



**MAPFRE, S.A.**

**REPORT ON THE DIRECTORS' REMUNERATION  
POLICY**

**FEBRUARY 2012**

**REPORT ON THE MAPFRE DIRECTORS'**  
**REMUNERATION POLICY FOR**  
**FINANCIAL YEAR 2012**

1. POLICY

In accordance with the Company's By-laws, Directors who do not perform executive functions in the Company or in Group companies (External Directors) will receive a fixed sum as their base remuneration, which may be higher for individuals holding office on the Board itself or for those chairing the Steering Committee or Board's Delegated Committees. This remuneration may be supplemented with other non-cash benefits (life or healthcare insurance, bonuses, etc.) which are generally provided to the company's personnel. The members of the Board who are members of the Steering Committee, the Executive Committee or the Delegated Committees shall also receive a *per diem* allowance for attending the meetings.

The members of the Board of Directors who perform executive functions in the Company or in Group companies (Executive Directors) will receive the remuneration allocated to them for the performance of their executive functions (salaries, incentives, whether linked or otherwise to the Company's share price, supplementary bonuses, etc.) in accordance with the established policy for the remuneration of senior executives, according to the provisions of their respective contracts, which may also establish pertinent indemnity clauses in the event they are dismissed from such functions or their relationship with the Company is terminated. They will not receive the remuneration assigned to the External Directors, except for any remuneration assigned to the members of the Steering Committee, the Executive Committee or the Delegated Committees, if it is resolved by the Board of Directors, which thus far has only done so in respect of members of the Steering Committee.

Regardless of the remuneration established in the two preceding paragraphs, all Directors shall be paid for their travel, mobility and other expenses incurred to attend the meetings of the Company or for the performance of their functions.

## 2. DIRECTORS' REMUNERATION IN FINANCIAL YEARS 2011 AND 2012

### a) Members of the Board of Directors' and Delegated Committees.

The following table details the remuneration received by the Directors for their work on the Board and Delegated Committees:

<b>NAME</b>	<b>REMUNERATION (€ thousands)</b>
MARTINEZ MARTINEZ, JOSE MANUEL	54.18
JIMENEZ HERRADON, ANDRES	54.18
RUIZ RISUEÑO, FRANCISCO	157.78
HUERTAS MEJIAS, ANTONIO	49.74
BAEZA GOMEZ, IGNACIO	79.07
BECA BORREGO, RAFAEL	57.37
DE RATO Y FIGAREDO, RODRIGO	37.78
FONTOIRA SURIS, RAFAEL SANTIAGO	78.27
GAYARRE BERMEJO, SANTIAGO	70.33
HERNANDO DE LARRAMENDI MARTINEZ, LUIS	152.17
HOMET DUPRA, SEBASTIAN	49.60
ITURBE SANZ DE MADRID, LUIS	57.91
LAGARES CALVO, MANUEL JESUS	18.33
MANZANO MARTOS, ALBERTO	72.41
MARQUEZ OSORIO, RAFAEL	93.81
MARTIN TABERNERO, FRANCISCA	68.82
MIGUEL-ROMERO DE OLANO, ANTONIO	78.60
MIRA CANDEL, FILOMENO	93.64
MORAL SANTIN, JOSE ANTONIO	68.70
NUÑEZ TOVAR, ANTONIO	39.95
REBUelta BADIAs, ALFONSO	97.92
SALVA BENNASAR, MATIAS	97.91
TEJERA MONTALVO, ESTEBAN	54.08
VALLEJO VALLEJO, FRANCISCO	120.78

### b) External Directors.

The base annual remuneration for External Directors consists of a fixed annual sum as members of the Board of Directors, amounting to €45,003 in 2011 and which is expected to be €45,453 in 2012, representing a 1% increase. Said amount is increased by 50% for individuals holding office on the Board itself or for those chairing the Steering Committee or any Delegated Committee, but these increments are not accumulated when a person holds several positions. Life Insurance is also provided so that in the event of death there is an assured capital of €150,253, and they also have certain benefits granted to the Company's personnel, such as Healthcare Insurance.

External Directors who are members of the Steering Committee or of Delegated Committees also receive a *per diem* allowance for attending meetings, which in 2011 amounted to €4,500 for attending the meetings of the Steering Committee and €3,938 for attending other Committees, and it will amount in 2012 to €4,545 for attending the meetings of the Steering Committee and €3,977 for attending other Committees, representing also a 1% increase.

Section a) above contains detailed information per individual of the amounts received by the External Directors.

c) Executive Directors' remuneration as at 31st December 2011.

➤ Fixed salary

The Company's Executive Directors receive the remunerations established in their contracts, which include a fixed salary. In the case of the Executive Directors as at the end of the financial year 2011, this amounted to: the Chairman, Mr José Manuel Martínez Martínez, €589,000; in the case of the Member of the Board and General Manager Mr Esteban Tejera Montalvo, €366,000; and in the case of the General Manager for Human Resources and Procurement, Mr. Antonio Nuñez Tovar, €303,000.

➤ Variable salary

The Company's senior management have a system of variable incentives, which can amount to 100% of their fixed salary remuneration and which is always linked to the Company's results. The amounts received for this during financial year 2011 amounted to: Mr José Manuel Martínez Martínez, €583,000; Mr Esteban Tejera Montalvo, €201,000; and Mr. Antonio Nuñez Tovar, €232,000. In addition there is an extraordinary variable bonus linked to the achievement of extraordinary objectives, which amounted to: Mr José Manuel Martínez Martínez, €113,000; Mr Esteban Tejera Montalvo, €45,000; and Mr. Antonio Nuñez Tovar, €43,000.

➤ Incentives linked to share price

The Extraordinary General Meeting held on 4th July 2007 approved an Incentive Plan for Group executives linked to the share's market price, details of which are as follows:

Formula: Each participant is conferred the right to receive in cash the amount resulting from multiplying the theoretical number of MAPFRE S.A. shares assigned, by the difference between the simple arithmetical mean of the closing share price during the 30 stock market trading days prior to the communication of the exercise of the right, and the simple arithmetic mean of the closing share price corresponding to the 30 trading prior to the inclusion in the incentive plan. Notwithstanding, for the original group of participants this

reference has been substituted by the closing share price of 31<sup>st</sup> December 2006, which was €3.42.

Exercise of right: The right may be exercised in the amount of 30% maximum during the month of January of the fourth year, in the amount of 30% maximum during the month of January of the seventh year, with the remainder during the month of January of the tenth year. All of the conferred rights must be exercised at the latest by the last day of the aforementioned third period.

The number of shares used as a reference in the calculation for remuneration purposes amounted to 1,461,988 in 2011, with an exercise price of €3.42 per share. At year end the share price closed above the aforementioned exercise price.

This Plan received a favourable opinion from the Appointments and Remuneration Committee on 23rd May 2007 and by the Company's Board of Directors on 1st June 2007, and was extensively disclosed via the Company's website and the Spanish Securities and Exchange Commission's website.

The members of the Board of Directors are not included, in their role as such, within the group of beneficiaries thereof. However, some members, in addition to being a Director, are also Senior Executives of MAPFRE, S.A., for which reason, provided they also meet the other conditions for participating, they are included among the beneficiaries of the Plan.

➤ Retirement plans and other benefits

The Executive Directors have life and disability insurance and other benefits generally granted to the Company's personnel. In addition, they also benefit from certain pension supplements in the event of retirement, externalised by means of a life assurance policy, and benefits which substitute this in the event of the extension of their contract, which collectively amounted to €92,000 for life protection premiums and €929,000 for life-retirement premiums and substitutive benefits, all of which falls under the remuneration policy established by the Group for its Senior Executives, whether or not they are Directors.

Executive Directors do not receive the remunerations established for External Directors, with the exception of *per diem* allowances for attending the Steering Committee meetings, details of which are included in the aforementioned section a).

For 2012 increases of 1.37% are anticipated (1% consolidated and 0.37% non-consolidated), except for those directors that have taken on new positions, to which a higher percentage has been applied to adapt their remuneration to levels in line with their new responsibilities, and also with the possibility of any other increases if they attain higher-than-expected targets, which will be analysed by the Appointments and Remuneration Committee.

### 3. SIGNIFICANT CHANGES IN THE REMUNERATION POLICY

During the financial year 2012 no significant changes are expected to be made to the Company's remuneration policy.

### 4. TERMS AND CONDITIONS OF THE CONTRACTS

The senior management contracts of the Executive Directors stipulate that their term of office will end on 1st January following the date on which the executive turns 60, with the exception of annual extensions decided upon by the Company until such date on which the executive turns 65 at the latest.

There are no clauses relating to contractual bonuses. Any severance pay at the Company's discretion, unless there are grounds to justify fair dismissal, will be subject to the provisions of section 56.1. a) of the Workers' Statute, considering that in a majority of the cases there is a prior labour relationship. The prior notice term is three months.

### 5. APPOINTMENTS AND REMUNERATION COMMITTEE

The Appointments and Remuneration Committee fully supports the remuneration policy described herein and, as the case may be, it proposes or reports on each and every resolution resulting from said policy to the Board of Directors.

In particular, this report will be submitted to the Board's consideration to enable it to issue a favourable opinion or otherwise in respect of its contents.

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This report on the remuneration policy for the Company's Directors was passed by the Board of Directors of MAPFRE, S.A. at its meeting held on 8th February 2012, following a favourable report by the Company's Appointments and Remuneration Committee issued at a meeting held on 8th February 2012.