



Madrid, 22nd January 2015

SPANISH SECURITIES AND EXCHANGE COMMISSION

In accordance with article 82 of the Securities Market Act 24/1988, MAPFRE, S.A. (MAPFRE) hereby gives notice to the Spanish Securities and Exchange Commission of the following

RELEVANT FACT

MAPFRE hereby informs that the company's Board of Directors, at its meeting held on 22nd January 2015, has resolved to approve the new Regulations of MAPFRE's Board of Directors.

The Appendix attached hereto contains the full Regulation governing MAPFRE's Board of Directors.

Ángel Luis Dávila Bermejo
Company Secretary

REGULATIONS OF MAPFRE'S BOARD OF DIRECTORS

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INTRODUCTION

These Regulations are drawn up in compliance with the legislation in force and are aimed at developing the rules for the internal governance and functioning of the Board of Directors of MAPFRE, S.A. (hereinafter the Company) in accordance with the legal and statutory provisions, thereby ensuring the appropriate management of the Company.

For the purposes of these Regulations, the **MAPFRE GROUP or GROUP** shall be understood as the group made up of MAPFRE S.A., as the parent company, and its subsidiary and controlled companies pursuant to the provisions of article 4 of the Spanish Securities Market Act.

The Board of Directors shall be responsible for ensuring that all the corporate activities of the Group are developed in line with its institutional, business and organisational principles, which have been approved by the said Board, in order to sustainably create value for its shareholders. MAPFRE defines itself as the most trusted global insurance company, a multinational team that strives constantly to provide ever better service and build the best possible relationships with its clients, distributors, suppliers, shareholders and society in general. The Group develops and promotes corporate values of Solvency, Integrity, Service Vocation, Innovation for Leadership and Committed Team.

TITLE I. BOARD OF DIRECTORS

CHAPTER I. FUNCTIONS AND POWERS

Article 1. Basic functions

1. In accordance with the legal and statutory provisions, the Board of Directors is the representative, governing and management body of the Company. As such, it holds all representative, governing and management powers, and its acts bind the Company, with no limit other than the powers that expressly correspond to the Annual General Meeting pursuant to the Law and the Company Bylaws.

It acts as the main supervisory and decision-making body of the Company, supervising all its subsidiary entities, whereas ordinary management corresponds to the Company's management and executive bodies and to the relevant corporate bodies of the said subsidiary entities.

It may delegate such powers as it considers convenient, save for those that may not be delegated pursuant to the Law or the Company Bylaws.

2. In order to better perform its functions, it may set up a Steering Committee as well as Sub-Committees, and it may delegate some or all of its powers to its members, as well as grant powers in favour of those persons it considers appropriate, with the exceptions and limits provided for by Law, the Company Bylaws and article 2 herein.

It shall issue the rules governing the activities of the Steering Committee, the Sub-Committees and the Executive Committee, defining their powers and freely appointing and dismissing their members, unless they are *ex-officio* members by reason of the office they hold.

Article 2. Non-delegable powers

The Board of Directors shall not delegate the following powers:

1. Establish the general policies and strategies of the Company, and in particular:
 - a) The Activity Targets and the Strategic Plans for their attainment.
 - b) The Annual Income, Expenses and Results Budgets, and the Annual

Financial and Asset Position Forecasts.

- c) The definition of the Group's structure.
 - d) The Investment and Financing policy.
 - e) The policy for the identification, management and control of risks, including tax-related risks, and the supervision of the internal reporting and control systems.
 - f) The corporate governance policy of the Company and of the Group.
 - g) The Corporate Social Responsibility policy.
 - h) The dividend policy.
 - i) The policy governing treasury stock.
 - j) The definition of the Company's tax strategy.
2. Approve the financial information that the Company must disclose periodically as publicly listed company.
 3. Approve the creation or acquisition of interests in special purpose vehicles or in entities registered in countries or territories regarded tax havens, as well as any other transactions or operations of a similar nature.
 4. Authorise –previously informing the Audit Committee– those operations that the Company or Group companies may carry out with Directors or shareholders in a conflict of interest position, in accordance with the provisions of the applicable legislation.
 5. Draw up for each financial year:
 - a) The Management Report and the Financial Statements of the Company.
 - b) The Management Report and the Annual Consolidated Financial Statements of the Company and its subsidiary and controlled companies.
 - c) The Group's Annual Social Responsibility Report.
 - d) The Annual Reports on Corporate Governance and Directors' Remuneration.

- e) Any other reports that must be prepared pursuant to the Law, the Company Bylaws and these Regulations.
6. Authorise, unless the approval thereof corresponds to the Annual General Meeting, any investments or transactions of any kind which, given the high value involved or their special characteristics, are deemed to be of a strategic nature or may pose a significant tax risk.
 7. Promote the approval, and where appropriate the amendment, of the Regulations governing the Annual General Meeting.
 8. Call the Annual General Meeting and prepare its agenda, as well as submit the relevant proposals to the said General Meeting with regard to those matters within its remit.
 9. Adopt the decisions affecting its organisation and functioning.
 10. Supervise the effective operation of the Committees it may have set up, as well as the performance of the delegated bodies and of the executives it may have appointed.
 11. Where required, grant authorisations or release from obligations arising from the Directors' duty of loyalty in accordance with the applicable legislation.
 12. Appoint and dismiss the members of the delegated bodies and, where required, the Managing Directors and the executives directly reporting to the Board or any of its members, and establish the terms of their contracts, including their remuneration.
 13. Adopt decisions in relation to the Directors' remuneration in keeping with the statutory framework and the remuneration policy approved by the Annual General Meeting.
 14. Ensure compliance with the institutional and corporate principles of the MAPFRE Group, taking the decisions it deems necessary in this respect at every moment.

Where it is advisable for duly justified reasons of urgency, the bodies or persons delegated for this purpose can make the necessary decisions with respect to the above-mentioned issues as provided for by law. Such decisions must be ratified at the first Board meeting which is held after their adoption.

CHAPTER II. COMPOSITION

Article 3. Quantitative composition

The Board of Directors shall be composed of the number of members agreed upon by the General Meeting, within the limits set by the Company Bylaws, either directly or indirectly in accordance with the resolutions of the General Meeting regarding the appointment or dismissal of Directors.

Article 4. Qualitative composition

1. Directors shall meet the following requirements:

a) Professional qualification

A university degree or five years' experience in senior administration, management, control or advisory functions in financial or insurance institutions subject to regulation and supervision by the Public Authorities, or functions with similar responsibilities in other public or private institutions with a similar size and requirements to those of the Company.

b) Personal, professional and business integrity

- Shall have a personal background of observance of the laws regulating commerce and all other laws governing the economic and business activity, as well as of good business, financial and insurance practices.
- Shall not have any criminal record for crimes against freedom, against heritage or against the socio-economic order, against public security, against the Legal System or involving false statements.
- Shall not be barred from holding public office or from administrative or managerial posts in financial or insurance entities.
- Shall not be disqualified under the Insolvency Act, for as long as the disqualification period has not expired.

c) Eligibility and compatibility

- Shall not be subject to disqualification, prohibition or incompatibility as

provided for by law.

- Shall not possess substantial shareholdings in, or provide professional services to, competitors of the Company or of any Group company, or be an employee, executive or administrator thereof, unless expressly authorised by the Board of Directors.
- Shall not have any kinship, up to the second degree, even by affinity, with members of the Boards of Directors, executives, supervisors or employees of any Group company in active service.¹
- Shall not find themselves in an unavoidable conflict of interest.
- Shall not be involved in circumstances which may cause their membership on the Board to place the Company's interests at risk.

d) Age

- Shall not have reached the age of 70.
2. The Board of Directors, in the exercise of its duties, shall endeavour that the External Directors on the Board represent a large majority with respect to Executive Directors. Likewise, it shall endeavour that the number of Independent Directors represents, at least, a third of the total number of Directors.

In accordance with the legal provisions, the following considerations shall be taken into account:

- Executive Directors: those who perform management functions in the Company or the Group.
- External Directors:
 - Nominee Directors: those who hold a shareholding equal to or higher than that considered legally substantial or who have been appointed in their capacity as shareholders although their shareholding does not reach said proportion, as well as those who represent the aforementioned shareholders.

¹ This prohibition is not applicable to ensuing situations, nor is it applicable, on an interim basis, to those situations existing prior to the inclusion of this rule into the Company Bylaws.

- Independent Directors: those who, based on the personal and professional track record giving rise to their appointment, can discharge their duties without being constrained by their relationship with the Company or the Group, its substantial shareholders or its executives.

The Board of Directors shall duly explain the category to which each Director belongs in the appointment or re-election proposal presented to the Annual General Meeting or, where applicable, in their appointment by co-optation. Where exceptionally a Director cannot be included in any of the above-mentioned categories, the Board shall explain this circumstance, as well as the Director's links with the Company or the Group, with its executives or with its shareholders.

Article 5. Positions and functions

1. Chairman

The Chairman of the Board of Directors shall be responsible for representing the Company and shall act as the chief executive officer. The votes in favour of two thirds of the members of the Board of Directors shall be required for his or her appointment.

The Chairman of the Board of Directors, as the person responsible for the effective operation thereof, shall convene, chair and coordinate the meetings of the Board, making sure that the Directors receive, sufficiently in advance, information on the items in the agenda, encouraging their active participation in the deliberations, while ensuring that they can freely express their position. Likewise, the Chairman shall enforce compliance with Board resolutions and exercise any other functions conferred to him or her by Law or by the Company Bylaws.

In the event of the death or incapacity of the Chairman, the First Vice-Chairman –or the relevant person as provided for in section 2 below– shall temporarily and automatically undertake the Chairman's functions, and shall call the necessary meetings of the Appointments and Remuneration Committee, as well as of the Board of Directors in order to ensure that a new Chairman is appointed within thirty days following the start of his or her temporary tenure.

2. Vice-Chairmen

The Board of Directors shall, from among its members, elect as many Vice-Chairmen as it deems appropriate.

The Vice-Chairmen, in the order established in their appointment or, in default thereof, in the order of their seniority in the post, shall stand in for the Chairman in the event that he or she is absent, ill, or expressly delegates his or her position. In default of this, they shall be replaced by the eldest Director.

3. Managing Director

The Board of Directors shall, from among its members, appoint one or several Managing Directors, who shall be responsible for the high-level supervision of the Company.

In the appointment resolution, the Board of Directors shall establish –and amend as many times as it considers necessary– their sphere of activity and the powers they may hold as delegated by the Board, which shall be set out in a public deed.

4. Coordinating Director

The Board of Directors, with the abstention of the Executive Directors, shall appoint a Coordinating Director from among Independent Directors. This person will be especially empowered to request that a meeting of the Board of Directors is called or that new items are included in the agenda of a Board meeting already called, coordinating and convening non-executive Directors and overseeing, where required, the periodical evaluation of the Chairman of the Board of Directors.

5. Secretary and Vice-Secretary

The Secretary shall sign calls to General Meetings and Board meetings, draw up the minutes of the meetings, keep the minutes books at the registered office and issue certificates as necessary. If absent, the Secretary shall be replaced by the Vice-Secretary and, failing that, by the youngest Director in attendance.

The Secretary shall assist the Chairman in his or her duties and facilitate the correct functioning of the Board of Directors and its Committee and Sub-Committees, providing the members of the said bodies with the advice and information they may need. The Secretary shall at all times ensure that the performance of the aforesaid governing bodies is lawful both in form and in substance and that it is in accordance

with the Company Bylaws and all other internal regulations, ensuring that their procedures and rules are observed and periodically reviewed.

The Vice-Secretary, where such a position exists, shall assist the Secretary and replace him or her in the event of absence. Unless otherwise decided by the Board of Directors, the Vice-Secretary may attend the meetings of the said Board in order to assist the Secretary in drawing up the minutes.

CHAPTER III. APPOINTMENT AND DISMISSAL OF DIRECTORS

Article 6. Appointment and re-election of Directors

1. Directors shall be appointed and re-elected following a resolution by the Annual General Meeting or, on a provisional basis, by co-optation by the Board of Directors in accordance with the Law and the Company Bylaws.
2. The proposals for the appointment and re-election of Independent Directors correspond to the Appointments and Remuneration Committee, and that related to Nominee and Executive Directors to the Board of Directors.
3. Those persons referred to in the above-mentioned resolutions and proposals shall make a truthful and complete Prior Declaration of their relevant personal, family, professional or business circumstances, with particular mention of:
 - a) Those persons who, or entities which, are deemed to be linked to them, in accordance with the applicable legislation.
 - b) Those circumstances that may result in incompatibilities pursuant to the Law, the Company Bylaws and these Regulations, or in a conflict of interest.
 - c) Any other professional duties they discharge, in case they might interfere with the dedication that the office requires.
 - d) Any criminal proceedings in which they appear as the accused or the defendant.
 - e) Any other fact or circumstance that may be relevant to the discharge of their duties as Senior Officers.

The aforementioned declaration, which shall include the information and

circumstances that must be indicated in the corporate website pursuant to the provisions herein, shall be made using the forms established for this purpose by the Company, including an express acceptance of the rules contained in the Company Bylaws and all other internal regulations, as well as in the applicable legislation.

Directors shall be obliged to keep the content of their Prior Declaration up to date at all times, and accordingly they must report any relevant change in their circumstances with respect to the said Declaration, periodically updating their statements when so required by the Company's governing bodies.

4. The legal and statutory requirements, as well as any other obligations stemming from these Regulations with regard to the appointment of Directors shall also apply to the individual acting on behalf of a Director as legal representative.
5. The presentation of appointment and re-election proposals by the Board of Directors shall be preceded by:
 - a) In the case of Nominee Directors, the relevant proposal by the shareholder backing said appointment or re-election.
 - b) In the case of Executive Directors, as well as of the Secretary –regardless of whether he or she is a Director or not–, the relevant proposal by the Chairman of the Board of Directors.

Additionally, both types of proposals shall be preceded by the corresponding report by the Appointments and Remuneration Committee.

6. As regards re-elections, the proposal or report of the Appointments and Remuneration Committee should include an evaluation of the Director's performance in office during the previous tenure, and where appropriate, of the offices held on the Board by the candidate, taking into account or assessing the quantity and quality of the work performed, and his or her dedication to the office.
7. In all cases, the presentation of candidates for the appointment and re-election of Directors shall be supported a report by the Board justifying the competence, experience and merits of the candidate proposed.

Article 7. Dismissal of Directors

1. Directors shall hold office for such period as specified in the Company Bylaws.

2. Directors elected by co-optation shall hold office until the first General Meeting, which is called after the date on which the vacancy occurred, is held, without prejudice to their re-election, where appropriate, by the said General Meeting.
3. In all cases, Directors shall step down at the age of 70, and for this purpose they must present the corresponding resignation. The Chairman, the Vice-Chairmen and the Directors who perform executive duties and the Secretary of Board shall retire from the said positions at the age of 65, or at a previous date as provided for in their respective contracts, duly formalising at that moment the corresponding resignations, although they may continue to be Board members without executive powers for a maximum of five years under the same conditions as External Nominee Directors.
4. Directors shall offer all the offices they hold, including any positions they hold on the Committee and Sub-Committees, to the Board of Directors, and where appropriate in the opinion of the said Board they shall tender their resignation, in the following cases:
 - a) They cease to hold the executive positions giving rise to their appointment as a member of the above-mentioned governing bodies.
 - b) They should incur in any of the incompatibility or prohibition situations provided for by law.
 - c) They are charged with –or a court order is issued to initiate oral proceedings against them for– an alleged criminal offence, or they are the subject of disciplinary proceedings for a serious or very serious offence pursued by the supervisory authorities.
 - d) They receive a serious reprimand by the Risks and Compliance Committee for having infringed their duties as Directors.
 - e) They are affected by facts or circumstances which, should they continue to hold a position on the said governing bodies, may damage the standing and reputation of the Entity or put its interests at risk. Where said facts or circumstances are known or public, the Appointments and Remuneration Committee, as decided by the majority of its members, may ask for the resignation of the Director concerned.
 - f) The reasons for which they were appointed –should there expressly be any– no longer exist.

In such cases, resignations shall be tendered by way of a letter addressed to all the members of the Board of Directors.

5. Directors who, at the time of their appointment, do not hold executive positions or perform executive functions at the Company, or any other Group company, will not be eligible to perform such functions, unless they first step down from their position as Director, without prejudice to the fact that they subsequently become eligible to hold such office.
6. Nominee Directors shall furthermore tender their resignation upon the sale by the shareholder that appointed them of its shareholding.

Where a shareholder should reduce its shareholding, the Nominee Directors it has appointed shall resign in proportion to the said reduction.

7. Independent Directors shall furthermore tender their resignations after they have held office for twelve years uninterruptedly.

The Board of Directors shall not propose the dismissal of any Independent Director to the General Meeting prior to the expiry of the term for which they were appointed, unless there is a reason to justify this, as identified by the Board of Directors following a report by the Appointments and Remuneration Committee. In particular, a dismissal proposal shall be deemed to be justified when a Director breaches the duties inherent in the office, no longer meets any of the requirements established for Independent Directors, or incurs in an irremediable situation of conflict of interest pursuant to the provisions of the applicable legislation.

8. Where a Director should step down from office, whether by way of resignation or for any other reason, prior to the expiry of his or her tenure, he or she should explain the reasons for his or her resignation in a letter addressed to all members of the Board of Directors.
9. Once their tenure ends, or following their resignation due to any other reason, Directors will not be allowed to provide services to any other company which has a similar corporate purpose to that of the MAPFRE Group companies in which they have exercised their duties during two years.

CHAPTER IV. FUNCTIONING OF THE BOARD OF DIRECTORS

Article 8. Meetings

1. The Board of Directors shall hold as many meetings as may be necessary in order to decide on those matters within its remit and which are tabled for its consideration by the Chairman, by all other governing bodies of the Company or by any of the Directors; and to be informed of and, where required, authorise the main issues dealt with and resolutions approved by the Steering Committee, the Sub-Committees and the Executive Committee. It shall hold at least a meeting every quarter and ten meetings a year.

Unless there should be special reasons to the contrary, the meetings of the Board of Directors should not be held on the same day as the meetings of the Steering Committee, in order to ensure that each of these bodies pays the necessary attention separately to discussing the affairs within its remit, even where there are issues that should be examined by both bodies.

2. The meeting call shall always include the agenda set by the Chairman, along with the information required, which will be duly prepared in view of the matters to be discussed.

The Chairman may authorise Directors to attend Board meetings using audio-visual, telephonic or other similar technological systems, as long as such systems enable recognition of the attendees and two-way communication, as well as facilitate attendees' contributions and voting, all in real time, thereby ensuring the uniqueness and integrity of the event.

The Chairman shall take the necessary steps in order to ensure that the Directors receive, prior to the meeting, sufficient information regarding the items in the agenda. Furthermore, the Chairman shall organise the debates, encouraging the participation of all Directors in the deliberations, while ensuring that they can all adopt and freely express their position and vote with respect to the different issues that are tabled for the consideration of the Board.

3. The Board shall prepare an annual schedule of ordinary meetings, and shall evaluate once a year the quality of its work, the performance of the Chairman, based on the report drawn up by the Appointments and Remuneration Committee for this purpose, and the functioning of its Committee and Sub-Committees, proposing, where required, an action plan to correct any deficiencies detected.

4. Directors shall abstain from attending and participating in the deliberations and votes of those decisions that may affect them personally, as well as in cases of conflict of interest.

TITLE II. COMMITTEE AND SUB-COMMITTEES

CHAPTER I. STEERING COMMITTEE

Article 9. Functions, composition and meetings

1. It is the delegated body of the Board of Directors for the high-level permanent administration and supervision of the ordinary management of the Company and its subsidiaries in their strategic and operational aspects, and for the adoption of the decisions that may be necessary for the proper functioning thereof.

The Steering Committee shall have a general decision-making capacity, with express delegation thereto of all the powers corresponding to the Board of Directors, save for those that may not be delegated pursuant to the law or, where appropriate, as expressly stated in the Company Bylaws or in these Regulations.

It may delegate specific powers to any of its members for the final adoption of decisions that have been previously debated by the Committee, and for the execution of the resolutions it approves.

2. It shall be composed of a maximum of ten members, all of whom shall sit on the Board of Directors. Its Chairman, First and Second Vice-Chairmen and Secretary shall be ex-officio those who hold the same office on the Board of Directors. The appointment of its members shall require the votes in favour of two thirds of the members of the Board of Directors.
3. It shall meet at least five times a year, and as often as may be necessary on an extraordinary basis in order to discuss the matters submitted for its consideration by any of its members.

CHAPTER II. AUDIT COMMITTEE

Article 10. Functions, composition and meetings

1. It has the following basic functions:
 - a. To report to the Annual General Meeting with regard to issues raised about any matter within its remit.
 - b. To oversee the effectiveness of the company's internal control, internal audit and risk management systems, including tax risks, as well as to discuss with the External Auditor any significant weaknesses detected in the internal control system in the course of an audit.
 - c. To supervise the preparation and reporting of regulated financial information, verifying compliance with the legislation in force, the adequate delimitation of consolidation scopes and the correct application of accounting criteria.
 - d. To submit proposals to the Board of Directors, for subsequent approval by the Annual General Meeting, for the selection, appointment, re-election and replacement of the External Auditor, as well as with regard to its contractual conditions, and regularly receive information from the External Auditor regarding the audit plan and its execution, while preserving its independence in the exercise of its duties.
 - e. To build the necessary relationships with the External Auditor to receive information on those issues that may compromise its independence, for their consideration by the Committee, and any other relationships referring to the development of an accounts audit, as well as those communications envisaged by law with regard to accounts audits and audit rules. Under all circumstances, it shall receive from the External Auditor on a yearly basis a written confirmation of its independence from the entity or entities linked thereto, both directly or indirectly, as well as information on any additional services of whatever nature provided or the corresponding fees received from the said entities by the aforementioned External Auditor, or by the persons or entities linked thereto in accordance with the legislation in force on accounts audits.
 - f. To draw up an annual report –before the accounts audit report is issued– delivering an opinion on the independence of the External Auditor. This report shall contain, in any case, an assessment of the provision of the additional services referred to in the previous section, considered both individually and in

aggregate, other than those referring to legal audits and related to the independence of the External Auditor or to the regulations governing the audit system.

- g. To ensure that, insofar as possible, the Group's External Auditor takes responsibility for auditing all the companies of which it is composed.
 - h. To ensure the independence and efficacy of the Internal Audit function; to propose the selection, appointment, re-election and dismissal of the person responsible for said function, as well as its annual budget; to receive periodical information on its activities, and to verify that the Senior Management takes into account the conclusions and recommendations of its reports.
 - i. To inform the Board of Directors in advance of all issues provided for by law, the Company Bylaws and these Regulations, in particular with respect to:
 - Financial information that the Company must disclose on a periodical basis.
 - Creation or acquisition of interests in special purpose vehicles or in entities registered in countries or territories regarded tax havens.
 - Operations with stakeholders.
 - j. To establish and supervise a mechanism that allows employees to report in confidence any potentially significant irregularities, especially of a financial and accounting nature, which they may detect within the company.
2. It shall be composed of a minimum of three and a maximum of five members, all of whom shall be non-executive members. Two of its members, at least, shall be Independent Directors, whereas one of them shall be appointed taking into account his or her knowledge and experience on accounting, auditing or both issues. Its Chairman shall be an Independent Director, who shall be replaced every four years and may be re-elected after one year has elapsed since he or she stepped down. The Group's Internal Audit General Manager shall be invited to attend the meetings of the Audit Committee.
 3. It shall meet at least on a quarterly basis, and as often as may be necessary on an extraordinary basis.

CHAPTER III. APPOINTMENTS AND REMUNERATION COMMITTEE

Article 11. Functions, composition and meetings

1. It is the delegated body of the Board of Directors for the coordinated development of the appointments and remuneration policy that should be applied to the Group's Directors and Senior Managers.

It shall have the following functions as provided for by law:

- a) Evaluate the skills, knowledge and experience required at the Board of Directors, defining the functions and aptitudes expected from the candidates who will fill each vacancy and assessing the time and dedication needed to properly discharge responsibilities.
- b) Set a representation target for the under-represented sex at the Board of Directors and provide guidance on how to attain said target.
- c) Submit to the Board of Directors the proposals for the appointment of Independent Directors to be designated by co-optation or to be approved by the Annual General Meeting, as well as the proposals for their re-election or dismissal, providing information in those cases in which the proposals may affect all other Directors.
- d) Provide information on the proposals for the appointment and dismissal of senior managers and their basic contractual conditions.
- e) Examine and organise the succession of the Chairman of the Board of directors and, where required, make the necessary proposals to the Board so that such succession takes place in an orderly and controlled manner.
- f) Propose to the Board of Directors the remuneration policy to be applied to Directors and General Managers or to the persons who perform senior management functions directly reporting to the Board, the Steering Committee or the Managing Directors, as well as the individual remuneration and all other contractual conditions of Executive Directors, ensuring that they are duly observed.
- g) Propose to the Board of Directors the candidates for the appointment of those Trustees of FUNDACIÓN MAPFRE whose designation corresponds to the Company.

h) Authorise the appointment of the External Directors of the remaining Group companies.

For the discharge of the above-mentioned functions, the Committee shall consult the Chairman of the Board of Directors and take into account his or her proposals regarding those issues referring to Executive Directors and Senior Managers.

2. It shall be composed of a minimum of three and a maximum of five members, all of whom shall be non-executive members and two of whom, at least, shall be Independent Directors. Its Chairman shall be an Independent Director, and its Secretary shall be the Secretary of the Board of Directors.
3. It shall meet as often as necessary in order to properly carry out its functions, and for this purpose it shall be attended by the Senior Manager responsible for the supervision of the Human Resources Area.

CHAPTER IV. RISKS AND COMPLIANCE COMMITTEE

Article 12. Functions, composition and meetings

1. It is the delegated body of the Board of Directors responsible for supporting and advising the Board of Directors in the definition and evaluation of the risk management policies and in the definition of the risk appetite and the risk strategy. Likewise, it is responsible for supervising the correct application of the corporate governance rules and the external and internal regulations across the Company and the Group.

The Risks and Compliance Committee shall have the following responsibilities:

- a) Support and advise the Board of Directors in the definition and assessment of the Group's risk policies and in the definition of the risk appetite and the risk strategy:

The Group's risk policies should include:

- The identification of the various types of risks it may face.
- The definition of the risk appetite considered acceptable.
- The measures in place to mitigate the impact of the materialisation of the risks identified, and the reporting and internal control systems to be used

in this respect.

- b) Help the Board of Directors supervise the application of the risk strategy.
 - c) Know and assess the risk management methods and tools, monitoring the results and validation of the models applied.
 - d) Monitor the application of the corporate governance rules in force at each moment.
 - e) Supervise compliance with internal and external regulations and, in particular, with the internal codes of conduct and the rules and procedures for the prevention of money laundering and terrorist financing, making the necessary proposals for their improvement.
 - f) Supervise the adoption of actions and measures resulting from reports or inspections by the administrative supervisory and control bodies.
2. It shall be composed of a minimum of three and a maximum of five members, all of whom shall be non-executive members.
- The Board of Directors shall appoint a Secretary, a position for which it is not required to be a Director.
3. It shall meet whenever the Board of Directors or its Chairman should request the preparation of a report, or the adoption of proposals, and otherwise whenever this should be necessary in order to properly exercise its functions and powers. The Senior Manager responsible for the supervision of the Group's risks and compliance areas shall be invited to attend its meetings.

CHAPTER V. FUNCTIONING OF THE COMMITTEE AND SUB-COMMITTEES

Article 13. Meetings

1. Meetings shall be called by the Secretary following a request by the Chairman, either at his or her own initiative or following a request by at least three members – in the case of the Steering Committee– or by any of its members –in the case of Sub-Committees– who, in the event that the meeting is not held within fifteen days,

may call the meeting directly by way of a notarial notice. Those Group Executives whose presence is considered to be relevant to the deliberations may also be called to attend the meetings.

Meetings may be called by letter, electronic mail, fax or any other means that ensures that it is received at least seventy two hours in advance or, exceptionally, in those cases where this is justified due to the urgency of the issues to be discussed at the Chairman's discretion, at least twenty four hours in advance. Meetings may be validly held without being called in advance where all the members of the Committee are in attendance and there is unanimous agreement to hold the meeting.

2. A meeting shall be quorate when those in attendance, either in person or by proxy, constitute more than one half of the members, and the Chairman or any of the Vice-Chairmen is present, or the Chairman has given his or her express consent. The Committee shall approve resolutions by absolute majority of the members in attendance at the meeting, and the person chairing the meeting shall have a casting vote.

The Chairman may authorise Directors to attend Board meetings using audio-visual, telephonic or other similar technological systems, as long as such systems enable recognition of the attendees and two-way communication, as well as facilitate attendees' contributions and voting, all in real time, thereby ensuring the uniqueness and integrity of the event.

3. In the event that the Chairman and the Vice-Chairmen are absent or ill, or these positions are vacant, the meeting shall be chaired by the eldest of those in attendance; in the event that the Secretary is absent or ill, or the position is vacant, the functions of the Secretary shall be performed by the Vice-Secretary, and in default thereof, by the youngest member of those in attendance.
4. Where it is advisable for reasons of urgency or efficiency at the Chairman's discretion, and provided that none of the members objects, the Committee may take decisions with regard to specific proposals submitted for its deliberation by the Chairman without a formal session being held. In order to do this, the Secretary shall send –by post, electronic mail, fax or any other suitable means– the corresponding proposals and documents to all the members of the Committee, who shall communicate to the Secretary their agreement or objections by way of the same means within twenty four hours of receipt of the said documents, and those proposals which are approved by the majority of the members of the Committee shall be deemed to be duly adopted.

- Minutes shall be kept of all meetings, which may be approved by the corresponding body, at the end of the meeting or at the following session, or by the Chairman of the meeting and the member that the Committee or Sub-Committee delegates for this purpose.

Minutes shall be signed by the Secretary of the body or of the session, by the person chairing the meeting and, as the case may be, by the member who has approved them by way of delegation.

The decisions adopted in writing and without a session being held shall be recorded in the minutes book by way of a document signed by the Chairman, the Secretary and the member to whom this power has been delegated for this purpose in the resolutions approved.

- The Secretary shall issue, in as short a time as possible, the necessary communications addressed to the relevant bodies of the Company and of the Group companies affected by the decisions taken at the meeting.
- A report shall be presented to the Board of Directors concerning the main items addressed and the resolutions approved by the Committee at the first meeting held by this body.
- The minutes of the meetings of the Committee or Sub-Committees shall be made available to all the members of the Board of Directors.

TITLE III. OTHER STATUTORY BODIES

CHAPTER I. EXECUTIVE COMMITTEE

Article 14. Functions and composition

- The Executive Committee shall be responsible, under the supervision of the Steering Committee, for developing and executing the decisions of the latter, for drawing up draft decisions and plans for approval by the Steering Committee, and for taking ordinary management decisions within the powers conferred on it at any given time, in order to ensure coordinated and synergic management of the Group's ordinary activities.

2. It shall be composed of a maximum of twelve members, appointed from amongst the Senior Managers of the Company and its subsidiaries; and it shall be chaired by the Chairman of the Board of Directors. The Board of Directors shall appoint, and where appropriate dismiss, the remaining members of the Committee, seeking that the Business Units and Corporate Areas are appropriately represented. The Secretary of the Board shall act as secretary at meetings.
3. Its operational rules and powers shall be determined by the Board of Directors, and they shall be set out in a public deed.

TITLE IV. RIGHTS AND OBLIGATIONS OF DIRECTORS

Article 15. Right to information and reporting obligation

1. Directors shall stay informed of the Company's performance, and for this purpose they shall collect all the information they deem necessary or appropriate at every moment for the correct and proper discharge of their responsibilities.

To this end, Directors shall be vested with the broadest powers to obtain information with regard to any aspect related to the Company and to examine its books, records, documents and any other background to corporate transactions. This right to information shall also be applicable to Group companies to the extent necessary so that Directors can effectively hold their position.

2. The exercise of the right to information shall be coordinated by the Chairman or the Secretary of the Board of Directors, who will respond to Directors' requests either by providing them with information or referring them to the appropriate person.
3. The Company shall provide the necessary support so that new Directors can rapidly gain an adequate insight into the Company and its corporate governance rules, establishing for this purpose induction and guidance programmes, with special emphasis on strategic, financial and insurance aspects. Likewise, the Company may organise, where so required, knowledge updates targeted at Directors.

Article 16. Use of expert judgement

1. Directors may request advice in order to properly discharge their responsibilities. Requests for advice shall be addressed to the Chairman or the Secretary of the

Board of Directors, and they must necessarily refer to specific problems of a special relevance or complexity which may arise in the exercise of their duties.

2. External advice might be sought, which will be charged to the Company, provided special circumstances justify this fact. However, a request for external advice may be rejected by the Board of Directors if this body considers that:
 - It is not required for the correct discharge of the duties assigned to Directors.
 - Its cost is not reasonable in view of the importance of the problem, as well as of the Company's assets and revenues.
 - The advice sought can be properly provided by experts and specialists within the Entity or the Group.

Article 17. Due diligence

Directors shall perform their duties and observe the obligations imposed by the legislation in force, the Company Bylaws and these Regulations with the due diligence expected from an orderly businessman and with appropriate dedication, taking the measures required for the correct management and control of the Company.

Article 18. Duty of loyalty

Directors shall perform their duties with the loyalty expected from a trustworthy representative, acting in good faith and in the best interest of the Company. For this purpose, Directors shall be obliged to:

- a) Not to exercise their responsibilities for purposes other than those for which they were assigned.
- b) Keep all information, data, reports or backgrounds they may access in the exercise of their duties in the strictest confidence, even when they no longer hold this position.
- c) Abstain from participating in the deliberation and voting of resolutions or decisions where a Director or a person linked to him or her is involved in a conflict of interests, both directly and indirectly, as provided for by law.
- d) Exercise their functions under the principle of personal responsibility with freedom of expression or judgement with respect to the instructions of, or relations with, third

parties.

- e) Take the necessary measures to avoid conflicts of interests as provided for by law.

The Company may release Directors from the aforementioned obligations in special cases in accordance with the legal provisions.

Article 19. Other duties

Directors shall be subject to the applicable rules contained in the internal rules of conduct referring to listed securities issued by MAPFRE, as well as to any other internal rules in force in the Company or the Group at every given moment.

Article 20. Remuneration of Directors

Directors shall be entitled to receive remuneration for the discharge of their functions according to the remuneration system set out in the Company Bylaws and in the Directors' remuneration policy approved by the Annual General Meeting in accordance with the legal provisions in force.

TITLE V. BOARD OF DIRECTORS' RELATIONS

Article 21. Relations with shareholders

1. The Board of Directors shall oversee the functioning of the channels established to hear the proposals formulated by shareholders in relation to the management of the Company, and for this purpose informative meetings may be held with shareholders with residence in the most important financial centres in Spain and in other countries. Likewise, it shall establish suitable mechanisms for the regular exchange of information with institutional investors which form a part of the Company's shareholder structure, without this in any event resulting in the disclosure of information which may give said investors an advantageous or privileged position with respect to all other shareholders.
2. The Board of Directors shall promote the informed participation of shareholders at Annual General Meetings, and shall adopt such measures as may be necessary in

order to ensure that the said General Meetings exercise their powers effectively in accordance with the Law and the Company Bylaws. In particular:

- It shall provide shareholders, prior to the Meeting, with all the information that is legally required or that, whilst not legally required, may be of interest and may be reasonably supplied.
 - It shall respond, with utmost diligence, to the information requests made by shareholders prior to the Meeting.
 - It shall respond, also with utmost diligence, to those questions posed by the shareholders at the Meeting with regard to the various items in the agenda.
3. Public applications to vote by proxy by the Board of Directors, or by any of its members, should provide detailed information on how the representative will vote in the event that the shareholder does not give specific instructions, and shall reveal, where appropriate, the existence of any conflicts of interest.

Article 22. Relations with stakeholders

The Board of Directors shall be informed of the operations that the Company carries out, both directly and indirectly, with Directors, substantial shareholders or other parties represented in the Board of Directors, or with persons linked thereto. They must be previously authorised, except in the case of those operations or transactions which are part of the normal or ordinary activity of the parties involved and which are carried out in normal market conditions and for amounts that are not significant or relevant to the Company.

The aforementioned operations shall be considered from the point of view of equal treatment and market conditions.

Article 23. Relations with markets

1. The Board of Directors, and where appropriate that of the other Group companies which issue listed securities, shall make public and report all relevant information to the Spanish Securities and Exchange Commission (CNMV), according to the terms laid down in the applicable legal provisions. Relevant information shall be understood to refer to all information which, if known, could have a notable impact on the trading of the said securities.
2. The Board of Directors shall also adopt the necessary measures in order to ensure

that the quarterly and half-yearly financial reports, and any other financial information that should be provided to the markets for prudence reasons, are drawn up in accordance with the same principles, criteria and professional practices applied to the Financial Statements, and that they are as reliable as the latter. To this effect, said information will be reviewed by the Audit Committee.

3. The Financial Statements submitted to the Board of Directors in order to be drawn up shall be previously certified, with regard to their accuracy and integrity, by the chief executive officer of the Company –or as the case may be of the consolidated group–, by the corresponding Internal Audit General Manager and by the manager responsible for the preparation of the aforementioned Accounts
4. Every year, the Board of Directors shall draw up and publish a Corporate Governance Report, the content of which shall adhere to the applicable legal requirements.

Article 24. Corporate website

1. In order to ensure proper compliance with the provisions of Articles 21 and 23 above, and without prejudice to other suitable means for these purposes, the Company shall have a website to allow shareholders exercise their right to information, to enable an electronic shareholder forum and to disclose all relevant information required by the legislation on the securities market, as well as any other information that may be required by the regulations in force or that may be considered appropriate in the interests of shareholders and investors.
2. The said website shall include the following information with regard to Directors: (i) professional and biographical profile; (ii) other Boards of Directors on which they sit, including both listed and non-listed companies; (iii) an indication of the category the Directors belong to, stating, in the case of Nominee Directors, the shareholder that proposed their appointment or to which they are linked; (iv) the date of first appointment as Company Director, as well as the dates of any subsequent re-appointments, and (v) any shares in the Company and derivative financial instruments which have the Company's shares as the underlying security.
3. In the event that the Company and any of its controlled companies should be listed on the Stock Exchange at the same time, the website shall contain an accurate and clear explanation of the following:
 - Their respective areas of activity and any possible business relations between them, as well as those between the listed controlled companies and all other

Group companies.

- The mechanisms in place in order to overcome any possible conflicts of interest that may arise.
4. The Board of Directors should make every effort to keep the website up to date.

Article 25. Relations with the External Auditor

1. The Audit Committee shall act as a liaison between the Board of Directors and the External Auditor.
2. The Board of Directors shall refrain from procuring the services of auditing firms that receive or are going to receive fees from the Group which annually amount to, for all items, more than 5% of their total annual revenues, and shall report the overall fees that the Group has paid to the External Auditor for the various services provided in its annual public documents.
3. The Board of Directors shall always seek to draw up the Financial Statements in such a way that there is no occasion for reservations or objections on the part of the External Auditor. However, where the Board considers that its opinion ought to prevail, the Chairman of the Audit Committee shall explain in public the content and scope of the discrepancies that have given rise to the said reservations or objections.