



MAPFRE, SA

REPORT ON DIRECTORS' REMUNERATION POLICY

FEBRUARY 2008

REPORT ON MAPFRE DIRECTORS' REMUNERATION POLICY IN THE 2008 FINANCIAL YEAR

1. POLICY

In accordance with the Bylaws of the entity, the Directors who do not exercise executive roles in the Company or companies in the Group (External Directors) shall be paid a fixed sum as basic remuneration that may be greater for anyone who holds office within the Board or who acts as Chairman of the Delegated Committee, the Executive Committee or any Board Delegated Committee. This remuneration may be supplemented with other non-cash compensation (life or illness insurance, bonuses, etc.) that may be laid down generally for personnel of the entity. The members of the Board who form part of the Delegated Committee, the Executive Committee or the delegated committees shall, in addition, be paid an allowance for attending meetings.

The members of the Board of Directors who have executive roles in the Company or in any Group company (Executive Directors) shall be paid such remuneration as may be assigned for the exercise of their executive roles (salary, incentives, referenced or not to the value of the shares of the Company, additional bonuses, etc.) in accordance with the established policy for the remuneration of senior officers, according to the terms of their respective agreements, that may also provide for indemnities relating to the withdrawal from holding office or the termination of their relationship with the Company. They shall not receive the remuneration assigned to External Directors, except for any remuneration for holding office on the Delegated Committee, the Executive Committee or any Delegated Committee, provided this has been decided on by the Board of Directors which, to date, has only made such a decision relating to holding office on the Delegated Committee.

Independently of the remuneration provided for in the preceding two paragraphs, all Directors shall be paid their travelling expenses and any other expenses in which they incur to attend meetings of the Company or to carry out their responsibilities.

2. DIRECTORS' REMUNERATION IN THE 2007 AND 2008 FINANCIAL YEARS

a) External Directors.

The basic remuneration for external directors consists of a fixed amount for having a seat on the Board of Directors, which was 40,000 euros in 2007 and it is anticipated it will be 42,200 euros in 2008. This represents a 5.5% increase. The said amount will be increased by 50% for anyone who holds office on the Board of Directors or who chairs a Committee or Delegated Committee. There will be no accumulative increments should anyone hold

several offices. Further, they are entitled to a Life Insurance Policy to cover death in an insured capital sum of 150,253 euros, and they enjoy certain benefits granted to personnel, such as Health Insurance.

The External Directors who are also members of Committees or Delegated Committees shall, in addition, be paid an allowance for attending meetings the amount of which in 2007 was 4,000 euros for attending the Delegated Committee and 3,500 euros for attending other Committees, and it is anticipated it will increase in 2008 to 4,220 euros for attending the Delegated Committee and to 3,693 euros for attending other Committees which also represents an increase of 5.5%.

b) Executive Directors

Executive Directors are paid the remuneration agreed in their contracts which includes fixed salary, incentives of a variable nature linked to results (that represent approximately 50% of remuneration), life and disability insurance policies, and other compensations typically provided for personnel of the Entity. In addition, they enjoy certain pension supplements for their retirement which are externalized by way of a life insurance policy, all of which falls within the remuneration policy laid down for the Group for Senior Executives whether or not they are Directors. They are not paid, however, remuneration laid down for external directors, save allowances for attending the Delegated Committee.

The cost of remuneration and other compensation paid to executive directors in 2007 amounted to 5.79 million euros. For 2008, increments of 5.5% are anticipated with certain exceptions where a higher percentage has been applied due to an increase in responsibilities, and there is a possibility of other bonuses should certain targets in excess of what is planned be met which will be submitted to the Appointments and Remuneration Committee for consideration.

The commitments for pensions and retirement bonuses with members of the Board of Directors are covered with collective policies of insurance to cover such risks. For these items, and in regard to executive directors, in the 2007 financial year, the accrued premium amounted to 3,237,258 euros, and it is foreseeable that for 2008 there will be individual increments in line with remuneration plans, but two matters must be borne in mind:

- a) That in cases involving defined benefits, the increment on the individual pensionable remuneration base is limited to 5% maximum, so that higher increments can only be allowed due

to an increase in actuarial age or to inflation figures in excess of the said 5%.

- b) That the annual accrued premium figure for beneficiaries as a whole might be modified due to people joining or leaving the defined group.

3. INCENTIVES REFERENCED TO THE VALUE OF SHARES

The Shareholders in the Extraordinary General Meeting held on 4 July 2007 approved a Plan for incentives referenced to the value of shares for Group executives.

This Plan was supported by a favourable report from the Appointments and Remuneration Committee dated 23 May 2007 and from the Board of Directors of the Entity held on 1 July 2007, and it has been the subject of considerable information on the Entity's and the *Comisión Nacional del Mercado de Valores*' (National Stock Market Commission) web sites.

The members of the Board of Directors are not included, in their role as such, within the group of beneficiaries thereof. However, some of the directors, in addition to being a director, are senior executives of MAPFRE, S.A. or its subsidiaries, for which reason, provided they also comply with all other conditions for being participants, they will form part of the beneficiary group under the Plan. In particular, such conditions are met as of the date hereof by Mr. Andrés Jiminéz Herradón, Mr. Antonio Huertas Mejías and Mr. José Manuel González Porro, and it is likely they will be met as from 8 March 2008 by Mr. Esteban Tejera Montalvo and Mr. Ignacio Baeza Gómez.

4. SIGNIFICANT CHANGES IN REMUNERATION POLICY

There are no plans for any significant changes to be made to remuneration policy of the Entity in the 2008 financial year.

5. CONTRACTUAL CONDITIONS

The senior management agreements for executive directors provide for a term ending on the first day of January of the year following the year in which a director reaches 60 years of age, save any annual extensions at the discretion of the company up to, as a maximum limit, the date on which a director reaches 65 years of age.

There are no clauses relating to hiring bonuses. Possible indemnities for dismissal, at the discretion of the entity, save for any reason that would justify fair dismissal, are subject to Article 56, 1, a) of the Employment

Act, bearing in mind the prior common labour relationship that exists in the majority of cases. The prior notice term is of three months.

6. APPOINTMENTS AND REMUNERATION COMMITTEE

The Appointments and Remuneration Committee fully supports the said remuneration policy and proposes or reports, depending on the case, to the Board of Directors on all resolutions that arise under the said policy.

In particular, this Report will be submitted to it for consideration to enable it to issue its opinion in support of the content or otherwise.

* * * * *

This report on remuneration policy for the directors of the company was approved by the Board of Directors of MAPFRE,S.A. at its meeting held on 6 February 2008 following a favourable report from the Appointments and Remuneration Committee of the Entity held on the same date.