



MAPFRE, S.A.

REPORT OF THE BOARD OF DIRECTORS ON THE PROPOSED AMENDMENT
TO ARTICLES 2, 4, 5, 6, 7, 8, 9, 10, 11, 13, 16 and 18 OF THE REGULATIONS
GOVERNING THE GENERAL SHAREHOLDERS' MEETING

Madrid, 8th February 2012

I. BACKGROUND

Law 25/2011, of 1st August, amended the Recast Spanish Companies Act, introducing a number of provisions concerning the operation of the General Shareholders' Meeting in listed companies.

For this reason, it is necessary to amend the Regulations governing the General Shareholders' Meeting of MAPFRE, S.A. to adapt them to the provisions of the new regulations and to update the references therein to the legislation in force. Accordingly, the Board of Directors unanimously approved at its meeting held on 8th February 2012 to submit to the next General Shareholders' Meeting the following proposed amendments to articles 2, 4, 5, 6, 7, 8, 9, 10, 11, 13, 16 and 18 of these Regulations, which would be worded as set out below.

Article 2. General Shareholders' Meeting

PROPOSED TEXT

The General Shareholders' Meeting is the Company's supreme governing body. The resolutions adopted under the Law and the Bylaws are binding on all shareholders, including those absent or dissenting.

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

- a) Approval of the Company's individual and consolidated financial statements and distribution of results.
- b) Review and approval, where appropriate, of the management of the Board of Directors.
- c) Appointment and removal of members of the Board of Directors, and ratification or revocation of interim appointments made by the Board.
- d) Appointment of the Accounts Auditors.
- e) Approval of bond issues, increase or reduction of capital, restructuring, merger, division or dissolution of the Company and any amendments to the Corporate Bylaws.
- f) Authorisation to Board of Directors to increase the share capital, as provided **by the legislation in force**.
- g) Approval and amendment of the Regulations of the General Shareholders' Meeting.

- h) Approval of operations that result in structural changes to the Company, such as:
- the restructuring of the operating company into a holding company, by transferring the key activities carried out to date by the company itself to other subsidiaries, even if the parent company continues to hold full control over said activities;
 - any acquisition or disposal of key operating assets that would effectively alter the company's corporate purpose;
 - operations the effect of which is equivalent to the liquidation of the company.
- i) Disposal of shareholdings in subsidiaries if, together with other disposals carried out over the last three years, this leads to the loss of the majority vote or the direct or indirect control over all subsidiaries or part of them that make up more than one third of the Group's income or consolidated results.

In addition, the Board **shall submit on an annual basis, for consultation purposes and as a separate item on the agenda, a report on the directors' remuneration policy.**

Article 4. Meeting call

PROPOSED TEXT

The Board of Directors of the Company is the competent body for calling the General Shareholders' Meeting. It shall convene the Ordinary General Meeting within the first six months of the year and call an Extraordinary General Shareholders' Meeting whenever it deems necessary in the interest of the Company.

The Board of Directors shall call the General Shareholders' Meeting when this is requested by means of official record by shareholders who hold, at least, five per cent of the share capital, indicating in the request the matters to be dealt with at the Meeting, **together with a justified list of proposed resolutions.** In this case, the General Shareholders' Meeting shall be called and held within **two months** from the date on which the directors are required by notarial means to convene it. The directors shall prepare the agenda, including necessarily the matters contained in the request.

Article 5. Announcement of Meetings

PROPOSED TEXT

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

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

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

Shareholders who make up at least five per cent of the share capital may request the publication of an addendum to the call of an **ordinary** General Shareholders' Meeting, including one or more items on the agenda, **provided the new items are accompanied by a justification or, where appropriate, a justified proposed resolution.** This right must be exercised by means of reliable notice, which must be received at the Company's registered office within the five days following the publication of the call.

The addendum to the call must be published at least fifteen days before the date set for the General Shareholders' Meeting.

Shareholders that make up at least five per cent of the share capital may also, within five days of the announcement of the Meeting, submit well-founded proposals on matters already included or to be included in the agenda.

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

PROPOSED TEXT

The Board of Directors shall promote the informed participation of the shareholders in the General Shareholders' Meeting and adopt whatever measures it considers necessary to ensure that such meetings actually fulfil their purpose pursuant to the law and the Corporate Bylaws.

After the calling of the Meeting, the shareholders will be able to consult at the Registered Office all the information necessary for the General Shareholders' Meeting, along with the detailed proposed resolutions to be submitted to it, **and the forms to be used for proxy and postal voting**. The shareholders may also request these documents be sent to them free of charge, **whenever this is legally permitted**.

Notwithstanding the above, the Company shall provide this information through its website (www.mapfre.com) and the Investor Relations Department (MAPFRE. Departamento de Relaciones con Inversores. Carretera de Pozuelo a Majadahonda, no. 52, **28222** Majadahonda (Madrid); e-mail: relacionesconinversores@mapfre.com). The Company shall use these same means to allow shareholders to contact the Company in connection with any matter of interest.

Furthermore, the Company shall publish through its website and the Investor Relations Department any information it considers relevant to enable shareholders to attend the Meetings and take part in them.

Likewise, and in accordance with current legislation, the Company shall provide an Electronic Shareholder Forum on the occasion of each Meeting on its website (www.mapfre.com), which shall be operative from the publication of the announcement of the Meeting to the date on which it is held, to enable communication between the Company's shareholders. This forum, which in no case shall constitute a communication channel between the Company and its shareholders, shall be governed by its own Regulations and by current legislation.

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

PROPOSED TEXT

From the convening of the General Shareholders' Meeting until the seventh day prior to the scheduled date for the holding thereof, shareholders may request in writing from the Board of Directors any information or clarifications they consider necessary on the items included in the agenda and submit any questions in writing they deem important in reference to said items. During this period they may also request information or clarifications, or prepare written questions about information accessible to the public provided by the Company to the Spanish Securities and Exchange Commission since the last General Shareholders' Meeting was held, **as well as regarding the auditor's report**. The Board of Directors is obliged to provide information in writing until the date on which the General Shareholders' Meeting is held.

In addition, during the holding of the General Shareholders' Meeting, the Company's shareholders may verbally request the information or clarifications

referred to in the above paragraph. If it is not possible to satisfy the shareholder's right to information at that time, the Board of Directors is obliged to provide that information in writing within seven days of the end of the Meeting.

The Board of Directors is obliged to provide the information requested under the two preceding paragraphs, except in those cases where, in the Chairman's opinion, disclosure of said information might jeopardise the Company's interests. **The provision of information cannot be refused if the request is supported by shareholders who make up, at least, twenty-five per cent of the share capital.**

The Board of Directors may empower any of its members or its Secretary to respond, on its behalf, to information requests submitted by shareholders.

Article 8. Right of attendance

PROPOSED TEXT

Shareholders who hold 1,500 shares entered in the Share Register five days prior to the date on which a Meeting is to be held shall be entitled to attend the Meeting.

Shareholders who own fewer shares than the number indicated above may syndicate until they reach at least that number. They shall appoint a representative and communicate this to the Secretary of the Board of Directors of the Company five days prior to the date of the Meeting by means of a letter signed by all the syndicated shareholders and with the name and acceptance of the shareholders' representative, who will exercise the right to vote on behalf of all of them.

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

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

Article 9. Right of representation

PROPOSED TEXT

The right to attend the General Shareholders' Meeting may be delegated to another person, who may or may not be a shareholder. A proxy, **which shall require the express acceptance of the representative**, must be provided in writing specifically for each Meeting through any means that duly assures the identity of the person giving the proxy.

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

Proxies may always be revoked. A proxy shall be deemed to have been revoked if the represented party attends the Meeting in person. A General Meeting shall not be attended by more than one proxy.

Any public request for representation by the Company's directors shall be governed by the rules provided **in the legislation in force**. In particular, the document setting out a proxy must contain or attach the Agenda, as well as the request for instructions on how to exercise the right to vote and an indication as to how the representative will vote if no specific instructions are given; and it shall explicitly set out, where appropriate, any possible conflict of interest.

Article 10. Quorum

PROPOSED TEXT

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

However, in order for the General Shareholders' Meeting to validly resolve to **increase or reduce the share capital, make any amendment to the Bylaws, issue debentures, revoke or limit the pre-emptive right to acquire new shares, as well as restructure, merge, de-merge or cede assets and liabilities on bloc** and transfer the Company's registered office to another country, and in any other circumstances provided for in the legislation in

force, it shall be required that the shareholders attending the Meeting on first call, whether in person or by proxy, hold at least fifty percent of the subscribed capital with voting rights; on second call, it shall be sufficient for twenty-five per cent of the share capital to be present or represented.

Article 11. Venue

PROPOSED TEXT

The General Meeting shall be held in the location where the Company has its registered office and in the place designated for that purpose in the announcement. **However, the Meeting may be held in any other location nationwide if the Board of Directors sees fit when calling the Meeting. Likewise, when the meeting is a General Shareholders' Meeting, it may be held anywhere in the country.**

Article 13. Formalities for a valid General Meeting

PROPOSED TEXT

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

The shareholders who send postal votes, under Article 16 of these Regulations, shall be considered present.

Once there is a sufficient quorum, a General Meeting shall be deemed to be validly set up and the list of attendees shall be drawn up. The list of attendees will be included in the minutes of the Meeting.

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

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

Article 16. Approval of resolutions

PROPOSED TEXT

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

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

- a) The appointment or ratification of directors, who should be voted upon individually.
- b) In the case of amendments to the Corporate Bylaws, each article or group of articles that is essentially independent.

Any financial intermediaries who attend the Meeting acting on behalf of different clients may split their vote according to the instructions received from each of them.

Shareholders may issue their vote by post using the form produced by the Company for this purpose, duly completed and signed by hand by the shareholder wishing to exercise such right, sent by registered post to the registered office, expressly and clearly indicating their vote with regard to each of the proposed resolutions submitted to the Meeting, enclosing the original stock certificate, issued for such purpose by the custodian institution, and a photocopy of the shareholder's national identity card or passport. In the event that it is a legal entity, a copy of the document establishing the representation of the person signing the postal vote must also be sent on their behalf. The said communication must be received by the Company twenty-four hours prior to the Meeting.

The resolutions shall be passed on a majority vote, except in those cases where the law or the Bylaws require a qualified favourable vote. Each share confers one vote on its holder.

The Chairman is responsible for declaring the Meeting finished and closing the session.

Article 18. Publication of resolutions

PROPOSED TEXT

Without prejudice to any other legal obligation, the Company shall publish on **its website** the text of the resolutions passed by the General Shareholders' Meeting **and the voting results**.