

ANNEX I

ANNUAL REPORT ON THE CORPORATE GOVERNANCE OF PUBLICLY TRADED COMPANIES

ISSUER'S IDENTITY

END DATE OF THE REFERENCED FINANCIAL YEAR	31/12/2015
--	------------

Tax ID	A08055741
---------------	-----------

COMPANY NAME

MAPFRE S.A.

REGISTERED OFFICE

MAJADAHONDA (MADRID), No. 52 CARRETERA DE POZUELO

ANNUAL REPORT ON THE CORPORATE GOVERNANCE OF PUBLICLY TRADED COMPANIES

A OWNERSHIP STRUCTURE

A.1 Fill in the following table on the company's share capital:

Date of last modification	Share capital (euros)	Number of shares	Number of voting rights
01/07/2011	307,955,327,30	3,079,553,273	3,079,553,273

Indicate if there are different kinds of shares with different rights associated to them:

Yes No

A.2 State the direct and indirect owners of substantial holdings, of their company as at the close of the financial year, excluding directors:

Name or company name of the shareholder	Number of direct voting rights	Number of indirect voting rights	% of total voting rights
FUNDACIÓN MAPFRE	0	2,088,859,359	67.83%

Name or company name of the indirect holder of the shares	By: Name or company name of the direct holder of the shares	Number of voting rights
FUNDACIÓN MAPFRE	INSTITUTO TECNOLÓGICO DE SEGURIDAD MAPFRE S.A.	652,755
FUNDACIÓN MAPFRE	CARTERA MAPFRE, S.L. SOLE CORPORATION	2,084,906,327
FUNDACIÓN MAPFRE	FUNDACIÓN CANARIA MAPFRE GUANARTEME	3,300,277

State any significant modifications in the shareholding structure that have occurred during the financial year:

A.3 Complete the following table about the members of the Board of Directors of the company who have voting rights on company shares:

Name or company name of the director	Number of direct voting rights	Number of indirect voting rights	% of total voting rights
MR. LUIS ITURBE SANZ DE MADRID	34,816	0	0.00%
MR. ANTONIO NÚÑEZ TOVAR	305,330	0	0.01%
MR. ESTEBAN TEJERA MONTALVO	23	0	0.00%
MR. ANDRÉS JIMÉNEZ HERRADÓN	23,452	0	0.00%
MR. RAFAEL MÁRQUEZ OSORIO	69,804	0	0.00%
MR. ANTONIO MIGUEL-ROMERO DE OLANO	30,325	2,242	0.00%
MR. ALFONSO REBUERTA BADÍAS	44,346	0	0.00%
MS. CATALINA MIÑARRO BRUGAROLAS	1,510	0	0.00%
MR. RAFAEL BECA BORREGO	0	457,807	0.01%
MR. ALBERTO MANZANO MARTOS	90,154	0	0.00%
MR. RAFAEL FONTOIRA SURIS	23	0	0.00%
MS. ADRIANA CASADEMONT I RUHÍ	0	0	0.00%
MR. RAFAEL CASAS GUTIÉRREZ	82,231	0	0.00%

Name or company name of the director	Number of direct voting rights	Number of indirect voting rights	% of total voting rights
MR. IGNACIO BAEZA GÓMEZ	173,875	0	0.01%
MR. LUIS HERNANDO DE LARRAMENDI MARTÍNEZ	69,977	23	0.00%
MR. ANTONIO HUERTAS MEJÍAS	327,485	0	0.01%
MR. GEORG DASCHNER	20,000	0	0.00%
MRS. MARÍA LETICIA DE FREITAS COSTA	0	0	0.00%

Name or company name of the indirect holder of the shares	By: Name or company name of the direct holder of the shares	Number of voting rights
MR. ANTONIO MIGUEL-ROMERO DE OLANO	OTHER SHAREHOLDERS OF THE COMPANY	2,242
MR. RAFAEL BECA BORREGO	OTHER SHAREHOLDERS OF THE COMPANY	457,807
MR. LUIS HERNANDO DE LARRAMENDI MARTÍNEZ	OTHER SHAREHOLDERS OF THE COMPANY	23

total % of voting rights held by the Board of Directors	0.04%
--	-------

Fill in the following tables with the members of the company's Board of Directors with voting rights on company shares

A.4 Where applicable, list any family, commercial, contractual or corporate relationships between holders of significant shareholdings, insofar as the company is aware of them, unless they are of little relevance or due to ordinary commercial traffic and exchange:

A.5 Where applicable, list any family, commercial, contractual or corporate relationships between holders of significant shareholdings, and the company and/or its group, unless they are of little relevance or due to ordinary commercial traffic and exchange:

A.6 Indicate if any shareholder agreements have been disclosed to the company that affect it under art. 530 and 531 of the Spanish Corporations Act. Where applicable, briefly describe them and list the shareholders bound by such agreement:

Yes No

Indicate whether the company knows the existence of concerted actions among its shareholders. If so, describe them briefly:

Yes No

If there has been any alteration or breakdown of said pacts or agreements or concerted actions during the financial year, indicate this expressly.

There has not been any modification or termination of arranged pacts, agreements or actions.

A.7 Indicate whether any person or organization exercises or may exercise control over the company pursuant to article 4 of the Stock Exchange Act. If so, identify them:

Yes No

Name or company name
FUNDACIÓN MAPFRE

Remarks

A.8 Fill in the following tables regarding the company's treasury stock:

As at the closing date of the financial year:

Number of direct shares	Number of indirect shares (*)	total % of share capital
1,012,666	0	0.03%

(*) Through:

List significant changes occurring during the financial year, pursuant to Royal Decree 1362/2007:

Explain significant changes
No significant changes have occurred in the financial year, as per Royal Decree 1362/2007.

A.9 Detail the terms and conditions of the current Annual General Meeting authorization to the Board of Directors to issue, buy back or transfer treasury stock.

The Board of Directors is currently authorized by the General Meeting so that the Company can increase the share capital once or several times by up to a maximum of 153,977,663.65 euros, equivalent to 50 percent of the share capital. The duration of the authorization is of five years calculated from the date of the resolution, passed on 9 March 2013.

The Board of Directors is currently authorized by the General Meeting so that the Company can proceed, directly or through subsidiary companies, to the derivative acquisition of treasury stock, subject to the following limits and requirements:

- a) Categories: acquisition by sale, or by any other transaction inter vivos for good and valuable consideration, of shares free of any liens or encumbrances.
- b) Maximum number of shares to be acquired: shares whose face value, added to the face value of the shares already owned by the Company and its subsidiaries, does not exceed 10 percent of the share capital of MAPFRE S.A.
- c) Minimum and maximum acquisition price: 90 percent and 110 percent, respectively, of their listed quotation on the acquisition date.
- d) Duration of the authorization: five years calculated from the date of the resolution, passed on 9 March 2013.

A.9.bis Estimated floating capital:

Estimated floating capital	%	32.10
-----------------------------------	---	-------

A.10 Indicate whether there is any restriction on the transferability of securities and/or any restriction on voting rights. In particular, will be notified the existence of any type of restrictions to the takeover of the company by means of share purchases on the market.

Yes No

A.11 Indicate whether the Annual General Meeting has approved measures to counteract a public acquisition bid, pursuant to Act 6/2007.

Yes No

If so, explain the measures approved and the terms and conditions under which the restrictions would become inefficient:

A.12 Indicate if the company has issued securities that are not traded in a regulated community market.

Yes No

If so, indicate the different kinds of shares and, for each kind of share, the rights and obligations conferred.

B GENERAL MEETING

B.1 Indicate and, where applicable, give details, about whether there are any differences from the minimum standards established under the Capital Companies Act (LSC) with respect to the quorum and constitution of the Annual General Meeting.

Yes No

B.2 Indicate, and where applicable give details, whether there are any differences from the minimum standards established under the Capital Companies Act (LSC) with respect to the adoption of corporate resolutions:

Yes No

Describe any differences from the guidelines established under the LSC.

Reinforced majority different from that established in art. 201.2 of the LSC for the cases cited in art. 194.1 of the LSC	Other cases of reinforced majority
% established by the company for adopting agreements	0.00%
	50.01%

Describe the differences

Article 201 of Capital Companies Law establishes that, to adopt the agreements referred to in article 194, if the present or represented capital exceeds 50 percent, it will be enough for the agreement to be adopted by absolute majority. Nonetheless, a favorable vote will be required from two thirds of the capital present or represented at the assembly when, at a second meeting, there are shareholders representing 25 percent or more of the subscribed capital with a right to vote but not fifty percent.

At the second meeting, it will be enough for 25 percent of the aforementioned capital to attend.

Pursuant to the provisions of article 26 of the Corporate Bylaws, the amendment of the provisions of Title IV "Protection of the Company's General Interest" (articles 26 to 29) can only be amended by a resolution approved with the votes in favor of more than fifty percent of the share capital at the Extraordinary General Meeting specifically called for this purpose.

B.3 Indicate the rules applicable to amendment of the company's articles of association. In particular, will be notified the majorities established for the amendment of the articles of association, as well as, where applicable, the rules established for protection of the shareholders rights in the amendment of the articles of association.

There are no particularities other than those established in the legislation in force for amendment of the Company's bylaws, except for the amendment of articles 26 to 29 (Title IV- Protection of the Company's General Interest). As stated in the previous paragraph B.2, a resolution adopted with the favorable vote of more than fifty percent of share capital at the Extraordinary General Meeting called for that purpose is necessary.

B.4 Give attendance data on the Annual General Meetings held during the financial year to which this report refers and those from the previous financial year:

Attendance data						
Date of Annual General Meeting	% of shareholders present in person	% attending by proxy	% voting remotely		Total	
			E-voting	Other		
14/03/2014	76.23%	0.14%	0.00%	3.48%	79.85%	
13/03/2015	67.82%	8.27%	0.00%	2.38%	78.47%	

B.5 Indicate the number of shares, if any, that are required to be able to attend the Annual General Meeting and whether there are any restrictions on such attendance in the bylaws:

Yes No

Number of shares necessary to attend the Annual General Meeting	1.000
---	-------

B.6 Section repealed.

B.7 Indicate the address and method of access to the company's website, to the information on corporate governance and other information on Annual General Meetings that must be available to shareholders through the company's website.

Access is as follows: www.mapfre.com

Shareholders and Investors Section.

C GOVERNANCE STRUCTURE OF THE COMPANY

C.1 Board of Directors

C.1.1 Maximum and minimum number of directors established in the corporate bylaws:

Maximum number of directors	20
Minimum number of directors	5

C.1.2 Fill in the following table on the board members:

Name or company name of the director	Representative	Category of the director	Post on the Board	Date of first appoint	Date of last appoint	Procedure
MR. LUIS ITURBE SANZ DE MADRID		Independent	DIRECTOR	06/03/2004	10/03/2012	ANNUAL GENERAL MEETING RESOLUTION
MR. ANTONIO NÚÑEZ TOVAR		Executive	VICE CHAIRMAN 2nd	10E5/03/2011	13/03/2015	ANNUAL GENERAL MEETING RESOLUTION
MR. ESTEBAN TEJERA MONTALVO		Executive	VICE CHAIRMAN 1st	10E8/03/2008	10/03/2012	ANNUAL GENERAL MEETING RESOLUTION
MR. ANDRÉS JIMÉNEZ HERRADÓN		Nominee	DIRECTOR	29/12/2006	14/03/2014	ANNUAL GENERAL MEETING RESOLUTION
MR. RAFAEL MÁRQUEZ OSORIO		Nominee	DIRECTOR	29/12/2006	29/12/2014	ANNUAL GENERAL MEETING RESOLUTION

Name or company name of the director	Representative	Category of the director	Post on the Board	Date of first appointment	Date of last appointment	Procedure
MR. ANTONIO MIGUEL-ROMERO DE OLANO		Nominee	DIRECTOR	17/04/1999	13/03/2015	ANNUAL GENERAL MEETING RESOLUTION
MR. ALFONSO REBUERTA BADÍAS		Nominee	DIRECTOR	17/04/1999	13/03/2015	ANNUAL GENERAL MEETING RESOLUTION
MRS. CATALINA MIÑARRO BRUGAROLAS		Independent	DIRECTOR	30/10/2013	14/03/2014	ANNUAL GENERAL MEETING RESOLUTION
MR. RAFAEL BECA BORREGO		Independent	DIRECTOR	29/12/2006	29/12/2014	ANNUAL GENERAL MEETING RESOLUTION
MR. ALBERTO MANZANO MARTOS		Nominee	DIRECTOR	28/05/1987	13/03/2015	ANNUAL GENERAL MEETING RESOLUTION
MR. RAFAEL FONTOIRA SURIS		Independent	DIRECTOR	29/12/2006	14/03/2014	ANNUAL GENERAL MEETING RESOLUTION
MRS. ADRIANA CASADEMONT I RUHÍ		Independent	DIRECTOR	09/03/2013	09/03/2013	ANNUAL GENERAL MEETING RESOLUTION
MR. RAFAEL CASAS GUTIÉRREZ		Executive	DIRECTOR	09/03/2013	09/03/2013	ANNUAL GENERAL MEETING RESOLUTION
MR. IGNACIO BAEZA GÓMEZ		Executive	VICE CHAIRMAN 3rd	10/08/2008	10/03/2012	ANNUAL GENERAL MEETING RESOLUTION
MR. LUIS HERNANDO DE LARRAMENDI MARTÍNEZ		Nominee	DIRECTOR	17/04/1999	13/03/2015	ANNUAL GENERAL MEETING RESOLUTION
MR. ANTONIO HUERTAS MEJÍAS		Executive	CHAIRMAN and CEO	29/12/2006	14/03/2014	ANNUAL GENERAL MEETING RESOLUTION
MR. GEORG DASCHNER		Independent	DIRECTOR	10/02/2015	13/03/2015	ANNUAL GENERAL MEETING RESOLUTION
MRS. MARÍA LETICIA DE FREITAS COSTA		Independent	DIRECTOR	23/07/2015	23/07/2015	BOARD OF DIRECTORS RESOLUTION

Total number of directors	18
----------------------------------	----

Indicate which directors have left their seat on the Board of Directors during the period subject to information:

Name or company name of the director	Category of the director upon removal	Termination date
MR. MATÍAS SALVÁ BENNASAR	Independent	29/03/2015
MR. FRANCISCO VALLEJO VALLEJO	Nominee	29/10/2015

C.1.3 Fill in the following tables on the board members and their different kinds of directorship:

EXECUTIVE DIRECTORS

Name or company name of the director	Post within company organization
MR. ANTONIO NÚÑEZ TOVAR	SECOND VICE CHAIRMAN
MR. ESTEBAN TEJERA MONTALVO	FIRST VICE CHAIRMAN

Name or company name of the director	Post within company organization
MR. RAFAEL CASAS GUTIÉRREZ	DIRECTOR
MR. IGNACIO BAEZA GÓMEZ	VICE CHAIRMAN 3
MR. ANTONIO HUERTAS MEJÍAS	CHAIRMAN and CEO

Total number of executive directors	5
% of total board	27.78%

EXTERNAL NOMINEE DIRECTORS

Name or company name of the director	Name or company name of the substantial shareholder represented or proposing his/her appointment
MR. ANDRÉS JIMÉNEZ HERRADÓN	CARTERA MAPFRE, S.L. SOLE CORPORATION
MR. RAFAEL MÁRQUEZ OSORIO	CARTERA MAPFRE, S.L. SOLE CORPORATION
MR. ANTONIO MIGUEL-ROMERO DE OLANO	CARTERA MAPFRE, S.L. SOLE CORPORATION
MR. ALFONSO REBUELTA BADIÁS	CARTERA MAPFRE, S.L. SOLE CORPORATION
MR. ALBERTO MANZANO MARTOS	CARTERA MAPFRE, S.L. SOLE CORPORATION
MR. LUIS HERNANDO DE LARRAMENDI MARTÍNEZ	CARTERA MAPFRE, S.L. SOLE CORPORATION

Total number of nominee directors	6
% of total board	33.33%

INDEPENDENT EXTERNAL DIRECTORS

Name or company name of the director:

MR. LUIS ITURBE SANZ DE MADRID

Profile:

DEGREE IN LAW. DIRECTOR OF THE MADRID STOCK EXCHANGE UNTIL 2003. SENIOR EXECUTIVE AT BBVA UNTIL 2002.

Name or company name of the director:

MS. CATALINA MIÑARRO BRUGAROLAS

Profile:

DEGREE IN LAW. STATE ATTORNEY ON LEAVE OF ABSENCE.

Name or company name of the director:

MR. RAFAEL BECA BORREGO

Profile:

COMMERCIAL EXPERT. CHAIRMAN OF DIFFERENT REAL ESTATE AND AGRICULTURAL DEVELOPMENT COMPANIES.

Name or company name of the director:

MR. RAFAEL FONTOIRA SURIS

Profile:

ARCHITECT. HEAD ARCHITECT OF THE GALICIAN REGIONAL GOVERNMENT ON LEAVE OF ABSENCE (FOR 30 YEARS). BOARD MEMBER OF THE COMMISSION ON HISTORICAL ARTISTIC HERITAGE OF THE REGIONAL GOVERNMENT OF GALICIA (1976-1996).

Name or company name of the director:

MS. ADRIANA CASADEMONT I RUHÍ

Profile:

WITH A DEGREE IN BUSINESS FROM THE UNIVERSIDAD AUTÓNOMA DE BARCELONA (AUTONOMOUS UNIVERSITY OF BARCELONA), DIPLOMA IN COMMUNICATION AND PUBLIC RELATIONS FROM THE UNIVERSITAT DE GIRONA (GIRONA UNIVERSITY) AND MASTER'S DEGREE IN STRATEGIC MARKETING FROM ESADE. OCCUPIES SEVERAL SENIOR EXECUTIVES OF REPRESENTATION AND MANAGEMENT IN AGRO-FOOD COMPANIES AND IN EDUCATIONAL INSTITUTIONS.

Name or company name of the director:

MR. GEORG DASCHNER

Profile:

PROFESSIONAL CAREER IN MUNICH RE (1965-2014): CHAIRMAN OF MUNCHENER VENEZUELA (1983-1988), CHAIRMAN OF THE SPAIN AND PORTUGAL BRANCH (2000-2003), MEMBER OF THE MANAGEMENT BOARD OF THE MUNICH RE GROUP, IN CHARGE OF THE EUROPE AND LATIN AMERICA BUSINESS AREA (2003-2014).

Name or company name of the director:

MRS. MARÍA LETICIA DE FREITAS COSTA

Profile:

DEGREE IN PRODUCT ENGINEERING AND MASTER'S DEGREE IN BUSINESS ADMINISTRATION (MBA). MANAGER OF THE INSPER CENTER FOR STRATEGIC RESEARCH AND PARTNER OF PRADA ASSESSORIA.

Total number of independent directors	7
total % of the board	38.89%

Indicate whether any director classified as independent receives from the company, or from its group, any amount or earning for a concept different from director's remuneration, or maintains or has maintained, during the last financial year, a business relationship with the company or with any company from its group, whether on his or her own behalf or as a significant shareholder, director or top executive in a company that maintains or has maintained such a relationship.

No director classified as an independent director receives, from the company or the group, any amount or benefit for a concept other than director's remuneration.

If so, a reasoned statement from the Board on the reasons why it considers that this director may perform his or her duties as an independent director will be included.

OTHER EXTERNAL DIRECTORS

Identify other external directors and explain in detail the reasons for which they cannot be considered nominee or independent directors, as well as their affiliations with the company, its management or its shareholders:

Indicate any changes that may have occurred during the period in the type of category for each director:

C.1.4 Fill in the following table with information relating to the number of female directors during the last 4 financial years, as well as the category of these female directors:

	Number of female				% of the total directors of each type			
	Year 2015	Year 2014	Year 2013	Year 2012	Year 2015	Year 2014	Year 2013	Year 2012
Executive	0	0	0	0	0.00%	0.00%	0.00%	0.00%
Nominee	0	0	0	0	0.00%	0.00%	0.00%	0.00%
Independent	3	2	3	1	42.86%	33.33%	42.86%	16.67%
Other External	0	0	0	0	0.00%	0.00%	0.00%	0.00%
Total:	3	2	3	1	16.67%	11.11%	15.00%	4.55%

C.1.5 Explain the measures that, where applicable, have been adopted in order to include in the Board of Directors a number of women that allows reaching a balanced presence of men and women.

Explanation of the measures

The institutional, corporate and organizational principles of the MAPFRE Group, approved by the Board of Directors of MAPFRE on June 24, 2015, expressly provide that the Board of Directors of MAPFRE shall develop a plan for filling vacancies to ensure the suitability of applicants thereto, based on their skills and professional and geographical origins, as well as a sufficient presence of members of both genders.

Similarly, it is established that the competent bodies of Group companies will ensure that, when vacancies arise, equal opportunities are guaranteed for candidates regardless of their gender, and they must seek to achieve an effective presence of directors of both genders.

Furthermore, the Directors Selection Policy expressly establishes that, during the selection process, any kind of implicit biases will always be avoided, which may involve discrimination and, in particular, biases that interfere with the selection of persons of either gender. It also includes the commitment to ensure that in the year 2020 the number of female directors shall represent at least thirty percent of the total of members of the Board of Directors.

C.1.6 Explain the measures that, where applicable, the Appointments Committee have agreed so that the procedure for filling Board vacancies has no implicit bias against women candidates, and the company makes a conscious effort to include women with the target profile among the candidates for Board seats

Explanation of the measures

The Appointments and Remuneration Committee must ensure that during the candidate selection process, any kind of implicit biases are always avoided, which may involve discrimination and, in particular, those biases that interfere with the selection of persons of either gender.

In the year 2015, the Appointments and Remuneration Committee approved a renewal plan for the Board of Directors where the steps are established to follow in the 2015-2020 period, to adapt the structure of the Board of Directors to the new legal requirements and recommendations contained in the new Unified Code of Good Governance of the Spanish National Securities and Exchange Commission (the "CNMV").

When, in spite of the measures that have been adopted where applicable, there are few or no female directors, explain the reasons that justify this.

Explanation of the reasons

The appointment of new directors largely depends on the appearance of vacancies on the Board, which does not occur frequently. During the year 2015, a female independent director (Mrs. María Leticia de Freitas Costa) was appointed at the proposal of the MAPFRE Appointments and Remuneration Committee. Jointly with the appointments of the female independent directors Mrs. Adriana Casademont i Ruhí and Mrs. Catalina Miñarro Brugarolas in 2013, both appointed by proposal of the Appointments and Remuneration Committee, the number of women in the Board of Directors is now three.

C.1.6 bis Explain the conclusions of the appointments committee on the verification of compliance with the directors selection policy. And in particular, how this policy is promoting the goal that by 2020 the number of female directors represents at least 30 percent of the total of members of the Board of Directors.

Explanation of the conclusions

The MAPFRE directors selection policy, approved by the Board of Directors of MAPFRE on July 23, 2015, aims to ensure that the proposals for nomination and reappointment of directors are based on a preliminary analysis of the requirements of the Board of Directors and to promote diversity of knowledge, experiences and gender thereof. It expressly includes the commitment to ensure that by 2020, the number of female directors represents at least thirty percent of the total of members of the Board of Directors. In line with this commitment, Mrs. Maria Leticia de Freitas Costa was appointed as an independent director on July 23, 2015.

In addition, as indicated in the above section C.1.6, the Appointments and Remuneration Committee has approved a renewal plan for the Board of Directors, in which specific measures are set to promote the goal that by 2020 the number of female directors represents at least 30 percent of the total of members of the Board of Directors.

The verification of compliance with the directors selection policy is undertaken annually, therefore the Appointments and Remuneration Committee shall perform the first verification in 2016.

C.1.7 Explain the method of representation in the Board of shareholders with significant shareholdings.

The shareholders with significant shareholdings (see section A.2 of this report) have nominee directors appointed to the Company's Board of Directors. Details of the external nominee directors are provided in the previous section C.1.3.

C.1.8 Explain, where applicable, the reasons why nominee directors have been appointed at the behest of shareholders whose shareholding is less than 3 percent of the capital:

Indicate whether formal petitions for a seat on the Board have been ignored from shareholders whose holding is equal to or higher than others at whose behest nominee directors were appointed. Where applicable, explain why these petitions have been ignored:

Yes

No

C.1.9 Indicate if any director has stood down before the end of his/her term in office, if the director has explained his/her reasons to the Board and through which channels, and if the director sent a letter of explanation to the entire Board, explain below, at least the reasons that he/she gave:

C.1.10 Indicate, where applicable, any powers delegated to the managing director(s):

C.1.11 Identify, where applicable, any members of the board holding posts as directors or managers in other companies that form part of the listed company's group:

Name or company name of the director	Company name of the Group company	Position	Do they have executive powers
MR. ANTONIO NÚÑEZ TOVAR	MAPFRE INMUEBLES. S.A.,	JOINT ADMINISTRATOR	NO
MR. ANTONIO NÚÑEZ TOVAR	MAPFRE ESPAÑA, COMPAÑÍA DE SEGUROS Y REASEGUROS, S.A.	DIRECTOR	NO
MR. ANTONIO NÚÑEZ TOVAR	MAPFRE AMERICA. S.A.,	FIRST VICE CHAIRMAN	NO
MR. ESTEBAN TEJERA MONTALVO	MAPFRE ESPAÑA, COMPAÑÍA DE SEGUROS Y REASEGUROS, S.A.	DIRECTOR	NO
MR. ESTEBAN TEJERA MONTALVO	MAPFRE VIDA. S.A., DE SEGUROS Y REASEGUROS SOBRE LA VIDA HUMANA	DIRECTOR	NO
MR. ESTEBAN TEJERA MONTALVO	MAPFRE AMERICA. S.A.,	DIRECTOR	NO
MR. ESTEBAN TEJERA MONTALVO	MAPFRE INTERNACIONAL.S.A.	DIRECTOR	NO
MR. ANDRÉS JIMÉNEZ HERRADÓN	BB MAPFRE SH2 PARTICIPAÇÕES. S.A.,	DIRECTOR	NO
MR. ANDRÉS JIMÉNEZ HERRADÓN	MAPFRE BB SH1 PARTICIPAÇÕES. S.A.,	DIRECTOR	NO
MR. RAFAEL MÁRQUEZ OSORIO	MAPFRE AMERICA. S.A.,	DIRECTOR	NO
MR. ANTONIO MIGUEL-ROMERO DE OLANO	MAPFRE ESPAÑA, COMPAÑÍA DE SEGUROS Y REASEGUROS, S.A.	VICE CHAIRMAN	NO
MR. ANTONIO MIGUEL-ROMERO DE OLANO	MAPFRE ASISTENCIA, COMPAÑÍA INTERNACIONAL DE SEGUROS Y REASEGUROS. S.A.,	DIRECTOR	NO
MR. ALFONSO REBUelta BADIÁS	MAPFRE GLOBAL RISKS, COMPAÑÍA INTERNACIONAL DE SEGUROS Y REASEGUROS S.A.U.	VICE CHAIRMAN	NO
MR. ALFONSO REBUelta BADIÁS	MAPFRE AMERICA. S.A.,	DIRECTOR	NO
MS. CATALINA MIÑARRO BRUGAROLAS	MAPFRE ESPAÑA, COMPAÑÍA DE SEGUROS Y REASEGUROS, S.A.	DIRECTOR	NO
MR. RAFAEL BECA BORREGO	MAPFRE AMERICA. S.A.,	SECOND VICE CHAIRMAN	NO
MR. ALBERTO MANZANO MARTOS	MAPFRE ESPAÑA, COMPAÑÍA DE SEGUROS Y REASEGUROS, S.A.	DIRECTOR	NO
MR. ALBERTO MANZANO MARTOS	MAPFRE AMERICA. S.A.,	DIRECTOR	NO
MR. RAFAEL FONTOIRA SURIS	MAPFRE ESPAÑA, COMPAÑÍA DE SEGUROS Y REASEGUROS, S.A.	DIRECTOR	NO
MS. ADRIANA CASADEMONT I RUHÍ	MAPFRE ASISTENCIA, COMPAÑÍA INTERNACIONAL DE SEGUROS Y REASEGUROS. S.A.,	DIRECTOR	NO
MR. RAFAEL CASAS GUTIÉRREZ	BB MAPFRE SH2 PARTICIPAÇÕES. S.A.,	DIRECTOR	NO
MR. RAFAEL CASAS GUTIÉRREZ	MAPFRE BB SH1 PARTICIPAÇÕES. S.A.,	DIRECTOR	NO
MR. RAFAEL CASAS GUTIÉRREZ	MAPFRE GLOBAL RISKS, COMPAÑÍA INTERNACIONAL DE SEGUROS Y REASEGUROS S.A.U.	DIRECTOR	NO
MR. RAFAEL CASAS GUTIÉRREZ	MAPFRE AMERICA, S.A.	CHAIRMAN and CEO	YES

Name or company name of the director	Company name of the Group company	Position	Do they have executive position
MR. RAFAEL CASAS GUTIÉRREZ	MAPFRE RE, COMPAÑÍA DE REASEGUROS, S.A.	DIRECTOR	NO
MR. RAFAEL CASAS GUTIÉRREZ	MAPFRE INTERNACIONAL, S.A.	DIRECTOR	NO
MR. IGNACIO BAEZA GÓMEZ	MAPFRE ESPAÑA, COMPAÑÍA DE SEGUROS Y REASEGUROS, S.A.	CHAIRMAN and CEO	YES
MR. IGNACIO BAEZA GÓMEZ	MAPFRE ASISTENCIA, COMPAÑÍA INTERNACIONAL DE SEGUROS Y REASEGUROS. S.A.,	DIRECTOR	NO
MR. IGNACIO BAEZA GÓMEZ	MAPFRE INTERNACIONAL. S.A.,	FIRST VICE CHAIRMAN	NO
MR. LUIS HERNANDO DE LARRAMENDI MARTÍNEZ	MAPFRE VIDA. S.A., DE SEGUROS Y REASEGUROS SOBRE LA VIDA HUMANA	SECOND VICE CHAIRMAN	NO
MR. LUIS HERNANDO DE LARRAMENDI MARTÍNEZ	MAPFRE INTERNACIONAL.S.A.	DIRECTOR	NO
MR. IGNACIO BAEZA GÓMEZ	MAPFRE VIDA. S.A., DE SEGUROS Y REASEGUROS SOBRE LA VIDA HUMANA	CHAIRMAN and CEO	NO
MR. LUIS HERNANDO DE LARRAMENDI MARTÍNEZ	MAPFRE ESPAÑA, COMPAÑÍA DE SEGUROS Y REASEGUROS, S.A.	SECOND VICE CHAIRMAN	NO

C.1.12 List, where applicable, any directors of the company that sit on the Board of Directors of other companies publicly traded in Spain outside the group, of which the company has been informed:

Name or company name of the director	Company name of the Group company	Position
MS. CATALINA MIÑARRO BRUGAROLAS	ACS, ACTIVIDADES DE CONSTRUCCIÓN Y SERVICIOS, S.A.	DIRECTOR

C.1.13 Indicate and, where applicable, explain whether the company has established rules on the number of boards on which its directors may sit:

Yes No

Explanation of the rules

According to article 4 of the MAPFRE Regulation of the Board of Directors, no director can simultaneously be a member of more than five Boards of Directors of companies that do not form part of the Group, except for personal or family companies.

C.1.14 Section repealed.

C.1.15 Indicate the overall remuneration of the Board of Directors:

Remuneration of the Board of Directors (thousands of euros)	8,415
Amount corresponding to the rights accumulated by current directors regarding pensions (thousands of euros)	11,938
Amount corresponding to the rights accumulated by former directors regarding pensions (thousands of euros)	0

C.1.16 Identify the members of senior management that are not also executive directors, and indicate the total remuneration earned by them during the financial year:

Name or company name	Position
MR. ÁNGEL LUIS DÁVILA BERMEJO	SECRETARY GENERAL - GENERAL MANAGER OF LEGAL AFFAIRS
MR. JOSÉ MANUEL MURIES NAVARRO	GENERAL MANAGER OF INTERNAL AUDIT
MR. FRANCISCO JOSÉ MARCO ORENES	GENERAL MANAGER OF BUSINESS SUPPORT
MR. FERNANDO MATA VERDEJO	DEPUTY GENERAL MANAGER OF STRATEGY AND DEVELOPMENT

Total remuneration of senior management (in thousands of euros)	1,428
--	-------

C.1.17 Indicate, where applicable, the identity of board members who also sit on Boards of Directors of companies of significant shareholders and/or companies in their group:

Name or company name of the director	Company name of the significant shareholder	Position
MR. ANTONIO NÚÑEZ TOVAR	CARTERA MAPFRE, S.L. SOLE CORPORATION	DIRECTOR
MR. ESTEBAN TEJERA MONTALVO	CARTERA MAPFRE, S.L. SOLE CORPORATION	DIRECTOR
MR. IGNACIO BAEZA GÓMEZ	CARTERA MAPFRE, S.L. SOLE CORPORATION	DIRECTOR
MR. ANTONIO HUERTAS MEJÍAS	CARTERA MAPFRE, S.L. SOLE CORPORATION	CHAIRMAN and CEO

List, where applicable, the relevant affiliations other than those considered in the above paragraph, that link members of the Board of Directors to significant shareholders and/or companies in their Group:

C.1.18 Indicate whether during the financial year there has been any change in the Board of Directors Regulations.

Yes No

Description of modifications

On January 22, 2015 the Board of Directors approved a new Regulation of the Board of Directors in order to adapt its content to the Capital Companies Act after its amendment by Law 31/2014, of December 3, by which it is modified to improve corporate governance.

On December 17, 2015, the Board of Directors agreed on the following amendments:

- Amend section c) of article 4 to determine the maximum number of Boards of Directors of companies outside MAPFRE on which directors may sit.

- Amend article 8 in order to (i) set the annual minimum number of meetings of the Board of Directors to 8; (ii) allow issues not included in the agenda to be addressed in board meetings, after consent from the majority of the directors present; and (iii) refer to current legislation the cases in which the directors may not attend and participate in the deliberations and voting.

- Amend section 2 of article 12 in order to establish the same regulations governing the composition for the Risks and Compliance Committee as for the Audit Committee and the Appointments and Remuneration Committee.

- Amend article 13 to include improvements to the wording.

C.1.19 Indicate procedures for selection, appointment, re-election, evaluation and removal of directors. List the competent bodies, the procedures to be followed and the criteria to be employed in each procedure.

Persons to whom the position of MAPFRE S.A. director is offered, or of a subsidiary company, must first make an accurate and complete declaration of their relevant personal, family, professional and business circumstances, specifically indicating the following: (i) persons or companies that are, with respect to him/her, the condition of linked persons as provided for in current legislation; (ii) any circumstances that may imply a cause of incompatibility in accordance with the laws, the Corporate Bylaws or these Regulations, or a conflict of interest; (iii) any other professional obligations, in case they interfere with the commitment required for the position; (iv) any criminal proceedings in which he/she appears as a defendant or accused party; and (v) any other fact or situation affecting him/her and that may be relevant to his/her performance as a director. This declaration must be made on the form provided for such purposes by MAPFRE, and shall include an express acceptance of the regulations set out in the Corporate Bylaws and other internal regulations, as well as in current legislation.

Any person who holds the position of director must be of renowned prestige in his/her professional and business area, and hold all necessary professional qualifications or experience as provided by law for financial institutions or insurance companies subject to supervision by public authorities.

Specifically, people cannot be members of the Board of Directors if they hold significant shares in, or provide professional services to, competing businesses of the Company or of any company of the Group, or if they work as employees, managers, or administrators of them, unless they are granted express authorization from the Board of Directors.

- Proposals for the appointment or reappointment of independent directors must be preceded by a proposal from the Appointments and Remuneration Committee.

The proposed reappointment of such directors must include an assessment of the performance of their positions by directors during the previous mandate and, where appropriate, of the positions performed by candidates in the board, taking into account or assessing the amount and quality of the work done by them, and their commitment to the position.

- The formulation of proposals for appointment or reappointment by the Board of Directors must be preceded:

a) In the case of nominee directors, by a suitable proposal of the shareholder backing their appointment or reappointment.

b) In the case of executive directors, as well as the secretary, whether or not a director, by a suitable proposal from the Chairman of the Board.

Both types of proposals must also be preceded by the corresponding report from the Appointments and Remuneration Committee.

- The proposed reappointment of nominee and executive directors must be preceded by a report issued by the Appointments and Remuneration Committee, including an assessment of the performance of the positions by directors during the previous mandate and, where appropriate, of the positions performed by candidates in the board, taking into account or assessing the amount and quality of the work undertaken by them, and their commitment to the position.

- In any case, the proposals for appointment and reappointment of directors must be accompanied by an explanatory report of the board which assesses the responsibility, experience and merits of the candidate.

The Board of Directors will not propose to the General Meeting that any independent director be removed from office before end of the term for which the director has been elected, unless the Board of Directors considers, after a report from the Appointments and Remuneration Committee, that there are grounds for doing so. In particular, the removal proposal shall be deemed justified when the director has failed to comply with the duties inherent to the position, has not complied with any requirement set forth for independent directors, or has incurred in an insuperable conflict of interest according to the provisions of current legislation.

C.1.20 Explain how the annual assessment of the board has led to significant changes in its international organization and in the procedures that apply to its activities:

Description of modifications
In line with the results of the annual self-evaluation, the Board of Directors has increased the number of meetings and has incorporated in them case studies of previously addressed aspects of business development, to a greater extent, by the Steering Committee.

C.1.20.bis Describe the evaluation process and the evaluated areas undertaken by the Board of Directors assisted, where appropriate, by an external consultant with respect to diversity in its composition and responsibilities, operation and composition of its committees, performance of the Chairman of the Board and the chief executive of the company and the performance and contribution of each director.

In accordance with the provisions of the Regulations of the Board of Directors of MAPFRE, the Board undertakes an annual assessment of the quality of its work, the performance of the Chairman and CEO based on the report drawn up for this purpose by the Appointments and Remuneration Committee, and the operation of its Committees and Steering Committee; and it proposes, where appropriate, an action plan to correct the detected deficiencies.

In the year 2015, the Steering Committee and the Audit, Appointments and Remuneration and Risk and Compliance Committees drew up their respective self-evaluation reports concerning their composition and operation during 2014.

In addition, the Board of Directors undertook the evaluation of its composition and operation during 2014, as well as that of its Committees and Steering Committee on the basis of previous reports.

The Board of Directors, following a report from the Appointments and Remuneration Committee, evaluated the performance of the Chairman and CEO of MAPFRE in 2014, concluding that it was very favorable in all aspects.

C.1.20.ter List, where appropriate, the business relationships maintained by the advisor or any company in the group with the company or any company in its group.

C.1.21 Indicate the circumstances under which directors are obliged to resign.

According to the provisions of the Corporate Bylaws, the Regulations of the Board of Directors, and the Institutional, Business and Organizational principles of the MAPFRE Group, all members of the Board of Directors must retire upon reaching the age of 70, and therefore must submit their corresponding resignation. The Chairman and CEO, Vice Chairmen and directors who perform executive duties, and the secretary of the board must retire from office upon reaching 65 years of age or, on any earlier date according to the terms and conditions of their respective contract, submitting the corresponding resignations, but they may continue as members of the board without any executive duties for a maximum of five years in the same conditions as external nominee directors.

All directors must resign from their directorship on the Board of Directors and any office held, such as on the Committees and Steering Committee, and tender their formal resignation should the Board of Directors deem it pertinent, in the following cases:

- a) Whenever they cease to hold the executive office associated with their appointment as members of these governing bodies.
- b) Should they become subject to any disqualification or prohibition laid down by law.
- c) If they are accused of (or a court issues an order for the opening of a trial for) allegedly committing any crime or are involved in disciplinary proceedings involving a serious or very serious fault at the instance of the supervisory authorities.
- d) If they receive any serious warning from the Risk and Compliance Committee due to any infringement of their obligations as directors.
- e) When they are affected by circumstances in which their remaining on these governing bodies might cause damage to the Company's credit or reputation, or place its interests at risk. When such events or circumstances are well-known or public, the Appointments and Remuneration Committee, by agreement of the majority of its members, may request the resignation of the affected director.
- f) If the reasons (if any expressly exist) for which they were appointed cease to apply.

Resignation from these positions must be formally tendered in a letter addressed to all members of the Board of Directors.

Directors who, at the time of their appointment, do not hold any executive position or perform any executive duties in the Company, or in another Group company, will not be able to perform any executives duties unless they first resign their directorship, even though they may subsequently remain eligible for the position.

Nominee Directors must also tender their resignation when the shareholder that appointed them sells its shareholding.

When a shareholder reduces its shareholding, a proportionally equivalent number of Nominee Directors that it has appointed must resign.

MAPFRE's Independent Directors must also tender their resignation when they have held office for twelve years in a row.

C.1.22 Section repealed.

C.1.23 Are reinforced majorities required, aside from legal majorities, for any type of resolution?

Yes No

If so, describe the differences.

C.1.24 Explain whether there are specific requirements, other than those regarding directors, to be appointed Chairman of the Board.

Yes No

Requirements description

In accordance with the provisions of article 5 of the Regulations of the Board of Directors MAPFRE, the position of Chairman and CEO must go to an executive director who has the status of most senior management representative, and such a designation requires the favorable vote of two thirds of the members the Board of Directors.

C.1.25 Indicate whether the Chairman has a casting vote:

Yes No

Circumstances requiring a casting vote

In general, the Chairman and CEO has a casting vote in the event of a tie.

C.1.26 Indicate whether the bylaws or the Board regulations establish any age limit for directors:

Yes No

Age limit for Chairman: 65 years

Age limit for managing director: 65 years of

age, age limit for director: 70 years

C.1.27 Indicate if the bylaws or the board regulations establish any limit for independent directors' term of office, other than that established in the regulations:

Yes No

C.1.28 Indicate if the bylaws or the regulations of the Board of Directors establish specific regulations for delegating votes in the Board of Directors, how to do it, and in particular, the maximum number of delegations a director can have, as well as if any limit has been established regarding the categories in which it is possible to delegate, beyond the limits imposed by legislation. If so, describe such regulations briefly.

There are no specific regulations for delegating votes on the Board of Directors.

C.1.29 Indicate the number of meetings the Board of Directors has held during the financial year. Where applicable, indicate how many times the Board has met without the Chairman in attendance: In calculating this number, attendance shall mean proxies given with specific instructions.

Number of board meetings	10
Number of board meetings not attended by the Chairman	0

If the Chairman is an executive director, indicate the number of meetings held, unattended or without representation, by any executive directors and chaired by the coordinating director

Number of meetings	0
---------------------------	---

Indicate the number of meetings the Board's different Committees have held during the financial year.

Committee	No. of Meetings
STEERING COMMITTEE	8
AUDIT COMMITTEE	6
APPOINTMENTS AND REMUNERATION COMMITTEE	7
RISK AND COMPLIANCE COMMITTEE	4

C.1.30 Indicate the number of meetings the Board of Directors has held during the financial year with the attendance of all its members. In calculating this number, attendance shall mean proxies given with specific instructions:

Number of meetings attended by all directors	182
% of attendances over total votes during the year	100.00%

C.1.31 Indicate whether the individual and consolidated annual accounts presented to the board for approval were certified beforehand:

Yes No

Where applicable, identify the person(s) who certified the individual and consolidated annual accounts to be drawn up by the board:

Name	Position
MR. ESTEBAN TEJERA MONTALVO	FIRST VICE CHAIRMAN
MR. JOSÉ MANUEL MURIES NAVARRO	GENERAL MANAGER OF INTERNAL AUDIT
MR. CARLOS BARAHONA TORRIJOS	ASSISTANT GENERAL MANAGER OF CONTROL AND FINANCIAL INFORMATION

C.1.32 Explain the mechanisms, if any, established by the Board of Directors to prevent the individual and consolidated accounts that it draws up from being presented to the Annual General Meeting with reservations on the audit report.

The company has never presented accounts with reservations on the audit report.

The Company has the Finance, General Counsel and Internal Audit Corporate Areas, which oversee all aspects of the annual accounts, as well as the MAPFRE Audit Committee, which is a delegate body that was created by the board for this purpose and with supervisory powers in 2000.

According to article 25 of the Regulation of the Board of Directors of MAPFRE, the Board of Directors must always draw up the annual accounts so that the external auditor has no reservations or provisos regarding them. Nonetheless, when the board considers that it must maintain its criteria, the Chairman of the Audit Committee will publicly explain the content and scope of the discrepancies that may have led to these reservations or provisos.

C.1.33 Is the Board Secretary a director?

Yes No

If the secretary does not have the status of director, complete the following table:

Name or company name of the secretary	Representative
MR. ÁNGEL LUIS DÁVILA BERMEJO	

C.1.34 Section repealed.

C.1.35 Indicate what mechanisms the company has established, if any, to preserve the independence of the external auditors, the financial analysts, the investment banks and the ratings agencies.

In addition to the provisions of the law, the Company has decided to voluntarily propose compliance with a set of general guidelines that clearly and accurately ensure the attainment and maintenance of the necessary independence of the external auditors with respect to it, as called for in the Regulations of the Board of Directors of MAPFRE, which establish the following criteria regarding the external auditors:

The relationship of the Board of Directors with the Company's external auditor shall be maintained through the Audit Committee.

The Board of Directors shall refrain from hiring any auditing firms that receive or that will receive annual fees from the Group, in which amount for all concepts exceeds 5 percent of its total annual revenue; and it shall report, in the annual public documentation, the total fees that the Group paid the external auditor for the various services it provided.

Apart from the Audit Committee's powers and duties as specified in the bylaws and the Board of Directors Regulations, the Audit Committee will be informed at least once every six months of all services rendered by the external auditor and their corresponding fees.

Every year, the Audit Committee will assess the Accounts Auditor, the scope of the audit and the external auditor's independence, considering whether the quality of the audit control measures is adequate and any services other than accounts audit services are compatible with the auditor's independence.

In accordance with the provisions of the Internal Code of Conduct regarding listed securities issued by MAPFRE, which sets out the procedures relating to the publication of relevant information, the financial analysts will not be provided with any relevant information that is not available to the public at large.

C.1.36 Indicate whether the company changed its external auditor during the financial year. If so, identify the incoming and outgoing auditors:

Yes No

Outgoing auditor	Incoming auditor
ERNST & YOUNG, S.L.	KPMG AUDITORES, S.L.

If there were disagreements with the outgoing auditor, explain their grounds.

Yes No

C.1.37 Indicate whether the audit firm does other work for the company and/or its Group other than the audit. If so, declare the amount of fees received for such work and the percentage of such fees in the total fees charged to the company and/or its Group:

Yes No

	Company	Group	Total
Amount for work other than audit (thousands of euros)	106.627	1,526,010	1,632,637
Amount of work other than audit/total amount billed by the audit firm (in %)	17.46%	20.64%	20.40%

C.1.38 Indicate whether the audit report on the annual accounts for the previous financial year contained reservations or provisos. If so, indicate the reasons given by the Chairman of the Audit Committee to explain the content and scope of such reservations or provisos.

Yes No

C.1.39 Indicate the number of financial years during which the current audit firm has been doing the audit of the annual accounts for the company and/or its group without interruption. Indicate the percentage of the number of financial years audited by the current auditing firm to the total number of financial years in which the annual accounts have been audited:

	Society	Group
Number of financial years running	1	1
Number of financial years audited by current audit firm/number of financial years the company has been audited (in %)	4.00%	4.00%

C.1.40 Indicate and, where applicable, give details on the existence of a procedure for directors to get external advisory services:

Yes No

Details of the procedure

According to the provisions of the Regulations of the Board of Directors of MAPFRE, and for the purpose of assisting the Directors in the exercise of their duties, the Directors may request that external advising be contracted, at the Company's cost, whenever special circumstances arise that so warrant. Any such engagement of experts must necessarily be related to specific problems of special import and complexity that arise during the exercise of the office as director.

The request for advising must be addressed to the Chairman or the secretary of the Board of Directors and may be vetoed by the Board of Directors, if it is established that:

- That it is not necessary for the proper performance of the duties entrusted to the directors.
- That the cost is unreasonable, bearing in mind the significance of the problem and the company's assets and revenues.
- That the technical assistance sought may be adequately provided by experts and technicians already employed by the company or the group.

C.1.41 Indicate and, where applicable, give details on the existence of a procedure for directors to get the information they need to prepare the meetings of the management bodies in sufficient time:

Yes No

Details of the procedure

The Chairman takes appropriate measures to ensure that the directors receive sufficient information on the matters on the agenda prior to the meeting. This aspect is subject to a specific analysis by the Board of Directors of the company in its annual self-evaluation session.

C.1.42 Indicate and, where applicable, give details on whether the company has established rules obliging directors to inform and, where applicable, to resign in those cases that may harm the company's credit and reputation:

Yes No

Explain the rules

The Directors must place their office(s) at the disposal of the Board of Directors, both as directors and any other position they might hold on any Committee or Steering Committees thereof, and formalize any resignation, should the Board deem it necessary, in the following cases:

- Whenever they are removed from the executive office associated with their appointment as a member of these governing bodies.
- Should they become subject to any disqualification or prohibition laid down by law.
- If they are accused of (or a court issues an order for the opening of a trial for) allegedly committing any crime or are involved in disciplinary proceedings involving a serious or very serious fault at the instance of the supervisory authorities.
- If they receive any serious warning from the Risk and Compliance Committee due to any infringement of their obligations as directors.
- When they are affected by circumstances that might harm the Company's credit or reputation or place its interests at risk were they to remain on these governing bodies. When such events or circumstances are well-known or public, the Appointments and Remuneration Committee, by agreement of the majority of its members, may request the resignation of the affected director.
- If the reasons (if any expressly exist) for which they were appointed cease to apply.

C.1.43 Indicate whether any member of the Board of Directors has informed the company of being sued or having any court proceedings opened against him or her for any of the offenses listed in article 213 of the Spanish Corporations Act:

Yes No

Indicate whether the Board of Directors has analyzed the case. If so, explain the grounds for the decision reached as to whether or not the director should remain on the Board or, where applicable, explain the actions carried out by the Board of Directors until the date of this report or that has planned to carry out.

C.1.44 List the significant resolutions adopted by the company and that take effect, are amended or conclude in the event of a change in control of the company on account of a public takeover bid, and its effects.

There are no significant resolutions adopted by the Company and that take effect, are amended or conclude in the event of a change in control of the Company on account of a public takeover bid.

C.1.45 Identify in aggregate and identify in detail, the resolutions between the company and its administration and management or employees who receive compensations, ring-fence or guarantee clauses, when these dismissed or who are unfairly dismissed, or when the relationship comes to an end on the occasion of a public takeover bid or other type of operations.

Number of beneficiaries: 0

Type of beneficiary: [Description
of type of beneficiary]

Description of the Agreement:

The term of the contracts of the executive directors is related to their time as a director. Removal this position entails the lifting of the suspension of the relationship prior to the appointment as such. The executive directors must be exclusively engaged in their position, and there are no contractual conditions relating to post-contractual non-competition agreements and permanence.

The early termination of the previous relationship entails compensation under the terms established by the Workers' Statute in relation to unfair dismissal, except when there is good cause for dismissal. In the event of early termination by decision of the Company, it shall inform the director of his/her removal three (3) months prior to the date of termination.

Contracts that regulate prior relationship establish the termination of this relationship on January 1 of the year after which the director reaches the age of 60, unless annual extensions are implemented at the initiative of the Company until the date on which the executive reaches the age of 65, as a maximum.

There are no clauses relating to signing bonuses.

Indicate whether these contracts must be disclosed and/or approved by the company or Group governance bodies:

	Board of Directors	General meeting
Body authorizing the clauses	Yes	No

	Yes	No
Is the General Meeting informed of the clauses?		X

C.2 Board of Directors' Committees

C.2.1 List all the Board of Directors' Committees, their members and the percentage of Executive, Nominee, Independent and other External Directors that compose them:

STEERING COMMITTEE

Name	Position	Category
MR. ANTONIO HUERTAS MEJÍAS	CHAIRMAN and CEO	Executive
MR. ESTEBAN TEJERA MONTALVO	VICE CHAIRMAN	Executive
MR. ANTONIO NÚÑEZ TOVAR	VICE CHAIRMAN	Executive
MR. IGNACIO BAEZA GÓMEZ	BOARD MEMBER	Executive

Name	Position	Category
MR. RAFAEL CASAS GUTIÉRREZ	BOARD MEMBER	Executive
MR. GEORG DASCHNER	BOARD MEMBER	Independent
MR. LUIS HERNANDO DE LARRAMENDI MARTÍNEZ	BOARD MEMBER	Nominee
MR. RAFAEL MÁRQUEZ OSORIO	BOARD MEMBER	Nominee
MR. ANTONIO MIGUEL-ROMERO DE OLANO	BOARD MEMBER	Nominee
MS. CATALINA MIÑARRO BRUGAROLAS	BOARD MEMBER	Independent

% of Executive Directors	50.00%
% of Nominee Directors	30.00%
% of Independent Directors	20.00%
% of other external directors	0.00%

Explain the duties attributed to this committee, describe its procedures and rules of organization and functioning and summarize its most important actions during the fiscal year.

It is the delegate body of the Board of Directors, responsible for senior management and permanent oversight of the strategic and operational aspects of the Company's ordinary business affairs and those of its subsidiaries. It also makes any decisions necessary for proper operation. It has the ability to make decisions of a general scope and is expressly delegated with all the powers that pertain to the Board of Directors, except for those that cannot be delegated due to legal requirement or, where applicable, as expressly established in the Corporate Bylaws or in the Regulations of the Board of Directors of MAPFRE S.A.

The Committee will have a maximum of ten members, all of whom are members of the Board of Directors. Its Chairman, First and Second Vice Chairmen and secretary will automatically be members of the Board. Members must be appointed with a favorable vote from two-thirds of the members of the Board of Directors.

During the year 2015, the Steering Committee was responsible for approving the nominations and removals of the Company and the Group, authorizing the transactions of subsidiary and investee companies, approving the salary remuneration for fiscal year 2015, approving the real estate transactions of the Group, being familiar with relationships with official bodies and the main contentious issues of the Group's companies and being familiar with the purchase of MAPFRE shares by members of governing and management bodies, among other things.

Indicate whether the composition of the Executive or Steering Committee reflects the participation of different directors on the board according to their category:

Yes No

If not, explain the composition of the Executive or Steering Committee

The company has its own standard, establishing it as a delegate body of a pronounced executive nature with the presence of the executive directors, as well as the presence of three external nominee directors and two independent directors.

AUDIT COMMITTEE

Name	Position	Category
MR. LUIS ITURBE SANZ DE MADRID	CHAIRMAN and CEO	Independent
MR. ANDRÉS JIMÉNEZ HERRADÓN	BOARD MEMBER	Nominee
MR. ANTONIO MIGUEL-ROMERO DE OLANO	BOARD MEMBER	Nominee
MS. CATALINA MIÑARRO BRUGAROLAS	BOARD MEMBER	Independent

% of Nominee Directors	50.00%
% of Independent Directors	50.00%
% of other external directors	0.00%

Explain the duties attributed to this committee, describe its procedures and rules of organization and functioning and summarize its most important actions during the fiscal year.

The Audit Committee has the following responsibilities:

- a) To report to the General Meeting regarding the issues that arise in their area of responsibility.
- b) To supervise the efficacy of the internal control of the Company, internal audit and risk management systems, including fiscal systems, as well as debating with the External Auditor regarding any significant weaknesses in the internal control system detected when carrying out audits.
- c) To supervise the process of drawing up and presenting the mandatory financial information.
- d) To bring before the Board of Directors, for submission to the Annual General Meeting, the proposals for the selection, appointment, reappointment and replacement of the external auditor as well as the conditions of his/her contract and to gather information from him/her regularly regarding the audit plan and its execution, in addition to preserving his/her independence in the performance of his/her duties.
- e) To establish appropriate relationships with the External Auditor in order to receive information concerning those issues which may jeopardize their independence, so that they may be examined by the Committee, and any other issues related to the accounts auditing process, as well as other communications provided for in the accounts auditing legislation and in the auditing regulations.
- f) To release on an annual basis, prior to the publication of the accounts audit report, a report expressing an opinion concerning the independence of the External Auditor.
- g) To ensure that, as far as possible, the external auditor of the Group takes responsibility for auditing all the companies belonging to it.
- h) To ensure the independence and efficacy of the internal audit; to propose the selection, appointment, reappointment and removal of its most senior management, as well as its annual budget; to receive regular information on its activities; and to check that senior management takes the conclusions and recommendations of its reports into account.
- i) To inform the Board of Directors in advance on all matters provided in the law, the Corporate Bylaws and Board Regulations.
- j) To establish and supervise a mechanism that enables employees to communicate confidentially irregularities they notice within the company that may be of potential importance, especially financial and accounting irregularities.

The Committee is made up of a minimum of three and a maximum of five members, all of which shall be non-executive, and at least two of which must be independent directors, one of which shall be designated based on his or her knowledge and experience in the area of accounting or auditing or both. Its Chairman shall be an Independent Director and must be substituted in this position every four years, only to be re-elected to the post one year after leaving that position. The Secretary of this Committee will be the Secretary to the Board of Directors. The Internal Audit General Manager of the Group shall attend the meetings as a guest.

During the year 2015, the Audit Committee was responsible for issuing an opinion on the Annual Accounts from fiscal year 2014, for supervising the efficacy of the company's internal control, for the internal audit and the risk management systems of the Company and the Group, for approving extra fees from the external auditor, for reporting on the relationship with the external auditor, for learning of appointments in the Internal Audit and for being familiar with the quarterly financial information to be presented to the Spanish National Securities and Exchange Commission, among other things.

Identify the director who is a member of the Audit Committee and who is designated based on his/her knowledge and experience in the area of accounting or auditing or both, and state the number of years that the Chairman of this Committee has held the position.

Name of the director with experience	MR. LUIS ITURBE SANZ DE MADRID
No. of years of the Chairman in the position	2

APPOINTMENTS AND REMUNERATION COMMITTEE

Name	Position	Category
MR. LUIS ITURBE SANZ DE MADRID	CHAIRMAN and CEO	Independent
MS. ADRIANA CASADEMONT I RUHÍ	BOARD MEMBER	Independent
MR. LUIS HERNANDO DE LARRAMENDI MARTÍNEZ	BOARD MEMBER	Nominee
MR. ALFONSO REBUELTA BADIÁS	BOARD MEMBER	Nominee

% of Nominee Directors	50.00%
% of Independent Directors	50.00%
% of other external directors	0.00%

Explain the duties attributed to this committee, describe its procedures and rules of organization and functioning and summarize its most important actions during the fiscal year.

The Appointments and Remuneration Committee is the delegate body of the Board of Directors for the coordinated development of appointment and remuneration policy regarding the directors and senior management of the Group. It has the following responsibilities:

- a) To evaluate the balance of skills, knowledge and experience required on the Board of Directors, defining the duties and responsibilities required of the candidates to fill each vacancy accordingly, and decide the time and dedication necessary for them to properly perform their duties.
- b) Establish an objective of representation for the less-represented sex in the Board of Directors and create orientations regarding how to reach said objective.
- c) To bring before the Board of Directors the appointment proposals of Independent Directors for them to be designated by cooptation or for them to be subject to the decision of the Annual General Meeting, as well as proposals for reappointment or separation, and to report on cases related to proposals that affect the remaining Directors.
- d) Report regarding the proposals for nomination and separation of top executives and the core conditions for their contracts.
- e) Examine and organize, the succession of the Chairman of the Board of Directors and, as necessary, put proposals to the Board for an orderly, well-planned succession.
- f) To propose to the Board of Directors the remuneration policy of Directors and General Managers or anyone who performs senior management duties under the direct control of the Board, the Steering Committee or the Managing Directors, as well as individual remuneration and other conditions of the contracts of Executive Directors, ensuring their enforcement.
- g) Propose to the Board of Directors the candidates for the nomination of the Patrons of FUNDACIÓN MAPFRE, whose designation corresponds to the Company.
- h) Authorize the nomination of the External Directors of the remaining companies of the Group.

The Committee is made up of a minimum of three and a maximum of five members, all of which shall be non-executive, and at least two of which must be independent directors. These Committees' Chairman shall be an Independent Director. The secretary of the Board of Directors will also be the secretary of the Committee.

During the year 2015, the Appointments and Remuneration Committee was responsible for reporting the appointments and removals of directors and executives, reporting on the Chairman's actions during fiscal year 2014, bringing to the Board of Directors the appointment proposal of Mr. Georg Daschner and Ms. María Leticia de Freitas Costa to the position of independent director, approving the Board of Directors Renewal Plan, approving the salary remuneration of senior management positions for fiscal year 2015, authorizing the granting of pension agreements to senior management positions and approving the granting of management contracts, among other things.

RISK AND COMPLIANCE COMMITTEE

Name	Position	Category
MR. GEORG DASCHNER	CHAIRMAN and CEO	Independent
MR. LUIS ITURBE SANZ DE MADRID	BOARD MEMBER	Independent
MR. RAFAEL MÁRQUEZ OSORIO	BOARD MEMBER	Nominee
MR. ANTONIO MIGUEL-ROMERO DE OLANO	BOARD MEMBER	Nominee

% of Nominee Directors	50.00%
% of Independent Directors	50.00%
% of other external directors	0.00%

Explain the duties attributed to this committee, describe its procedures and rules of organization and functioning and summarize its most important actions during the fiscal year.

It is the delegate body of the Board of Directors for supporting and advising the Board of Directors on the definition and assessment of risk management policies and on the determination of risk propensity and the risk strategy, as well as overseeing the correct application of the code of good governance and external and internal regulations in the company and the Group. It has the following duties:

- a) To support and advise the Board of Directors in the definition and evaluation of the policies of risk for the Group and in the determination of the propensity to risk and the risk strategy.
- b) Assist the Board of Directors in the oversight of the application of the risk strategy.
- c) To come to know and evaluate the methods and tools for risk management, carrying out the follow-up on the models applied in terms of results and validation.
- d) Oversight for the application of rules for good governance established at all times.
- e) Supervise the compliance of internal and external rules, and in particular, the internal codes of conduct, for the rules and procedures of prevention of money laundering and financing terrorism, as well as formulating proposals for its improvement.
- f) Supervise the adoption of actions and measures that are the result of reports or actions for inspection of administrative authorities for supervision and control.

The Committee will be made up of a minimum of three and a maximum of five members, all of which shall be non-executive, and at least two of which must be independent directors. These Committees' Chairman shall be an Independent Director. The Board of Directors will designate a secretary, a position that need not be filled by a director.

During the year 2015, the Risk and Compliance Committee was responsible for defining and assessing risk management policies and determining risk propensity and the risk strategy, in addition to supervising the correct application of the code of good governance and external and internal regulations in the company and the Group, among other things.

C.2.2 Fill in the following table with information related to the number of female directors that belong to the Board of Directors' Committees during the last 4 financial years:

	Number of female directors							
	Year 2015		Year 2014		Year 2013		Year 2012	
	Number	%	Number	%	Number	%	Number	%
STEERING COMMITTEE	1	10.00%	1	11.11%	0	0.00%	0	0.00%
AUDIT COMMITTEE	1	25.00%	1	25.00%	2	40.00%	1	25.00%
APPOINTMENTS AND REMUNERATION COMMITTEE	1	25.00%	1	20.00%	0	0.00%	0	0.00%
RISK AND COMPLIANCE COMMITTEE	0	0.00%	0	0.00%	0	0.00%	0	0.00%

C.2.3 Section repealed

C.2.4 Section repealed.

C.2.5 Indicate, where applicable, the existence of regulations for the Board Committees, where they can be consulted and any amendments made to them during the financial year. Indicate whether an annual report on the activities of each Committee has been drawn up voluntarily.

Committee name STEERING

COMMITTEE

Brief description

The Steering Committee is regulated in the corporate bylaws and in the Board Regulations.

These are available on the company's website, www.mapfre.com, in the public records of the "CNMV and in the Madrid Company Registry.

In the year 2015, this Committee's regulations, as contained in the Corporate Bylaws and the Board Regulations, were modified in order to decrease the maximum number of Committee members to 10.

Committee name AUDIT

COMMITTEE

Brief description

Regulated in the corporate bylaws and in the Board Regulations.

These are available on the company's website, www.mapfre.com, in the public records of the CNMV and in the Madrid Company Registry.

In the year 2015, this Committee's regulations, as contained in the Corporate Bylaws and the Board Regulations, were modified in order to adapt its content to the Capital Companies Act after its amendment by Law 31/2014, of December 3, 2014, whereby it is modified to improve corporate governance.

In the year 2005, the Audit Committee began publishing an annual report on its activities, which is made available to shareholders at the Ordinary General Meeting.

Committee name

APPOINTMENTS AND REMUNERATION COMMITTEE

Brief description

Provided for in the corporate bylaws and regulated in the Board of Directors' Regulations.

These are available on the company's website, www.mapfre.com, in the public records of the CNMV and in the Madrid Company Registry.

In the year 2015, this Committee's regulations, as contained in the Corporate Bylaws and the Board Regulations, were modified in order to adapt its content to the Capital Companies Act after its amendment by Law 31/2014, of December 3, 2014, whereby it is modified to improve corporate governance.

In 2008, the company began publishing an annual report on its remuneration policy, which is put to a vote, on a consultative basis and as a separate point on the agenda, at the Ordinary General Meeting.

Committee name

RISK AND COMPLIANCE COMMITTEE

Brief description

Provided for in the corporate bylaws and regulated in the Board of Directors' Regulations.

These are available on the company's website, www.mapfre.com, in the public records of the CNMV and in the Madrid Company Registry.

In the year 2015, the responsibilities and the rules governing the composition and operation of this Committee were modified.

C.2.6 Section repealed.

D RELATED-PARTY TRANSACTIONS AND INTRA-GROUP TRANSACTIONS

D.1 Explain, where applicable, the procedure for approving related-party and intra-group transactions.

Procedure for reporting the approval of related-party transactions

MAPFRE has a policy for managing conflicts of interest and related-party transactions with significant shareholders and senior representative or management positions, which regulates the procedure to be followed in relation to related-party transactions.

The Board of Directors shall be familiar with the transactions conducted by the company, directly and indirectly, with directors, with significant shareholders or shareholders represented on the Board of Directors, or with individuals associated with them, and these transactions shall require authorization by the Board of Directors, after receiving a report from the Audit Committee, unless they are transactions that are part of the normal or ordinary activities of the parties concerned, which are undertaken under normal market conditions and for amounts that are insignificant or irrelevant to the company.

Significant shareholders, Directors and senior management must inform the secretary of the Board of Directors of MAPFRE in writing regarding any transaction that they or individuals associated with them (in this last case, whenever the affected person is aware of it) intend to conduct with MAPFRE or with any other company of its Group and which constitutes a related-party transaction subject to authorization by the Board of Directors.

The notification must include sufficient information on the aspects of the transaction to make it possible for MAPFRE to properly identify it.

D.2 List any significant transactions between the company or its group companies and the company's significant shareholders which are relevant due to their amount or subject matter:

Name or Company name of the significant shareholder	Name or company name of the company or group company	Nature of the relationship	Type of transaction	Amounts (thousands of euros)
CARTERA MAPFRE, S.L. SOLE CORPORATION	MAPFRE S.A.	Corporate	Dividends and other profits distributed	292,031
CARTERA MAPFRE, S.L. SOLE CORPORATION	MAPFRE S.A.	Contractual	Financing agreements: loans	140,000
CARTERA MAPFRE, S.L. SOLE CORPORATION	MAPFRE S.A.	Contractual	Interest paid	307

D.3 List the transactions between the company or its group companies and the company's directors or executives which are relevant due to their amount or subject matter:

D.4 Report on the significant transactions in which the company has engaged with other companies belonging to the same group, as long as they are not eliminated in the process of drawing up the consolidated financial statements and are not part of the company's usual trade with respect to its purpose and conditions.

In any case, report on any intra-group operations with entities established in countries or territories considered tax havens:

D.5 Indicate the amount of the transactions conducted with other related parties.

0 (in thousands of euros).

D.6 List the mechanisms in place to detect, determine and resolve possible conflicts of interest between the company and/or its group, and its directors, executives and/or significant shareholders.

All Directors and executives must make a Prior Declaration with regard to these matters at the time of their appointment. Furthermore, they are required to update this Declaration on a regular basis, and whenever a potential situation of conflict arises.

Also, the Internal Code of Conduct and policy for managing conflicts of interest and related transactions with significant shareholders and senior representative or management positions regulates the special obligations relating to potential conflicts of interest.

The Board of Directors has the final decision on these issues. There is a special procedure in place for the adoption of resolutions with regard to matters where there is a potential conflict of interest with a Director. The Director in question must abstain from being present or participating in these decisions.

D.7 Are more than one of the Group's companies listed in Spain as publicly traded companies?

Yes

No

Identify the listed subsidiary companies in Spain:

Listed subsidiary company

FUNESPAÑA, S.A.

Indicate whether they have publicly and precisely defined the areas of activity they engage in and any business dealings between them, as well as between the listed controlled company and other Group companies.

Yes

No

Define any business dealings between the parent company and the listed subsidiary company, and between the latter and other Group companies

The business dealings with FUNESPAÑA, S.A. and its group mainly involve the burial insurance processing services that this company and its subsidiary company All Funeral Services, S.A. provide to MAPFRE ESPAÑA, Compañía de Seguros y Reaseguros, S.A., a subsidiary company of MAPFRE S.A.

Identify the mechanisms in place to resolve possible conflicts of interest between the listed subsidiary company and other Group companies:

Mechanisms to resolve possible conflicts of interest

The Framework of Relationships between MAPFRE and FUNESPAÑA establishes abstention duties for those senior executives in the MAPFRE Group or the FUNESPAÑA Group who are part of the administration body of another Company of the other Group. Moreover, the provisions relating to conflicts of interest set out in the Internal Code of Conduct for listed securities issued by MAPFRE apply.

E RISK CONTROL AND MANAGEMENT SYSTEMS

E.1 Explain the scope of the company's risk management system, including taxation.

The consolidated group of insurance companies has a Risk Management System (RMS) based on the integrated management of each and every one of the business processes, and on the tailoring of the risk level to the established strategic objectives. The different types of risks have been grouped under four areas, or categories, as detailed below:

- Operational Risk: Includes the risk of loss arising from the inadequacy or dysfunction of internal processes, personnel or systems, or arising from external events.
- Financial and Credit Risk: Includes interest rate, liquidity, exchange rate, market and credit risk.
- Insurance Activity Risk: Groups together, separately for Life and Non-Life, the risk of premium shortfalls, sufficiency of technical provisions and reinsurance.
- Strategic and Corporate Governance Risk: Includes the business ethics and corporate governance risks, as well as risks related to organizational structure, alliances, mergers and acquisitions, regulatory (including tax) issues and, lastly, competition.
- Tax Risks: Includes the risks of differences in the interpretation of tax law and the determination of market prices in transactions between related companies.

On a quarterly basis, the Governing Bodies receive information regarding the quantification of the main risks to which the Group is exposed and the capital resources available to deal with them. This quantification is performed in accordance with:

- Current legal requirements;
- A standard model of fixed factors and
- Internal management models, in the companies that have them.

In 2015, the Board of Directors of MAPFRE S.A. approved, among others, the following written policies regarding risk management:

- Liquidity risk management policy.
- Credit risk management policy.
- Operational risk management policy.
- Assets and liabilities management policy.
- Reinsurance policy.
- Underwriting policy.
- Policy on the constitution of technical provisions.
- Corporate tax policy.

E.2 Identify the bodies of the company which are responsible for the preparation and implementation of the risk management system, including taxation.

The Regulations of the Board of Directors of MAPFRE sets out the duties and responsibilities of the MAPFRE Governing Bodies and its Committees and Steering Committee related to the risk management system.

The Board of Directors has the responsibility, which may not be delegated, to determine the general policies and strategies, and in particular the policy to identify, manage and control risks, including taxes, and monitor internal information and control systems.

The Steering Committee has the general capacity of decision with express delegation in its favor of all powers that correspond to the Board of Directors, except for those that may not be delegated by legal imperative or, where applicable, by express provision in the Corporate Bylaws or in the Regulations of the Board of Directors of MAPFRE S.A.

The Audit Committee monitors the effectiveness of the Company's internal control, internal auditing and the risk management systems, including taxes.

The Risk and Compliance Committee is the delegate body of the Board of Directors to support and advise the Board of Directors in defining and evaluating the risk management policy and determining the susceptibility to risk and the risk strategy, in addition to overseeing the correct application of the good governance rules and external and internal regulations in the company and in the Group.

In this sense, their duties in the framework of the risk management system are as follows:

- To support and advise the Board of Directors in the definition and evaluation of the risk policies of the Group and in the determination of the susceptibility to risk and the risk strategy.
- To assist the Board of Directors in overseeing the implementation of the risk strategy.
- To be familiar with and value the methods and tools for risk management, undertaking follow-up on the models applied regarding results and validation.

E.3 List the main risks that might affect the achievement of the business objectives, including taxes.

1. Financial and Credit Risk

MAPFRE mitigates its exposure to this type of risk by means of a prudent investment policy, with a high proportion of investment-grade fixed-income securities.

There are three different types of portfolios within the investment portfolio management:

- Those that seek strict immunization of the obligations deriving from the insurance contracts. This group includes the portfolios that cover unit-link policies consisting of assets whose risk is borne by the policyholders.
- Those that look to exceed the guaranteed return and achieve the highest return for the policyholders within the prudential parameters, such as profit sharing portfolios.
- The free-management portfolios, which have an active management that is only conditioned by legal rules and internal risk limitations.

Within the first group, the immunized portfolios minimize the interest rate risk, while the portfolios that cover the unit-link policies include the financial instruments whose risk is borne by the policyholders. A certain degree of market risk is accepted in the other portfolios, as set out below:

- The management variable of interest rate risk is modified duration, which is conditional on the limits established in the investment plan approved by the Board of Directors of MAPFRE S.A. for open-management portfolios, and for the modified duration of liabilities in the event of long term commitments with policyholders.
- Exposure to exchange rate risk is minimized in the case of insurance liabilities. Exposure to this type of risk may not exceed a fixed percentage established in the annual investment plan, for investment management reasons.
- Investments in shares are subject to a maximum limit of the investment portfolio.
- Risk limitations are established in quantitative terms measured based on variables that are easy to observe. However, a probabilistic risk analysis is also conducted based on past volatilities and correlations.

With regard to credit risk, the policy is based on applying criteria of prudence in line with the issuer's solvency and seeking a high degree of geographical correspondence between the issuers of the assets and the commitments. Investments in fixed-income securities and variable annuities are subject to limits by issuer.

The credit risk management policy establishes limits according to the risk profile of the counterparty or of the investment instrument, as well as exposure limits related to the counterparty's rating. There is also a system for tracking and notifying of credit risk exposure.

2. Insurance Activity Risk

MAPFRE, specialized in different types of business, requires a high degree of autonomy in the management of its business, in particular in the underwriting of risks and price fixing, and the indemnities or provision of services in the case of incidents.

Premium adequacy is a particularly important element, and its determination is supported by specific computer applications.

Premium adequacy is a particularly important element, and its determination is supported by specific computer applications.

Treatment of claim-related benefits, as well the adequacy of provisions, are basic principles of insurance activity. Technical provisions are estimated by the actuarial teams of the different companies and in certain cases are also reviewed by independent experts. The preponderance of the personal injuries business at MAPFRE, with fast settlement of claims, as well as the minor significance of insured long-tail risks, such as asbestos or professional liability, are factors that mitigate this kind of risk.

MAPFRE's presence in countries highly prone to disasters (earthquakes, hurricanes, etc.) calls for special treatment of these types of risk. The companies that are exposed to this type of risk have specialized reports on catastrophic exposure, usually drawn up by independent experts, which estimate the extent of losses in the event of a catastrophic occurrence. The underwriting of catastrophe risks is based on this information and on the economic capital available to the company that underwrites them. Equity exposure to this kind of risk is mitigated by taking out specific reinsurance cover.

In this connection, it is important to highlight the contribution of MAPFRE RE, which provides the group with its extensive experience in the catastrophe risk market. Every year, it determines the global catastrophic capacity that it assigns to each territory, and establishes the maximum underwriting capacities by risk and event. It is also protected by risk retrocession programs to cover deviations or increases in the catastrophe claims ratio in the different regions.

[THE INFORMATION IN THIS SECTION CONTINUES IN SECTION H.1 OF THIS REPORT]

E.4 Identify whether the company has a level of tolerance to risk, including taxation.

In the appetite for risk document of the MAPFRE Group, approved by the Board of Directors of MAPFRE S.A., the risk level is established that the Group would be ready to assume to attain its business objectives with no relevant deviations, even in adverse situations. That level, which defines limits and sub-limits per risk type, is set by the appetite for risk of the MAPFRE Group.

The purpose of MAPFRE Group's risk management is to maintain a level of capitalization to comply with its obligations according to an "AA" or equivalent rating.

Allocated capital is generally determined pursuant to an estimation based on the budgets for the following financial year and is revised at least once a year, according to the development of risks.

Certain companies require a level of capitalization that exceeds the one obtained by the aforementioned general rule, either because they operate in different countries with different legal requirements, or because they are subject to financial solvency requirements since they have a rating. In these cases, the MAPFRE Steering Committee sets the level of capitalization on an individual basis.

E.5 Indicate what risks have arisen during the financial year, including taxes.

The main financial risks that materialized during the financial year were as follows:

- Depreciation of certain currencies with regard to the euro, mainly the Brazilian real.
- The decline in the value of a share in MAPFRE LA SEGURIDAD (Venezuela) as a result of the application of the SIMADI exchange rate.

With regard to insurance activities risk, the following should be mentioned for the year 2015:

- The impact of the snow storms in the United States.

Regarding tax risks, some discrepancies have arisen with tax authorities in the interpretation of tax law in some countries, although the impact was not significant.

E.6 Explain the response and supervision plans for the company's main risks, including taxation.

With regard to risk management, MAPFRE has adopted a three-lines-of-defense model whereby:

- a) The managers of the first line of defense accept the risks and exercise the controls.
- b) The "second line of defense" areas perform independent supervision of the risk management activities conducted by the first line of defense, within the framework of the policies and limits established by the Board of Directors.
- c) Internal Audit is a "third line of defense," an independent area that evaluates the risk management system. MAPFRE has a structure consisting of Areas with activities, within their respective fields of competence, regarding the independent supervision of the risks assumed.

The areas defined for this purpose are:

- The Actuarial Area is responsible for preparing mathematical, actuarial, statistical and financial calculations that enable the determination of the rates, the technical provisions and the modeling of risk on which the calculation of the capital requirements in the insurance entities is based, in close collaboration with the Risk Management Area, and that contribute to the achievement of the intended technical result and of the desired solvency margins.
- The Compliance Area, which identifies, measures, monitors and reports on the exposure of the activities performed by the group to compliance risk.
- The Internal Control Area is responsible for ensuring that the Internal Control System works appropriately in MAPFRE's environment and that the procedures established are complied with.
- The Risk Management Area, which is responsible for:
 - Supervising and monitoring the effectiveness of the MAPFRE Group risk management system.
 - Identifying and measuring risks.
 - Calculating the solvency margin.
 - Monitoring and reporting on the exposure to risks.
- The Security and Environment Area is responsible for preventing and mitigating security risks that may cause damage to the Group, disrupting, limiting or reducing its productive, financial or business capacity, as well as those that may hinder the fulfillment of the social and environmental commitments, the business objectives and strategy or the provisions of current regulations.
- The Internal Audit Area provides an independent evaluation of:
 - The suitability, sufficiency and effectiveness of the internal control system elements.
 - The Risk Management System.
 - The suitability and performance of the key duties set out in the governance system provided for in the Solvency II Directive. The aforementioned structure meets the requirements related to the governance of the risk management system established by the Solvency II Directive.

The Group's General Secretary's Office is the body responsible for issuing instructions and ensuring compliance with the various regulations affecting the company and the Group. Moreover, and through the Tax Affairs department, the General Counsel of the Group has information relative to the tax risks detected in each country.

The MAPFRE Group appetite for risk document establishes a measuring scale based on the distance of the risk level from its maximum limit. Each of the areas defined in the appetite for risk entails the corresponding notification, monitoring, control or mitigation measures.

F INTERNAL RISK CONTROL AND MANAGEMENT SYSTEMS IN RELATION TO THE FINANCIAL REPORTING PROCESS (ICFR)

Describe the mechanisms that make up the risk control and management systems in relation to your company's financial reporting process (ICFR).

F.1 Control environment of the company

Report, indicating the main characteristics of at least:

F.1.1. Which bodies and/or duties are responsible for: (i) the existence and maintenance of an appropriate and effective ICFR process, (ii) its implementation and (iii) its supervision.

MAPFRE's internal control system is a set of ongoing processes which are the responsibility of the Board of Directors, senior management and all other MAPFRE personnel, as set out in the Group's internal control policy approved by the Board of Directors in 2010, and updated on December 17, 2015 with entry into force on January 1, 2016.

The Regulation of the Board of Directors which was updated and adopted on January 22, 2015, adapting its content to the Capital Companies Act after its amendment by Law 31/2014 to improve corporate governance, includes the duties and responsibilities of the Board of Directors, the Steering Committee and other Executive Committees.

The Board of Directors delegates ordinary management to the Steering Committee and to Senior Management, and reserves the right to approve the risk control and management policies and to approve both the regular monitoring of the internal information and control systems and the financial information it is required to disclose as a listed company.

Under the mandate of the Board of Directors, the Executive Committee exercises direct supervision over management of the Business Units and coordinates the various areas (except for internal audit) and units in the Group.

Meanwhile the Audit Committee, in its capacity as a delegate body of the Board of Directors, and in relation to the internal information and control systems, has, among others, the responsibilities of supervising the drawing up and the integrity of the financial information relating to the Company and the Group, reviewing compliance with applicable regulations, the appropriate delimitation of the consolidation perimeters, and the proper application of accounting criteria; and to regularly review the internal control and risk management systems to ensure that the main risks are identified, managed and sufficiently well known.

The Internal Audit Charter, which was updated and approved by the Audit Committee and the Board of Directors on December 17, 2015, sets out the main internal control system supervisory activities, as well as those relating to the Solvency II Directive, conducted by the Audit Committee through the Global Internal Audit Corporate Area, which are listed in section F.5.1 of this document.

F.1.2. Whether the following elements exist, particularly in relation to the procedure for drawing up the financial information:

- Departments and/or mechanisms entrusted with: (i) the design and review of the organizational structure, (ii) the clear definition of lines of responsibility and authority, with an appropriate distribution of tasks and duties, and (iii) the existence of sufficient procedures for proper dissemination in the company.

The regulation on the Institutional, Business and Organizational Principles of the MAPFRE Group, approved by the Board of Directors of MAPFRE S.A., at its meeting on June 24, 2015, replaces the Good Governance Code of the MAPFRE system and constitutes the mandatory minimum framework for all the companies making up MAPFRE and their respective governing bodies.

The Board of Directors reviews and authorizes the Group's organizational structure and approves the lines of responsibility and authority based on the organizational structure defined.

The distribution of duties and definition of scopes of activity/authority and of hierarchical levels are undertaken in line with the organizational structure manual prepared by the Corporate Human Resources Area.

The organization of positions defines and analyzes the jobs from a functional point of view, including the set of positions existing in MAPFRE.

The organizational structure corresponds to the formal representation of the Group's organization, as defined by the Management Bodies.

The concordance between the position organization and the structure is necessary, since it relates the duties, roles and responsibilities with each other for the appropriate running of the business.

The Corporate Finance Area establishes the accounting policies and standards applicable to the Group, and is responsible for the coordination between the various business units and global corporate areas in relation to drawing up of the consolidated financial information.

- Code of conduct, approval body, degree of dissemination and instruction, principles and values included (indicating whether there are specific mentions to the registration of operations and drawing up of financial information), body entrusted with analyzing non-compliance and proposing corrective measures and sanctions.

The Code of Ethics and Conduct was approved in 2009 by the Steering Committee (delegate body of the Board of Directors). It is inspired by the contents of the Good Governance Code, recently replaced by the MAPFRE Group Institutional, Business and Organizational Principles, and aims to reflect the corporate values and the basic principles that should guide the actions of MAPFRE and its personnel.

Communication campaigns were conducted to ensure that all employees were aware of the Code, and it is available to them on the intranet or internal portal.

The e-learning course on the Code of Ethics and Conduct was launched in 2011 to ensure its endorsement. It applies to all the Group's employees. Up to December 31, 2015, this course was completed by 17,673 employees around the world (with an approximate scope of 46 percent of the workforce), and there is a 2-year plan for all the other Group's employees to enroll.

The Code sets out specific principles that are binding for all employees, regarding the processing of the Group's financial information so as to ensure its confidentiality, integrity and availability in accordance with MAPFRE's information security policy. It also states that all employees are responsible for ensuring that the information provided is accurate, clear and truthful.

To guarantee the application of the Code, as well as supervision and control of compliance therewith, the Ethics Committee was set up as the body entrusted with ensuring compliance and analyzing and resolving complaints lodged for non-compliance. Any employee with questions about the application of the Code or who observes a situation that could indicate noncompliance or infringement of any principle or standard of ethics or conduct, may notify the Ethics Committee, which will act within the scope of its advisory duties to resolve any complaint that may arise due to noncompliance of the Code.

To notify the Ethics Committee of questions or complaints, there is a Questions and Complaints Channel, whose operating rules are published on the Group's internal portal, with direct access via that portal.

Every year, the Ethics Committee reports to the Steering Committee on the activities performed during the financial year.

- Whistle-blower channel to enable the communication of financial and accounting irregularities to the Audit Committee, in addition to possible breaches of the code of conduct and irregular activities in the organization, indicating, as the case may be, whether the information is confidential.

In addition to the Ethics Committee's Questions and Complaints Channel, reflected in the previous section, there is a Channel for Financial and Accounting Complaints, which allows Group employees to report any potentially significant financial and accounting irregularities they observe to the Audit Committee confidentially, via an electronic mailbox or written correspondence to a specific address.

The operating rules of the MAPFRE Group Channel for Financial and Accounting Complaints, approved by the Audit Committee in 2011, are published on the Group's intranet or internal portal.

The Audit Committee receives the complaints and resolves them by treating each one as it deems appropriate. In order to perform its duties properly, it relies on assistance from the General Counsel and the Corporate Internal Audit Area.

In cases of complaints concerning the Group's subsidiary companies which have their own mandatory Whistle-blower Channel, the Audit Committee and the competent body of the subsidiary company liaise in handling and resolving any complaints received.

The parties involved in the Channel have controls for restricting access to the information, and the confidentiality of the whistle-blower's identity is guaranteed through the collection of personal data provided in accordance with the requirements set out by current data protection legislation.

Every year, the General Secretary's Office issues a report for the Audit Committee, outlining the Whistle-blower Channel's activities and the final result of the complaints made.

- Training programs and regular updating for personnel involved in the drawing up and review of financial information, as well as evaluation of the ICFR, covering, at least, accounting rules, audit, internal control and risk management.

MAPFRE has a Global Training Model that is the basis of the Corporate University. This university is organized into Schools of Knowledge, which encompass all of the training programs that are developed locally and globally.

Among the Technical Knowledge Schools, in 2015, progress continued on developing the School of Finance, which aims to provide all employees in all financial areas with the necessary knowledge to guarantee efficient financial and risk management, a key aspect of MAPFRE's growth. This school's training contents are based on the following pillars:

- Risk Management
- Management, Administration and Accounting Control
- Corporate Finance
- Investment

In 2015, MAPFRE organized several training programs in Spain on financial, risk and internal control issues, representing a total of 8,095 training hours for 5,423 participants.

In November 2015, the 3rd Risk Control Conference was held, allowing Riskm@p managers to work on key aspects for development and also making it possible to share existing best practices across the organization. This year, the program, which lasted 24 hours and was attended by 38 participants, focused on the main stages of the Formal risk control system methodology, new Riskm@p features, risk assessment and control indicators using questionnaires (which will be implemented in 2016) and basic aspects to consider when analyzing and presenting the results of these questionnaires.

Furthermore, in 2015, the following training and certification programs were launched:

- Global Risk Management in Insurance Companies (GREA) Program and Certification: a program that was designed in collaboration with the Instituto de Estudios Bursátiles (IEB) and aims to provide participants with concepts, methodology and quantitative tools (as well as their practical application) for a detailed understanding of value and risk in insurance companies, in addition to preparing participants to undertake the implementation of Enterprise Risk Management (ERM) systems with guaranteed success. Thirty-three employees from 11 countries, representing different regional areas, business units and corporate areas, are participating in this program, which began in September 2015 and ends in June 2016.
- Financial Risk Management (FRM) Certification: is the most internationally recognized professional certification program for professionals in the field of financial risk and is awarded by the Global Association of Risk Professionals (GARP®). MAPFRE wants to motivate employees with a high level of management skill and financial expertise to choose to receive training to prepare for this accreditation and to obtain the certification. It also wishes to guarantee that interested employees are able to do so.
- Chartered Financial Analyst (CFA) Certification: a professional certification program in finance with global prestige and certainly a distinguishing factor in the financial industry due to the high quality standards it sets and the in-depth and global vision of financial markets that it implies.

The implementation of CFA and FRM certification programs is a sign of the commitment to provide the training necessary to prepare for and obtain this accreditation. In 2015-2016, six employees are participating from different corporate and regional areas (North America, Iberia and APAC).

In the area of e-learning, it is worth mentioning the course on "internal control rules," which all Group employees must attend. In 2015, 11,146 employees enrolled and 11,146 training hours were recorded. In the last seven years, a total of 45,938 employees and brokers have enrolled in this course and have received 45,938 hours of training.

In 2015, a new e-learning course on the Regulatory Compliance Function was developed and incorporated into the eCampus platform. The purpose of this course is to share information on this function, its features, objectives and responsibilities and the importance of implementing the Compliance Function in organizations to minimize the risk of legal and regulatory noncompliance to which they are exposed. Enrollment for this course will begin in year 2016.

Training also continued in 2015 in the Auditing School, which aims to provide all professionals in MAPFRE's audit areas around the world with the knowledge necessary to perform internal audits and to share established management tools and best practices.

A training seminar for internal auditors was organized in 2015 with the participation of 75 MAPFRE employees in Spain and Portugal. These sessions addressed issues related to financial information and internal control, among others.

At the international level, in May, an Internal Audit Program was conducted in Peru with the participation of 21 Group managers from 14 countries (Brazil, Chile, Colombia, Spain, Malta, Mexico, Panama, Peru, Portugal, Puerto Rico, the Dominican Republic, Turkey, the USA and Venezuela). At these session, the risks faced by different MAPFRE companies throughout the world were analyzed, among other issues, and the figures of Quality Audits, Continuous Auditing and IT Auditing were strengthened.

With regard to the elaboration of financial information, the General Counsel and the Corporate Finance Area issued memos containing instructions, including an update of applicable regulations. Additionally, financial division managers have access to specific models and instructions for preparing financial information

through the Consolidation Manual (which includes applicable accounting regulations and policies) and the Account Models, which are updated annually.

F.2 Financial information risk assessment

Report, at least:

F.2.1. What the main characteristics of the risk identification process are, including error or fraud risks, in relation to:

- Whether the process exists and is documented.

MAPFRE has a risk management system (RMS) that applies to Group companies, in accordance with the internal regulations of each of the risk categories considered.

The description of the RMS is included in Section E. Risk Control and Management Systems of this Corporate Governance Report.

Regarding the risk control system, risk factors are identified for each of the processes that the Group considers fundamental, which are categorized into 23 risk types. Among the risk factors listed for each process, one is always included on the registration and accounting of financial information.

These risk factors are associated with the major figures of the main sections of financial statements. In this process of identifying the major figures, quantitative and qualitative factors (complexity of transactions, risk of fraud and other aspects) were considered.

The Group also updates and monitors its risk control system through specific questionnaires on risk, establishing control activities and action plans.

- Whether the procedure covers all financial information targets (existence and occurrence; integrity; assessment; presentation, breakdown and comparability; and rights and obligations), whether it is updated and how frequently.

The risks that cover the objectives of existence and occurrence, integrity, assessment, presentation, breakdown and comparability, and rights and obligations of financial information are identified through the process of preparing the quarterly questionnaire of internal controls on financial information.

The purpose of preparing this questionnaire is to leave documentary evidence, using a flexible and simple system, of the main activities and controls executed in the process of preparing the financial information, which MAPFRE insurance companies perform at quarterly and annual closes.

This procedure covers major transactions that may affect financial statements. On a quarterly basis, those responsible for completing them review and update the activities and controls documented to the characteristics and distinctive features of the business.

- The existence of a procedure for identification of the consolidation perimeter, bearing in mind, inter alia, the possible existence of complex corporate structures, instrumental entities or special-purpose companies.

The MAPFRE Consolidation Manual, prepared by the Corporate Finance Area, describes the process for identifying the scope of consolidation, which encompasses all the companies of the Group and is updated on a monthly basis.

The Consolidation Division provides the Consolidation Team Leader of each subgroup with the list of companies included in the scope of consolidation, along with the direct and indirect participation percentages and the consolidation method that applies. Any modification to the information provided shall be reported to the Consolidation Division, which will make a decision on the modification after analyzing the reasons given.

The functional structure and the tasks assigned to the process managers are reflected in the Consolidation Manual.

- Whether the process takes into account the effects of other types of risk (operational, technological, financial, legal, reputational, environmental, etc.) insofar as they affect the financial statements.

Risk control takes into account the different types of operational, technological, financial, legal, reputational and environmental risks, as well as the risks inherent in the insurance and reinsurance business.

In this process, each risk factor, where appropriate, is linked to the section of the financial statements that would be affected if the potential risk became a reality, the main sections being: premiums, provisions, financial returns, acquisition expenses, administration expenses and benefit expenses.

Risk control is promoted in the Group, both in Spain and abroad, through the Riskm@p software application, which is developed internally by MAPFRE and which aids in the creation of company risk maps. These maps analyze the significance and probability of occurrence of different risks. The management model is based on a dynamic analysis by processes, in which the managers of each area or department identify and assess the potential risks that affect business and support processes, as well as key economic figures, among other aspects, by completing self-evaluation questionnaires.

- Which of the entity's governing bodies oversees the process.

The Audit Committee's responsibilities with regard to the information and internal control systems include, among others, the regular review of the internal control systems and the risk identification and management systems. The Internal Control System and Risk Management System are reviewed at least once a year.

With regard to the ICFR report, the External Audit reviews and analyzes its content and issues its own report on the consistency or impact of the information that pertains to it.

The ICFR report, along with the report prepared during the External Audit, is overseen by the Internal Audit Committee, once it is presented to the Board of Directors.

F.3 Control activities

Report, indicating its main characteristics, if it at least has:

F.3.1. Procedures for reviewing and authorizing financial information and the ICFR description (to be published in securities markets), indicating responsible personnel, as well as descriptive documentation on activity and control flows (including those related to fraud risk) of the different types of transactions that could have a material effect on the financial statements, including the procedure for accounting close and the specific review of relevant opinions, estimates, assessments and projections.

The financial reports on the annual accounts and biannual and quarterly information, prepared by the Corporate Finance Area, are submitted to the Audit Committee, and subsequently to the Board of Directors.

In the case of individual and consolidated annual accounts, the most senior management representative of the consolidated group, the Internal Audit General Manager and the executive responsible for preparing these accounts certify their accuracy and integrity to the Board of Directors.

The closing calendar, prepared by the General Management of Accounting Coordination, lists the main activities of the process of consolidating and preparing the annual and biannual accounts and the corresponding controls, providing deadlines for compliance.

The different Group companies report financial information through their assigned representatives, which the Corporate Finance Area consolidates to prepare the reports. During the consolidation process, controls are in place to detect any errors liable to materially affect the financial statements.

Additionally, the Audit Committee supervises the following information:

- The management report and individual and consolidated annual accounts of MAPFRE S.A. and its dependent companies.
- The report on the limited review of intermediate, summarized, consolidated financial statements of MAPFRE S.A. corresponding to the intermediate period ending on June 30 of each financial year.
- The information that MAPFRE S.A. sends to the Spanish National Securities and Exchange Commission (the "CNMV") every quarter. This economic-financial information is reviewed first by the Corporate Internal Audit Area, which issues a report in which it emphasizes that the intermediate financial statements of MAPFRE S.A. were prepared by applying the same criteria as that applied to annual accounts and that these criteria are reasonable, objective and verifiable.
- The information prepared by MAPFRE S.A. for investors and analysts, which is reviewed and analyzed by the Audit Committee before publication.

Further, as indicated in the previous section, the companies complete the questionnaire on internal controls of financial information quarterly. This questionnaire includes documented evidence of the activities and controls performed with regard to the main transactions that could affect the financial statements.

In addition to the procedures indicated above, during the risk control process, internal control manuals and other descriptive documents are prepared that contain procedures and activities and the parties involved in them, identifying the associated risks and the controls for mitigating them, including those related to fraud risk and the accounting close process.

The Board of Directors bases its estimates and assumptions on hypotheses about the future and on uncertainties that basically refer to losses from impairment of certain assets; the calculation of provisions for risk and charges; the useful life of intangible assets and of tangible fixed asset items; and the fair value of certain non-listed assets.

The estimates and hypotheses used are included in the accounting close instructions, are reviewed regularly, and are based on historical experience and on other factors that may be considered more reasonable at any given time. If the review leads to changes in estimates in a given period, their effect is applied during that period and, where appropriate, in subsequent periods.

F.3.2. Internal control policies and procedures for information systems (among others, safe access, change control, operation thereof, operational continuity and segregation of duties) supporting the entity's relevant procedures in relation to the drawing up and publication of financial information.

The Corporate Safety and Environment Division, which reports to the Corporate Resources and Institutional Coordination Area, works directly with regulations related to information security.

Specifically, the measures established take the form of an Information Security Document System (SDSI) or a Body of Regulations on Information Security, organized according to the goals set in the Information Security Plan (PSI) approved by the Management Committee in 2004.

The information systems are subject to three types of security procedures and controls: preventive, informational and reactive, resulting in the publication of standards, the monitoring of systems and the review of any measures and controls in place.

Consequently, the Regulatory Body of Information Security establishes the following aspects, among others: a control of information systems, through inventory procedures that make it possible to identify the resources and the information contained therein; verification of user identity; and the use of passwords that follow the password strength criteria indicated in the body of regulations, which contributes to maintaining an appropriate separation of duties, among other things.

In turn, and as a result of the obligations set out in the Regulatory Body of Information Security, there is a General Control Center that monitors the activity in the Group's information systems and is responsible for responding to any possible security incidents that may arise.

Further, every year, the Corporate Security and Environment Division creates a security checks plan aimed at verifying the security controls in place and discovering any vulnerabilities in information systems. Both the policy and the rules and standards of this Regulatory Body of Information Security are published on the internal portal to enable all employees to access them.

In addition, the Group has a Policy, a Governance Framework and a Business Continuity Methodology that define the framework and actions necessary to guarantee the proper operation of the procedures in the event of the occurrence of a high-impact incident, so as to minimize the damage caused.

Every year, the Global Internal Audit Corporate Area verifies the proper operation of the Internal Control System of the main computer systems, whose scope is the general information technology (IT) controls, the IT control environment and the application controls.

F.3.3. Internal control policies and procedures intended for supervising the management of activities subcontracted to third parties, as well as those evaluation, calculation or assessment aspects entrusted to independent experts, which may have a material effect on the financial statements.

All services subcontracted to third-parties materialize through specific contracts and the contracting units or areas undertake the direct supervision of the providers, except in the case of exceptional services (that are not recurring over time), which due to their reduced amount, duration and minor importance are processed through the system based on the provider's offer.

Providers are selected on the basis of objective criteria that assess factors such as quality, price, provider infrastructure, market recognition and membership of the group of collaborators of one of the Group's entities, and their track record in terms of service quality.

Compliance with current legislation in the various countries and implementation of security measures where applicable are essential prerequisites for selection. Other highly rated attributes include response times, after-sales service, geographic reach and the added value they can contribute.

Currently, the Resources and Institutional Coordination Area is developing a Global Service Procurement and Contracting Plan, which includes different categories, including an external services category, which encompasses all services with any financial impact stemming from a required assessment, calculation or evaluation. Among the external services currently categorized are services related to auditing, advising and property appraisal work, among other things.

During the development of this plan, the Steering Committee approved the Purchasing Regulations in 2013, which contain the basic principles and criteria for the procurement of goods and services for all Group companies, regardless of their geographical location and type of business. Providers are approved and contracted, in general, by the Purchasing Area, and once the contract is executed, it is the applicant who ensures that the service is delivered correctly and in accordance with current legislation.

Notwithstanding the aforementioned, in the cases of external services that are subcontracted for value estimation and require specific technical expertise (corporate transactions, asset and portfolio valuation, etc.), the areas will contract and oversee the service directly, as they have personnel qualified to assess the capacity and qualifications of the provider and the conclusions reflected in the reports issued.

Currently, the main providers that are contracted recurrently are approved, with the aim of having all recurrent providers or providers with special relevance for the MAPFRE Group approved.

F.4 Information and Communication

Report, indicating its main characteristics, if it at least has:

- F.4.1. A specific duty entrusted with defining, keeping accounting policies up-to-date (accounting policies area or department) and resolving doubts or disputes deriving from their interpretation, maintaining continuous communication with those responsible for activities in the organization, as well as an updated manual of accounting policies that is communicated to the units through which the company operates.

The Accounting Coordination General Management, which reports to the Global Finance Corporate Area, is entrusted with updating accounting policies and applicable rules that concern the Group's financial information, and for resolving consultations and disputes deriving from their interpretation.

At the same time, it maintains a close and fluid relationship with the financial divisions of the different entities and with the Global Corporate Areas, to which it communicates formally established accounting procedures and rules.

The Group's subsidiaries receive the information about the applicable procedures and regulations through the parent companies of the Subgroups, which receive the instructions directly from the Accounting Coordination Area.

The Accounting Coordination Area updates the individual and consolidated annual accounts models applicable to the various Group companies, which include accounting policies and breakdowns of information to be presented. The Economic Control and Information General Management of the Corporate Finance Area defines instructions on accounting policies and breakdowns for preparation of the Group's consolidated information using the consolidation manual.

At least once a year, and during the last quarter of the financial year, the Annual Accounts and the Consolidation Manual Models are reviewed and any changes are reported to the parties involved. However, whenever there are changes that affect periods of time of less than one year, these changes are reported immediately.

- F.4.2. Mechanisms for the capture and preparation of financial information with homogeneous formats, for application and use by all units of the company or the Group, that support the main financial statements and notes, as well as information provided on the ICFR.

Since March 2010, the financial information of the companies in the MAPFRE Group has been managed using the corporate consolidation application, a tool that constitutes a centralized database (common and single

data repository) This application has been programmed to automatically execute the consolidation entries and process controls, which guarantees that the criteria set out in the Consolidation Manual are applied homogeneously to all the automatic entries and minimizes the likelihood of errors.

Within the procedure for preparation of financial information, the consolidation certificates represent the medium for communication of the information necessary in the consolidation procedure or in the preparation of consolidated financial statements. The certificates are reviewed and updated at least one a year.

Based on the information contained in the consolidation certificates and using the accounts model approved by the Accounting Coordination Area, the Control and Economic Information Area prepares the consolidated annual accounts and all other financial statements.

The Accounting Coordination Area is responsible for preparing the ICFR-related report. To do so, it identifies those areas involved in the financial information preparation process, to which it transmits instructions to complete this report and from which it requests, at least annually, the update of the support documentation that backs up the actions performed.

F.5 Supervision of the system's operation

Report, indicating its main characteristics of, at least:

F.5.1. The supervision activities of the ICFR conducted by the Audit Committee and whether the company has an internal audit duties that includes the responsibility of support to the Committee in its supervision of the internal control system, including the ICFR. At the same time, the scope of evaluation of the ICFR made during the financial year and the procedure whereby the person responsible for executing the evaluation communicates its results will be reported, whether the company has a plan for action that describes possible corrective measures, and whether its impact on financial information has been taken into account.

MAPFRE S.A. has a Corporate Global Internal Auditing Area formed in 2014 by 5 Internal Auditing Services located in Spain (Iberia Insurance, Latam Insurance, International Insurance, Reinsurance, Asistencia and Global Risks, and Information Technology) a Continuous Internal Audit Unit in Spain and 14 Internal Audit Units of internal auditing abroad that are fully independent and review and evaluate the suitability and correct operating of the Group's processes as well as the internal control system.

The structure of MAPFRE's Corporate Global Internal Auditing Area depends functionally on the Board of Directors of MAPFRE S.A. through the Audit Committee (Delegate Body of the Board) and of its Chairman in particular.

The directors of the auditing services and units depend (functionally and hierarchically) on the General Manager of Internal Auditing.

The Audit Committee supervises the financial information shown in the previous Section F.3.1 of this report, and also approves the annual Internal Auditing Plan and performs a periodic follow-up of it.

The Audit Plan outlines the supervisory work that the Internal Audit Global Corporate Area will carry out during the financial year. The content and scope of which is established in terms of risk identified, requests received and own experience. The Plan is managed uniformly from a single, Group-wide technological platform that allows the information to be processed according to levels of access according to the established responsibilities.

The Internal Audit Charter provides that the Internal Audit Area has, inter alia, the following duties:

- Evaluation of the reliability and integrity of accounting and individual and consolidated information and other economic information prepared by MAPFRE S.A., its Dependent Companies, Business Units, Territorial Areas, Regional Areas and Global Corporate Areas, as well as the validity, sufficiency and application of accounting and legal principles and rules.
- To supervise the suitability and efficacy of the Internal Control System and other elements of the Governance System, which is centered on:
 - Evaluation of the suitability, sufficiency and efficacy of elements of the Internal Control System.
 - Evaluation of the Risk Management System (SGR) based on integrated management of each and every one of the business procedures and on suitability of the risk level for the strategic targets of the MAPFRE GROUP.
 - Evaluation of the suitability and performance of governance duties included in the Governance System provided in Solvency Directive II.
 - To contribute to good corporate governance through the verification of compliance with the rules established by the Institutional, Corporate and Organizational Principles of MAPFRE.

The evaluation and assessment of the MAPFRE internal control system conducted by the Internal Audit Global Corporate Area follows a pre-established methodology based on variables such as the revision of the IT internal control, the assessment of audits conducted in the year and compliance with recommendations, which is first approved by the Audit Committee. The result of this review is reflected in an annual report on the effectiveness of Internal Control procedures. Whenever appropriate, individual recommendations are made to the company with a view to improve the Internal Control System. Subsequently, the Audit Committee monitors their compliance.

Every year, the Audit Committee holds a monograph meeting on internal control, at which the evaluations and recommendations issued by the Internal Audit Area on the Internal Control System (which includes the ICFR) are analyzed, along with the Internal Control Reports approved by the Boards of Directors of the various Group companies.

The Internal Audit Area checks the operation of the Internal Control System of the main IT systems as indicated in section 3.2 above.

The Internal Auditing Corporate Area also analyzes the work conducted over the year by internal auditing and its impact on the financial statements.

The external auditor, as part of the audit procedures performed to validate the annual accounts, issues a memorandum of recommendations in its interim visit that is submitted to the Audit Committee.

F.5.2. If there is a procedure for discussion whereby the accounts auditor (pursuant to the provisions of the NTAs), the internal audit and other experts, can communicate to senior management and to the Audit Committee or company Directors significant weaknesses in internal control identified during procedures to review the annual accounts or others that may have been commissioned. Furthermore, it will report if it has an action plan that endeavors to correct or mitigate the weaknesses observed.

The previous section F.5.1 indicates the procedure used by auditing to communicate the evaluation of aspects relating to internal control.

Communication with the external auditor is very frequent and fluid in the MAPFRE GROUP. Planning, follow-up and coordination meetings are held at the beginning, during and upon completion of work to review the company's annual accounts by the external auditors, these meetings are attended by external auditors, internal auditors, the general secretary, the Accounting Coordination General Management and those responsible for the accounting, administration and other areas concerned. Likewise, at completion of work a meeting is held with the Internal Audit General Manager to publicize the results and conclusions detected. Action plans are available to correct or mitigate weaknesses observed, which incorporate the responses prepared by the Division to the recommendations put forward by the external auditors; these plans are submitted to the Audit Committee. The external auditor attends the Audit Committee when it discusses issues regarding the audit of the annual and half-yearly accounts, their preliminary review, as well as whenever required on account of other issues.

F.6 Other relevant information

There is no other relevant information about the ICFR that has not been included in this report.

F.7 External auditor report

Report of:

F.7.1. Whether the ICFR information sent to the markets has been reviewed by the external auditor. If so, the company should attach the relevant report as an annex. Otherwise, it must state the reasons.

The ICFR information has been reviewed by the external auditor, whose report is attached as an annex.

G DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

Indicate the extent to which the company follows the recommendations of the Good Governance Code for listed companies.

In the event that any recommendation is not followed or is partially followed, a detailed explanation of the reasons should be included, so that shareholders, investors and the market in general, have enough information to value the conduct of the company. No general explanations will be accepted.

1. That the bylaws of listed companies should not place a maximum limit on the votes that can be cast by a single shareholder, or impose other obstacles to the takeover of the company by purchasing their shares on the market.

Complies |X|

Explain

2. When a parent company and a subsidiary are publicly traded, the two should provide detailed disclosure on:

- a) The type of activity they engage in, and any business dealings between them, as well as between the subsidiary and other companies of the Group.
b) The mechanisms in place to resolve possible conflicts of interest.

Complies |X|

Complies in part

Explain

Not applicable

3. That during the Ordinary General Meeting, in addition to broadcasting the Annual Corporate Governance Report, the Chairman of the Board must inform the shareholders verbally, in sufficient detail, on the most relevant aspects of the corporate governance of the company and, in particular:

- a) On the changes that have occurred since the last Ordinary General Meeting.
b) On the specific reasons why the company does not follow any of the recommendations of the Corporate Governance Code and, if applicable, on the alternative rules that it applies on these matters.

Complies |X|

Complies in part

Explain

4. That the company shall define and promote a new policy on communication and contact with shareholders, institutional investors and proxy advisors that is fully respectful of the rules against market abuse and treating all the equal treatment of shareholders in the same position.

And that the company shall make this policy public through its website, including information relating to the way in which it has been put into practice and identifying the interlocutors or those responsible for this happening.

Complies |X|

Complies in part

Explain

5. That at the Annual General Meeting, the Board of Directors shall not put forward a proposal for delegating powers, to issue duties or convertible values excluding the right of first refusal, for more than 20 percent of the capital at the time of delegation.

And that when the Board of Directors approves any issuance of shares or convertible bonds, excluding the right of first refusal, the company shall publish the reports on this exclusion, referred to by corporate legislation, on its website immediately.

Complies |X|

Complies in part

Explain

6. That the listed companies that develop the reports cited below, whether this is mandatory or voluntary, shall publish them on their website with sufficient notice before the Ordinary General Meeting is held, though its distribution is not mandatory:

- a) Report on the independence of the auditor.
- b) Report on the operating of Auditing and Appointments and Remuneration Committees.
- c) Report of the Audit Committee on related operations.
- d) Report on the corporate social responsibility policy.

Complies | | Complies in part Explain

In the year 2015 the Company developed reports on the independence of the external auditor and on the corporate social responsibility policy corresponding to the year 2014, with the latter only made public on the Company website.

In 2014, the MAPFRE Audit Committee issued the report on the independence of external auditors, although it was not made available to the shareholders when the 2015 Annual General Meeting was held, arranged prior to the approval of the Good Governance Code by the Board of the Spanish National Securities and Exchange Commission.

7. That the company shall broadcast the Annual General Meetings live on its website.

Complies |X| Explain

8. That the Audit Committee shall ensure that the Board of Directors avoids presenting accounts to the Annual General Meeting without limitations nor reservations in the auditing report. When this is not possible, both the Chairman of the Audit Committee and the auditors must clearly explain the content and scope of these limitations or reservations.

Complies |X| Complies in part Explain

9. That on its website, the company shall make publically and permanently available the requirements and procedures that it will accept to support the ownership of shares, the right to attend the Annual General Meeting and voting or proxy voting.

And that these requirements and procedures will promote attendance and the exercising of rights of the shareholders and must be applied in a non-discriminatory manner.

Complies |X| Complies in part Explain

10. That when, prior to the Annual General Meeting, any entitled shareholder has exercised the right to complete the agenda or present new proposals for resolution, the company:

- a) Shall immediately broadcast these new and additional proposals for resolution.
- b) Shall publicize the model attendance card or proxy form or distance vote with the necessary modifications so that they can vote on the new points in the agenda and proposed alternatives for resolution in the same terms as those proposed by the Board of Directors.
- c) Shall submit all of those points and proposed alternatives to voting and apply the same voting rules as those set by the Board of Directors, including, in particular, the presumptions or inferences on how to vote.

d) Following the Annual General Meeting, it shall communicate the breakdown of the vote on those additional points or proposed alternatives.

Complies | | Complies in part Explain Not applicable

11. That if the company plans to pay for attendance premiums for the Annual General Meeting, it shall establish a general policy on those premiums previously and this policy must be established.

Complies |X| Complies in part Explain Not applicable

12. That the Board of Directors shall perform its duties with a unified purpose and independent judgment, it treat all shareholders in the same position equally and be guided by corporate interest, understood as a profitable business that is sustainable in the long term and that promotes the continuation and maximization of the economic value of the company.

And that, in the pursuit of corporate interest, in addition to compliance with the laws and regulations and a behavior based on good faith, ethics and in compliance with the commonly accepted uses and good practices, shall seek to reconcile, as appropriate, corporate interest with the legitimate interests of its employees, providers, its clients and those of the other stakeholders that can be affected, as well as the impact of the companies activities on the community as a whole and the environment.

Complies |X| Complies in part Explain

13. That the Board of Directors shall be of the required size, enabling efficient and participatory functioning, meaning it is advisable for it to have between five and 15 members.

Complies | | Explain |X|

The large number of companies belonging to the MAPFRE Group and its multinational nature, with a presence on five continents, along with its financial and corporate relevance justifies the number of members of the Board, which is appropriate for effective and participatory operation.

Despite this, in year 2015 the corporate bylaws were modified in order to reduce the maximum number of members of the Board of Directors from 24 to 20, with it currently formed of 18 directors.

14. That the Board of Directors shall approve a directors section policy that:

- a) Is specific and reasonable.
- b) Ensures that the appointment or reappointment proposals are based on a prior analysis of the needs of the Board of Directors.
- c) Promotes diversity of knowledge, experience and gender.

That the results of the prior analysis of the needs of the Board of Directors shall be gathered in the explanatory report of the Appointments Committee that is published when the Annual General Meeting is called, to which the ratification, appointment or reappointment of each director is submitted.

And that the director selection policy shall promote the objective for the number of directors in year 2020 to represent at least 30 percent of the total members of the Board of Directors.

The Appointments Committee shall verify the compliance with the director selection policy annually and shall inform on this in the Annual Corporate Governance Report.

Complies |X| Complies in part Explain

15. That the nominee and independent directors shall constitute a large majority of the Board of Directors, and the number of executive Directors should be the minimum required to deal with the complexity of the corporate group and reflect the percentage of shares held in the company by the executive directors.

Complies |X|

Complies in part

Explain

16. That the percentage of nominee directors of the total number of non-executive directors should not be greater than the ratio between the company capital represented by these directors and the rest of the capital.

This criterion can be relaxed:

- a) In large cap companies where there are few equity stakes that are legally considered as significant.
- b) In companies with a plurality of shareholders represented on the Board of Directors who are not related.

Complies |X|

Explain

17. That independent directors should account for at least half of the total number of directors.

That, however, when the company is not high cap, or when, even though it is, it has one or several shareholders acting in unison controlling more than 30 percent of the share capital, the number of independent directors should represent at least a third of all directors.

Complies |X|

Explain

18. That companies shall publish the following director particulars on their website and keep them updated permanently:

- a) Professional experience and background.
- b) Other boards to which they belong, whether or not listed companies, as well as other paid activities performed, whatever their nature.
- c) An indication as to whether the directorship is executive, indicating shareholder-nominated or independent; in the case of nominee directors, stating the shareholder they represent or to whom they are affiliated.
- d) The date of his/her first and subsequent appointments as a company director, as well as later reappointments.
- e) Company shares, and share options, of those which are held.

Complies |X|

Complies in part

Explain

19. That the Annual Corporate Governance Report, following verification from the Appointments Committee, shall disclose the reasons for the appointment of nominee directors at the behest of shareholders controlling less than three percent of capital; and it should explain any rejection of a formal request for a Board place from shareholders whose equity stake is equal to or greater than that of others appointed for a nominee directorship.

Complies | |

Complies in part

Explain

Not applicable |X|

20. That nominee directors must resign when the shareholders they represent transfer their ownership interest in its entirety. If such shareholders reduce their stakes, thereby losing some of their entitlement to nominee Directors, the number of such nominee Directors should be reduced accordingly.

Complies | | Complies in part | Explain | Not applicable

21. That the Board of Directors must not propose the separation of independent directors before the expiry of their term in office pursuant to the bylaws, except where due cause is found by the Board of Directors, based on a report from the Appointments Committee. In particular, it must be understood that there is just cause when the director takes on new positions or contracts new debentures that prevents him/her from devoting necessary time to the performance of the duties of a director, fails to comply with the work inherent to his/her position or is involved in any of the circumstances that cause the loss of his/her independent status, in accordance with that established in applicable legislation.

The separation of independent directors can also be proposed as a result of public takeover bid, merger or similar corporate actions that causes change in the capital structure of the company, when these changes in the structure of the Board of Directors are supported by the proportionality criteria, indicated in recommendation 16.

Complies | | Explain

22. That companies shall establish rules obliging directors to inform the Board of Directors of any circumstance that might undermine the organization's name or reputation, tendering their resignation as the case may be, with particular mention of any criminal charges brought against them and the progress of any subsequent proceedings.

And that if a director is indicted or tried for any of the crimes stated in corporate law, the Board of Directors should examine the matter as soon as possible and, in view of the particular circumstances, decide whether or not he/she should be called on to resign. And that the Board of Directions should also disclose all of this in the Annual Corporate Governance Report.

Complies | | Complies in part | Explain

23. That the directors should clearly express their opposition when they consider that a resolution submitted to the Board of Directors may go against the corporate interest. And that, in particular, independent directors and other directors unaffected by the potential conflict of interest should challenge any decision that could go against the interests of shareholders lacking representation in the Board of Directors.

And that when the Board of Directors adopts important or reiterated resolutions on issues about which a director has expressed serious reservations, it must draw the pertinent conclusions. If chosen to resign, the reasons for this must be set out in the letter referred to in the following recommendation.

This recommendation should also apply to the secretary of the Board of Directors, even if the secretary is not a director.

Complies | | Complies in part | Explain | Not applicable

24. That if leaving office before the end of his/her term, whether due to resignation or other reasons, the director should explain the reasons in a letter sent to all members of the Board of Directors. And that, whether or not such resignation is filed as a significant event, the reasons for leaving must be explained in the Annual Corporate Governance Report.

Complies |X| Complies in part Explain Not applicable

25. That the Appointments Committee must ensure that the non-executive directors have sufficient time available to perform their duties correctly.

And that the board regulations establish the maximum number of company directorships that can form part of their directors.

Complies |X| Complies in part Explain

26. That the Board of Directors should meet with the necessary frequency to perform its duties properly, and at least eight times a year, following the schedule of dates and matters set at the beginning of the financial year, to which each director may propose the addition of other items individually.

Complies |X| Complies in part Explain

27. That directors should keep their absences to a bare minimum. Absences should be quantified in the Annual Corporate Governance Report. And that when they have to be absent, they should delegate their representation with instructions.

Complies |X| Complies in part Explain

28. That when directors or the company secretary express concerns about a proposal or, in the case of directors, about the company's performance, and such concerns are not resolved in the Board of Directors, the person expressing them may request they be recorded in the minutes.

Complies |X| Complies in part Explain Not applicable

29. That the company must establish the appropriate channels for the directors to obtain precise advice for the completion of their duties, including, if the circumstances demand, external advising at the company's expense.

Complies |X| Complies in part Explain

30. That, independently of the knowledge demanded of the directors to perform their duties, companies also offer refresher programs, when the circumstances so advise.

Complies |X| Explain Not applicable

31. That the agenda of the sessions must clearly indicate those points about which the Board of Directors must make a decision or an resolution that enables the directors to study or previously obtain the information required for this to take place.

When, in exceptional circumstances, as a matter of urgency, the director wishes to submit decisions or resolutions that are not part of the agenda to the Board of Directors, prior and express consent must be obtained from the directors present, which must be duly recorded in the minutes.

Complies

Complies in part

Explain

32. That the directors must be informed periodically on the movements of the shareholders and the opinions that the significant shareholders, investors and ratings agencies have on the company and its group.

Complies

Complies in part

Explain

33. That the Chairman, responsible for the efficient operating of the Board of Directors, as well as performing the legal and bylaw duties that are attributed to it, must prepare and submit a schedule of dates and matters to discuss to the Board of Directors, organize and coordinate the periodic evaluation of the board, as well as, where applicable, the chief executive of the company, he/she will be responsible for managing the Board and the efficiency of its performance, ensure that enough time is devoted to discussing strategic matters, and consent to and review the refresher programs for each director, when the circumstances so advise.

Complies

Complies in part

Explain

34. That when there is a director supervisor, the bylaws or regulations of the Board of Directors, as well as the powers that are legally entitled, he/she is assigned the following: to chair the Board of Directors in the absence of the Chairman and Vice Chairmen, if applicable, voice the concerns of the non-executive directors, maintain contact with investors and shareholders to be aware of their points of view in order to form an opinion on their concerns, particularly in relation to the corporate governance of the company, and coordinate the succession plan of the president.

Complies

Complies in part

Explain

Not applicable

The Regulations of the Board of Directors assigns the Coordinator Director the powers to request the Board of Directors to be convened, or the inclusion of new points in the agenda from a Board meeting already convened, coordinate and bring together the non-executive directors and, if required, direct the periodical evaluation of the Chairman of the Board of Directors.

Likewise, in accordance with that established in the Board Regulations, in the absence of the Chairman and Vice Chairmen, the oldest director is called upon to chair the meeting.

As regards the relationships with shareholders and investors, the Board of Directors itself is responsible for establishing and supervising appropriate mechanisms for communication and relationship with the shareholders and investors, focusing on the channels for communicating with them in the Policy for Communication with Shareholders, Institutional Investors and Proxy Advisors.

Finally, the Board of Directors' Regulations assign the Appointments and Remuneration Committee the power to examine and organize the succession of the Chairman of the Board, as established in article 529n of the Capital Companies Act.

35. That the secretary of the Board of Directors should in particular ensure that Board of Directors has the recommendations on good governance at hand during its actions and decisions applicable to the company, these are contained in this Good Governance Code.

Complies

Explain

36. That the Board of Directors should evaluate and adopt an action plan in full once a year, if applicable, that corrects the weaknesses detected, in relation to:

a) The quality and efficiency of the operating of the Board of Directors.

b) The operating and composition of its committees.

- c) The diversity in the composition and responsibilities of the Board of Directors.
- d) The performance of the Chairman of the Board of Directors and the chief executive of the company.
- e) The performance and contribution of each director, paying special attention to those responsible for the different board committees.

The various committees are evaluated on the basis of the report that they present to the Board of Directors, and for the latter, on the report presented to the Appointments Committee.

Every three years, the Board of Directors will be assisted by an external advisor to perform the evaluation, the independence of whom will be verified by the Appointments Committee.

The business relationships maintained by the advisor or any company in its group with the company or any company in its group must be displayed in the Annual Corporate Governance Report.

The process and the areas evaluated must be described in the Annual Corporate Governance Report.

Complies | | Complies in part Explain

37. That when the company has an Executive Committee, the breakdown of its members by director category should be similar to that of the Board of Directors itself. The secretary of the Board should also act as secretary to the Executive Committee.

Complies | | Complies in part Explain Not applicable

The Company has its own criteria, configuring it as a delegate body with a pronounced executive nature, with the presence of the senior managers of the Group, as well as the presence of three external nominee directors and two independent directors.

In addition, according to the Corporate Bylaws, and the Board Regulations, the Secretary of the Board will automatically be the Secretary of the Steering Committee.

38. That the Board of Directors should be kept fully informed of the matters discussed and resolutions adopted by the Executive Committee. To this end, all members of the Board of Directors should receive a copy of the Executive Committee's minutes.

Complies | | Complies in part Explain Not applicable

39. That all members of the Audit Committee, particularly its Chairman, should be appointed with regard to their knowledge and background in accounting, auditing and risk management. The majority of these members should be independent directors.

Complies | | Complies in part Explain

The recommendation is complied with, except for in relation to the majority presence of independent directors in the Audit Committee. The new composition of this Committee meets the requirements of article 529n of the Capital Companies Act, which requires this Committee to be made up solely of external directors with at least two of them having to be independent.

The Audit Committee is formed by four directors, two of whom are independent, and two are nominee, with the Chairman as an independent director, holding the casting vote in the event of a tie.

40. That under the supervision of the Audit Committee, there should be a unit that assumes the internal auditing function that ensures the proper performance of the information and internal control systems, and functionally operates under the non-executive director of the board or the Audit Committee.

Complies | | Complies in part Explain

41. That the manager of the unit that assumes the internal auditing function must present an annual work program to the Audit Committee; report to it directly on any incidents arising during its implementation; and submit an activities report at the end of each financial year.

Complies | Complies in part Explain Not applicable

42. That, in addition to the provisions of the law, the following duties must correspond to the Audit Committee:

1. In relation to the information and internal control systems:

- a) To supervise the process of drawing up the financial information and its integrity for the company and its group, reviewing compliance with regulatory requirements, suitable scope of the consolidation perimeter and the correct application of accounting principles.
- b) To ensure the independence of the unit that assumes the internal auditing function; to propose the selection, appointment, reappointment and removal of the internal audit officer; to propose the budget for the internal audit service; to approve the guidance and its work plans, ensuring that its activity primarily focuses on risks relevant to the company, to receive periodic information on its activities; and to check that the senior management takes the conclusions and recommendations of its reports into account.
- c) To establish and supervise a mechanism that enables employees to confidentially and, if this is deemed possible and appropriate, communicate irregularities they notice anonymously within the company that may be of potential importance, especially financial and accounting irregularities.

2. With respect to the external auditor:

- a) Should the external auditor resign, to examine the circumstances leading to the resignation.
- b) Ensure that the remuneration of the external auditor for his/her work does not compromise his/her quality nor independence.
- c) Oversee that the company notifies any change of auditor to the CNMV as a significant event, accompanied by a statement of any disagreements arising with the outgoing auditor and the reasons for these.
- d) Ensure that the external auditor maintains an annual plenary meeting of the Board of Directors to inform them on the work performed and on the development of the accounting situation and risks of the company.
- e) Ensure that the company and the external auditor respect prevailing standards on the provision of services other than auditing, the limits on concentration of the auditor's business and, in general, other standards established to guarantee auditors' independence.

Complies | Complies in part Explain

All recommendations except for Section 2.d are complied with in relation to the annual meeting of the external auditor with the Board of Directors in full. In the year 2015, external auditors have attended five of the six meetings of the Audit Committee to inform on the work performed and on the development of the accounting situation and risks of the Company. The Chairman of the Audit Committee informs the Board of Directors on the content of the meetings of this body.

43. That the Audit Committee can call to meet with any company employee or executive, even ordering their appearance without the presence of another executive.

Complies | Complies in part Explain

44. That the Audit Committee must be informed on the corporate and structural modification actions that the company plans to perform for its analysis and report before the Board of Directors on its economic conditions and its accounting impact, particularly, in this case, on the proposed exchange ratio.

Complies | Complies in part | Explain | Not applicable

45. That the oversight and risk management policy should specify at least:

- a) The different types of risk, financial and non-financial (among other functional, technological, legal, social, environmental, political and reputational) faced by the company, including, among the financial and economic risks, the contingent liabilities and other off-balance-sheet risks.
- b) The risk level that the company considers acceptable.
- c) The measures established to mitigate the impact of the risks identified, should they materialize.
- d) The internal control and reporting systems that will be used to control and manage said risks, including contingent liabilities and off-balance-sheet risks.

Complies | Complies in part | Explain

46. That under the direct supervision of the Audit Committee, or, in this case, a specialized committee of the Board of Directors, there should be an internal control function and management of risks performed by a unit or department within the company that is expressly assigned the following duties:

- a) To ensure the proper functioning of the risk control and management systems and, in particular, that they properly identify, manage and quantify all significant risks that affect the company.
- b) To actively participate in the development of the risk strategy and the important decisions on its management.
- c) Ensure that the risk control and management systems mitigate the risks properly in the policy framework defined by the Board of Directors.

Complies | Complies in part | Explain

47. That the members of the Appointments and Remuneration Committee - or the Appointments Committee and Remuneration Committee -, if separate, must be appointed, ensuring that they have the knowledge, skills and experience appropriate for the duties that they are called to fulfill. The majority of these members should be independent directors.

Complies | Complies in part | Explain

The company has its own criteria regarding the composition of the Appointments and Remuneration Committee, that it meets the requirements of article 529n of the Capital Companies Act requiring this Committee to be made up solely of external directors with at least two of them being independent.

The Appointments and Remuneration Committee is formed by four directors, two of whom are independent, and two are nominee, with the Chairman as an independent director, holding the casting vote in the event of a tie.

48. That the large cap companies have a separate Appointments Committee and Remuneration Committee.

Complies

Explain

Not applicable

The company considers the issues regarding appointments and remuneration to be closely related, it is therefore seen as appropriate for them to be analyzed by the same committee.

49. That the Appointments and Remuneration Committee shall consult with the Chairman of the Board of Directors and the Chief Executive, particularly with respect to matters relating to executive directors. And that any Board member may request directorship candidates for the Appointments Committee to take into consideration if seen as suitable.

Complies

Complies in part

Explain

50. That the Remuneration Committee shall perform its duties independently and, in addition to the duties assigned by law, the following correspond:
- a) To propose the basic conditions for the contracts of the top executives to the Board of Directors.
 - b) To check compliance with the remuneration policy set by the company.
 - c) To periodically review the remuneration policy applicable to directors and top executives, included in the remuneration systems with shares and their application, as well as to guarantee that their individual remuneration is proportional to that paid to the rest of the directors and top executives of the company.
 - d) Ensure that possible conflicts of interest do not hard the independence of the external advising given to the committee.
 - e) To verify the information on remuneration of directors and top executives contained in the different corporate documents, included in the annual report on the remuneration of directors.

Complies

Complies in part

Explain

51. That the Remuneration Committee shall consult with the company Chairman and the Chief Executive, especially with respect to matters related to executive directors and top executives.

Complies

Complies in part

Explain

52. That the rules governing the composition and operation of the Supervision and Control Committee contained in the regulations of the Board of Directors and shall be consistent with those applicable to legally obliged committees in accordance with the previous recommendations, including:
- a) That they are formed exclusively of non-executive directors, with a majority of independent directors.
 - b) That their Chairmen should be independent directors.
 - c) That the Board of Directors should appoint the members of such Committees in view of the knowledge, skills and experience of its directors and the terms of reference of each committee; discuss their proposals and reports; and be held accountable in the first plenary Board of Directors meeting, following its meetings, on its activity and respond to the work performed.
 - d) That the committees may engage external advising, when it is considered necessary for performing their duties.
 - e) That the minutes shall be taken from their meetings that are made available to all directors.

Complies | Complies in part Explain Not applicable

The whole recommendation is complied with, apart from in that referring to the requirements of the composition of the Risk and Compliance Committee.

The company has configured the composition of this committee in the same terms as with the other Delegated Committees, meaning it contains a minimum of three and a maximum of five directors, all of whom are non-executive and at least two of whom are independent directors. These Committees' Chairman shall be an Independent Director. The Board of Directors will designate a secretary, a position that need not be filled by a director.

The Risk and Compliance Committee is formed by four directors, two of whom are independent, and two are nominee, with the Chairman as an independent director, holding the casting vote in the event of a tie.

53. That the supervision of compliance with the rules of corporate governance, the internal codes of conduct and the social corporate responsibility policy shall be attributed to one, or distributed among several committees of the Board of Directors that can be the Audit Committee, the Appointments Committee, the Corporate Social Responsibility Committee, if applicable, or a specialized committee that the Board of Directors, in the performance of its powers for self-organization, decides to create for the purpose, for those which are specifically attributed the following minimum duties:

- a) The supervision of the compliance with internal codes of contact and rules of corporate governance of the company.
- b) The supervision of the communication strategy and relationship with shareholders and investors, including the small and medium shareholders.
- c) The periodic development of the suitability of the corporate governance system of the company, with the purpose of it fulfilling its mission or promoting corporate interest and bearing in mind, as applicable, the legitimate interests of the remaining stakeholders.
- d) The revision of the corporate responsibility policy of the company, ensuring that it is aimed at the creation of value.
- e) The follow-up of the strategy and practices of corporate social responsibility and the evaluation of their level of compliance.
- f) The supervision and evaluation of the relational processes with other stakeholders.
- g) The evaluation of everything relating to the non-financial risks of the company - including operational, technological, legal, social, environmental, political and reputational.
- h) The coordination of the report process of non-financial information and on diversity, in accordance with the applicable regulations and international reference standards.

Complies | Complies in part Explain

Duties a), c) and g) expressly correspond to the Risk and Compliance Committee.

As indicated in recommendation 34, the Board of Directors itself is responsible for establishing and supervising appropriate mechanisms for communication and relationship with the shareholders and investors.

As regards the responsibilities on corporate social responsibility matters, the company has a Corporate Committee for Social Responsibility, in charge of, among other duties, approving the Social Responsibility Strategy, proposing specific actions, objectives and deadlines.

54. That the corporate social responsibility policy shall include the principles and commitments that the company assumes voluntarily in its relationship with other stakeholders and, at minimum, identify:

- a) The objectives of the corporate social responsibility policy and development of support instruments.
- b) The corporate strategy related to sustainability, the environment and social issues.

- c) Specific practices on matters relating to: shareholders, employees, clients, providers, social issues, the environment, diversity, fiscal responsibility, compliance with human rights and the prevention of illegal conduct.
- d) The follow-up methods or systems for the results of the application of specific practices indicated in the above letter, the associated risks and their management.
- e) The mechanisms for non-financial risk supervision, ethics, corporate conduct.
- f) Channels for communication, participation and dialog with stakeholders.
- g) Responsible communication practices that prevent information manipulation and protect honor and integrity.

Complies Complies in part Explain

55. That the company inform on matters relating to corporate social responsibility in a separate document or a management report, using one of the internationally excepted methods to do this.

Complies Complies in part Explain

56. That the remuneration of directors shall be as necessary to attract and retain directors from the desired profile and reward the commitment, qualification and responsibility demanded by the position, but not so high that the independence of criteria for non-executive directors is compromised.

Complies Explain

57. That the executive directors shall be confined to the variable remuneration relating to the performance of the company and the individual, as well as remuneration through the delivery of shares, options or rights on shares and instruments referenced to the value of the share and the long term saving systems as well as pension plans, retirement systems or other social protection systems.

The delivery of shares can be considered as the remuneration to non-executive directors when it is conditional that they are held until they cease to be directors. This does not apply to the shares that a director needs to transfer, if necessary, to meet the costs related to their acquisition.

Complies Complies in part Explain

58. That in the case of variable remuneration, the remuneration policies shall give the limits and specific technical safeguards to ensure that the remuneration reflect the professional performance of the beneficiaries and not simply the general progress of the markets or the company's sector, atypical or exceptional transactions or circumstances of this kind.

And, in particular, the variable components of the remuneration:

- a) They are linked to performance criteria that are predetermined and measurable, and these criteria should consider the risk taken for obtaining a result.
- b) Promote the sustainability of the company and include non-financial criteria that are suitable for creating long term value, such as compliance with the internal rules and procedures of the company and its policies for risk control and management.
- c) They are set on the basis of a balance between compliance with short, medium and long term objectives, which allows remuneration for continued performance over a period sufficient to appreciate the contribution to the creation of sustainable value, so

the elements of measurement of that performance are not based solely on specific, occasional or extraordinary events.

Complies Complies in part Explain Not applicable

59. That the payment of a significant portion of the variable components of remuneration is deferred for a minimum period that is sufficient to verify that the previously established performance conditions have been complied with.

Complies Complies in part Explain Not applicable

The remuneration policy for directors, which was submitted to the Annual General Meeting before the publication of this recommendation, does not include such deferrals. However, the Board of Directors will submit a new remuneration policy for directors to the next Annual General Meeting. This new remuneration policy for the directors provides that payment of at least 30 percent of the variable remuneration will be deferred for at least three years to verify that the performance conditions under the policy have been met.

60. Deductions should be made to remuneration linked to company earnings, for any qualifications stated in the external auditor's report that reduce such earnings.

Complies Complies in part Explain Not applicable

61. That a significant percentage of the variable remuneration of the executive directors is related to the delivery of shares or financial instruments referenced to its value.

Complies Complies in part Explain Not applicable

As noted in recommendation 59, the Board of Directors will submit a new remuneration policy to the next Annual General Meeting. This new remuneration policy for the directors provides that a significant percentage of the variable remuneration of the executive directors will be linked to delivery of shares.

62. That once shares, or options or rights to corresponding shares, are allocated to the remuneration system, directors cannot transfer ownership of a number of shares equivalent to twice their fixed annual remuneration, or exercise the options or rights until after a period of at least three years from their allocation.

This does not apply to the shares that a director needs to transfer, if necessary, to meet the costs related to their acquisition.

Complies Complies in part Explain Not applicable

63. That the contractual agreements include a clause that allows the company to demand re-payment of variable components of remuneration when payment has not been adjusted to the performance conditions or when awarded on the basis of data which is subsequently shown to be incorrect.

Complies Complies in part Explain Not applicable

As noted in recommendation 59, the Board of Directors will submit a new remuneration policy to the next Annual General Meeting. This new remuneration policy for the directors provides that in contracts with executive directors there will be a clause with the terms stated in the recommendation.

64. That the payments for contract termination do not exceed a fixed amount equivalent to two years' total annual remuneration, and will not be paid until the company has shown that the director has met the pre-established performance criteria.

Complies Complies in part Explain Not applicable

For external directors, there is no compensation for leaving the position. Regarding executive directors, leaving this position means lifting the suspension of the relationship prior to the appointment as executive director.

The early termination of the previous relationship, except when there is good cause for dismissal, implies compensation under the terms established by the workers' statute in relation to unfair dismissal.

H OTHER USEFUL INFORMATION

1. If there is any relevant aspect regarding corporate governance in the company or in the Group companies that has not been covered in the remaining sections of this report, but that should be included in order to provide more complete and explanatory information about the structure and governance practices of the company or its group, please provide a brief explanation here.
2. This section may also include any other relevant information, clarification or detail related to previous sections of the report so long as they are relevant and not repetitive.

Specifically, indicate whether the company is subject to corporate governance legislation of any country other than Spain and, if so, include the compulsory information to be provided when different from that required by this report.

3. The company may also indicate if it has voluntarily adhered to other Codes of ethical principles or best practices, be they international, sector specific or of another scope. If so, the code in question and the adherence date will be indicated.

CONTINUATION OF SECTION E.3

MAPFRE's policy regarding reinsurance risk is to transfer business to reinsurers with proven financial capacity (generally those with a financial solvency rating of not less than an "A" rating from Standard & Poor's (or other equivalent external ratings agency or CRA), and exceptionally to other reinsurers following an internal analysis that demonstrates the availability of a solvency margin equivalent to the aforementioned rating or by providing suitable guarantees).

3. Operational Risk

The risk control model is based on a dynamic processes analysis of each company, in which the managers of each area or department assess the potential risks that affect activities and the effectiveness of the controls related to each process. To perform this control, risk self-evaluation questionnaires are used, along with internal control manuals, inventory controls associated with risks, assessment of their effectiveness and management of the corrective measures in place to mitigate or reduce the risks and/or improve the control environment.

4. Strategic and Corporate Governance Risk

Ethical principles applied to business management have been a permanent feature at MAPFRE and are a part of its by-laws and of its day-to-day activities. To standardize this corporate culture and adapt the legal requirements of governance and transparency in management, the Board of Directors of MAPFRE S.A., on June 24, 2015 approved the Institutional, Corporate and Organizational Principles of the MAPFRE Group, which replace the previous Good Governance Code of the MAPFRE System, and which constitute the minimum framework binding on all companies that make up MAPFRE and their respective management bodies. The strict application of these principles is considered the most efficient way to mitigate this type of risk.

5. Tax Risks

The performance of the Group in the field of taxation has always been dominated by compliance with current tax legislation in the territories in which it operates, which constitutes a practical application of the institutional principle of ethically and socially responsible taxation.

The tax risks of the Group in each jurisdiction are handled internally by the Administration and Tax Affairs departments, always subcontracting the required tax consulting services with the leading companies in the sector.

As regards the valuation of transactions between Group companies, significant in terms of global projects, technology and reinsurance, an annual review and documentation of individual transactions is conducted in cooperation with an independent expert firm.

The company adheres to (since July 22, 2010) and complies with the content of the Code of Good Taxation Practices approved and sponsored by the Forum for Large Companies and the Spanish Tax Agency.

This annual report on corporate governance was approved by the Company's Board of Directors at its meeting on 02/09/2016.

Indicate whether any Board members voted against the report or abstained.

Yes | |

No