

**RESOLUTIONS PROPOSED BY THE BOARD OF DIRECTORS OF
INTERNATIONAL CONSOLIDATED AIRLINES GROUP, S.A. TO THE 2014
ANNUAL SHAREHOLDERS' MEETING**

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the action you should take, you should immediately consult your independent professional adviser.

If you have sold or otherwise transferred all your shares in International Consolidated Airlines Group, S.A. (the “**Company**” or “**IAG**”), please forward this document and any accompanying documents you receive in relation to such shares to the purchaser or transferee, or to the stockbroker or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

1. APPROVAL OF THE INDIVIDUAL ANNUAL FINANCIAL STATEMENTS AND MANAGEMENT REPORT OF THE COMPANY AND THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS AND MANAGEMENT REPORT OF THE COMPANY AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED ON DECEMBER 31, 2013.

EXPLANATION:

The directors present to the Shareholders' Meeting the individual annual financial statements and management report of the Company and the consolidated annual financial statements and management report of the Company and its subsidiaries for the financial year ended on December 31, 2013, together with the reports of the auditors.

PROPOSED RESOLUTION:

RESOLUTION 1

“To approve the individual annual financial statements and management report of International Consolidated Airlines Group, S.A. and the consolidated annual financial statements and management report of International Consolidated Airlines Group, S.A. and its subsidiaries for the financial year ended on December 31, 2013, which were formulated by the Board of Directors at its meeting held on February 27, 2014.”

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2. APPROVAL OF THE PROPOSAL FOR THE ALLOCATION OF RESULTS CORRESPONDING TO THE FINANCIAL YEAR ENDED ON DECEMBER 31, 2013.

EXPLANATION:

This resolution approves the allocation of results of the Company corresponding to the financial year 2013, consisting of a profit of €388,668,000, to compensate prior years losses.

PROPOSED RESOLUTION:

RESOLUTION 2

“To approve the proposed allocation of International Consolidated Airlines Group, S.A. 2013 profit, for the sum of €388,668,000, to compensate prior years losses.”

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3. APPROVAL OF THE MANAGEMENT OF THE BOARD OF DIRECTORS FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2013.

EXPLANATION:

In this resolution, the Board of Directors requests the approval of its management during the financial year ended on December 31, 2013 in accordance with Article 164 of the Companies Law (*Ley de Sociedades de Capital*).

PROPOSED RESOLUTION:

RESOLUTION 3

“To approve the management of the Board of Directors during the financial year ended on December 31, 2013.”

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4. RE-ELECTION OF AUDITORS: A) RE-ELECTION OF ERNST & YOUNG, S.L. AS AUDITOR FOR THE FINANCIAL STATEMENTS OF THE COMPANY AND OF ITS CONSOLIDATED GROUP FOR FINANCIAL YEAR 2014 AND B) DELEGATION TO THE BOARD OF DIRECTORS TO DETERMINE THE TERMS AND CONDITIONS OF RE-ELECTION AND REMUNERATION OF ERNST & YOUNG, S.L. AS AUDITOR.

The resolution for the appointment of Ernst & Young, S.L. as auditor and the resolution for the delegation to the Board of Directors to determine the terms and conditions of re-election and remuneration of Ernst & Young, S.L. will be separate votes.

a) RE-ELECTION OF ERNST & YOUNG, S.L. AS AUDITOR FOR THE FINANCIAL STATEMENTS OF THE COMPANY AND OF ITS CONSOLIDATED GROUP FOR FINANCIAL YEAR 2014.

EXPLANATION:

In this resolution the Board of Directors proposes to the Shareholders' Meeting the re-election of Ernst & Young, S.L. as auditor for the financial statements of the Company and of its consolidated group for financial year 2014, upon prior proposal from the Audit and Compliance Committee.

PROPOSED RESOLUTION:

RESOLUTION 4.a)

“To re-elect Ernst & Young, S.L. as auditor of International Consolidated Airlines Group, S.A. and of its consolidated group to conduct the audit for financial year 2014.”

b) DELEGATION TO THE BOARD OF DIRECTORS TO DETERMINE THE TERMS AND CONDITIONS OF RE-ELECTION AND REMUNERATION OF ERNST & YOUNG, S.L. AS AUDITOR.

EXPLANATION:

In this resolution the Board of Directors proposes to the Shareholders' Meeting that the Board of Directors will be delegated with the power to enter into a services agreement with Ernst & Young, S.L. to act as auditor of the Company and of its consolidated group on the terms and conditions and for the remuneration that the Board of Directors deems appropriate.

PROPOSED RESOLUTION:

RESOLUTION 4.b)

“To delegate to the Board of Directors, with the express power of substitution, to enter into the corresponding services agreement with Ernst & Young, S.L. as auditor, on the terms and conditions and for the remuneration it deems appropriate, and to make such amendments as may be required in accordance with applicable law at any time.”

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5. AMENDMENT OF ARTICLE 36 OF THE CORPORATE BYLAWS TO REDUCE TO ONE YEAR THE TERM OF OFFICE OF DIRECTORS OF THE COMPANY.

EXPLANATION:

IAG is a Spanish company listed on the Spanish Stock Exchanges and on the London Stock Exchange and, therefore, strives to implement the most widely recognized corporate governance recommendations in both markets and in the international arena.

In relation to the re-election of directors, although the Spanish Unified Good Governance Code applicable in Spain makes no recommendations on this subject, the UK Corporate Governance Code applicable in the UK recommends that the directors of FTSE 350 companies (such as IAG, which is also a FTSE 100 company) should be subject to annual re-election.

Thus, faithful to its commitment to fulfil the best corporate governance recommendations, the Company has decided to implement the recommendation in the UK Corporate Governance Code and, as a result, to submit the re-election of all Board members to the Shareholders' Meeting annually, so that the shareholders can cast their votes as to whether each director should continue, on an individual basis.

To implement this decision in accordance with Spanish Corporate Law, it is considered appropriate for the bylaw term of office for directors to be one year.

As a result, in this resolution, the Board of Directors requests the approval of the amendment of Article 36 of the corporate bylaws to reduce directors' term of office to one year.

PROPOSED RESOLUTION:

RESOLUTION 5

“To amend Article 36 of the corporate bylaws so that it shall hereafter read as follows:

“Article 36. Term of office

- 1. Board members shall hold office for a period of one (1) year, unless the Shareholders' Meeting resolves on their removal from office or dismissal or they stand down from office. In particular, Board members must tender their resignation from office and formalise their resignation from the Company when they are subject, on a supervening basis, to any of the grounds for incompatibility, unsuitability or disqualification from holding office as a Board member provided for under applicable law, the corporate bylaws, or the Board of Directors Regulations.*
- 2. Once a director's term of office has expired, his appointment as a director shall end when, following such expiry, the next Shareholders' Meeting following such expiry has been held or the legal term to hold the Shareholders' Meeting to approve the accounts of the Company for the previous year has expired.*

3. *Board members may be re-elected one or more times for periods of equal duration to that indicated in sub-Article 36.1 above.*
4. *Any vacancies may be covered by the Board of Directors by means of cooption, pursuant to the applicable law, on an interim basis until the next Shareholders' Meeting is held, which shall confirm the appointments, appoint the persons that are to replace any Board members not ratified, or eliminate any vacant positions."*

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6. RATIFICATION OF THE APPOINTMENT OF DIRECTORS BY CO-OPTION AND RE-ELECTION OF DIRECTORS FOR THE NEW CORPORATE BYLAWS MANDATED ONE-YEAR TERM.

As explained in the previous resolution, the Company has decided to implement the recommendation in the UK Corporate Governance Code applicable in the UK regarding annual re-election of directors and, as a result, to submit the re-election of all Board members to the Shareholders' Meeting annually, so that the shareholders can cast their votes as to whether each director should continue, on an individual basis.

As a result, in this resolution the Board of Directors proposes to the Shareholders' Meeting the ratification of the appointment of directors by co-option and the re-election of all directors as indicated below for the new corporate bylaws mandated one-year term, upon proposal from the Nominations Committee.

The Nominations Committee proposed:

- (i) the re-election of Mr. Antonio Vázquez Romero, Sir Martin Broughton, Mr. William Walsh, Mr. César Alierta Izuel, Mr. Patrick Cescau, Mr. Enrique Dupuy de Lôme, Baroness Kingsmill, Mr. James Lawrence, Mr. José Pedro Pérez-Llorca, Mr. Kieran Poynter and Mr. Alberto Terol Esteban, for the new corporate bylaws mandated one-year term; at this regard, the Nominations Committee considered that such directors continue to contribute effectively to the running of the Company and have demonstrated commitment to the role; and
- (ii) the ratification of the appointment by co-option of Dame Marjorie Morris Scardino and Ms. María Fernanda Mejía Campuzano and their re-election for the new corporate bylaws mandated one-year term, so that they may continue in their roles as directors.

Each resolution of ratification and re-election of directors will be separate votes.

- a) **TO RE-ELECT MR. ANTONIO VÁZQUEZ ROMERO AS A DIRECTOR, CLASSIFIED AS OTHER EXTERNAL DIRECTOR.**

EXPLANATION:

In this resolution the Board of Directors proposes to the Shareholders' Meeting the re-election of Mr. Antonio Vázquez Romero as a director, classified as other external director, upon proposal from the Nominations Committee.

- Professional profile and biographical data of Mr. Vázquez:

Mr. Vázquez is the Chairman of IAG. He was appointed Chairman of Iberia in July 2009 until 2013 and was Chief Executive Officer from 2009 to January 2011. He served as a Director of Iberia Board between 2005 and 2008. In June 2008, he was appointed independent director of the Board of Telefónica Internacional. He

is a member of the Advisor Board of Telefónica Latam and member of the Advisory Board of the Franklin Institute.

Mr. Vázquez was Chief Executive Officer of Altadis group and Chairman of the Board of Logista from 2005 to 2008. He served as a non-executive member of the Board of Aldeasa group from 1999 until 2008. Since 1993, he served as Managing Director of the Cigar Division of Tabacalera, and, after the cross-border merger in 1999 between Tabacalera and the French company Seita, became SVP and COO of the Cigar Division of Altadis Group. From 1978 to 1993 he held different international positions in the Wine & Spirits Industry, being VP Marketing & Sales of Domecq México and Managing Director and a Member of the Board of Domecq Internacional. He worked for Arthur Andersen & Co. from 1974 to 1978.

He holds a BSc in Economics from Malaga University.

- Date of first and subsequent appointments as a director of the Company:

Mr. Vázquez was appointed as other external director for the first time on May 25, 2010 and was last re-elected on November 29, 2010 (effective, January 21, 2011).

- Shares of the Company and derivative financial instruments whose underlying assets are shares of the Company held by the director:

Mr. Vázquez owns 512,291 Company shares.

PROPOSED RESOLUTION:

RESOLUTION 6.a)

“To re-elect Mr. Antonio Vázquez Romero as a director for the bylaw mandated one-year term, upon proposal from the Nominations Committee, with the status of other external director.”

- b) TO RE-ELECT SIR MARTIN BROUGHTON AS A DIRECTOR, CLASSIFIED AS EXTERNAL INDEPENDENT DIRECTOR.**

EXPLANATION:

In this resolution the Board of Directors proposes to the Shareholders' Meeting the re-election of Sir Martin Broughton as a director, classified as external independent director, upon proposal from the Nominations Committee.

- Professional profile and biographical data of Sir Martin Broughton:

Sir Martin Broughton is Deputy Chairman of IAG and Senior Independent

Director. He became Chairman of British Airways in 2004 until 2013, having been a Board member since 2000. He is Chairman of Sports Investment Partners.

He served as President of the Confederation of British Industry from 2007 until 2009, and chaired the British Horseracing Board from 2004 to 2007. Prior to that he was Chairman of British American Tobacco, a role he took on in 1998, having previously been group Chief Executive and Deputy Chairman. He held various executive positions within British American Tobacco group from 1971 to 1997.

- Date of first and subsequent appointments as a director of the Company:

Sir Martin Broughton was appointed as external independent director for the first time on May 25, 2010 and was last re-elected on June 20, 2013.

- Shares of the Company and derivative financial instruments whose underlying assets are shares of the Company held by the director:

Sir Martin Broughton owns (directly and indirectly) 174,910 Company shares.

PROPOSED RESOLUTION:

RESOLUTION 6.b)

“To re-elect Sir Martin Faulkner Broughton as a director for the bylaw mandated one-year term, upon proposal from the Nominations Committee, with the status of external independent director.”

- c) **TO RE-ELECT MR. WILLIAM WALSH AS A DIRECTOR, CLASSIFIED AS EXECUTIVE DIRECTOR.**

EXPLANATION:

In this resolution the Board of Directors proposes to the Shareholders' Meeting the re-election of Mr. William Walsh as a director, classified as executive director, upon proposal from the Nominations Committee.

- Professional profile and biographical data of Mr. Walsh:

Mr. Walsh is the Chief Executive Officer of IAG. He is Chairman of the Ireland State Debt Agency. He became CEO of British Airways on October 1, 2005. Prior to joining British Airways, he was CEO of Aer Lingus, a position he was appointed to in the aftermath of 9/11. In 1998 he was appointed CEO of Futura, Aer Lingus' Spanish charter airline. He returned to Dublin with Aer Lingus in 2000 where he took up the role of Chief Operating Officer and was subsequently appointed as CEO in October 2001. Mr. Walsh joined Aer Lingus in 1979 as a cadet pilot and worked his way through the ranks to become a captain in 1990. He began his move to management in 1989 where he fulfilled various roles in the

flight operations department.

Mr. Walsh completed a Master of Science in Management and Business Administration at Dublin's Trinity College in 1992.

- Date of first and subsequent appointments as a director of the Company:

Mr. Walsh was appointed as executive director for the first time on May 25, 2010 and was last re-elected on November 29, 2010 (effective, January 21, 2011).

- Shares of the Company and derivative financial instruments whose underlying assets are shares of the Company held by the director:

Mr. Walsh owns 730,198 Company shares. In addition, he has interests in shares as a result of share awards (conditional awards) made pursuant to the Company share schemes as detailed below:

<i>Plan</i>	<i>Date of award</i>	<i>Vesting date</i>	<i>Shares within award</i>
IADP 2012	August 3, 2012	August 3, 2015 No performance conditions	93,773
PSP 2012	August 3, 2012	Subject to satisfaction of performance conditions tested over a 3 years period	1,024,844
PSP 2013	March 6, 2013	Subject to satisfaction of performance conditions tested over a 3 years period	684,647
IADP 2014	March 6, 2014	March 6, 2017 No performance conditions	149,353
PSP 2014	March 6, 2014	Subject to satisfaction of performance conditions tested over a 3 years period	379,310

PROPOSED RESOLUTION:

RESOLUTION 6.c)

“To re-elect Mr. William Matthew Walsh as a director for the bylaw mandated one-year term, upon proposal from the Nominations Committee, with the status of executive director.”

- d) TO RE-ELECT MR. CÉSAR ALIERTA IZUEL AS A DIRECTOR, CLASSIFIED AS EXTERNAL INDEPENDENT DIRECTOR.**

EXPLANATION:

In this resolution the Board of Directors proposes to the Shareholders' Meeting the re-election of Mr. César Alierta Izuel as a director, classified as external independent director upon proposal from the Nominations Committee.

- Professional profile and biographical data of Mr. Alierta:

Mr. Alierta is the Executive Chairman of Telefónica Group appointed in 2000, a Non-Executive Director of China Unicom, a member of the Board of Overseers, Columbia Business School and Chairman of the Social Board of the Spanish UNED.

Prior to this, he was Non-Executive Director of Telefónica since 1997. In 1996 he became Chairman of Altadis Group until July 2000. From 1991 to 1996, he was a member of the Board of the Madrid Stock Exchange, and also Chairman of the Spanish Financial Analysts' Association. He was the Chairman and founder of Beta Capital from 1985 to 1996. Between 1970 and 1985, Mr. Alierta served as General Manager of the Capital Markets Division at Banco Urquijo.

Mr. Alierta holds a law degree from the University of Zaragoza and a MBA from Columbia University (New York).

- Date of first and subsequent appointments as a director of the Company:

Mr. Alierta was appointed as executive director for the first time on September 27, 2010 and was last re-elected on November 29, 2010 (effective, January 21, 2011).

- Shares of the Company and derivative financial instruments whose underlying assets are shares of the Company held by the director:

Mr. Alierta owns 1,000,000 Company shares.

PROPOSED RESOLUTION:

RESOLUTION 6.d)

“To re-elect Mr. César Alierta Izuel as a director for the bylaw mandated one-year term, upon proposal from the Nominations Committee, with the status of external independent director.”

- e) **TO RE-ELECT MR. PATRICK CESCAU AS A DIRECTOR, CLASSIFIED AS EXTERNAL INDEPENDENT DIRECTOR.**

EXPLANATION:

In this resolution the Board of Directors proposes to the Shareholders' Meeting the re-election of Mr. Patrick Cescau as a director, classified as external independent director, upon proposal from the Nominations Committee.

- Professional profile and biographical data of Mr. Cescau:

Mr. Cescau joined the board of InterContinental Hotels Group PLC as chairman

on January 1, 2013. He has been a non-executive director of Tesco PLC since February 2009 and was appointed the company's senior independent director in July 2010. Mr. Cescau is a trustee of the Leverhulme Trust and he was appointed a Chevalier de la Légion d'Honneur in 2005.

Mr. Cescau was group chief executive officer of Unilever from 2005 to 2009, having previously been chairman of Unilever PLC and deputy chairman of Unilever NV. He joined the Unilever Group in 1973. He was formerly a Senior Independent Director and Non-Executive Director of Pearson PLC and a Director at INSEAD.

- Date of first and subsequent appointments as a director of the Company:

Mr. Cescau was appointed as external independent director for the first time on September 27, 2010 and was last re-elected on June 20, 2013.

- Shares of the Company and derivative financial instruments whose underlying assets are shares of the Company held by the director:

Mr. Cescau has no shares in the Company.

PROPOSED RESOLUTION:

RESOLUTION 6.e)

“To re-elect Mr. Patrick Jean Pierre Cescau as a director for the bylaw mandated one-year term, upon proposal from the Nominations Committee, with the status of external independent director.”

- f) **TO RE-ELECT MR. ENRIQUE DUPUY DE LÔME AS A DIRECTOR, CLASSIFIED AS EXECUTIVE DIRECTOR.**

EXPLANATION:

In this resolution the Board of Directors proposes to the Shareholders' Meeting the re-election of Mr. Enrique Dupuy de Lôme Chávarri as a director, classified as executive director, upon proposal from the Nominations Committee.

- Professional profile and biographical data of Mr. Dupuy de Lôme:

Mr. Dupuy de Lôme became Chief Financial Officer of IAG in January 2011, joining from Iberia where he was Chief Financial Officer from 1990. He is responsible for the company's financial strategy and development, investor relations, treasury and financial risk management, group investments, accounting and audit. He currently sits on the Boards of Amadeus, as well as being Chairman of Iberia Cards.

As Iberia's Chief Financial Officer he led areas such as finance, investment and procurement. Between 2007 and 2009, he also played a leading role in Iberia's strategic planning. Prior to joining Iberia, Mr. Dupuy de Lôme was head of finance and deputy director of financial resources at INI (Instituto Nacional de Industria) and Teneo financial group. He was also previously head of subsidiaries at Enadimsa (INI Group).

Mr. Dupuy de Lôme has a degree in mining engineering from Universidad Politécnica de Madrid, and completed a Master's degree in economics and business administration at IESE (Barcelona) and a Master's degree in European Studies at CEU (Madrid).

- Date of first and subsequent appointments as a director of the Company:

Mr. Dupuy de Lôme was appointed as executive director for the first time on September 26, 2013.

- Shares of the Company and derivative financial instruments whose underlying assets are shares of the Company held:

Mr. Dupuy de Lôme owns 113,637 Company shares. In addition, he has interests in shares as a result of share awards (conditional awards) made pursuant to the Company share schemes as detailed below:

<i>Plan</i>	<i>Date of award</i>	<i>Vesting date</i>	<i>Shares within award</i>
IADP 2012	August 3, 2012	August 3, 2015 No performance conditions	37,267
PSP 2012	August 3, 2012	Subject to satisfaction of performance conditions tested over a 3 years period	372,670
IADP 2013	March 6, 2012	March 6, 2016 No performance conditions	62,241
PSP 2013	March 6, 2013	Subject to satisfaction of performance conditions tested over a 3 years period	248,963
IADP 2014	March 6, 2014	March 6, 2017 No performance conditions	50,862
PSP 2014	March 6, 2014	Subject to satisfaction of performance conditions tested over a 3 years period	137,931

PROPOSED RESOLUTION:

RESOLUTION 6.f)

“To re-elect Mr. Enrique Dupuy de Lôme Chávarri as a director for the bylaw mandated one-year term, upon proposal from the Nominations Committee, with the status of executive director.”

g) TO RE-ELECT BARONESS KINGSMILL AS A DIRECTOR, CLASSIFIED AS EXTERNAL INDEPENDENT DIRECTOR.

EXPLANATION:

In this resolution the Board of Directors proposes to the Shareholders' Meeting the re-election of Baroness Kingsmill as a director, classified as external independent director, upon proposal from the Nominations Committee.

- Professional profile and biographical data of Baroness Kingsmill:

Baroness Kingsmill is a Non-Executive Director of EON Supervisory Board, Senior Independent Director and Chairman of Nominations and Ethics Committees for APR Energy, Chairman of the UK Advisory Board of (24)7 Inc., Non-Executive Director of Telecom Italia, member of the International Advisory Board of the IESE Business School and Member of the House of Lords since 2006.

Prior to those offices, Baroness Kingsmill was a Non-Executive Director of British Airways from November 2004. Until December 2003, she chaired the Department of Trade and Industry's Accounting for People task force and was Deputy Chairman of the Competition Commission. .

- Date of first and subsequent appointments as a director of the Company:

Baroness Kingsmill was appointed as external independent director for the first time on September 27, 2010 and was last re-elected on November 29, 2010 (effective, January 21, 2011).

- Shares of the Company and derivative financial instruments whose underlying assets are shares of the Company held by the director:

Baroness Kingsmill owns 2,000 Company shares.

PROPOSED RESOLUTION:

RESOLUTION 6.g)

“To re-elect Baroness Denise Patricia Kingsmill as a director for the bylaw mandated one-year term, upon proposal from the Nominations Committee, with the status of external independent director.”

h) TO RE-ELECT MR. JAMES LAWRENCE AS A DIRECTOR, CLASSIFIED AS EXTERNAL INDEPENDENT DIRECTOR.

EXPLANATION:

In this resolution the Board of Directors proposes to the Shareholders' Meeting the

re-election of Mr. James Lawrence as a director, classified as external independent director, upon proposal from the Nominations Committee.

- Professional profile and biographical data of Mr. Lawrence:

Mr. Lawrence is the Chairman of Rothschild North America. He was a Non-Executive Director of British Airways from November 2006. He was CEO of Rothschild North America since June 2010, where he was Co-Head of Global Investment Banking. He was at Unilever from 2007 as Chief Financial Officer and as Executive Director on the Boards of Unilever NV and PLC. He was Vice Chairman, Chief Financial Officer and Head of International of General Mills from 1998 to 2007. Mr. Lawrence was Executive Vice President and Chief Financial Officer of Northwest Airlines, Executive Vice President and other executive positions in Pepsi-Cola, Chairman and Co-Founder of LEK Consulting and a Partner of Bain & Company.

- Date of first and subsequent appointments as a director of the Company:

Mr. Lawrence was appointed as external independent director for the first time on September 27, 2010 and was last re-elected on November 29, 2010 (effective, January 21, 2011).

- Shares of the Company and derivative financial instruments whose underlying assets are shares of the Company held by the director:

Mr. Lawrence owns 50,000 Company shares.

PROPOSED RESOLUTION:

RESOLUTION 6.h)

“To re-elect Mr. James Arthur Lawrence as a director for the bylaw mandated one-year term, upon proposal from the Nominations Committee, with the status of external independent director.”

- i) TO RE-ELECT MR. JOSÉ PEDRO PÉREZ-LLORCA AS A DIRECTOR, CLASSIFIED AS EXTERNAL INDEPENDENT DIRECTOR.**

EXPLANATION:

In this resolution the Board of Directors proposes to the Shareholders' Meeting the re-election of Mr. José Pedro Pérez-Llorca as a director, classified as external independent director, upon proposal from the Nominations Committee.

- Professional profile and biographical data of Mr. Pérez-Llorca:

Mr. Pérez-Llorca is the Founding Partner of Pérez-Llorca law firm, International

arbitrator and Chairman of the Board of Trustees of the Prado Museum. He was a Non-Executive Director of Iberia from 2000. Prior to those offices, he was the Chairman of AEG Ibérica, the Chairman of Urquijo Leasing, a Non-Executive Director of Telefónica, a Member of the Governing Council for the Madrid Stock Exchange, Minister with cabinet rank in several departments, including Foreign Affairs, one of the founding members of the UCD party and President of the Parliamentary Group of the Centrist Parliamentary Group in the Congress of Deputies.

Mr. Pérez-Llorca is one of the seven framers of the current Spanish Constitution. He is a career diplomat and congressional attorney.

- Date of first and subsequent appointments as a director of the Company:

Mr. Pérez-Llorca was appointed as external independent director for the first time on September 27, 2010 and was last re-elected on November 29, 2010 (effective, January 21, 2011).

- Shares of the Company and derivative financial instruments whose underlying assets are shares of the Company held by the director:

Mr. Pérez-Llorca owns 408 Company shares.

PROPOSED RESOLUTION:

RESOLUTION 6.i)

“To re-elect Mr. José Pedro Pérez-Llorca y Rodrigo as a director for the bylaw mandated one-year term, upon proposal from the Nominations Committee, with the status of external independent director.”

- j) TO RE-ELECT MR. KIERAN POYNTER AS A DIRECTOR, CLASSIFIED AS EXTERNAL INDEPENDENT DIRECTOR.**

EXPLANATION:

In this resolution the Board of Directors proposes to the Shareholders' Meeting the re-election of Mr. Kieran Poynter as a director, classified as external independent director, upon proposal from the Nominations Committee.

- Professional profile and biographical data of Mr. Poynter:

Mr. Poynter is the Chairman of F&C Asset Management PLC, Chairman of Nomura International PLC, a Non-Executive Director and Chairman of the Audit Committee of British American Tobacco. Prior to this, Mr. Poynter was a Member of the Advisory Committee for the Chancellor of the Exchequer on the competitiveness of the UK financial services sector in 2009-2010, a Member of

the President's Committee of the CBI from 2000 to 2008. Mr. Poynter spent 37 years with PricewaterhouseCoopers LLP in various roles including eight years as Chairman and Senior Partner before retiring in 2008.

- Date of first and subsequent appointments as a director of the Company:

Mr. Poynter was appointed as external independent director for the first time on September 27, 2010 and was last re-elected on November 29, 2010 (effective, January 21, 2011).

- Shares of the Company and derivative financial instruments whose underlying assets are shares of the Company held by the director:

Mr. Poynter has no shares in the Company.

PROPOSED RESOLUTION:

RESOLUTION 6.j)

“To re-elect Mr. Kieran Charles Poynter as a director for the bylaw mandated one-year term, upon proposal from the Nominations Committee, with the status of external independent director.”

- k) TO RE-ELECT MR. ALBERTO TEROL ESTEBAN AS A DIRECTOR, CLASSIFIED AS EXTERNAL INDEPENDENT DIRECTOR.**

EXPLANATION:

In this resolution the Board of Directors proposes to the Shareholders' Meeting the re-election of Mr. Alberto Terol Esteban as a director, classified as external independent director, upon proposal from the Nominations Committee.

- Professional profile and biographical data of Mr. Terol:

Mr. Terol is international senior advisor of BNP Paribas, S.A., an independent director and Chairman of the audit committee of Indra Sistemas, S.A., an independent director and Chairman of the audit committee of Obrascón Huarte Lain, S.A. (OHL), non-executive director of Aktua, S.A. (owned by Centerbridge) and executive chairman of different family businesses of his own. He is also member of the Círculo de Empresarios (entrepreneurial association in Spain), where he has held various roles including board membership and chairing the Strategy Group.

He joined Arthur Andersen in 1997, where he became a partner in 1989 and held various senior responsibilities until 2001, such as managing partner of EMEA Tax & Legal managing partner, Global Tax & Legal managing partner, Europe managing partner, global managing partner of Andersen Legal, member of the

Global Board of Partners and member of the Global Executive Committee. From 1998 to 2000 he was managing partner of Garrigues Andersen. In 2001 he joined Deloitte Touche Tohmatsu, where he served in several senior roles until 2009, such as managing partner of Global Tax & Legal, managing partner for Latin America, EMEA managing partner, member of the Worldwide Management Committee and member of the Global Executive Committee.

He holds a degree in Economics from the Universidad Complutense de Madrid, a master in Tax Management from the Universidad Pontificia Comillas (ICADE) and a master in Management (EDG) from the Instituto de Estudios Superiores de la Empresa (IESE).

- Date of first and subsequent appointments as a director of the Company:

Mr. Terol was appointed as external independent director on June 20, 2013.

- Shares of the Company and derivative financial instruments whose underlying assets are shares of the Company held by the director:

Mr. Terol Esteban has 9,200 Company shares.

PROPOSED RESOLUTION:

RESOLUTION 6.k)

“To re-elect Mr. Alberto Terol Esteban as a director for the bylaw mandated one-year term, upon proposal from the Nominations Committee, with the status of external independent director.”

- I) TO RATIFY THE APPOINTMENT BY CO-OPTION OF, AND TO RE-ELECT, DAME MARJORIE SCARDINO AS A DIRECTOR, CLASSIFIED AS EXTERNAL INDEPENDENT DIRECTOR.**

EXPLANATION:

In this resolution the Board of Directors proposes to the Shareholders' Meeting the ratification of the appointment by co-option, and the re-election, of Dame Marjorie Scardino as director, classified as external independent director, upon proposal from the Nominations Committee.

- Professional profile and biographical data of Dame Marjorie Scardino:

Dame Marjorie Scardino is Non-executive Director and member of the Audit Committee of Twitter. She is a member of a number of charitable boards including The MacArthur Foundation, Oxfam, and Carter Center, a Member of the Board of the Royal College of Art and a Member of the Advisory council of the Massachusetts Institute of Technology Media Lab. She is a member of the

Board of the Bridge Schools (Kenya). Prior to this, Dame Marjorie was Chief Executive Officer of Pearson plc from 1997 to 2012. From 1985 to 1997, she served in several roles at The Economist Group, including as Chief Executive Officer. Dame Marjorie served on the Board of Directors of Nokia Corporation from 2001 to 2013. She was a practising lawyer in the US.

She holds a B.A. in Psychology from Baylor University and a J.D. from the University of San Francisco School of Law.

- Shares of the Company and derivative financial instruments whose underlying assets are shares of the Company held by the director:

Dame Marjorie Scardino owns 100 Company shares.

PROPOSED RESOLUTION:

RESOLUTION 6.I)

“To ratify the appointment of Dame Marjorie Morris Scardino as director designated by co-option by resolution adopted by the Board of Directors at the meeting held on December 12, 2013, and to re-elect her for the bylaw mandated one-year term, upon proposal from the Nominations Committee, with the status of external independent director.”

- m) TO RATIFY THE APPOINTMENT BY CO-OPTION OF, AND TO RE-ELECT, MS. MARÍA FERNANDA MEJÍA CAMPUZANO AS A DIRECTOR, CLASSIFIED AS EXTERNAL INDEPENDENT DIRECTOR.**

EXPLANATION:

In this resolution the Board of Directors proposes to the Shareholders' Meeting the ratification of the appointment by co-option, and the re-election, of Ms. María Fernanda Mejía Campuzano as director, classified as external independent director, upon proposal from the Nominations Committee.

- Professional profile and biographical data of Ms. Mejía:

Ms. Mejía has been president of Kellogg Latin America since November 2011, and a member of Kellogg's Global Leadership Team since November 2012. Before that, Ms. Mejía held a variety of roles at the Colgate-Palmolive Company including corporate vice president and general manager, in addition she was responsible for the Global Personal Care and Corporate Fragrance Development, corporate vice president of marketing for Europe/South Pacific, and president and CEO of Colgate-Palmolive Spain. She joined Colgate in 1989. Ms. Mejía was on the Board of Directors of Colgate-Palmolive (Hellas) S.A.I.C. and Colgate-Palmolive Partipacos SGES S.A. She has been a member of the Young President's Organization, the International Women's Forum,

Cosmetic Executive Women's Organization, the Spanish section of the American Business Council and Circulo de Empresarios, the Business Leadership Forum of the Instituto de Empresa, and Junior Achievement.

- Shares of the Company and derivative financial instruments whose underlying assets are shares of the Company held by the director:

Ms. Mejía owns 100 Company shares.

PROPOSED RESOLUTION:

RESOLUTION 6.m)

“To ratify the appointment of Ms. María Fernanda Mejía Campuzano as director designated by co-option by resolution adopted by the Board of Directors at the meeting held on February 27, 2014, and to re-elect her for the bylaw mandated one-year term, upon proposal from the Nominations Committee, with the status of external independent director.”

* * *

- 7. AUTHORISATION, FOR A TERM ENDING AT THE END OF NEXT YEAR'S ANNUAL SHAREHOLDERS' MEETING (OR, IF EARLIER, FIFTEEN MONTHS FROM THE DATE OF PASSING OF THIS RESOLUTION), FOR THE DERIVATIVE ACQUISITION OF THE COMPANY'S OWN SHARES BY THE COMPANY ITSELF AND/OR BY ITS SUBSIDIARIES, UPON THE TERMS PROVIDED BY APPLICABLE LAW AND SUBJECT TO THE FOLLOWING CONDITIONS: (A) THE MAXIMUM AGGREGATE NUMBER OF ORDINARY SHARES WHICH ARE AUTHORISED TO BE PURCHASED SHALL BE THE LOWER OF THE MAXIMUM AMOUNT PERMITTED BY THE LAW AND SUCH NUMBER AS REPRESENTS TEN PER CENT. OF THE AGGREGATE NOMINAL AMOUNT OF THE COMPANY'S ISSUED ORDINARY SHARE CAPITAL AS AT THE DATE OF PASSING THIS RESOLUTION; (B) THE MINIMUM PRICE WHICH MAY BE PAID FOR AN ORDINARY SHARE IS ZERO; (C) THE MAXIMUM PRICE WHICH MAY BE PAID FOR AN ORDINARY SHARE IS THE HIGHEST OF: (I) AN AMOUNT EQUAL TO FIVE PER CENT. ABOVE THE AVERAGE OF THE MIDDLE MARKET QUOTATIONS FOR THE ORDINARY SHARES AS TAKEN FROM THE RELEVANT STOCK EXCHANGE FOR THE FIVE BUSINESS DAYS IMMEDIATELY PRECEDING THE DAY ON WHICH THAT ORDINARY SHARE IS CONTRACTED TO BE PURCHASED; AND (II) THE HIGHER OF THE PRICE OF THE LAST INDEPENDENT TRADE AND THE HIGHEST CURRENT INDEPENDENT BID ON THE TRADING VENUES WHERE THE PURCHASE IS CARRIED OUT AT THE RELEVANT TIME; IN EACH CASE, EXCLUSIVE OF EXPENSES.**

EXPLANATION:

Under the Companies Law, shareholders' approval is required for the Company to purchase its own shares, directly or indirectly through its subsidiaries. This resolution grants authority for the Company to make market purchases of its own ordinary shares up to a maximum of ordinary shares representing 10 per cent. of the issued ordinary share capital of the Company. Once purchased by the Company, ordinary shares will either be held in treasury or cancelled as issued shares. The minimum price, exclusive of expenses, which may be paid for an ordinary share is zero. The maximum price, exclusive of expenses, which may be paid for an ordinary share is the highest of: (i) an amount equal to five per cent. above the average of the middle market quotations for the ordinary shares as taken from the relevant stock exchange for the five business days immediately preceding the day on which that ordinary share is contracted to be purchased; and (ii) the higher of the price of the last independent trade and the highest current independent bid on the trading venues where the purchase is carried out at the relevant time.

The Company has no present intention of exercising the authority to make market purchases under this Resolution 7 (except purchases to cover share plans) and the seeking of this authority should not be taken to imply that shares will be purchased. The Company will exercise this authority only when such purchase is considered to be in the best interests of the Company and of its shareholders generally, and could be expected to result in an increase in the earnings per share of the Company. The directors believe that it is in the best interests of shareholders that the Company should have the flexibility to make market purchases of its own shares.

The shares acquired pursuant to this authorisation may be delivered directly to the employees or directors of the Company or its subsidiaries or as a result of the exercise of option rights held thereby.

As at May 7, 2014, the Company has options outstanding over 36,592,084 ordinary shares, representing 1.79 per cent. of the Company's ordinary issued share capital (excluding current treasury shares). If the existing authority now being sought by resolution 7 were to be fully used, these would represent 1.99 per cent. of the Company's ordinary issued share capital (excluding treasury shares).

The authority will expire at the earlier of fifteen months from the date of the passing of this resolution and the conclusion of the annual Shareholders' Meeting of the Company held in 2015.

PROPOSED RESOLUTION:

RESOLUTION 7

“To authorise the derivative acquisition of shares of International Consolidated Airlines Group, S.A. within the scope of Article 146 of the Companies Law (Ley de Sociedades de Capital), complying with the applicable legislation and subject to the following conditions:

- a) The acquisitions may be made directly by International Consolidated Airlines Group, S.A. or indirectly through its subsidiaries, on the same terms resulting from this resolution.*
- b) The acquisitions shall be made through purchase and sale, exchange or any other transaction permitted by the law.*
- c) The maximum aggregate number of ordinary shares which are authorised to be purchased is the lower of the maximum amount permitted by the law and the number as represents 10 per cent. of the aggregate nominal amount of the Company's issued ordinary share capital as at the date of passing this resolution.*
- d) The minimum price which may be paid for an ordinary share is zero;*
- e) The maximum price which may be paid for an ordinary share is the highest of:
 - (i) an amount equal to five per cent. above the average of the middle market quotations for the ordinary shares as taken from the relevant stock exchange for the five business days immediately preceding the day on which that ordinary share is contracted to be purchased; and*
 - (ii) the higher of the price of the last independent trade and the highest current independent bid on the trading venues where the purchase is carried out at the relevant time; in each case;**

in each case, exclusive of expenses.

- f) The authorisation is granted for a term ending at the end of next year's annual Shareholders' Meeting (or if earlier, fifteen months from the date of passing of this resolution).*

For the purposes of Article 146 of the Companies Law, it is expressly stated that the shares acquired pursuant to this authorisation may be delivered directly to the employees or directors of the Company or its subsidiaries or as a result of the exercise of option rights held thereby.”

* * *

- 8. AUTHORISATION TO THE BOARD OF DIRECTORS, WITH THE EXPRESS POWER OF SUBSTITUTION, FOR A TERM ENDING AT THE END OF NEXT YEAR'S ANNUAL SHAREHOLDERS' MEETING (OR, IF EARLIER, FIFTEEN MONTHS FROM THE DATE OF PASSING OF THIS RESOLUTION), TO INCREASE THE SHARE CAPITAL PURSUANT TO THE PROVISIONS OF ARTICLE 297.1.B) OF THE COMPANIES LAW, BY: (A) UP TO ONE-THIRD OF THE AGGREGATE NOMINAL AMOUNT OF THE COMPANY'S ISSUED ORDINARY SHARE CAPITAL AS AT THE DATE OF PASSING THIS RESOLUTION (SUCH AMOUNT TO BE REDUCED BY THE AMOUNT THAT THE SHARE CAPITAL HAS BEEN INCREASED BY AND THE MAXIMUM AMOUNT THAT THE SHARE CAPITAL MAY NEED TO BE INCREASED ON THE CONVERSION OR EXCHANGE OF ANY SECURITIES ISSUED UNDER PARAGRAPH (A) OF RESOLUTION 9); AND (B) UP TO A FURTHER ONE-SIXTH OF THE AGGREGATE NOMINAL AMOUNT OF THE COMPANY'S ISSUED ORDINARY SHARE CAPITAL AS AT THE DATE OF PASSING THIS RESOLUTION IN CONNECTION WITH AN OFFER BY WAY OF RIGHTS ISSUE (SUCH AMOUNT TO BE REDUCED BY THE AMOUNT THAT THE SHARE CAPITAL HAS BEEN INCREASED BY AND THE MAXIMUM AMOUNT THAT THE SHARE CAPITAL MAY NEED TO BE INCREASED ON THE CONVERSION OR EXCHANGE OF ANY SECURITIES ISSUED UNDER PARAGRAPH (B) OF RESOLUTION 9).**

EXPLANATION:

Under the Companies Law, shareholders' approval is required to grant the directors the authority to increase the share capital of the Company by issuing new shares against cash contributions.

The authority in this resolution will allow the directors to allot new ordinary shares up to one-third of the aggregate nominal amount of the Company's issued ordinary share capital as at the date of the passing of this resolution (that, at the date of approval of this proposal by the Board of Directors, would represent a total of 680,026,174 ordinary shares with a nominal value of 0.50 euro each) and in the case of a rights issue a further one sixth of the aggregate nominal amount of the Company's issued ordinary share capital as at the date of the passing of this resolution (that, at the date of approval of this proposal by the Board of Directors, would represent a total of 340,013,087 ordinary shares with a nominal value of 0.50 euro each). The amount of shares which may be issued under this resolution will be reduced by the number of ordinary shares which are issued and the maximum number of new ordinary shares which may be required to be issued for the purposes of the conversion or exchange of any securities issued under Resolution 9 (if passed).

There are no present plans to undertake a rights issue or to allot new ordinary shares under this Resolution 8. The directors consider it is desirable to have the maximum flexibility permitted by corporate governance guidelines to respond to market developments and to enable allotments to take place, should they determine it appropriate to do so without the need to incur the cost and delay of a shareholders' meeting of the Company to seek specific authority for an allotment. The Company currently has 314,135 treasury shares.

The authority will expire at the earlier of fifteen months from the date of the passing of this resolution and the conclusion of the annual Shareholders' Meeting of the Company held in 2015.

The directors of the Company have issued a report in order to justify the proposed resolution in accordance with the provisions of Articles 285, 296.1, 297.1.b) and 506 of the Companies Law.

PROPOSED RESOLUTION:

RESOLUTION 8

“To authorise the Board of Directors, to the fullest extent required under applicable law, with express power of substitution, and in accordance with Article 297.1.b) of the Companies Law (Ley de Sociedades de Capital), to increase the share capital of the Company on one or more occasions and when required, through the issuance and placement into circulation of new ordinary shares (with or without a premium) the consideration for which shall be cash contributions, under the following terms:

1. Term of the authorisation.- The capital increases subject to this authorisation may be done within a term ending at the end of next year’s annual Shareholders’ Meeting (or, if earlier, fifteen months from the date of passing of this resolution).

2. Maximum amount authorised.- The aggregate maximum amount of the issuance or issuances of ordinary shares shall be: (a) one-third of the aggregate nominal amount of the Company’s issued ordinary share capital as at the date of passing this resolution (such amount to be reduced by the amount that the share capital has been increased by and the maximum amount that the share capital may need to be increased on the conversion or exchange of any securities issued under paragraph (a) of Resolution 9); and (b) a further one-sixth of the aggregate nominal amount of the Company’s issued ordinary share capital as at the date of passing this resolution in connection with an offer by way of rights issue (such amount to be reduced by the amount that the share capital has been increased by and the maximum amount that the share capital may need to be increased on the conversion or exchange of any securities issued under paragraph (b) of Resolution 9).

The Board of Directors may establish, as to all matters not otherwise contemplated, the terms and conditions of the share capital increase and may also freely offer the new shares that are not subscribed for within the period or periods for the exercise of preemptive rights. The Board of Directors may also resolve that, in the event of incomplete subscription, the share capital shall be increased only by the amount of the subscriptions made and amend the article of the bylaws relating to share capital and number of shares.

The Company shall, when appropriate, make application for listing of the shares issued under this authorisation on Spanish or foreign, official or unofficial, organised or other secondary markets, and the Board of Directors shall be authorised to carry out all acts and formalities that may be required for admission to listing with the appropriate authorities of the various Spanish or foreign securities markets.

The Board of Directors is expressly authorised to delegate the powers delegated thereto under this resolution, as permitted by Article 249.2 of the Companies Law.

For the purposes of this resolution, “rights issue” means an offer to existing ordinary shareholders to subscribe or purchase further securities in proportion to their ordinary

shareholdings (as near as may be practicable, but subject to such exclusions or other arrangements as the Board of Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or legal, regulatory or practical problems in, or under the laws of, any territory or any other matter) made by means of the issue of pre-emption rights represented by securities decoupled from the ordinary shares to which they relate and which may be separately traded for a period before payment for the subscription or purchase is due.”

* * *

- 9. AUTHORISATION TO THE BOARD OF DIRECTORS, WITH THE EXPRESS POWER OF SUBSTITUTION, FOR A TERM ENDING AT THE END OF NEXT YEAR'S ANNUAL SHAREHOLDERS' MEETING (OR, IF EARLIER, FIFTEEN MONTHS FROM THE DATE OF PASSING OF THIS RESOLUTION), TO ISSUE SECURITIES (INCLUDING WARRANTS) CONVERTIBLE INTO AND/OR EXCHANGEABLE FOR SHARES OF THE COMPANY, UP TO A MAXIMUM LIMIT OF 1,000,000,000 EUROS OR THE EQUIVALENT THEREOF IN ANOTHER CURRENCY, PROVIDED THAT THE AGGREGATE SHARE CAPITAL THAT MAY NEED TO BE INCREASED ON THE CONVERSION OR EXCHANGE OF ALL SUCH SECURITIES MAY NOT BE HIGHER THAN: (A) ONE-THIRD OF THE AGGREGATE NOMINAL AMOUNT OF THE COMPANY'S ISSUED ORDINARY SHARE CAPITAL AS AT THE DATE OF PASSING THIS RESOLUTION (SUCH AMOUNT TO BE REDUCED BY THE AMOUNT THAT THE SHARE CAPITAL HAS BEEN INCREASED UNDER PARAGRAPH (A) OF RESOLUTION 8); AND (B) A FURTHER ONE-SIXTH OF THE AGGREGATE NOMINAL AMOUNT OF THE COMPANY'S ISSUED ORDINARY SHARE CAPITAL AS AT THE DATE OF PASSING THIS RESOLUTION IN CONNECTION WITH AN OFFER BY WAY OF RIGHTS ISSUE (SUCH AMOUNT TO BE REDUCED BY THE AMOUNT THAT THE SHARE CAPITAL HAS BEEN INCREASED UNDER PARAGRAPH (B) OF RESOLUTION 8). ESTABLISHMENT OF THE CRITERIA FOR DETERMINING THE BASIS FOR AND TERMS AND CONDITIONS APPLICABLE TO THE CONVERSION OR EXCHANGE. AUTHORISATION TO THE BOARD OF DIRECTORS, WITH THE EXPRESS POWER OF SUBSTITUTION, TO DEVELOP THE BASIS FOR AND TERMS AND CONDITIONS APPLICABLE TO THE CONVERSION OR EXCHANGE OF SUCH SECURITIES, AS WELL AS TO INCREASE THE SHARE CAPITAL BY THE REQUIRED AMOUNT ON THE CONVERSION.**

EXPLANATION:

The authority in this resolution will allow the directors to issue securities (including warrants) convertible into and/or exchangeable for shares of the Company, up to a maximum limit of 1,000,000,000 euros or the equivalent thereof in another currency, and the nominal value of the shares which may be issued on the conversion or exchange of all such securities may not be higher than one-third of the aggregate nominal amount of the Company's issued ordinary share capital as at the date of the passing of this resolution (that, at the date of approval of this proposal by the Board of Directors, would represent a total of 680,026,174 ordinary shares with a nominal value of 0.50 euro each) and in the case of a rights issue a further one sixth of the aggregate nominal amount of the Company's issued ordinary share capital, in each case as at the date of the passing of this resolution (that, at the date of approval of this proposal by the Board of Directors, would represent a total of 340,013,087 ordinary shares with a nominal value of 0.50 euro each). The amount of shares which may be issued in accordance with the conversion or exchange of such securities will be reduced by the number of new ordinary shares issued under Resolution 8 (if passed).

There are no present plans to exercise the authority under this Resolution 9. The directors consider that it is in the best interests of the Company and its shareholders that the directors should retain the ability to respond to market developments and to enable the directors to issue securities (including warrants) convertible into and/or exchangeable for shares of the Company, without the need to incur the cost and delay of a shareholders' meeting of the Company to seek specific authority to do so.

The authority will expire at the earlier of fifteen months from the date of the passing of this resolution and the conclusion of the annual Shareholders' Meeting of the Company held in 2015.

The directors of the Company have issued a report in order to justify the proposed resolution in accordance with the provisions of Articles 286, 297 and 511 of the Companies Law.

PROPOSED RESOLUTION:

RESOLUTION 9

“To authorise the Board of Directors, with the express power of substitution, pursuant to the general provisions governing the issuance of debentures and the provisions of Articles 286, 297 and 511 of the Companies Law (Ley de Sociedades de Capital) and Article 319 of the Regulations of the Mercantile Registry (Reglamento del Registro Mercantil), to issue securities under the following terms:

1. Securities to be issued.- The securities contemplated in this authorisation may be debentures and bonds that are exchangeable for shares of the Company and/or convertible into shares of the Company, as well as warrants (options to subscribe for new shares of the Company or to acquire existing shares of the Company).

2. Term of the authorisation.- The securities subject to this authorisation may be issued on one or more occasions and when required, within the term ending at the end of next year's annual Shareholders' Meeting (or, if earlier, fifteen months from the date of passing of this resolution).

3. Maximum amount authorised.- The aggregate maximum amount of the issuance or issuances of securities approved under this delegation shall be 1,000,000,000 euros or the equivalent thereof in another currency, provided that the aggregate share capital that may need to be increased on the conversion or exchange of all such securities may not be higher than: (a) one-third of the aggregate nominal amount of the Company's issued ordinary share capital as at the date of passing this resolution (such amount to be reduced by the amount that the share capital has been increased under paragraph (a) of Resolution 8); and (b) a further one-sixth of the aggregate nominal amount of the Company's issued ordinary share capital as at the date of passing this resolution in connection with an offer by way of rights issue (such amount to be reduced by the amount that the share capital has been increased under paragraph (b) of Resolution 8).

For the purposes of this resolution, “rights issue” means an offer to existing ordinary shareholders to subscribe or purchase further securities in proportion to their ordinary shareholdings (as near as may be practicable, but subject to such exclusions or other arrangements as the Board of Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or legal, regulatory or practical problems in, or under the laws of, any territory or any other matter) made by means of the issue of pre-emption rights represented by securities decoupled from the ordinary shares to which they relate and which may be separately traded for a period before payment for the subscription or purchase is due.

4. Scope of authorisation.- This authorisation extends as broadly as is required under law, to the establishment of the various terms and conditions of each issuance. By way of example and not of limitation, the Board of Directors shall be authorised to do the following with respect to each issuance: determine the amount thereof, always within the aforementioned overall quantitative limit; the place of issuance (in Spain or abroad); the domestic or foreign currency, and in the case of a foreign currency, its equivalence in euros; the name or form of the securities, whether they be bonds or debentures, including subordinated debentures, warrants (which may in turn be settled by means of the physical delivery of the shares or, if applicable, through the payment of differences in price), or any other name or form permitted by law; the date or dates of issuance; the number of securities and the par value thereof, which, in the case of convertible and/or exchangeable bonds or debentures, shall not be less than the par value of the shares; in the case of warrants and similar securities, the issue price and/or premium, the exercise price (which may be fixed or variable) and the procedure, period and other terms and conditions applicable to the exercise of the right to subscribe for the underlying shares or, if applicable, the exclusion of such right; the interest rate (whether fixed or variable), and the dates and procedures for payment of the coupon; whether the issuance is perpetual or subject to repayment and, in the latter case, the repayment period and the maturity date or dates; guarantees, reimbursement rate, premiums and lots; the form of representation, as securities or book entries; anti-dilution provisions; the rules applicable to subscription; the rank of the securities and the subordination clauses, if any; the law applicable to the issuance; the power to make application, where appropriate, for the listing of the securities to be issued on Spanish or foreign, official or unofficial, organised or other secondary markets, subject to the requirements established by applicable regulations in each case; and, in general, any other terms of the issuance as well as, if applicable, the appointment of the security-holders' syndicate representative (comisario) and the approval of the basic rules that are to govern the legal relationships between the Company and the syndicate of holders of the securities to be issued, in the event that such syndicate must or is decided to be created.

5. Basis for and terms and conditions applicable to the conversion and/or exchange.- In the case of issuance of convertible and/or exchangeable debentures or bonds, and for purposes of determining the basis for and terms and conditions applicable to the conversion and/or exchange, it is resolved to establish the following criteria:

- a) The securities issued pursuant to this resolution shall be convertible into shares of the Company and/or exchangeable into shares of the Company, in accordance with a fixed or variable conversion and/or exchange ratio determined or to be determined, with the Board of Directors being authorised to decide whether they are convertible and/or exchangeable, as well as to determine whether they are mandatorily or voluntarily convertible and/or exchangeable, and if voluntarily, at the option of the holder thereof and/or of the Company, at the intervals and during the period established in the resolution providing for the issuance.*
- b) In the event that the issuance is convertible and exchangeable, the Board may also provide that the issuer reserves the right at any time to elect between conversion into new shares or the exchange thereof for outstanding shares of the Company, with the nature of the shares to be delivered being determined at the time of*

conversion or exchange, and may also elect to deliver a combination of newly-issued shares and existing shares of the Company and even to settle the difference in cash.

- c) For purposes of the conversion and/or exchange, the securities shall be valued at the nominal amount thereof (including, should it be the case, accrued and not paid interests), and the shares at the fixed exchange ratio established in the resolution of the Board of Directors whereby this authorisation is exercised, or at a variable ratio to be determined on the date or dates specified in such resolution of the Board, based on the listing price of the Company's shares on the date(s) or during the period(s) used as a reference in such resolution, at a premium or at a discount, provided, however, that if a discount is established on the price per share, it shall not be greater than 25 per cent. of the value of the shares used as a reference value as set forth above.*
- d) In no event may the value of the share for purposes of the ratio for conversion of debentures into shares be less than the par value thereof. In addition, pursuant to the provisions of Section 415 of the Companies Law, debentures may not be converted into shares when the nominal value of the former is less than the par value of the latter.*

6. Basis for and terms and conditions for the exercise of warrants.-

In the case of issuances of warrants, to which the provisions of the Companies Law on convertible debentures shall apply by analogy, the Board of Directors is authorised to determine, in the broadest terms, in connection with the basis for and terms and conditions applicable to the exercise of such warrants, the criteria applicable to the exercise of rights to subscribe for or of rights to acquire shares of the Company arising from the securities of this kind issued under the delegation granted hereby. The criteria set forth in section 5 above shall apply to such issuances, with such adjustments as may be necessary in order to bring them into compliance with the legal and financial rules governing these kinds of securities.

7. Other powers delegated.- This authorisation to the Board of Directors also includes, without limitation, the delegation thereto of the following powers:

- a) The power to increase the share capital to the extent required to attend requests for conversion and/or for exercise of the right to subscribe for new shares. These power may only be exercised so long as the capital increase the Board of Directors approves for the issue of convertible securities or warrants does not exceed the unused limit authorised in each moment by the General Shareholders' Meeting in accordance with Article 297.1.b) of the Companies Law. This authorisation to increase the share capital includes the authorisation to issue and float, on one or more occasions, the shares representing such capital that are necessary to carry out the conversion and/or to exercise the right to subscribe for new shares, as well as the power to amend the article of the bylaws relating to the amount of the share capital and the number of shares and, if appropriate, to cancel the portion of such capital increase that was not required for the conversion of shares and/or the*

exercise of the right to subscribe for new shares.

- b) The power to elaborate on and specify the basis for and terms and conditions applicable to the conversion, exchange and/or exercise of the rights to subscribe for and/or acquire shares arising from the securities to be issued, taking into account the criteria set out in sections 5 and 6 above.*
- c) The delegation to the Board of Directors includes the broadest powers that may be required by law in order to interpret, apply, implement and develop the resolutions providing for the issuance of securities that are convertible into or exchangeable for shares of the Company, on one or more occasions, and to carry out the corresponding capital increase, as well as the power to correct and supplement such resolutions as to all matters that may be necessary and to comply with all legal requirements for the successful implementation thereof. To such end, the Board of Directors may correct any omissions or defects in the aforementioned resolutions that may be identified by any Spanish or foreign authorities, officers or bodies, and may also adopt all such resolutions and execute all such public or private documents as it may deem necessary or appropriate in order to adjust the preceding resolutions for the issuance of convertible or exchangeable securities and the corresponding capital increase to the oral or written assessment of the commercial registrar or, in general, of any other Spanish or foreign competent authorities, officers or entities.*

8. Admission to trading.- Whenever appropriate, the Company shall make application for listing on Spanish or foreign, official or unofficial, organised or other secondary markets of the convertible and/or exchangeable debentures and/or bonds or of the warrants issued by the Company exercising the powers delegated hereby, and the Board of Directors is authorised, as fully as is required by law, to conduct all acts and formalities that may be necessary for admission to listing before the appropriate authorities of the various Spanish or foreign securities markets.

It is expressly stated for the record that if application is subsequently made for delisting of the securities, it shall be made in compliance with the same formalities as the application for listing, to the extent applicable, and, in such case, the interests of the shareholders or debenture holders opposing or not voting on the resolution shall be safeguarded in compliance with the requirements established by applicable law. In addition, it is expressly stated that the Company undertakes to abide by Stock Market regulations, whether now existing or as may hereafter be issued, particularly as regards trading, continued listing and delisting of securities.

9. Guarantee of issues of convertible and/or exchangeable securities or warrants by subsidiaries.- The Board of Directors is also authorised to guarantee on behalf of the Company, within the limits set forth above, new issuances of convertible and/or exchangeable securities or warrants by subsidiaries during the effective period of this resolution.

10. Power to delegate.- The Board of Directors is expressly authorised to delegate the powers delegated thereto under this resolution, as permitted by Article 249.2 of the

Companies Law.”

* * *

10. AUTHORISATION TO THE BOARD OF DIRECTORS, WITH THE EXPRESS POWER OF SUBSTITUTION, TO EXCLUDE PRE-EMPTIVE RIGHTS IN CONNECTION WITH THE CAPITAL INCREASES AND THE ISSUANCES OF CONVERTIBLE OR EXCHANGEABLE SECURITIES THAT THE BOARD OF DIRECTORS MAY APPROVE UNDER THE AUTHORITY GIVEN UNDER RESOLUTION 8 OR RESOLUTION 9 FOR THE PURPOSES OF ALLOTING ORDINARY SHARES OR CONVERTIBLE OR EXCHANGEABLE SECURITIES IN CONNECTION WITH A RIGHTS ISSUE OR IN ANY OTHER CIRCUMSTANCES FOR THE PURPOSES OF ALLOTING ORDINARY SHARES OR CONVERTIBLE OR EXCHANGEABLE SECURITIES SUBJECT TO AN AGGREGATE MAXIMUM NOMINAL AMOUNT OF THE ORDINARY SHARES SO ALLOTTED AND THAT MAY BE ALLOTTED ON CONVERSION OR EXCHANGE OF SUCH SECURITIES OF FIVE PER CENT. OF THE AGGREGATE NOMINAL AMOUNT OF THE COMPANY'S ISSUED ORDINARY SHARE CAPITAL AS AT THE DATE OF PASSING THIS RESOLUTION.

EXPLANATION:

If the directors wish to allot new ordinary shares, the Companies Law requires that these shares are offered first to existing shareholders in proportion to their existing holdings.

This resolution delegates power to the Board of Directors to allot new ordinary shares or securities which may be converted or exchanged into new ordinary shares either in accordance with a rights issue or where the value of the ordinary shares so allotted and that may be allotted on the conversion or exchange of such securities is up to a nominal amount of five per cent. of the aggregate nominal amount of the Company's issued ordinary share capital as at the date of the passing of this resolution, without the shares or convertible or exchangeable securities first being offered to existing shareholders in proportion to their existing holdings, in connection with the capital increases and the issuances of convertible or exchangeable securities that the Board of Directors may approve under the authority given under Resolution 8 or Resolution 9 (if passed).

The Board of Directors intends to adhere to the provisions in the UK Pre-emption Group's Statement of Principles as if they applied to a Spanish incorporated company not to allot shares for cash on a non pre-emptive basis (other than pursuant to a rights issue or pre-emptive offer) in excess of an amount equal to 7.5 per cent. of the total issued ordinary share capital of the Company within a rolling three year period without prior explanation to and consultation with shareholders.

The directors of the Company have issued a report in order to justify the proposed resolution in accordance with the provisions of Articles 506 and 511 of the Companies Law.

PROPOSED RESOLUTION:

RESOLUTION 10

"To authorise the Board of Directors, with the express power of substitution, to totally or partially exclude legal pre-emptive rights as permitted by Article 506 and Article 511 of the Companies Law (Ley de Sociedades de Capital) in connection with the capital increases and the issuances of convertible or exchangeable securities that the Board of

Directors may approve under the authority given under Resolution 8 or Resolution 9 provided that the such capital increases and issuances of convertible or exchangeable securities are (a) for the purposes of allotting ordinary shares or convertible or exchangeable securities in connection with a rights issue; or (b) in any other circumstances, for the purposes of allotting ordinary shares or convertible or exchangeable securities subject to an aggregate maximum nominal amount of the ordinary shares so allotted and that may be allotted on conversion or exchange of such securities of five per cent. of the aggregate nominal amount of the Company's issued ordinary share capital as at the date of passing this Resolution.

The Board of Directors is expressly authorised to delegate the powers delegated thereto under this resolution, as permitted by Article 249.2 of the Companies Law.

For the purposes of this resolution, "rights issue" means an offer to existing ordinary shareholders to subscribe or purchase further securities in proportion to their ordinary shareholdings (as near as may be practicable, but subject to such exclusions or other arrangements as the Board of Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates or legal, regulatory or practical problems in, or under the laws of, any territory or any other matter) made by means of the issue of pre-emption rights represented by securities decoupled from the ordinary shares to which they relate and which may be separately traded for a period before payment for the subscription or purchase is due."

* * *

11. AUTHORISATION TO THE BOARD OF DIRECTORS, WITH THE EXPRESS POWER OF SUBSTITUTION, FOR A TERM ENDING AT THE END OF NEXT YEAR'S ANNUAL SHAREHOLDERS' MEETING (OR, IF EARLIER, FIFTEEN MONTHS FROM THE DATE OF PASSING OF THIS RESOLUTION), TO ISSUE: (A) BONDS OR SIMPLE DEBENTURES AND OTHER DEBT SECURITIES OF A LIKE NATURE (OTHER THAN NOTES), UP TO A MAXIMUM AMOUNT OF 1,000,000,000 EUROS OR THE EQUIVALENT THEREOF IN ANOTHER CURRENCY; AND (B) NOTES (*PAGARÉS*) UP TO A MAXIMUM AMOUNT AT ANY GIVEN TIME, INDEPENDENTLY OF THE FOREGOING, OF 500,000,000 EUROS OR THE EQUIVALENT THEREOF IN ANOTHER CURRENCY. AUTHORISATION FOR THE COMPANY TO GUARANTEE, WITHIN THE LIMITS SET FORTH ABOVE, NEW ISSUANCES OF SECURITIES BY SUBSIDIARIES.

EXPLANATION:

The authority in this resolution pursuant to the general provisions governing the issuance of debentures and the provisions of Articles 401 et seq. and 510 of the Companies Law, Article 319 of the Mercantile Registry Regulations (*Reglamento del Registro Mercantil*) and other applicable legislation will grant the directors authority to allow the Company to issue: (a) bonds or simple debentures and other debt securities of a like nature (other than notes), up to a maximum amount of 1,000,000,000 euros or the equivalent thereof in another currency, and (b) notes (*pagarés*) up to a maximum amount, at any given time, independently of the foregoing, of 500,000,000 euros or the equivalent thereof in another currency.

There are no present plans to exercise the authority under this Resolution 11. The directors consider that it is in the best interests of the Company and its shareholders that the directors should retain the ability to respond to market developments, to be in a position at all times to raise the necessary funds on primary securities markets to adequately manage the corporate interests and to enable the directors to issue bonds, notes and other similar loan instruments, without the need to incur the cost and delay of a shareholders' meeting of the Company to seek specific authority for an allotment.

The Board of Directors deems it appropriate that the limit of the authorisation is sufficiently broad to enable the raising of the necessary funds in the capital markets to implement the finance policy of the Company and of the Group.

The authority will expire at the earlier of fifteen months from the date of the passing of this resolution and the conclusion of the annual Shareholders' Meeting of the Company held in 2015.

PROPOSED RESOLUTION:

RESOLUTION 11

“To authorise the Board of Directors, pursuant to the general provisions governing the issuance of debentures and the provisions of Article 319 of the Regulations of the Mercantile Registry (Reglamento del Registro Mercantil), to issue securities under the following terms:

1. Securities to be issued.- The securities contemplated in this authorisation may be bonds or simple debentures, notes and other debts securities of a like nature.

2. Period of the authorisation.- The issuance of the securities covered by this authorisation may be effected on one or more occasions within a term ending at the end of next year's annual Shareholders' Meeting or, if earlier, fifteen months from the date of passing of this resolution.

3. Maximum amount under this delegation.-

a) The aggregate maximum amount of the issuance or issuances of bonds or simple debentures and other debt securities of a like nature (other than notes (pagarés)), approved under this authorisation shall be 1,000,000,000 euros, or the equivalent thereof in another currency.

b) For its part, the outstanding balance of the notes (pagarés) that are issued under this authorisation shall at no time exceed the sum of 500,000,000 euros or the equivalent thereof in another currency. This limit is independent of the limit established in sub-section a) above.

4. Scope of the authorisation.- The authorisation to issue the securities contemplated in this resolution shall extend, as broadly as is required by law, to the establishment of the different terms and conditions applicable to each issuance (par value, issue price, reimbursement price, domestic or foreign currency of the issuance, form of representation, interest rate, amortization, subordination clauses, guarantees supporting the issuance, place of issuance, law applicable thereto, if appropriate, establishment of the internal regulations of the bondholders' syndicate and appointment of the bondholders' syndicate representative (comisario) in the case of the issuance of simple bonds and debentures, if required, admission to listing, etc.) and to the conduct of any and all formalities that may be necessary, including those provided for in the applicable securities market regulations, for the execution of the specific issuances that may be resolved to be effected under this delegation.

5. Listing.- The Company shall, where appropriate, make application for listing on Spanish or foreign, official or unofficial, organised or other secondary markets of the securities issued by the Company pursuant to this delegation, and the Board of Directors is authorised, as broadly as is required by law, to carry out all formalities and acts required for admission to listing with the appropriate authorities of the various Spanish or foreign securities markets.

It is expressly stated for the record that if application is subsequently made for delisting of the securities, it shall be made in compliance with the same formalities as the application for listing, to the extent applicable, and, in such case, the interests of the shareholders or bondholders opposing or not voting on the resolution shall be safeguarded in compliance with the requirements established by applicable law. In addition, it is expressly stated that the Company undertakes to abide by Stock Market regulations, whether now existing or as may hereafter be issued, particularly as regards trading, continued listing and delisting of securities.

6. Guarantee of issues of securities by subsidiaries.- The Board of Directors is also authorised to guarantee, on behalf of the Company and within the limits set forth above, new issuances of securities by subsidiaries during the effective period of this resolution.

7. Power of substitution.- The Board of Directors is expressly authorised to delegate the powers delegated thereto under this resolution, as permitted by Article 249.2 of the Companies Law (Ley de Sociedades de Capital).”

* * *

12. APPLICATION OF THE SPANISH CONSOLIDATION TAX REGIME, WHEREBY THE TAX GROUP AS A WHOLE IS TREATED AS TAXPAYER, RATHER THAN ITS INDIVIDUAL MEMBERS, TO THE GROUP FORMED BY THE COMPANY AND ITS SPANISH SUBSIDIARIES IN WHICH THE COMPANY DIRECTLY OR INDIRECTLY OWNS AT LEAST 75 PER CENT. OF THEIR SHARE CAPITAL.

EXPLANATION:

Under Spanish tax law, groups of companies can elect to participate in the Spanish corporate income tax regime for consolidated tax groups, whereby the tax group as a whole is treated as taxpayer, rather than its individual members, and the parent company represents the tax group.

For these purposes, a tax group under Spanish law is a set of Spanish-resident companies comprising a Spanish parent and all of its “dependent companies”, meaning the Spanish subsidiaries in which the parent directly or indirectly owns, at least, 75 per cent of their share capital on the first day of the tax period in which the consolidated tax group regime applies and provided that interest is held throughout the tax period.

By reference to the group structure of IAG, in which the parent is the Company, the IAG Spanish tax group would consist of the Company and the Spanish companies in which the Company directly or indirectly owns at least 75 per cent of their share capital, in other words, currently only Veloz Holdco, S.L.U., a subsidiary wholly owned by the Company and Vueling Airlines, S.A. in which IAG holds 53,51 per cent. of the share capital.

Spanish law requires that the election to apply the consolidated tax group regime must be approved by the Shareholders’ Meeting of the companies that are members of the tax group and that the election must be notified to the tax authorities in the legally stipulated manner.

The Board of Directors considers it to be of great benefit to apply the consolidated tax group regime described above and, therefore, recommends approval of this resolution to the Shareholders’ Meeting.

PROPOSED RESOLUTION:

RESOLUTION 12

“Considering that International Consolidated Airlines Group, S.A. is the parent company of a group, to elect the application of the Spanish consolidated tax regime under Articles 64 et seq. of the Revised Corporate Income Tax Law approved by Legislative Royal Decree 4/2004, of 5 March 2004, for the fiscal year commencing on 1 January 2015 and for all the following years in which that regime is applicable.

For this purpose, this resolution shall be notified to the Spanish tax authorities in accordance with applicable law.

The subsidiaries of the Company for the purposes of that regime shall be those that fulfill the requirements to qualify as such, according of the legislation mentioned above, as of

January 1, 2015.”

* * *

13. CONSULTATIVE VOTE ON THE 2013 ANNUAL REPORT ON THE REMUNERATION OF THE DIRECTORS OF THE COMPANY.

EXPLANATION:

Detailed information regarding the remuneration of the directors is set out in the 2013 annual directors' remuneration report prepared in accordance with the form approved by the Circular 4/2013 of the Spanish Comisión Nacional del Mercado de Valores.

In accordance with Article 61 *ter* of the Securities Market Law (*Ley del Mercado de Valores*), the Board of Directors presents the 2013 annual directors' remuneration report to shareholders for a consultative vote.

PROPOSED RESOLUTION:

RESOLUTION 13

“To approve, on a consultative basis, the 2013 annual report on the remuneration of the directors of International Consolidated Airlines Group, S.A.”

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14. DELEGATION OF POWERS TO FORMALISE AND EXECUTE ALL RESOLUTIONS ADOPTED BY THE SHAREHOLDERS AT THIS SHAREHOLDERS' MEETING, FOR CONVERSION THEREOF INTO A PUBLIC INSTRUMENT, AND FOR THE INTERPRETATION, CORRECTION AND SUPPLEMENTATION THEREOF OR FURTHER ELABORATION THEREON UNTIL THE REQUIRED REGISTRATIONS ARE MADE, IF APPLICABLE.

EXPLANATION:

In this resolution, the Board of Directors requests the delegation of the relevant authorities and powers to execute all the foregoing resolutions according to applicable law.

PROPOSED RESOLUTION:

RESOLUTION 14

“Without prejudice to the powers delegated in the preceding resolutions, to confer authority on the Board of Directors, with the express power of substitution, to the Chairman of the Board of Directors, to the Deputy Chairman of the Board of Directors, to the Chief Executive Officer, to the Secretary of the Board of Directors and to the Deputy Secretary of the Board of Directors, to the fullest extent permitted by law, so that any of them may execute the foregoing resolutions, for which purpose they may: (i) establish, interpret, clarify, complete, develop, amend, remedy errors or omissions and adapt the aforementioned resolutions according to the verbal or written qualifications of the Mercantile Registry and any competent authorities, civil servants or institutions; (ii) draw up and publish the announcements required by law; (iii) place the aforementioned resolutions on public record and grant any public and/or private documents they deem necessary or advisable for their implementation; (iv) deposit the annual accounts and other mandatory documentation at the Mercantile Registry or in other applicable registries, and (v) engage in any acts that may be necessary or advisable to successfully implement them and, in particular, to have them filed at the Mercantile Registry or in other applicable registries.”

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May 8, 2014