



Madrid, February 8, 2017

SPANISH SECURITIES AND EXCHANGE COMMISSION (CNMV)

In accordance with article 228 of the Revised Text of the Securities Market Act, MAPFRE, S.A. (MAPFRE) hereby gives notice to the Spanish Securities and Exchange Commission of the following

RELEVANT FACT

MAPFRE hereby informs that the Board of Directors of the company has resolved to amend, effective March 10, 2017, articles 2 (section 4), 7 (section 4.d), 10, 12, 23 (section 2), and 25 (sections 1 and 3), and the names of Chapters II and IV of Title II of The Regulations of the Board of Directors of MAPFRE, S.A., in order to adapt the contents to the new text of the Company Bylaws, which shall be presented at the Ordinary Annual General Meeting on March 10, 2017; said amendment, having suspensive effects, is logically dependent upon the adoption of the Bylaw amendments by the Annual General Meeting.

Please find attached the aforementioned articles affected by said amendments.

Ángel L. Dávila Bermejo
General Counsel

Article 2. Non-delegable powers

The Board of Directors shall not delegate the following powers:

[...]

4. Authorize –previously informing the Audit and Compliance Committee– those operations that the Company or Group companies may carry out with Directors or shareholders in a conflict of interest position, in accordance with the provisions of the applicable legislation.

[...]

Article 7. Dismissal of Directors

[...]

4. Directors shall offer all the offices they hold, including any positions they hold on the Committee and other dependent Committees, to the Board of Directors, and where appropriate in the opinion of the said Board they shall tender their resignation, in the following cases:

[...]

- d) They receive a serious reprimand by the Audit and Compliance Committee for having infringed their duties as Directors.

[...]

CHAPTER II. AUDIT AND COMPLIANCE COMMITTEEArticle 10. Functions, composition and meetings

1. It has the following basic functions, without prejudice to any other functions it may be assigned by the Board of Directors:

- a) To report to the Annual General Meeting with regard to issues raised about any matter within the remit of the Committee and, in particular, about the result of the audit explaining how it contributed to the integrity of financial information and the role played by the Committee in that process.

- b) To oversee the effectiveness of the Company's internal control, internal audit

and risk management systems, as well as to discuss with the External Auditor any significant weaknesses detected in the internal control system in the course of an audit, all the foregoing without detriment to its independence. For these purposes, and where required, it may submit recommendations or proposals to the Board of Directors, indicating the time needed for their monitoring.

- c) To supervise the preparation and reporting of regulated financial information and submit recommendations or proposals to the Board of Directors, aimed at guaranteeing its integrity.
- d) To submit proposals to the Board of Directors for the selection, appointment, re-election and replacement of the External Auditor, taking responsibility for the selection process in accordance with applicable laws, as well as with regard to its contractual conditions, and regularly receive information from the External Auditor regarding the audit plan and its execution, while preserving its independence in the exercise of its duties.
- e) To establish the necessary relationships with the External Auditor to receive information on those issues that may compromise its independence, for their consideration by the Committee, and any other relationships referring to the development of an accounts audit and, where required, the authorization of services different from those prohibited by applicable legislation on accounts audit, its independence, as well as those communications envisaged by law with regard to accounts audits and audit rules. Under all circumstances, it shall receive from the External Auditor on a yearly basis a written confirmation of its independence from the entity or entities linked thereto, both directly or indirectly, as well as detailed and specific information on any additional services of whatever nature provided and the corresponding fees received from said entities by the External Auditor, or by persons or entities linked thereto in accordance with the legislation in force on accounts audits.
- f) To draw up an annual report –before the accounts audit report is issued– delivering an opinion on the independence of the External Auditor. This report shall contain, in any case, a justified assessment of the provision of any and all additional services referred to in the previous section, considered both individually and in aggregate, other than those referring to legal audits and related to the independence of the External Auditor or to the regulations governing the audit activity.
- g) To ensure that, insofar as possible, the Group's External Auditor takes

responsibility for auditing all the companies of which it is composed.

- h) To ensure the independence and efficacy of the Internal Audit function; to propose the selection, appointment, re-election and dismissal of the person responsible for said function, as well as its annual budget; to receive periodic information on its activities, and to verify that the Senior Management takes into account the conclusions and recommendations of its reports.
 - i) To inform the Board of Directors in advance of all issues provided for by Law, the Company Bylaws and these Regulations, and in particular with respect to:
 - Financial information that the Company must disclose on a periodic basis.
 - Creation or acquisition of interests in special purpose vehicles or entities registered in countries or territories regarded as tax havens.
 - Operations with stakeholders.
 - j) To establish and supervise a mechanism that allows employees to report in confidence any potentially significant irregularities, especially of a financial and accounting nature, which they may detect within the company.
 - k) To monitor the correct application of the corporate governance rules in force at each moment.
 - l) To oversee the compliance with internal and external regulations, and, in particular, with the internal codes of conduct and the rules and procedures for the prevention of money laundering and terrorist financing, as well as making the necessary proposals for their improvement.
 - m) To supervise the adoption of actions and measures resulting from reports or inspections by the administrative supervisory and control bodies.
2. It shall be composed of a minimum of three and a maximum of five members, all of whom shall be non-executive members. Most of its members, at least, shall be Independent Directors, and one of them shall be appointed taking into account his or her knowledge and experience on accounting, auditing or both issues. As a whole, the members of the Committee shall have the necessary technical knowledge in relation to the Company's sector of activity. Its Chairman shall be an Independent Director, who shall be replaced every four years and may be re-

elected after one year has elapsed since he or she stepped down. Its Secretary shall be the Secretary of the Board of Directors. The Group's Internal Audit General Manager shall be invited to attend the Committee meetings.

3. It shall usually meet on a quarterly basis, and as often as may be necessary on an ordinary or extraordinary basis.

CHAPTER IV. RISKS COMMITTEE

Article 12. Functions, composition and meetings

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

The Risks Committee shall have the following responsibilities, without prejudice to any other functions it may be assigned by the Board of Directors:

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

The Group's risk policies should include:

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

- b) Help the Board of Directors supervise the application of the risk strategy.
- c) Know and assess the risk management methods and tools, monitoring the results and validation of the models applied.

2. It shall be composed of a minimum of three and a maximum of five members, all

of whom shall be non-executive members and at least two of them shall be Independent Directors. It shall be chaired by an Independent Director.

The Board of Directors shall appoint a Secretary, a position for which it is not required to be a Director.

3. It shall meet whenever the Board of Directors or its Chairman should request the preparation of a report, or the adoption of proposals, and otherwise whenever this should be necessary in order to properly exercise its functions and powers. The Senior Manager responsible for the supervision of the Group's risks and compliance areas shall be invited to attend its meetings.

Article 23. Relations with markets

[...]

2. The Board of Directors shall also adopt the necessary measures in order to ensure that the quarterly and half-yearly financial reports, and any other financial information that should be provided to the markets for prudence reasons, are drawn up in accordance with the same principles, criteria and professional practices applied to the Financial Statements, and that they are as reliable as the latter. To this effect, said information will be reviewed by the Audit and Compliance Committee.

[...]

Article 25. Relations with the External Auditor

1. The Audit and Compliance Committee shall act as a liaison between the Board of Directors and the External Auditor.

[...]

3. The Board of Directors shall always seek to draw up the Financial Statements in such a way that there is no occasion for reservations or objections on the part of the External Auditor. However, where the Board considers that its opinion ought to prevail, the Chairman of the Audit and Compliance Committee shall explain in public the content and scope of the discrepancies that have given rise to the said reservations or objections.