

MAPFRE, S.A.

REPORT OF THE BOARD OF DIRECTORS
FOR THE DELEGATION OF POWERS TO
ISSUE BONDS, SECURITIES OR OTHER
TYPE OF FIXED-INCOME DEBENTURES

Madrid, 6th February 2013

I. JUSTIFICATION OF THE PROPOSAL

On 8th March 2013, the delegation granted on 8th March 2008 by the General Shareholders' Meeting to the Board of Directors for a five-year period to resolve the issuance of senior bonds or debentures, convertible into newly issued shares or exchangeable into issued stock of the Company, as well as into warrants or any other instruments that, directly or indirectly, may confer the right to subscribe or acquire shares of the Company, either newly issued or currently outstanding shares, will expire.

It is considered advisable that the General Meeting renews such delegation to ensure that the Board of Directors is vested with the aforementioned powers so that it can utilise the capital markets and obtain financing through the issuance of fixed-income securities in the most agile and effective manner possible, provided that this method to raise resources is considered convenient, taking into account the market circumstances, the Company's strategic objectives and its funding needs. In this context, it is deemed advisable that the administrative body should have the necessary capacity to adopt the most appropriate decisions in the Company's interest, as well as to implement them in a flexible manner, while fulfilling the formal requirements and time limits set by the financial markets.

The delegation proposed shall confer on the Board of Directors, pursuant to the provisions of article 401 et seq. and articles 510 and 511 of the Recast Spanish Companies Act, and articles 310 et seq. of the Regulations of the Spanish Companies House, the power to issue fixed-income securities, both senior and convertible and/or exchangeable, as well as warrants or other instruments that may confer entitlement to the subscription or acquisition of shares of the Company, either newly issued or currently outstanding shares, with the possibility of excluding the pre-emptive subscription right, when so required in the Company's interest.

The resolution, which is submitted to the General Shareholders' Meeting for approval, establishes a maximum quantitative limit for issuing any type of security, pursuant to the authorisation of the General Meeting, which amounts to TWO THOUSAND MILLION euros. The time limit during which the Board of Directors can exercise, once or several times, the authorisation is five years.

Likewise, the resolution that is submitted to the General Shareholders' Meeting for approval contains the bases and methods to convert and/or exchange the debentures or bonds into shares, as well as to exercise the warrants. Nonetheless, powers are delegated to the Board of Directors to establish the said bases and methods for each issuance, in the event that it resolves to make use of the General Meeting's authorisation.

Furthermore, the resolution hereby proposed also envisages –in the event that the issuance is applicable to convertible bonds and/or warrants in respect of newly issued shares– the authorisation to the Board of Directors so that it may agree the exclusion of the pre-emptive subscription right of shareholders and holders of convertible bonds, warrants and any other similar debentures, when so required or convenient to raise financial resources in domestic and international markets or when so required in the Company’s interest.

The exclusion, total or partial, of the pre-emptive subscription right is envisaged as a power that the General Meeting confers on the Board of Directors and, accordingly, its exercise will depend on the criteria adopted by the Board of Directors based on the circumstances in each specific case and always in keeping with legal requirements. If, when exercising the above-mentioned powers, the Board of Directors decides to eliminate the pre-emptive right in relation to a specific capital increase, it shall issue, when the increase is agreed upon, a report detailing the reasons that, in the Company’s interest, justify the adoption of such measure; this report shall be complemented with another produced by an accounts auditor in accordance with the provisions of article 511.3 of the Recast Spanish Companies Act. By virtue of the foregoing, both reports shall be made accessible to shareholders and duly reported at the first General Meeting that is held following the capital increase resolution.

II. PROPOSED RESOLUTIONS

- Grant to the Board of Directors the necessary powers to issue bonds, securities or other type of fixed-income debentures (hereafter, the “Securities”) according to the following terms and conditions:
 - The Securities may consist of senior bonds or debentures, convertible into newly issued shares or exchangeable into issued shares of the Company, as well as into warrants or any other instruments that, directly or indirectly, may confer the right to subscribe or acquire shares of the Company, either newly issued or currently outstanding shares.
 - The Board of Directors shall have the broadest powers to issue the Securities and set the features and conditions of each issuance, in particular, including but not limited to, the following:
 - determine the face value, rate of issue, premiums and strike price, currency of the issue, form of representation, interest rate and redemption;

- establish anti-dilution provisions, subordination provisions; grant guarantees, of a real or a personal nature, in compliance with the obligations arising from the issuance; commission the granting of guarantees to third parties;
 - establish a syndicate of noteholders, draw up its internal rules and appoint a commissioner thereto; establish, in the event that the issuance is convertible and exchangeable, that the issuer reserves the right to decide, at any moment, that the securities are converted or exchanged into newly issued shares, outstanding shares, or a combination of both;
 - request the admission to trading of the Securities in all types of markets, regulated or not, national or foreign; resolve the exclusion, total or partial, of the pre-emptive subscription right of shareholders and holders of convertible bonds, warrants and any other similar debentures, when so required in the Company's interest;
 - increase the share capital to the amount required to respond to the requests of conversion and/or exercise of the share subscription right to the extent that the amount of these increases, together with all other amounts agreed pursuant to the authorisation granted by the General Shareholders' Meeting of the Company, does not exceed half of the share capital; modify the article in the Corporate Bylaws referring to the share capital amount.
- In the event that convertible or exchangeable securities or debentures are issued, the following criteria shall be applied in order to determine the conversion and exchange bases and methods: the conversion or exchange relation shall be fixed, fixed-income securities shall be valued at face value and the shares at the fixed rate determined by the Board of Directors, or at a rate determined according to the quotation price on the Stock Exchange of the Company's shares on the date(s) or in the period(s) taken as reference, which are established in the same resolution of the Board; in any case, the share price shall not be below the highest of (i) the arithmetic average of the closing prices of the Company's shares on the Spanish Continuous Market during the period determined by the Board of Directors, which shall not exceed three months or be less than fifteen days, prior to the date on which the meeting of the Board of Directors is held, at which the issuance of Securities is approved, and (ii) the closing share price on the same Spanish Continuous Market the day prior to that on which the meeting of the Board of

Directors is held, at which the issuance of Securities is approved by virtue of this delegation.

Within the limits established in the preceding paragraph, the broadest powers shall be conferred on the Board of Directors to develop and set the conversion and exchange bases and methods.

- The issuance shall be effected once or several times, at any moment, within a maximum period of five years as from the date of adoption of this resolution.
- The total maximum amount of the issuance that is agreed pursuant to this delegation shall be TWO THOUSAND MILLION euros or its equivalent in other currencies.

Likewise, the Board of Directors is authorised to delegate in favour of the Steering Committee, pursuant to article 249.2 of the Recast Spanish Companies Act, the powers conferred by virtue of this agreement.