

**INTERNATIONAL CONSOLIDATED AIRLINES GROUP, S.A.**  
Shareholders' Meeting

Pursuant to a resolution by the Board of Directors, the **Shareholders' Meeting of International Consolidated Airlines Group, S.A.** (the "**Company**") is called to be held in **Madrid, at Auditorio de la Fundación Albéniz, calle Requena 1-3**, on June 17, 2015 at 12 noon (CET), on first call, and on the following day, **June 18, 2015 at 12 noon (CET)**, at the same venue, on second call. In light of the fact that the quorum required by law and the Corporate Bylaws for the Shareholders' Meeting may not be met on first call, shareholders are informed that the Shareholders' Meeting will be held on second call.

The Shareholders' Meeting is called in accordance with the following

**AGENDA**

- 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, 2014.
- 2.- Approval of the proposal for the allocation of results corresponding to the financial year ended on December 31, 2014.
- 3.- Approval of the management of the Board of Directors during the financial year ended on December 31, 2014.
- 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 2015.
  - 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.
- 5.- Re-election of directors for the Corporate Bylaws mandated one-year term:
  - a) Record the expiration of the directors' terms of office and to fix at 12 the number of Board members.
  - b) To re-elect Mr. Antonio Vázquez Romero as a director, classified as other external director.
  - c) To re-elect Sir Martin Broughton as a director, classified as non-executive independent director.
  - d) To re-elect Mr. William Walsh as a director, classified as executive director.
  - e) To re-elect Mr. César Alierta Izuel as a director, classified as non-executive independent director.

- f) To re-elect Mr. Patrick Cescau as a director, classified as non-executive independent director.
  - g) To re-elect Mr. Enrique Dupuy de Lôme as a director, classified as executive director.
  - h) To re-elect Baroness Kingsmill as a director, classified as non-executive independent director.
  - i) To re-elect Mr. James Lawrence as a director, classified as non-executive independent director.
  - j) To re-elect Ms. María Fernanda Mejía Campuzano as a director, classified as non-executive independent director.
  - k) To re-elect Mr. Kieran Poynter as a director, classified as non-executive independent director.
  - l) To re-elect Dame Marjorie Scardino as a director, classified as non-executive independent director.
  - m) To re-elect Mr. Alberto Terol Esteban as a director, classified as non-executive independent director.
- 6.- Resolutions on directors' remuneration:
- a) Consultative vote on the 2014 annual report on directors' remuneration.
  - b) Approval of the directors' remuneration policy.
  - c) Approval for the purposes of article 37.8 of the Corporate Bylaws, of the rules on rights to plane tickets of non-executive directors who cease to hold office.
- 7.- Amendment of the Corporate Bylaws to adapt them to the reform of the Companies Law by Law 31/2014, of December 3, in order to enhance corporate governance, and in order to introduce technical and systematic improvements:
- a) Amendment of the following articles of Title III, Section 1<sup>st</sup> (*Shareholders' Meeting*) of the Corporate Bylaws: 21 (*Call of the Shareholders' Meeting*), 22 (*Power and obligation to call meetings*), 23 (*Right to information*) and 31 (*Adoption of resolutions. Consultative vote*).
  - b) Amendment of the following articles of Title III, Section 2<sup>nd</sup> (*The Managing Body*) of the Corporate Bylaws: 37 (*Remuneration*), 38 (*General obligations of Board members*), 39 (*Board Meetings*), 40 (*Constitution*), 44 (*Board Advisory Committees*) and 45 (*Audit and Compliance Committee*).
- 8.- Amendment of the Shareholders' Meeting Regulations to adapt them to the reform of the Companies Law by Law 31/2014, of December 3, in order to enhance corporate governance, and in order to introduce technical and systematic improvements: amendment

of articles 7 (*Powers of the shareholders acting at a Shareholders' Meeting*), 10 (*Call of the Shareholders' Meeting*), 11 (*Announcement of the call*), 12 (*Information available from the date of notice*), 13 (*Right of information prior to the holding of a Shareholders' Meeting*), 19 (*Presiding Committee at General Meetings*), 23 (*List of attendees*), 24 (*Commencement of the Meeting*), 25 (*Requests for statements*), 26 (*Reports*), 28 (*Right to be informed during the course of a Shareholders' Meeting*), 29 (*Establishment of a final quorum for the Shareholders' Meeting*), 32 (*Adoption of resolutions and declaration of the results of votes*) and 36 (*Publication of resolutions*).

- 9.- Authorisation, for a term ending at 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 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 share capital as at the date of passing this resolution; (b) the minimum price which may be paid for a share is zero; (c) the maximum price which may be paid for a share is the highest of: (i) an amount equal to five per cent. above the average of the middle market quotations for the shares as taken from the relevant stock exchange for the five business days immediately preceding the day on which the transaction is performed; and (ii) the higher of the price of the last independent trade and the highest current independent bid on the trading venues where the transaction is carried out at the relevant time; in each case, exclusive of expenses.
- 10.- Authorisation to the Board of Directors, with the express power of substitution, for a term ending at 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 up to (a) one-third of the 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 11); and (b) up to a further one-sixth of the share capital as at the date of passing this resolution in connection with an offer by way of a rights issue in accordance with the Listing Rules made under Part IV of the United Kingdom Financial Services and Markets Act 2000 (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 11).
- 11.- Authorisation to the Board of Directors, with the express power of substitution, for a term ending at 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 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 10); and (b) a further one-sixth of the share

capital as at the date of passing this resolution in connection with an offer by way of a rights issue in accordance with the Listing Rules made under Part IV of the United Kingdom Financial Services and Markets Act 2000 (such amount to be reduced by the amount that the share capital has been increased under paragraph (b) of Resolution 10). 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.

- 12.- 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 Resolutions 10 and 11 for the purposes of allotting shares or convertible or exchangeable securities in connection with a rights issue in accordance with the Listing Rules made under Part IV of the United Kingdom Financial Services and Markets Act 2000 or in any other circumstances subject to an aggregate maximum nominal amount of the shares so allotted and that may be allotted on conversion or exchange of such securities of five per cent. of the share capital as at the date of passing this resolution.
- 13.- Approval of the allotment of a maximum number of shares of the Company for share awards (including the awards to executive directors) under the IAG Performance Share Plan (PSP) and the IAG Incentive Award Deferral Plan (IADP), in relation to the remuneration for the 2015, 2016, 2017 and 2018 financial years.
- 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.

#### **BOARD RECOMMENDATION**

The Board of Directors considers that each resolution to be proposed at the Shareholders' Meeting is in the best interest of the shareholders as a whole and recommends shareholders to vote in favour of all resolutions.

#### **SUPPLEMENT TO THE CALL NOTICE AND PROPOSED RESOLUTIONS**

Shareholders representing at least three per cent. of the capital stock may (a) request the publication of a supplement to this call notice, including one or more items on the agenda, provided they are accompanied by a justification or, as appropriate, a justified proposed resolution; and (b) submit reasoned proposals for resolutions on items already included or to be included on the agenda. This right must be exercised by serving duly authenticated notice (including the relevant documentation evidencing shareholder status) which must be received at the registered office (El Caserío, Iberia Zona Industrial nº 2 (La Muñoza), Camino de La Muñoza, s/n, 28042 Madrid), marked for the attention of the Shareholder Office (IAG) within five days after the publication of this call notice.

#### **RIGHT TO INFORMATION**

Under the applicable legislation and, in particular, Article 272 and related provisions of the Companies Law (*Ley de Sociedades de Capital*), shareholders have the right to examine and obtain at the registered office (El Caserío, Iberia Zona Industrial nº 2 (La Muñoza), Camino de La Muñoza, s/n, 28042 Madrid) or at the Shareholder Office (IAG) (calle Martínez Villergas, 49, 28027 Madrid), Monday to Friday, from 0930 to 1400 and from 1430 to 1600 (CET), or to make a request to the Company that a copy of the following documents be delivered or sent to them, immediately and free of charge:

- the Company's individual and consolidated financial statements and management reports (which include the annual corporate governance report), together with the related auditors' reports, and the proposed allocation of results, all of the above in relation to the fiscal year ended December 31, 2014;
- the complete wording of the proposed resolutions prepared by the Board of Directors in relation to the items on the agenda and the reports issued by the Board in relation to items 5 (which contain the professional profile and biography and other particulars of the directors whose re-election is proposed), 7, 8, 10, 11 and 12 on the agenda;
- the 2014 annual report on directors' remuneration; and
- the proposal regarding the directors' remuneration policy, together with the relevant report by the Remuneration Committee.

All of the documents mentioned above are also available on the Company's website ([www.iairgroup.com](http://www.iairgroup.com)) both in Spanish and English.

Until the fifth day before the scheduled date for holding the Shareholders' Meeting, that is, until June 13, 2015, considering that the Shareholders' Meeting will be held on second call, shareholders may request any information or clarification they consider necessary, or submit in writing any questions they consider should be asked, concerning the items on the agenda or any publicly available information provided by the Company to the CNMV (the Spanish Securities Market Commission) since the holding of the last Shareholders' Meeting, i.e. since June 18, 2014, and concerning the auditor's report.

Any requests for information or clarification and the submission of questions must be sent in writing and handed in directly at the registered office (El Caserío, Iberia Zona Industrial nº 2 (La Muñoza), Camino de La Muñoza, s/n, 28042 Madrid) or at the Shareholder Office (IAG) (calle Martínez Villergas, 49, 28027 Madrid), Monday to Friday, from 0930 to 1400 and from 1430 to 1600 (CET) or sent by post (to the above address) or by e-mail (to the e-mail address: [shareholder.services@iairgroup.com](mailto:shareholder.services@iairgroup.com) (English) or [accionistas@iairgroup.com](mailto:accionistas@iairgroup.com) (Spanish)), mentioning the name of the shareholder making the request and the address for the purpose of replying.

Furthermore, the Shareholders' Meeting will be informed of the amendments made to the Board of Directors Regulations since the holding of the last Shareholders' Meeting, i.e. since June 18, 2014.

## **RIGHT TO ATTEND AND RIGHT OF REPRESENTATION**

Shareholders who have shares entered in their name on the relevant record of book entries at least five days before the date scheduled for the Shareholders' Meeting, that is, not later than June 13, 2015, considering that the Shareholders' Meeting will be held on second call, and evidence this by producing the appropriate attendance, proxy and remote vote card or certificate issued by one of the participating entities of the agency which manages said accounting register or in any other manner permitted by legislation in force, will be entitled to attend the Shareholders' Meeting in a speaking and voting capacity.

Holders of CREST Depository Interests (CDI) representing shares in the Company will not be entitled to attend or vote or exercise other shareholder rights at the Shareholders' Meeting unless they have been appointed as proxy to attend and speak at the Shareholders' Meeting and to vote the underlying shares to which such holder is entitled. Further information on the requirements for CDI holders to appoint proxies is set out in this notice.

All shareholders authorised to attend the Shareholders' Meeting may appoint any other person to represent them by fulfilling the requirements and formalities required to this end.

Attendance, proxy and remote vote cards will be issued and sent out by the Company to the addresses of the shareholders, as they appear on the Company's share register book. Attendance, proxy and remote vote card forms will be available on the Company's website ([www.iairgroup.com](http://www.iairgroup.com)) both in Spanish and English.

In order for the proxy to be valid, it must be accepted by the proxy-holder. Save for the provisions regarding remote proxies, proxy-holders must record their acceptance on the attendance, proxy and remote vote card that has been signed as required by the proxy-holder. Notwithstanding this, all of the Board members have stated their personal decision to accept and carry out all proxies conferred on them, meaning that it will not be necessary for them to sign each individual attendance, proxy and remote vote card appointing them as proxies in order to leave record of their acceptance.

### **PROXIES AND VOTING BY REMOTE MEANS**

Shareholders may appoint proxies or cast their vote prior to the Shareholders' Meeting using the following remote means of communication:

- a) By post: by sending their original attendance, proxy and remote vote card, with the relevant section duly completed and signed, to the Shareholder Office (IAG) (calle Martínez Villergas, 49, 28027 Madrid).
- b) Electronically: on the Company's website ([www.iairgroup.com](http://www.iairgroup.com)), by following the instructions given and using their electronic DNI (DNIe) or their digital signature based on a recognised and valid certificate issued by the Spanish Public Certification Entity (CERES) attached to *Fábrica Nacional de Moneda y Timbre*.

Proxies appointed or remote votes cast using any of the remote means set out above must be received by the Company not later than midnight on the day immediately preceding the date scheduled for the Shareholders' Meeting that is, not later than midnight June 17, 2015, considering that the Shareholders' Meeting will be held on second call. Otherwise, proxies will be considered not to have been appointed for the meeting or remote votes will be considered not issued.

Attendance at the Shareholders' Meeting by the represented shareholder, whether in person or by having voted using remote means, will revoke the appointment of a proxy, regardless of the date of the appointment.

The Company will not be liable for any loss caused to shareholders as a result of malfunctions, overloads, line failures, connection failures or any other contingency of the same or a similar nature, beyond the control of the Company, that prevent the use of electronic mechanisms. The Company also reserves the right to modify, suspend, cancel or restrict the procedures for electronic voting and/or proxies where technical or security reasons make this necessary or obligatory. It is exclusively the responsibility of shareholders to keep their electronic certificates safe. The Company will not be liable for any loss caused to shareholders as a result of failures or delays caused by deficiencies in the postal service beyond the control of the Company.

CDI holders may issue instructions for the appointment of proxies in accordance with the instructions set out in this notice.

### **CDI HOLDERS**

CDI holders who wish to attend the Shareholders' Meeting and vote the underlying shares to which such holder is entitled must complete and return a form of instruction to Computershare Investor Services PLC ("**Computershare**"), by 1700 (BST) on June 12, 2015, to appoint themselves as a proxy. Persons who hold an interest in CDIs through the IAG Nominee Service operated by Computershare Company Nominees Limited and who wish to attend the Shareholders' Meeting must complete and return a form of instruction to Computershare, by 1100 (BST) on June 12, 2015, to appoint themselves as a proxy. Computershare shall send a form of instruction to the registered address held by Computershare for each person who holds CDIs or an interest in CDIs through the IAG Nominee Service. Further information is available for CDI holders or persons who hold an interest in CDIs through the IAG Nominee Service from Computershare on + 44 (0) 87 0702 0110, Monday to Friday, from 0900 to 1700 (BST).

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a *CREST Proxy Instruction*) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual (available at [www.euroclear.com/CREST](http://www.euroclear.com/CREST)). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by Computershare (ID number 3RA50) by close of business on June 12, 2015. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which Computershare is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

### **SHAREHOLDERS' ELECTRONIC FORUM**

Pursuant to the legislation in force, the Company has set up on its website ([www.iairgroup.com](http://www.iairgroup.com)) a Shareholders' Electronic Forum, which will be used in keeping with its legal purpose and the safeguards and operating rules established by the Company, and may be accessed by all appropriately authorised shareholders and shareholders' associations.

### **DATA PROTECTION**

Any personal data that the shareholders may provide to the Company (when exercising or delegating their rights to information, attendance, and representation and to vote at the Shareholders' Meeting) or that may be provided by the depository institutions or custodians for the shares of the shareholders or the institutions required by securities market legislation to keep records of securities represented by book entries, will be processed by the Company for the purpose of managing the performance, fulfilment and monitoring of shareholder relations (including but not limited to, calling and holding Shareholders' Meetings and relaying them). For these purposes, the data will be included in filing systems controlled by the Company.

The data will be provided to the notary for the purposes of drawing up the notarised minutes of the Shareholders' Meeting and may be made available to third parties in the exercise of their right to receive information laid down in the law or be made accessible to the public to the extent that they are included in the information available on the corporate website ([www.iairgroup.com](http://www.iairgroup.com)) or are stated at the Shareholders' Meeting, the proceedings of which may be recorded by audiovisual means and broadcast on such website. By attending the Shareholders' Meeting, attendees consent to such recording and broadcast.

Data subjects will have the right to access, rectify, object to and cancel the data collected by the Company in all cases and where legally permitted. These rights may be exercised, on the terms and in accordance with, the requirements established for this purpose in the legislation in force, by applying in writing to the registered office (El Caserío, Iberia Zona Industrial nº 2 (La Muñoza), Camino de La Muñoza, s/n, 28042 Madrid).

Where the attendance, proxy and remote vote card contains personal data concerning other individuals, the shareholder must inform them of the terms set out in the preceding paragraphs and fulfil any other requirements that may be applicable for the correct disclosure of the personal data to the Company, without the Company having to perform any further steps.

### **ADDITIONAL INFORMATION**

In order to obtain additional information on this Shareholders' Meeting, shareholders may contact the Shareholder Office (IAG) located at calle Martínez Villergas, 49, 28027 Madrid, in person, by phone on +34 915 878 974 between 0930 to 1400 and from 1430 to 1600 (CET), Monday to Friday, from Tuesday, May 5, 2015 until the conclusion of the Shareholder' Meeting, or by e-mail at the following addresses: institutional investors: [investor.relations@iairgroup.com](mailto:investor.relations@iairgroup.com) and private shareholders: [shareholder.services@iairgroup.com](mailto:shareholder.services@iairgroup.com) (English) or [accionistas@iairgroup.com](mailto:accionistas@iairgroup.com) (Spanish).

### **PRESENCE OF A NOTARY AT THE SHAREHOLDERS' MEETING**

The Board of Directors has resolved to request the presence of a notary to draw up the minutes of the Shareholders' Meeting, in accordance with the provisions of Article 203 of the Companies Law.

Madrid, April 29, 2015. The Secretary of the Board of Directors, Mr. Álvaro López-Jorrín Hernández.