

**REPORT OF THE APPOINTMENTS AND REMUNERATION COMMITTEE REGARDING
THE COMPENSATION POLICY FOR THE BOARD DIRECTORS OF MAPFRE S.A.**

Madrid, February 7, 2025

I. BACKGROUND

Pursuant to Article 529 novodecies.1 of the Companies Act¹, the Annual General Meeting must approve the compensation policy for board directors as a separate item on the agenda, to be applied for a maximum period of three years. Proposals for new remuneration policies for directors must be submitted to the Annual General Meeting prior to the end of the last fiscal year of application of the previous one.

Given that the Ordinary General Meeting of Shareholders of MAPFRE, S.A. ("**MAPRE**") held on March 10, 2023 approved the compensation policy for board directors for fiscal years 2023, 2024 and 2025 (the "**Compensation Policy 2023-2025**"), the approval of a new compensation policy for board directors should be submitted to the next Ordinary Annual General Meeting (the "**Compensation Policy**").

The Appointments and Remuneration Committee (the "**ARC**") of MAPFRE issues this report in accordance with the provisions of Article 529 novodecies.4 of the Companies Act, which establishes that the proposed compensation policy for board directors will be explained and must be accompanied by a specific report from the Appointments and Remuneration Committee. Both documents must be published on the corporate website upon the call of the Annual General Meeting.

Furthermore, in accordance with Articles 23 of the Bylaws and 11.1.f) of the Regulations of the Board of Directors MAPFRE, the ARC must propose to the Board of Directors the compensation policy for board directors.

Although the Compensation Policy referred to in this report represents continuity with the Compensation Policy 2023-2025, this proposal includes more detail on the different remuneration components of directors and other improvements described below. It is therefore proposed that the new Compensation Policy be applicable, where appropriate, from its approval by the Annual General Meeting and during fiscal years 2026, 2027 and 2028.

II. SCOPE OF WORK PERFORMED

When preparing the Compensation Policy proposal, the ARC has received expert and independent advice from J & A Garrigues, S.L.P. and, in addition to the regulations indicated below, consideration has been given to the recommendations of the Good Governance Code² and of the competent supervisory bodies in the securities and insurance market.

In addition, in order to align the Compensation Policy with best market and corporate governance practices and to address shareholder concerns, the comments of the main proxy advisers and the results of votes on the Compensation

¹ Royal Legislative Decree 1/2010, of July 2, approving the amended text of the Companies Act ("**Companies Act**").

² Good governance code for listed companies reviewed by Spanish National Securities and Exchange Commission in June 2020 (the "**Good Governance Code**").

Policy for Board Directors 2023-2025 and the Annual Report on Remuneration for Board Directors 2023 at the Annual General Meeting have been taken into account.

The following rules were also taken into account when preparing the Compensation Policy proposal:

1. Companies Act and other applicable regulations

The Spanish Companies Act establishes the remunerated nature of the position of director of a listed company, unless the corporate bylaws establish otherwise. In accordance with Article 17 of the Bylaws of MAPFRE, the position of board director is remunerated and that article sets out the general terms of the remuneration system applicable to board directors in their capacity as such and to board directors who have been assigned executive duties.

In accordance with Articles 529 septdecies and octdecies of the Companies Act, the remuneration of board directors must comply with the compensation policy approved by the Annual General Meeting. For its part, the Board of Directors establishes the individual remuneration of each director, either in their capacity as such or in the performance of executive duties.

In addition to those established in the Spanish Companies Act, since MAPFRE is an insurance company, the industry regulations applicable to insurance companies have also been taken into account³ in establishing the remuneration conditions of its directors.

2. Corporate Bylaws and Regulations of the Board of Directors

The remuneration of directors for their status as such and for those who have been assigned executive duties shall be in accordance with the structure established in Article 17 of the Bylaws of MAPFRE.

The maximum amount of the directors' annual remuneration in respect of their status as such shall be fixed by the Annual General Meeting and distributed by the Board of Directors in the manner that it decides, taking into account the terms indicated in the Bylaws.

Under the Bylaws, board directors who perform executive duties shall be entitled to receive remuneration solely for the performance of these executive duties. Said compensation shall be set by the Board of Directors and all its items shall be listed in the corresponding contract between the Company and the executive director, which must be approved by the Board of Directors.

³ (i) Delegated Regulation (EU) of the Commission 2015/35 of October 10, 2014 supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance; (ii) Law 20/2015, of July 14, on the organization, supervision and solvency of insurance and reinsurance companies; and (iii) Royal Decree 1060/2015, of November 20, on the organization, supervision and solvency of insurance and reinsurance companies.

In any case, the remuneration of board directors shall comply with the provisions of the compensation policy for board directors approved by the Annual General Meeting, under the terms of the law.

III. BASIS OF THE COMPENSATION POLICY FOR BOARD DIRECTORS

The Compensation Policy referred to in this report contributes to MAPFRE's business strategy, interests, and long-term sustainability, with the objective of creating shareholder value in a sustainable manner over time, incorporating the necessary precautions to avoid excessive risk-taking and the rewarding of unfavorable results.

To this end, in line with the Compensation Policy 2023-2025, the remuneration system included in the Compensation Policy proposal is based on the following general principles:

- Priority of the creation of value and profitability in the medium- and long-term over short-term results.
- Proportionality of remuneration given the Company's weight and economic situation and the market standards for comparable companies.
- Alignment with MAPFRE's risk management strategy, risk profile, objectives, and risk management practices.
- Appropriate and effective risk management, within the established risk tolerance limits.
- Attraction, loyalty and retention of talent.
- Compensation adjusted to the levels of dedication, qualification, and responsibility.
- Avoiding excessive dependence on variable components.
- Deferred payment of a substantial portion of the variable remuneration.
- Possibility of ex-post adjustments to the variable remuneration.
- Avoidance of conflicts of interest.
- Alignment of the remuneration system for the executive directors with the system that applies to MAPFRE's executives as a whole.
- No discrimination on the basis of gender, race, or ideology, and equal pay for job positions of equal value.

IV. CHANGES IN THE COMPENSATION POLICY PROPOSAL IN RELATION TO THE COMPENSATION POLICY 2023-2025

As a result of the work described in section II, the Compensation Policy proposal referred to in this report includes a series of improvements aimed at:

- (i) fully adapting the wording of the Compensation Policy to the best market practices to facilitate its understanding by the different stakeholders;
- (ii) providing greater detail on the fixed annual and variable remuneration (short, medium and long-term) of executive directors; and
- (iii) providing more information on the levels of attainment of variable remuneration for executive board directors and their link to MAPFRE results (pay for performance), as well as on the social protection systems that form part of the remuneration of the company's executive directors.

The specific changes included in the Compensation Policy proposal are outlined below:

a) In relation to the remuneration of directors for their status as members of the Board of Directors

Within the maximum amount of the annual remuneration to be paid to all directors in their capacity as such, the amounts established for each of the duties and responsibilities assumed by the directors are provided.

b) In relation to the remuneration of directors for the performance of their executive duties

More details are provided on the remuneration system for directors who have been assigned executive duties in MAPFRE or in the Group:

- **Fixed remuneration:**

The Compensation Policy proposal specifies the fixed annual amount to be received by each executive director, within the maximum amount set.

- **Variable remuneration:**

The variable remuneration model for board directors is aligned with that of the other managers of MAPFRE and seeks to establish a direct relationship between the results of MAPFRE and the amount of variable remuneration, taking into account the degree of attainment of the objectives.

Short-term variable remuneration:

The proposed Compensation Policy details the target amount that each executive director may receive as a beneficiary of the short-term variable remuneration system.

In addition, the scale that determines the amount of the short-term variable remuneration to be received is maintained according to the degree of attainment of the objectives to which this remuneration is linked (*i.e.*, consolidated annual net profit of MAPFRE and Return on Equity -ROE-).

Medium- and long-term variable remuneration:

Based on the same general guidelines as the current medium- and long-term incentive plan 2022-2026 (the “**ILP 2022-2026**”), the Board of Directors has approved a new extraordinary long-term incentive plan, which is non-vestable and multi-year for the period 2025-2029 (the “**ILP 2025-2029**”), aimed at key managers of MAPFRE Group, including executive directors.

The purpose of the Incentive Plan 2025-2029 is to align the interests of the management team with MAPFRE and its Strategic Plan, linking their compensation to the creation of value for MAPFRE's shareholders and the sustainable attainment of strategic objectives. The ILP 2025-2029 is composed of three overlapping cycles with a three-year target measurement period each: 2025–2027, 2026–2028, and 2027–2029.

The receipt of the incentive derived from each of the three cycles of the ILP 2025-2029 is linked to the attainment of both financial and non-financial objectives set for each of the cycles in which it is divided. The incentive corresponding to each cycle will be paid partially in cash and partially through the delivery of MAPFRE shares, with a deferral in both cases of at least 60 percent over a minimum period of three years, by third parts.

In order to provide greater transparency to the Compensation Policy, detail is given of the target amount in cash and in shares that, where appropriate, each executive director may receive for their participation in the second cycle (2023-2025) and in the third cycle (2024-2026) of the ILP 2022-2026, as well as in the first cycle (2025-2027) of the ILP 2025-2029.

As with the Compensation Policy 2023-2025, the Compensation Policy proposal provides the weighting of each variable remuneration component corresponding to the second and third cycles of the ILP 2022-2026 and the first cycle of the ILP 2025-2029.

However, a change is that the new Compensation Policy includes, for each of the indicated cycles, the scales that determine the amount of variable remuneration to be received according to the degree of attainment of the objectives to which said remuneration is linked. For the ILP (2025-2027), the maximum amounts in cash and in shares that executive directors may choose from in the first cycle are also indicated.

- Social protection:

The social protection systems for executive directors are aligned with the remuneration of other MAPFRE executives and represent a significant component of the compensation system, which is committed to a

disengagement model linked to entry to retirement, and which functions as a retention mechanism.

With regard to these social protection systems, the Compensation Policy proposal maintains the main remuneration components linked to the social protection included in the Compensation Policy 2023-2025. In addition, for the sake of clarity, more details are provided on (i) the different social protection formulas for which executive directors are beneficiaries, and (ii) how the amount of contributions to social protection schemes is determined.

- Social benefits:

Executive directors are expected to retain the right to receive the social benefits provided for in the Compensation Policy 2023-2025, which comprise the social benefits established in general for the senior management of MAPFRE and those included in the Collective Bargaining Agreement applicable to MAPFRE.

- Relative proportion of remuneration elements:

The Compensation Policy referred to in this report details the weight for each executive director of their target variable remuneration (sum of (i) short-term variable remuneration, (ii) annualized medium- and long-term variable remuneration and (iii) the variable part of the long-term savings systems) in their fixed remuneration (sum of the annual fixed remuneration and the fixed part of the long-term savings systems, excluding the amounts corresponding to social benefits) in fiscal year 2025.

V. VALIDITY

As indicated in section I, the Compensation Policy that is the subject of this report shall be in force from the date of its approval by the Annual General Meeting for the rest of 2025 and the 2026, 2027 and 2028 fiscal years (without prejudice to any adaptations or revisions that the Board of Directors may carry out in accordance with the provisions thereof, and any amendments that may be approved at any given time by the Annual General Meeting) and shall apply to board directors that are part of the Board of Directors during the term of the policy.

The Compensation Policy 2023-2025 will be in force until the approval, where appropriate, of the Compensation Policy which is the subject of this report.

VI. AGREEMENTS ADOPTED BY THE ARC

The MAPFRE ARC, at its meeting held on February 7, 2025, considered that the principles and remuneration systems applicable to both the remuneration of board directors in their capacity as such, and, where appropriate, for the performance of executive functions contained in the Compensation Policy, are compliant with the provisions of the Companies Act (especially Articles 217 and 529 sexdecies at 529

novodecies, both inclusive) and the sectoral regulations applicable to insurance companies. They are also compliant with the main remuneration recommendations and practices and are appropriate to contribute to the business strategy, interests and long-term sustainability of MAPFRE and its group.

As a result, the ARC adopted the following resolutions at the aforementioned meeting:

- To submit to the Board of Directors the new Compensation Policy for MAPFRE, S.A., which will include the authorization to deliver the shares corresponding to the cycles of ILP 2025-2029, for the purposes of their submission to the Annual General Meeting as a separate item on the agenda.
- To prepare this report on the new Compensation Policy, the approval of which is proposed.

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