



BOARD OF DIRECTORS' REPORT ON THE PROPOSAL TO AMEND ARTICLES 4, 11, 14,
21, 22 AND 24 AND THE NEW NAME OF SECTION 4 OF CHAPTER 3 OF TITLE III OF
THE CORPORATE BYLAWS

Madrid, February 9, 2022

BACKGROUND AND JUSTIFICATION FOR THE PROPOSAL

Law 5/2021, of April 12, which modifies the Recast Text of the Companies Act concerning promoting the long-term involvement of shareholders in listed companies, introduced various provisions relating to the operation of the Annual General Meeting and the Board of Directors that have caused certain articles of the MAPFRE S.A. (“**MAPFRE**” or the “**Company**”) Corporate Bylaws to become outdated. This is the case in terms of certain amendments to the regulations in force regarding the convening of an exclusively telematic general meeting and the Audit and Compliance Committee’s powers in matters of related-party transactions.

In addition, in line with the practice of numerous IBEX 35 companies, the MAPFRE Board of Directors considers it appropriate to attribute powers in matters of sustainability to a delegated body, the Risk Committee, which shall be renamed the Risk and Sustainability Committee.

Lastly, the adaptation of the wording of some articles of the Corporate Bylaws to MAPFRE’s current situation, to the legal provisions, and to certain corporate governance recommendations currently in force is deemed appropriate.

The proposed amendment to the Corporate Bylaws, which is the subject of this report, is in addition to the proposed amendment to the Regulations for the Annual General Meeting, which is proposed under Item 4 of the agenda and which is accompanied by its corresponding supporting report, has been made available to shareholders in accordance with Article 518(d) of the Recast Text of the Companies Act.

In this context, and without prejudice to minor editorial adjustments or adaptations, the following amendments are proposed:

- Attribution to the Board of Directors of the competence to move the registered office within Spanish territory.
- Provision of the possibility of holding the General Meeting anywhere in Spanish territory if so determined by the Board of Directors.
- Inclusion of the possibility of convening an exclusively telematic General Meeting.
- Modification of the Audit and Compliance Committee’s competences in terms of related-party transactions and the subjects on which it must report previously.
- Attribution of powers on sustainability to the Risk Committee, whose name is changed from Risk Committee to Risk and Sustainability Committee.

I. PROPOSED RESOLUTIONS

- To amend Article 4 of the Bylaws, which shall have the following wording:

"Article 4

*Its registered office is established at Carretera de Pozuelo number 52, Majadahonda (Madrid). The Board of Directors has the authority to move this office within **Spanish territory**."*

- To amend Article 11 of the Bylaws, which shall have the following wording:

"Article 11

*The meeting shall take place at the registered office, or at the address mentioned in the invitation, in the city of the registered address. However, the Annual General Meeting may be held in any other place in **Spanish territory** if so specified by the Board of Directors in the notice of meeting.*

Under the terms established in the legislation in force at any given time, and provided that there are reasons that make it necessary in the Board of Directors' opinion, the latter may agree to convene an exclusively telematic Annual General Meeting to be held without the physical attendance of the shareholders or their representatives.

Shareholders who have a minimum of 1,000 shares registered in the Accounting Register at least five days prior to the date on which the General Shareholders' Meeting is to be held will be entitled to attend.

*The Regulations for the Annual General Meeting **shall regulate** the remote exercise of attendance, voting and delegation rights, including, in particular, one or all of the following forms:*

- a) The real-time transmission of the annual general meeting.*
- b) Remote attendance at the Annual General Meeting by telematic and simultaneous means and the remote casting of votes by telematic means while said meeting is being held.*
- c) Real-time, bi-directional communication so that shareholders can address the annual general meeting from a location other than the venue.*
- d) A mechanism for voting before or during the annual general meeting without the need to appoint a representative who is physically present at the meeting.*

Resolutions shall be adopted by a simple majority of votes from the shareholders present or represented at the meeting. Resolutions are therefore understood to have been adopted when they obtain more votes in favor than against, except in the cases in which the Law or the Bylaws require a supermajority. Each share confers the right to one vote.

The functions of Chairman and Secretary shall be performed by the persons who hold those offices on the Board of Directors or who incidentally take their place, in accordance with the provisions of these Bylaws.

- To amend Article 21 of the Bylaws by eliminating the last paragraph, so that it has the following wording:

“Article 21

This is the delegate body of the Board of Directors, responsible for high-level management and permanent oversight of strategic and operational aspects of the company and its subsidiaries, and for making any decisions necessary for them to operate properly, all subject to the powers the Board delegates to it at any given time.

A maximum of ten members, all part of the Board of Directors. Its Chairman, First and Second Vice Chairmen, and Secretary will automatically be those of said Board, which shall appoint the members until reaching a maximum of ten and may also appoint a Vice Secretary without voting rights.”

- To amend Article 22 of the Bylaws, which shall have the following wording:

“Article 22

The Audit and Compliance Committee shall consist of at least three but not more than five Board Directors, all of whom shall be non-executive, and at least the majority of whom must be Independent Board Directors, and one of whom will be appointed in view of their knowledge and experience in matters 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 will be that of the Board of Directors, and a Vice Secretary may be designated, a position which need not be filled by a Director.

Said Committee shall have 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, to explain how the said audit has contributed to the*

integrity of the financial information and role that the Committee has played in that process.

- b) *To supervise the efficiency of the Company's internal control, internal audit and risk management systems, as well as to discuss with the External Auditor the significant weaknesses in the internal control system detected when carrying out audits, but without compromising the External Auditor's independence. For these purposes, recommendations or proposals may be presented to the Board of Directors, where applicable, together with the corresponding term for the monitoring thereof.*
- c) *To supervise the process of 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) *To submit to the Board of Directors any proposals for the selection, appointment, reelection and substitution of the External Auditor, being accountable both for the selection process, as contemplated in the corresponding legislation currently in force, and for the conditions of its hiring, and regularly to gather information relating to the audit plan and its execution from the External Auditor, while preserving its independence in performing its functions.*
- e) *To establish appropriate relationships with the External Auditor in order to receive information concerning any issues that may jeopardize its 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 under the terms contemplated in the corresponding legislation currently in force for auditing accounts, on independent status, as well as other communications envisaged in account audit legislation and auditing standards. In any case, they must receive annual written confirmation from the External Auditor of its independence from the company or companies directly or indirectly linked to it, as well as the detailed and individualized information concerning additional services of any type rendered and any professional fees received corresponding to these companies by said External Auditor, or by the people or companies linked to them in accordance with the provisions of the accounts auditing legislation in force.*
- 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. This report, in any case, must contain the reasoned evaluation of the provision of each and every one of the additional services to which the above letter makes reference, individually considered and jointly, apart from those*

concerning legal audits and in relation to the independent status or with the regulatory statutes for account auditing activity.

- g) To report on the related-party transactions that must be approved by the Annual General Meeting or the Board of Directors and supervise the internal procedure established by the Company for those whose approval has been delegated, where appropriate, by the Board of Directors.**
- h) To report, in advance, to the Board of Directors on all matters provided for in the Law, in these Bylaws and in the Regulations of the Board of Directors, and in particular on the financial and **non-financial** information that the Company must make public periodically and information on the creation or acquisition of shares in special purpose companies or those domiciled in countries or territories that are considered tax havens.*
- i) To verify the application of the established good governance regulations at all times.*
- j) To monitor compliance with internal and external regulations, especially with internal codes of conduct, standards and procedures for the prevention of money laundering and financing terrorism, as well as to make proposals for their improvement.*
- k) To supervise the adoption of actions and measures that are the result of reports or actions for inspection of administrative authorities for supervision and control.*
- l) Any other responsibilities that may be assigned by the Board of Directors or attributed to it in the Regulations of the said body.”*
- To modify the name of Section 4 of Chapter 3 of Title III and Article 24 of the Bylaws, which will have the following wording:

“Section 4. Risk and Sustainability Committee

Article 24

The Risk and Sustainability Committee will be made up of a minimum of three and a maximum of five members, all of them non-executive. The Board of Directors will appoint the Chairman as well as the Secretary and, if applicable, a Vice Secretary of the Committee, positions for which the status of Director will not be required.

Said Committee shall have the following responsibilities:

- a) *To support and advise the Board of Directors on the definition and evaluation of the Group's risk policies and on the determination of susceptibility to risk and the risk strategy.*
- b) *To assist the Board of Directors in overseeing the application of the risk strategy.*
- c) *To study and evaluate risk management methods and tools, carrying out monitoring on the models applied in terms of results and validation.*
- d) ***To support and advise the Board of Directors on the definition and evaluation of the Group's sustainability strategy and policy, ensuring that they are aimed at responding to the expectations of the Company's stakeholders and value creation.***
- e) ***To assist the Board of Directors in monitoring the Company's performance in terms of sustainability.***
- f) ***To promote, guide, and supervise the Group's principles, commitments, objectives, and strategy in terms of sustainability.***
- g) *Any other responsibilities that may be assigned by the Board of Directors or attributed to it in the Regulations of the said body.”*

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