria must take into account the risk accepted for achieving a result.
- b) Promote the sustainability of the company and include non-financial criteria that are suitable for creating long-term value, such as compliance with the internal rules and procedures of the company and its policies for risk control and management.
- c) These are established on the basis of a balance between the fulfillment of short-, medium- and long-term objectives that allow remuneration of performance for continued performance over a period of sufficient time for its contribution to the sustainable creation of value to be appreciated, so that the elements of measurement of that performance do not revolve solely around specific, occasional or extraordinary events.

Complies [X] Complies in part [] Explain [] Not applicable []

59. The payment of a significant portion of the variable components of remuneration is deferred for a minimum period that is sufficient to verify compliance with the previously established performance conditions.

Complies [X] Complies in part [] Explain [] Not applicable []

60. Remuneration linked to the company's results takes into account any reservations that are mentioned in the external auditor's report and may compromise the results.

Complies [X] Complies in part [] Explain [] Not applicable []

61. A significant percentage of the variable remuneration of the executive board directors is linked to the delivery of shares or financial instruments referenced to the share value.

Complies [X] Complies in part [] Explain [] Not applicable []

62. Once shares, or options or rights to corresponding shares, are allocated to the remuneration system, board directors cannot transfer ownership of a number of shares equivalent to twice their fixed annual remuneration, or exercise any options or rights until after a period of at least three years from their allocation.

This does not apply to the shares that a board director needs to transfer, if necessary, to meet the costs related to their acquisition.

Complies [X] Complies in part [] Explain [] Not applicable []

63. The contractual agreements include a clause that allows the company to file a claim for re-payment of variable elements of remuneration when payment has not been adjusted to the performance conditions or when it has been awarded on the basis of data which is subsequently shown to be incorrect.

Complies [X] Complies in part [] Explain [] Not applicable []

64. Payments for contract termination do not exceed a fixed amount equivalent to two years' total annual remuneration, and shall not be paid until the company has confirmed that the board director has met the pre-established performance criteria.

Complies [] Complies in part [X] Explains [] Not applicable []

For external board directors, there is no indemnification for leaving the position.

Regarding executive board directors, leaving the position means lifting the suspension of the relationship prior to the appointment as executive board director.

The early termination of the previous relationship (prior, in all cases, to the approval of the Good Governance Code for listed companies), except when there is good cause for dismissal, implies indemnification under the terms established by the workers' statute in relation to unfair dismissal.

H. OTHER USEFUL INFORMATION

1. If there is any relevant aspect regarding corporate governance in the company or in the group companies that has not been covered in the remaining sections of this report, but that should be included in order to provide more complete and explanatory information about the structure and governance practices of the company or group, please provide a brief explanation here.
2. This section may also include any other relevant information, clarification or detail related to previous sections of the report so long as they are relevant and not repetitive.

Specifically, indicate whether the company is subject to the corporate governance legislation of any country other than Spain and, if so, include the compulsory information to be provided when different from that required by this report.

3. The company may also indicate if it has voluntarily adhered to other codes of ethical principles or best practices, international, sectoral or of another scope. If applicable, the code in question will be identified as well as the date of accession. In particular, it shall mention whether it has adhered to the Code of Good Taxation Practices, of July 20, 2010.

CONTINUATION OF SECTION E.3

3. Strategic and Corporate Governance Risks

The ethical principles applied to business management, whose strict application is considered as the most effective action to mitigate this type of risk, have been a constant in MAPFRE and are part of its bylaws and daily work.

MAPFRE's global dimension and its presence in markets with very different corporate governance regulations recommend having some basic regulations that contain the institutional and governance principles applicable to all of them. In order to standardize the business culture, the Board of Directors of MAPFRE S.A., on June 24, 2015, approved the "Institutional, Business and Organizational Principles of the MAPFRE Group" which, along with the Code of Ethics and Conduct and the Policy of Corporate Governance constitute the minimum framework binding on all companies that make up MAPFRE and their respective governing bodies.

Together with the foregoing, also of note are the Corporate Fiscal Policy, the Corporate Social Responsibility Policy, the Internal Code of Conduct relating to listed securities issued by MAPFRE, and the Policy of Conflicts of Interest and Operations Linked to Significant Shareholders and Senior Roles of Representation and Management.

To reinforce the strict application of the ethical principles of business management and the corporate values set forth in these standards, MAPFRE has a corporate structure and executive organization that is determined by high and rigorous control and supervision at all levels: local, regional and global.

To ensure compliance and monitoring of any possible irregularities, MAPFRE has established two channels for consultation and communication of complaints, which are accessible to employees:

- The Ethical Channel, which allows any employee of the Group who has doubts about the application of the code of ethics and conduct or who observes a situation that could lead to a breach or violation of the established norms of conduct, can communicate this to the Ethics Committee in a confidential manner.

- The Whistleblower Channel enables Group employees to confidentially report any potentially significant financial and accounting irregularities they observe to the Audit and Compliance Committee of MAPFRE S.A.

Additionally, the Criminal Risk Prevention Model approved in April 2017 by the Board of Directors of MAPFRE S.A. establishes the basis of the Criminal Risk Prevention System adopted by MAPFRE, providing the organization with a supervisory model to prevent the commission of crimes that may be attributed to the companies. This model is used to raise awareness on the types of criminal risks to which entities are exposed, and to establish the methodology for the management and evaluation of the controls implemented to prevent or mitigate potential crimes. The Criminal Risk Prevention Model applies to MAPFRE's legal representatives, its associates, its executives, its employees and all the other persons who are under the authority or control of the above-mentioned persons or who work in their area of management, supervision, vigilance or control.

In October 2019, news about a complaint of alleged irregular action by MAPFRE in Brazil in 2009/2010 in relation to its alliance with Banco do Brasil were published in some digital media. In spite of the months that have elapsed since the publication, the Company has not received any additional news on the matter, nor has it received notification or requirement from the competent administrative or judicial authorities in relation to the aforementioned alleged action. Nonetheless, an exhaustive internal investigation process has been initiated and is currently underway, and to date, no irregularity whatsoever has been unearthed.

4. Operational Risks

Operational risks are identified and assessed through the risk control model, which is based on a dynamic analysis of each company process by process, in which the managers of each area or department assess the potential risks that affect their activities and the effectiveness of the controls related to each process. This control is conducted using risk self-evaluation questionnaires, internal control manuals, inventory of controls associated with risks, assessment of their effectiveness, and the corrective measures in place to mitigate or reduce the risks and/or improve the control environment.

With respect to tax risks, the performance of the Group in the field of taxation has always been dominated by compliance with current tax legislation in the territories in which it operates, which constitutes a practical application of the institutional principle of ethically and socially responsible taxation. The risks are handled internally in each jurisdiction by the Administration and Tax Affairs departments, subcontracting tax consulting services with the leading companies in the sector whenever required.

Since July 22, 2010 the company has adhered to and complies with the Code of Good Taxation Practices approved and sponsored by the Forum for Large Companies and the Spanish Tax Agency.

This annual report on corporate governance 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
[v] No



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Auditor's Report on the "Information concerning the System of Internal Control over Financial Reporting (ICFR)" of MAPFRE, S.A. for 2019

(Translation from the original in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

To the Directors of MAPFRE, S.A.

As requested by the Board of Directors of MAPFRE, S.A. (the "Company") and in accordance with our proposal letter dated 9 January 2020, we have applied certain procedures to the "Information concerning the ICFR" attached in section F of the Annual Corporate Governance Report of MAPFRE, S.A. for 2019, which summarises the Company's internal control procedures for annual financial reporting.

The Directors are responsible for adopting appropriate measures to reasonably ensure the implementation, maintenance and oversight of an adequate system of internal control, the development of improvements to that system and the preparation and definition of the content of the information concerning the ICFR attached.

In this respect, it should be borne in mind that irrespective of the quality of the design and operation of the internal control system adopted by the Company in relation to annual financial reporting, the system may only provide reasonable, but not absolute assurance in relation to the objectives pursued, due to the limitations inherent in any internal control system.

In the course of our audit work on the annual accounts and in accordance with Technical Auditing Standards, our evaluation of the Company's internal control was solely aimed at enabling us to establish the scope, nature and timing of the audit procedures on the Company's annual accounts. Consequently, the scope of our evaluation of the internal control, performed for the purposes of the audit of accounts, was not sufficient to enable us to issue a specific opinion on the efficiency of this internal control over regulated annual financial reporting.

For the purposes of issuing this report, we have applied only the specific procedures described below and set out in the Guidelines for preparing the auditor's report on the information on the system of internal control over financial reporting of listed entities, published on the website of the Spanish National Securities Market Commission (CNMV), which defines the work to be performed, the minimum scope of the work and the content of this report. As the scope of the work resulting from these procedures is in any event limited and substantially less than that of an audit or review of the internal control system, we do not express an opinion on its effectiveness or design or operational efficiency, with respect to the Company's annual financial reporting for 2019 described in the attached Information concerning the ICFR. Consequently, had additional procedures other than those defined in the aforementioned Guidelines been applied, or an audit or review been performed of the internal control system in relation to regulated annual financial reporting, other events or matters could have been identified, which would have been reported to you.



Moreover, as this special engagement does not constitute an audit of accounts nor is it subject to prevailing legislation regulating the audit of accounts in Spain, we do not express an audit opinion in the terms envisaged in such legislation.

The procedures applied were as follows:

1. Reading and understanding of the information prepared by the Company in relation to the ICFR – disclosures included in the directors' report – and evaluation of whether it covers all the information required, taking into account the minimum content described in Section F, concerning the description of the ICFR, the Annual Corporate Governance Report model set out in Spanish National Securities Market Commission (CNMV) Circular 5/2013 of 12 June 2013, subsequently amended by CNMV Circular 7/2015 of 22 December 2015 and CNMV Circular 2/2018 of 12 June 2018 (hereinafter, the CNMV Circulars).
2. Inquiries of personnel responsible for preparing the information detailed in point 1 above in order to: (i) gain an understanding of the preparation process; (ii) obtain information that allows us to assess whether the terminology used conforms to the definitions contained in the reference framework; (iii) obtain information on whether the control procedures described are in place and operational in the Company.
3. Review of explanatory documentation supporting the information detailed in point 1 above, and which will mainly include that made directly available to those responsible for preparing the descriptive information on the ICFR. This documentation includes reports prepared by internal audit, senior management and other internal or external specialists supporting the audit and compliance committee.
4. Comparison of the information detailed in point 1 above with the understanding of the Company's ICFR gained as a result of the procedures performed within the framework of the audit work on the annual accounts.
5. Reading of the minutes of the meetings of the Board of Directors, audit and compliance committee and other committees of the Company for the purposes of assessing the consistency of the matters discussed at these meetings in relation to the ICFR with the information detailed in point 1 above.
6. Procurement of a representation letter concerning the work performed, duly signed by those responsible for preparing and drawing up the information detailed in point 1 above.

As a result of the procedures applied to the Information concerning the ICFR, no inconsistencies or incidents have come to light that could affect it.



This report has been prepared exclusively in the context of the requirements established in article 540 of the Revised Spanish Companies Act and the CNMV Circulars for the purposes of the description of the ICFR in Annual Corporate Governance Reports.

KPMG Auditores, S.L.

(Signed on original in Spanish)

Jorge Segovia Delgado

12 February 2020