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**POLICY ON THE COMPLIANCE FUNCTION OF MAPFRE INSULAR
INSURANCE CORPORATION**

Approved by the Board of Directors, on June 22, 2017

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I. DEFINITIONS

- a) MAPFRE, GROUP or MAPFRE GROUP: the corporate group made up of MAPFRE S.A., as the parent company, and its subsidiary and controlled companies in accordance with the Spanish Securities Market Act.
- b) Company: MAPFRE INSULAR INSURANCE CORPORATION (interchangeability, the Company).
- c) Compliance Function: when referring to said Function in general. The Compliance Function has the sole and exclusive responsibility over any activity that falls within the remit set out in this Policy. From an organizational point of view, it should be differentiated between the GROUP Compliance Area, the Compliance Function of the Companies and the Specific Compliance Areas.
- d) Compliance Coordination Committee: body entrusted with the ultimate coordination of the GROUP Compliance Function, with overall responsibility for compliance issues. It will be composed of the GROUP Chief Compliance Officer and the persons appointed by the Specific Compliance Areas.
- e) GROUP Compliance Area: in accordance the remit set out in section V.1. of this Policy, it is responsible for ensuring the correct application of general compliance principles and guidelines across the GROUP.
- f) Compliance Function of MAPFRE INSULAR INSURANCE CORPORATION or Compliance Function of the Company: it comprises all the compliance activities carried out by the Companies functionally reporting to the GROUP Compliance Area. In accordance the remit set out in section V.1. of this Policy, it is responsible for ensuring the correct application of general compliance principles and guidelines in the Companies.
- g) Specific Compliance Areas: it refers to the Areas that manage issues specific to the Compliance Function and ensure the correct application of general compliance principles and guidelines, in relation to regulatory risks not included within the remit of the Compliance Function of the Company.
- h) GROUP Chief Compliance Officer: person who fulfills the responsibilities and assumes the management, promotion and coordination of the GROUP Compliance Area.
- i) Head of the Compliance Function of MAPFRE INSULAR INSURANCE CORPORATION : person who leads, promotes and coordinates the Compliance Function of the Company. Likewise, this person will be the Chairman of the Compliance Coordination Committee.
- j) Compliance incident: event that may have a financial, material or reputational impact on the Company.
- k) Compliance universe: the Compliance Universe shall include the description of the compliance risks identified in bills, applicable legal system (standards, regulations), policies and rules (regulatory frameworks) which are referred to

in section V.1. of this Policy, any ensuing compliance obligations, related processes and the determination of the owner of the process.

- I) First line of defense: the First line of defense shall be composed of the managers who take on the risks and own the controls.

II. SCOPE

This Policy shall be applicable across MAPFRE INSULAR INSURANCE CORPORATION, hereunder, interchangeability, "the Company". Compliance is part of the Company's culture, since legal and compliance risks are considered to be inherent in any activity, and therefore the performance of all employees must be aligned with the compliance culture.

All the managers and employees of the Company must know and observe this Policy, and to this end it must be appropriately disseminated by the Head of the Compliance Function of the Company.

III. PURPOSES

This Policy sets out and defines the powers and duties of the Compliance Function of MAPFRE INSULAR INSURANCE CORPORATION.

The Compliance Function aims to ensure that the Company operates within the regulatory compliance framework, in order to provide for a global compliance environment. For these purposes, the Compliance Function of the Company shall:

- With regard to bills, identify, analyze, assess and report the exposure to the legal risk associated with the activities carried out by the Company.

Legal risk shall be defined as an event consisting in a regulatory, jurisprudential or administrative change that could adversely affect the Company.

- With regard to applicable regulations, identify, assess, monitor and report the exposure to the compliance risk associated with the activities carried out by the Company.

Compliance risk shall be defined as the risk of legal or regulatory sanctions, material financial losses or reputational losses that the Company could suffer as a result of non-compliance with the law and any other regulations, internal and external rules and standards, or administrative requirements applicable to its activity.

The effective management of these risks is considered a key driver of the Company's sustainable and profitable growth, which helps to protect its solvency, integrity and reputation, and contributes to the achievement of the Company's strategic objectives.

IV. GENERAL PRINCIPLES

The Compliance Function, as a key function within the system of governance, is one of the pillars on which the MAPFRE INSULAR INSURANCE CORPORATION's institutional commitment to undertake all its activities and businesses in accordance with strict ethical standards rests.

The Compliance Function aims to minimize the Company's legal and compliance risks, promoting awareness of the need to comply with internal and external rules, while ensuring that this aim is perfectly integrated into its culture and the performance of all its activities.

The principles that guide the activities of the Compliance Function of the Company are as follows:

- a) Operational independence.
- b) Status and authority.
- c) Involvement of Management.
- d) Appropriate structure and resources.
- e) Communication and training.

a) Operational independence

Operational independence means that, in the discharge of its responsibilities, the Compliance Function of the Company shall be free from any undue or inappropriate influence, control, incompatibility or limitation.

b) Status and authority

The Compliance Function has the sole and exclusive responsibility over any activity that falls within the remit set out in this Policy, and any activity carried out within its scope of action shall be subject to the coordination of the Compliance Coordination Committee.

From January 1, 2017, the GROUP Chief Compliance Officer shall report to the Board of Directors of MAPFRE S.A., via the member of the Board of Directors who heads the General Management of the Corporate Finance Area (C.F.O.) of MAPFRE, the Risks and Compliance Committee and the Executive Chairman and CEO of the GROUP.

The Head of Compliance Function in the Company shall be subject to the superior in the Company and functionally of the GROUP Compliance Area.

The employees who fulfill duties corresponding to this Function may contact, on their own initiative, any person in the organization, and they will have full access to any information which is relevant to duly discharge their duties. Likewise, they will be backed by this Policy in order to perform the tasks falling within their remit

Furthermore, all the employees in the organization must provide support and assistance to the people who fulfill tasks corresponding to the Compliance Function.

c) Involvement of Management

Processes shall be established to ensure that the Company, through their Management teams, participates in the planning of the activities corresponding to the Compliance Function.

d) Appropriate structure and resources

The Compliance Function shall be responsible for ensuring that the Company, as a whole, operates in accordance with the regulatory compliance framework.

The discharge of the duties of this Function must be ensured by an appropriate number of persons, with adequate qualifications and experience for the correct fulfillment of the responsibilities assigned to them.

e) Communication and training

The purpose of both communication and training is to ensure that the organization is aware of the risks to which it is exposed. To maintain this awareness and the professional qualifications of personnel, regular communication and training programs should be implemented.

V. REMIT, ALLOCATION OF RESPONSIBILITIES AND PROCESSES

1. Remit of the Compliance Function of the Company

The Compliance Function of the Company performs the tasks detailed in section V.3. of this Policy, in relation to the agents and regulatory risks outlined below:

RELATIONSHIP AGENTS:	RISKS ARISING FROM:
<ul style="list-style-type: none"> ✓ Clients ✓ Regulatory and other administrative bodies ✓ Brokers ✓ Employees ✓ Members of the Boards of Directors ✓ Shareholders ✓ Companies 	<ul style="list-style-type: none"> ✓ Regulations on insurance contracts ✓ Regulations on insurance organization and supervision ✓ Regulations on insurance brokerage services ✓ Transparency and exchange of information (FATCA, CRS) ✓ Anti-fraud regulations ✓ Regulations on market abuse and anti-competitive practices ✓ Regulations on protection of consumers and users and online and telephone services ✓ Regulations on branding and other industrial property rights ✓ Sector-specific documents on best practices ✓ Internal regulations and policies (Institutional, Business and Organizational Principles, Code of Ethics and Conduct, policies and procedures) not included in other sections. ✓ Corporate criminal responsibility and anti-corruption regulations ✓ Regulations on marketing, communication and advertising ✓ Other risks assigned by the Compliance Coordination Committee

2. Structure of the Compliance Function of the Company

The Compliance Function of the Company will be structured taking into account any specific applicable regulatory requirements, as well as the principle of proportionality that should be commensurate with the business volume and the nature and complexity of the risks assumed by the Company.

The Company shall define its own strategy to implement and develop the Function, according to the reference criteria from the GROUP Compliance.

The Heads of Compliance Function of the Company will be subject to double reporting: on the one hand, they will report to their immediate superior in the Company; and on the other hand they will functionally report to the GROUP Compliance Area, either directly to the Chief Compliance Officer or to any of the members of the GROUP Compliance Area.

In accordance with the provisions of the Outsourcing Policy, agreement may be reached to outsource the Compliance Function of the Company to another GROUP Company, provided that this does not compromise the prudent management of the risks of the Company.

3. Responsibilities of the Compliance Function of the Company

Without prejudice to the management, promotion, control and coordination activities to be carried out by the GROUP Compliance Area, the Compliance Function of the Company, in accordance with the remit set out in section V.1. of this Policy, shall be responsible for monitoring and overseeing that the Company acts in keeping with the procedures and written policies on compliance.

More precisely, the Compliance Function of the Company has the following responsibilities:

1. Inform the Administrative Body of the Company, either directly or through a delegated body thereof:
 - A. At least on a yearly basis, an Activities Report will be produced and sent to the Board detailing the actions taken during the preceding year, and more specifically it will refer to:
 - i. Overall outcomes of the compliance risk management process.
 - ii. Regulatory developments and regulatory trends.
 - iii. Relevant requirements and resolutions of the regulatory and supervisory bodies affecting the Company and legal decisions related thereto.
 - iv. Training actions on compliance issues.
 - v. Global management of the compliance risk that may affect the Company based on the information collected by the Specific Compliance Areas.
 - B. It must immediately report any relevant compliance incident that affects or could significantly affect the activity of the Company.

2. Present on a yearly basis to the Administrative Body of the Company, either directly or through a delegated body thereof, the Compliance Verification Plan for its approval.
3. Provide the Administrative Body of the Company, either directly or through a delegated body thereof, with advice on compliance with legal, regulatory and administrative provisions that may affect the Company.
4. In relation to legal risk, and in collaboration with the Legal Department, keep track of any bills aimed at amending legislation, as well as the plans to introduce new regulations.
5. Assess the impact of any change in the legal environment on the Company's operations and inform the affected Areas.
6. Collaborate with the GROUP Compliance Area in the legal and compliance risk management processes and in the fulfillment of the responsibilities and tasks assigned by the GROUP Compliance Area.
7. Prepare and implement the Company's Compliance Verification Plan on a yearly basis, under the ultimate supervision of the GROUP Compliance Area.
8. Provide advice, when so requested, on new products, services and markets from a compliance point of view, identifying and assessing any related legal and compliance risks.
9. Monitor the result of the actions of the various regulatory and supervisory bodies that may affect the Company.
10. Investigate and monitor any breaches of relevant rules and legal resolutions that may affect the operation of the Company, immediately informing the GROUP Compliance Area thereof, as well as of any other relevant compliance-related issue.
11. Draw up a list of the global policies existing and manage them.
12. Establish appropriate communication channels on compliance issues with the various parties concerned: Governing Bodies and Executives of the Company, the GROUP Compliance Area and all other key functions in the system of governance.
13. Raise awareness among the Company's employees and ensure that they receive regular training, in cooperation with the Heads of Training, in order to create a compliance culture, providing the resources, knowledge and experience they require to duly discharge their compliance responsibilities.
14. Ensure that its own staff is adequately trained and has the necessary support to maintain updated knowledge of compliance requirements.

4. Processes

a) Legal risk management process

The Compliance Function of the Company shall apply a process for the management of legal risk, in accordance with the GROUP Compliance Area, which identifies, analyzes and assesses this risk, taking into consideration the impact of regulatory, jurisprudential or administrative changes on the regulations referred to in section V.1. above.

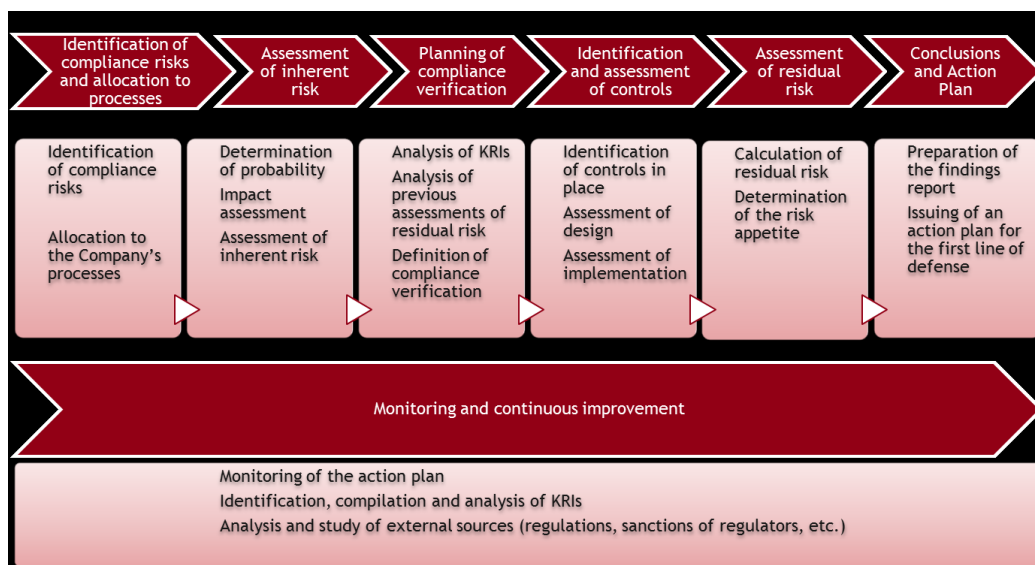
The legal risk management process consists of the following phases:

- Identification of the various sources of information regarding legal risks.
- Identification, analysis and assessment of changes with respect to the current legal scenario in order to identify the main impacts.
- Identification of the Areas affected in the GROUP or Company, duly informing them so that they can take the actions required to minimize potential compliance risks.
- Monitoring of the implementation of the measures adopted.

b) Compliance risk management process

The Compliance Function of the Company shall apply the following process for the management of compliance risk, in accordance with the GROUP Compliance Area, which allows to determine and assess this risk, verifying the correct observance of the regulations referred to in section V.1. above. This process describes the minimum parameters for the identification, assessment, mitigation, monitoring and reporting of exposure to compliance risk.

The compliance risk management process consists of the following phases:



1. Risk identification and allocation to processes

Define the set of compliance risks affecting the Company which are related to the processes in which they could materialize, in order to determine those points where controls should exist for their mitigation. This set of risks make up the Compliance Universe.

2. Assessment of inherent risk

Process for the quantification of the impact and probability of each of the risks identified.

3. Planning of compliance verification

A Compliance Verification Plan shall be established on a yearly basis, using the assessment of inherent risk and other sources of information, in order to adequately prioritize compliance risks.

4. Identification and assessment of controls

Identify the existing controls to mitigate compliance risk and determine if they are appropriate and duly implemented.

5. Assessment of residual risk

Determine the existing residual risk once the controls for the mitigation of inherent risk have been implemented.

6. Conclusions and Action Plan

Reflect the conclusions drawn after the assessments made, detailing any related regulatory requirements and the corresponding recommendations, so that the First line of defense is able to propose mitigation measures to reduce the residual risk.

7. Continuous monitoring and improvement

Continuously supervise all the factors that indicate that the Company faces a higher exposure to compliance risks.

5. Training

Regular training programs on compliance should be in place, which should be based on this Policy and made accessible to all employees of the Company.

On a yearly basis, a training strategy should be prepared, in cooperation with the Heads of Training of the Compliance Function of the Company. The GROUP Compliance Area will indicate the specific issues to be addressed, their recipients and how they should be prepared.

VI. APPROVAL, EFFECTIVE DATE AND REVIEWS

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The Policy on the Compliance Function was initially approved by the Board of Directors of the Company on June 26, 2014. The Policy was amended on March 14, 2016 and has been effective as of that date.

It will be reviewed at least on a yearly basis and may be amended at any moment following the approval of the Board of Directors of the Company in order to be adapted to any significant change that may affect its contents.