

AUDIT AND COMPLIANCE COMMITTEE REPORT ON RELATED-PARTY TRANSACTIONS IN 2018

Article 529 of the Capital Companies Act establishes that the Board of Directors shall hold non-delegable power to approve, subject to a report of the Audit and Compliance Committee, transactions with related parties, where such parties include directors and shareholders with significant shareholdings. Notwithstanding, transactions of a standard nature carried out at generally applicable prices are legally exempt from this obligation if the amount does not exceed 1% of the company's annual revenue.

This article also states that, in duly justified urgent circumstances, the above decisions may be taken by delegated bodies or individuals, where such decisions must be ratified in the first meeting of the Board of Directors held after the adoption of such a decision.

In accordance with the provisions of the law, Article 2 of the Regulation of the Board of Directors of MAPFRE S.A. includes the following non-delegable competences of the Board:

- To authorize –subject to a report from the Audit and Compliance Committee– transactions that the company or Group companies may carry out with Directors or shareholders in a conflict of interest position, in accordance with the provisions of the applicable legislation.

By virtue of the provisions of Article 8 of the Regulation of the Board of Directors, Directors must abstain from attending and taking part in deliberations and votes on decisions that affect them personally and in situations of conflicts of interest, under the terms set out in the prevailing legislation.

Moreover, the Board of Directors of MAPFRE S.A. approved on July 23, 2015 its Policy for Managing Conflicts of Interest and Transactions Related to Significant Shareholders and Senior Representative and Management Roles, which describes the procedure to be followed with regard to such transactions.

With respect to related-party transactions with Senior Representative and Management Roles, in 2018 the company and companies in its Group have

carried out the transactions described in this report with the same or with persons related thereto.

With respect to related-party transactions with shareholders, transactions that are significant because of their amount or because of their subject matter carried out by the company or by companies in its Group with shareholders holding a significant stake or with parties related thereto are listed in the Annual Corporate Governance Report and in the 2018 financial statements.

The following transactions are listed, in relation to which the Audit and Compliance Committee issued a favorable report prior to the Board of Directors meeting:

- Acquisition by MAPFRE PERU of land for cemetery in Lima (Peru)

At the meeting held on February 6, 2018, the Committee analyzed the acquisition by MAPFRE PERU from Inversiones Centenario, S.A.A. of a plot of land in Lima intended for use as a cemetery for the sum of 11.2 million US dollars.

Taking into account the market valuation issued by an independent entity, the Committee issued a favorable report regarding the transaction to the Board of Directors.

- Sale by MAPFRE ESPAÑA of a dwelling in Las Palmas de Gran Canaria

At the meeting held on February 6, 2018, the Committee analyzed the sale by MAPFRE ESPAÑA to Alfredo Montes García of the dwelling and parking space located at calle José Ramírez Bethencourt number 10 in Las Palmas de Gran Canaria, for a total sum of 410,000 euros.

Taking into account the market valuation issued by an independent entity, the Committee issued a favorable report regarding the transaction to the Board of Directors.

- Renewal of the line of credit granted by CARTERA MAPFRE, S.L.U. to MAPFRE S.A.

At the meeting held on July 23, 2018, the Committee analyzed the renewal of the line of credit granted by CARTERA MAPFRE, S.L.U. to MAPFRE S.A. for another year, also revising the interest rate to reflect the current market conditions, applying the following terms with immediate effect:

- Maximum amount: 400 million euros.
- Maturity: September 10, 2019, automatically renewable for successive annual periods unless expressly stated otherwise. The applicable interest rate will be updated if renewed in accordance with the market conditions in force at that time.
- Interest: 3-month Euribor plus 1.50%, payable quarterly. The 3-month Euribor is updated in each interest period.

Taking into account the report issued by the MAPFRE S.A. Administration and Treasury General Management, the Committee issued a favorable report regarding the transaction to the Board of Directors.

Both the Regulation of the Board of Directors of MAPFRE S.A. and the text of the Policy for Managing Conflicts of Interest and Transactions Related to Significant Shareholders and Senior Representative and Management Roles are available on the corporate website (www.mapfre.com/corporativos/accionistas-inversores/inversores/gobierno-corporativo/).

In accordance with recommendation 6 of the Good Governance Code of Listed Companies of the Spanish National Securities and Exchange Commission (the "CNMV"), the Audit and Compliance Committee of MAPFRE S.A. authorizes this report for issue on the corporate website prior to the General Shareholders' Meeting to be held on March 8, 2019.

Madrid, February 5, 2019
Committee Secretary

Ángel L. Dávila Bermejo