

**AUDIT AND COMPLIANCE COMMITTEE REPORT ON RELATED-PARTY
TRANSACTIONS IN 2017**

Article 529 of the 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 percent 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 2017 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 2017 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:

- Rental by MAPFRE INVERSIÓN of a portion of the building at Bárbara de Braganza 14

At the meeting held on February 6, 2017 the Committee analyzed the lease by MAPFRE INVERSIÓN to Fundación MAPFRE of the second floor and 90 m2 of the first floor of the building at Bárbara de Braganza 14, Madrid, for 90,475.44 euros, which is equivalent to 22 euros/m2/month.

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 VIDA of properties located at calle Prieto Ureña 6 (Madrid)

At a meeting held on March 7, 2017 the Committee analyzed the transfer by MAPFRE VIDA of several properties located at calle Prieto Ureña 6 (Madrid) to two directors of Group subsidiaries and two daughters of one of them for a total amount of 996,172.35 euros.

Taking into account the market valuations issued by an independent entity, and by the Corporate Real Estate Management Area at MAPFRE, the Committee issued a favorable report regarding the transaction to the Board of Directors.

- Renewal of a line of credit granted by CARTERA MAPFRE to MAPFRE S.A.

At a meeting held on July 21, 2017 the Committee analyzed the renewal of the line of credit granted by CARTERA MAPFRE to MAPFRE S.A. for a further year under the same conditions as currently in force, as follows:

- Maximum amount: 400 million euros.
- Maturity: September 10, 2018, 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 rate: 3-Month Euribor plus 1.70%, 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 Department, 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/corporativo-es/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 9, 2018.

Madrid, February 6, 2018
Committee Secretary

Ángel L. Dávila Bermejo