

CORPORACION MAPFRE, S.A.

**REPORT OF THE BOARD OF DIRECTORS ON
AMENDMENT TO ARTICLE 17 OF THE COMPANY'S
BYLAWS**

Madrid, February 8, 2005

I. BACKGROUND

The Remuneration and Appointment Committee has agreed to favorably report on the new remuneration scheme for executive directors on the following basis:

- a) Establish a fixed allocation for a Director as a means of compensating the responsibility of carrying out said position and in substitution of the stipends for attending meetings.
- b) Establish, in exchange, variable payments in the form of stipends for persons who participate in Commissions and on Standing Committees.
- c) Establish merit based additional payments for those persons who in the exercise of their position show their relevance to such as well as major dedication.

In order to introduce changes to the directors' remuneration scheme, a partial amendment to the first paragraph and the last insertion of the second paragraph of Article 17 of the Company's bylaws is necessary. These amendments are set forth in the new proposed text.

II. PROPOSED RESOLUTION

- Amend the first paragraph and the last insertion of the second paragraph of Article 17 of the company's by-laws as follows:

First paragraph

"Those Board members who do not have executive functions within the Company or companies which are part of its Group (external Directors) shall receive a fixed basic remuneration which may be greater for those persons who have duties within the Board or carry out the functions of the president of the Executive Committee or another standing committee. This remuneration may be complimented by non-monetary compensation (life or health insurance, bonuses, etc.) which is generally established for company personnel. The Board Members who form part of the Executive Committee or other standing committees shall receive an additional stipend for attending the meetings of these committees."

Last insertion in the second paragraph

"They shall not receive the remuneration allotted for external Directors except for the corresponding amount for being a member of the

Executive Committee or other Standing Committees as long as it has been agreed upon by the Board of Directors."