

**REPORT BY THE BOARD OF DIRECTORS OF INTERNATIONAL
CONSOLIDATED AIRLINES GROUP, S.A. IN RELATION TO THE PROPOSED RE-
ELECTION AND APPOINTMENT OF DIRECTORS REFERRED TO UNDER ITEM 5
ON THE AGENDA FOR THE 2016 ANNUAL SHAREHOLDERS' MEETING**

The Board of Directors of International Consolidated Airlines Group, S.A. (the “**Company**” or “**IAG**”), with the support of the Nominations Committee, has issued this report with a view to justifying the proposed re-election and appointment of directors of the Company which is submitted to the Shareholders’ Meeting for approval under item five on the agenda.

In accordance with the provisions of Article 529 decies of the Spanish Companies Law (*Ley de Sociedades de Capital*), all proposals for the appointment or re-election of directors must be accompanied by an explanatory report by the board of directors assessing the competence, experience and merits of the proposed candidate, which will be attached to the minutes of the shareholders’ meeting or of the Board meeting. Pursuant to sub-article 6 thereof, in the event of the appointment or re-election of any director that is not an independent director, the proposal must also be preceded by a report by the Nominations Committee.

In the case at hand, the proposal to re-elect and appoint the directors of IAG, both independent directors and otherwise, has come from the Nominations Committee, which has actively participated in the preparation of this report, which is presented jointly to the shareholders for evaluation.

In this regard, the term of office for directors of the Company is one year, following the approval by the 2014 Shareholders’ Meeting of the amendment of article 36 of the Corporate Bylaws. Although neither the then applicable Spanish Unified Good Governance Code nor the current Good Governance Code for Listed Companies of February 2015 establishes a recommendation in this regard, the UK Corporate Governance Code applicable in the United Kingdom recommends that directors of companies belonging to the FTSE 350 index (which is the case of IAG, who belongs to the FTSE 100 index) should be subject to re-election on an annual basis.

For this reason, true to its commitment to comply with the best corporate governance recommendations, the Company decided to apply the recommendation of the UK Corporate Governance Code so that the shareholders may cast their vote annually in relation to the continuity of each one of the directors individually.

Accordingly, under resolution five of the agenda, the Board of Directors proposes to the Shareholders’ Meeting the re-election of the following Company directors: Mr. Antonio Vázquez Romero, Mr. William Walsh, Mr. Patrick Cescau, Mr. Enrique Dupuy de Lôme, Baroness Kingsmill, Mr. James Lawrence, Ms. María Fernanda Mejía Campuzano, Mr. Kieran Poynter, Dame Marjorie Scardino and Mr. Alberto Terol Esteban; for the corporate bylaws mandated one-year term, all of them, as indicated above, at the proposal from the Nominations Committee.

In addition, the Board of Directors, to fill the vacancies left by Sir Martin

Broughton and Mr. César Alierta Izuel, who, for personal reasons, have requested not to continue as members of the Board of Directors and to cease office at the Shareholders' Meeting, proposes to the Shareholders' Meeting the appointment as non-executive independent directors Mr. Marc Bolland and Mr. Emilio Saracho Rodríguez de Torres, for the statutory period of one year, under the proposal submitted by the Nomination Committee.

Each of the proposals for re-election or appointment of directors shall be voted on separately and independently, pursuant to the provisions of Article 197 bis of the Companies Law.

The first section of this report contains a joint evaluation of the proposal for the re-election and appointment of the Company directors submitted to the Shareholders' Meeting, and the second section contains an individual report on each nominee with the information necessary for shareholders to be able to cast their vote on the proposal.

1.- JOINT REPORT

1.1. The Board of Directors

The Board of Directors provides business leadership to the Group pursuant to prudent and effective controls that allow for the assessment and management of risk. The Board sets the strategic targets of the Group, ensures that the group has the financial and human resources necessary to achieve its targets and reviews the performance of the management team. It also establishes the values and standards of the Group and ensures that the Group's obligations to its shareholders and other stakeholders are understood and fulfilled. The functions of the Board of Directors are set out in the Board Regulations, which are available on the Company's website.

The Board of Directors is currently made up of ten non-executive directors (all of them independent directors) and two executive directors, the CEO and the CFO of IAG.

1.2. Committees of the Board of Directors

The Board of Directors has created four specific committees to assist it in effectively fulfilling its responsibilities: the Audit and Compliance Committee, the Nominations Committee, the Remuneration Committee and the Safety Committee. The functions and responsibilities of each of these committees are established in the Board Regulations, which are available on the IAG's website.

As regards the composition of the committees, the Nominations Committee recommended two changes in 2015 which were approved by the Board of Directors. The first was the appointment of Sir Martin Broughton to replace Antonio Vázquez as Chairman of the Nominations Committee and the second was the appointment of Dame Marjorie Scardino as Chairman of the Remuneration Committee, succeeding Baroness Kingsmill who remained a committee member.

1.3. Evaluation of the Board of Directors, its committees and members

The Board and Committees' performance evaluation was conducted internally in 2015. The last external evaluation was completed in 2013. The review took the format of a self-assessment survey designed to test directors' opinions and views on a number of matters including: the role and organisation of the Board, Board composition, organisation of meetings, quality of Board debate, knowledge and experience, relationship with management, and progress made against the 2015 action plan.

The Board Secretary prepared a report on the performance evaluation of the Board and each of the Committees. The Board report was considered by the Nominations Committee; with each of the committees' reports and the results of the questionnaires being considered by the different Committees and discussed at the Board meeting held in January 2016. The review concluded that the Board had effectively fulfilled its responsibilities during 2015, and the general progress made was unanimously recognised by the Board.

The Chairman also met with each director individually to provide feedback on their performance. He also discussed the functioning of the Board as a whole and the contribution expected of each director.

The Board evaluation also included an assessment of performance against the objectives agreed for 2015. Progress made on Board and executive succession planning and talent development was recognised, as well as the actions agreed to improve Board effectiveness.

1.4. Diversity on the Board of Directors

IAG adopted a Board Diversity Policy in September 2012, which was updated in June 2014. IAG's Diversity policy aimed to promote diversity in the Board composition and established the Board's aspirational goal of achieving 25 per cent female representation on the Board by 2015. This target was met by the Company ahead of this time limit.

Following the new Spanish corporate governance code recommendation, the Board approved in January 2016 a Directors Selection and Diversity Policy which supersedes the former Board Diversity Policy. The objective of this new Policy is to ensure that the appointments of directors are based on a prior analysis of the Board's needs and favour a diversity of knowledge, experience and gender. This Policy incorporates the former diversity principles while regulating the process for appointing directors. Under this Policy, director appointments are evaluated against the existing balance of skills, knowledge and experience on the Board, with directors asked to be mindful of diversity, inclusiveness and meritocracy considerations when examining nominations to the Board.

The Board recognises the value of diversity as a tool to enrich its discussions and decision-making process. Consequently, it is the Board's objective to create a board whose composition ensures a healthy diversity of opinions, perspectives, skills, experiences, backgrounds and orientations. Specifically, this will include an appropriate gender ratio, as

well as including diversity in other senses, subject to the overriding principle of merit and suitability mentioned above.

This will be achieved over time, taking account of the valuable knowledge and experience of the present board members and the value of a more diverse Board.

Accordingly, the Directors Selection and Diversity Policy establishes a new female representation objective of 33 per cent for 2020 following the recommendation included in the final Davies report published in the UK.

The Board, through its Nominations Committee, regularly reviews the percentage of women that sit on the Board and on the Company's Management Committee, as well as the number of women in the Group's workforce worldwide. The IAG Board and Management Committee continue to focus on this important area.

The Nominations Committee leads the process for Board appointments. It evaluates the balance of skills, experience, independence, diversity and knowledge on the Board and, in the consideration of this evaluation, considers the role and capabilities required for a particular appointment. This evaluation will be made alongside succession plans for directors and takes into consideration any conclusions from the annual review of Board performance.

As further detailed in the following section, the Directors Selection and Diversity Policy states the Company's intention only to engage, so far as practicable, search firms which have signed up to the latest UK Voluntary Code of Conduct for Executive Search Firms (or its international equivalent). This is a voluntary code of conduct to address gender diversity on corporate boards and best practice for the related search processes. The code lays out steps for search firms to follow across the search process, from accepting a brief through to final induction.

When reviewing board appointments, the Board's Policy is to consider candidates from a wide variety of backgrounds, without discrimination based on gender, race, colour, age, social class, beliefs, religion, sexual orientation, disability or other factors.

It is the Nominations Committee's intention to reconcile the achievement of this objective while preserving the general diversity and merit based appointment principles established in IAG's policy.

1.5. Expected changes in the Board of Directors and proposed new appointments

The independent directors, Sir Martin Broughton and Mr. César Alierta Izuel, notified the Board of Directors of their decision not to submit their appointment for re-election, and to cease as directors of the Company at the next Shareholders' Meeting for personal reasons.

In this regard, the Nominations Committee, under the Board of Director's succession plan, has carried out a detailed and rigorous selection process

to choose the nominees to fill the positions of independent directors of the Company, with the collaboration of the firm Spencer Stuart (a search company that has subscribed UK Voluntary Code of Conduct for Executive Search Firms), and in compliance with the Selection of Directors and Diversity Policy, approved by the Board of Directors in its January 28, 2016 meeting.

In this respect, the Nominations Committee has assessed the balance in capabilities, experience, independence and knowledge among the Board of Directors, and on the basis of this evaluation, has determined the features and capabilities required to cover the expected vacancies, integrating this task with directors' succession planning, and taking into account the conclusions of the annual performance evaluation of the Board of Directors and its members.

For this purpose, the Nominations Committee, with the collaboration of Spencer Stuart, considered several candidacies, from a wide variety of backgrounds, without discrimination based on gender, race, colour, age, social class, beliefs, religion, sexual orientation, disability or other factors, basing their decision only in the suitability and merits of the candidates, and taking into consideration the needs of the Board of Directors.

After an exhaustive analysis, the Nominations Committee opted for the nomination of Mr. Marc Bolland and Mr. Emilio Saracho Rodríguez de Torres. Both candidates satisfy the required legal and statutory conditions, have good reputation, and possess all the knowledge, experience, capabilities and availability necessary for the exercise of the functions and tasks of the position of independent non-executive director.

1.6. Overall evaluation

In preparing the proposal for re-election and appointment of directors, the Nominations Committee and the Board of Directors itself have taken into account all of the above aspects, as well as the suitability of the professional profiles of the directors and candidates to the area of activity of the Company and to its international nature and the requirements of the Board in order to effectively fulfil its supervisory and control functions.

In this connection, the experience, training and professional profile of the directors and candidates whose re-election or appointment is submitted to the Shareholders' Meeting for approval evidence their merits and competence to hold office as directors of IAG and their experience and knowledge in diverse sectors and matters that are relevant to the Company, thus guaranteeing the quality of debates within the Board of Directors.

With the proposal made to the Shareholders' Meeting, the Board of Directors shall be composed of 12 directors, 10 of whom shall be independent directors (more than 80 per cent of all directors) and three of whom are women (25 per cent of the total).

In consideration of the above, the Nominations Committee and the Board of Directors itself particularly value the contribution of the directors whose

re-election is proposed to the sound functioning of the Board and to the effective performance of its supervisory and control functions, and the suitability, qualifications and merits of the new directors whose appointment has been proposed, having concluded that they all meet the requirements of good standing, suitability, reliability, competence, qualifications, training, availability and commitment to office and are not subject to any grounds for incompatibility, prohibition or conflict of interest.

2.- **INDIVIDUAL REPORT**

a) **TO RE-ELECT MR. ANTONIO VÁZQUEZ ROMERO AS A DIRECTOR, CLASSIFIED AS NON-EXECUTIVE INDEPENDENT DIRECTOR.**

- Professional profile and biographical data of Mr. Antonio Vázquez Romero:

Key areas of prior experience: consumer, sales/marketing, finance, corporate governance.

Current external appointments: Member of the Advisory Board of Telefónica Latam. Member of the Advisory Board of the Franklin Institute. Member of the Advisory Board of Loyola University.

Previous relevant experience: Chairman, Iberia 2009-2013. Chairman and CEO, Altadis Group 2005-2008. Chairman, Logista 2005-2008. Non-Executive Director, Iberia 2005-2007. Chief Operating Officer and other various positions, Cigar Division of Altadis Group 1993-2005. Various positions at Osborne 1978-1983 and Domecq 1983-1993.

- Date of first and of most recent appointment as a director of the Company:

Mr. Antonio Vázquez Romero was appointed as other external director for the first time on May 25, 2010 and was last re-elected on June 18, 2015.

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

Mr. Antonio Vázquez Romero owns 512,291 Company shares.

- Category of director:

Until January 21, 2016, Mr. Antonio Vázquez Romero was considered as other external director, as he was executive director of Iberia up to the effective merger of British Airways and Iberia (January 21, 2011) and therefore, pursuant to the provisions of article 529 duodecies of the Companies Law, he could not have the status of independent director.

Once the five year period required by article 529 duodecies of the Companies Law elapsed he is considered as independent director, the Board of Directors considers that Mr. Antonio Vázquez Romero can discharge his office without being conditioned by relations with the Company or its Group, its significant shareholders or its executives, for which reason he should have the category of non-executive independent director.

- Proposed re-election:

In consideration of the above, the Board of Directors considers that Mr. Antonio Vázquez Romero has the competence, experience and merits necessary to discharge the office of director of the Company, with the category of non-executive independent director, and that it is in the best interests of the Company that he be re-elected to such office for a further period of one year.

By virtue thereof, at the proposal of the Nominations Committee, the Board of Directors makes the following proposal to the Shareholders' Meeting for the re-election of Mr. Antonio Vázquez Romero as a director of IAG, classified as non-executive independent director:

RESOLUTION 5.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 non-executive independent director."

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

- Professional profile and biographical data of Mr. William Walsh:

Key areas of prior experience: airline industry.

Current external appointments: Chairman of the National Treasury Management Agency of Ireland.

Previous relevant experience: Chief Executive Officer, British Airways 2005-2011. Chief Executive Officer, Aer Lingus 2001-2005. Chief Operating Officer, Aer Lingus 2000-2001. Chief Executive Officer, Futura (Aer Lingus' Spanish Charter airline) 1998-2000. Joined Aer Lingus as cadet pilot in 1979.

- Date of first and of most recent appointment as a director of the Company:

Mr. William Walsh was appointed as executive director for the first time on May 25, 2010 and was last re-elected on June 18, 2015.

- Shares of the Company and derivative financial instruments whose

underlying assets are shares of the Company held by the director:

Mr. William Walsh owns 1,656,082 Company shares. In addition, he has interests in shares as a result of share awards (conditional awards and options) 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 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-year period	379,310
IADP 2015	May 28, 2015	March 8, 2018 No performance conditions	151,111
PSP 2015	May 28, 2015	Subject to satisfaction of performance conditions tested over a 3-year period and a further 2-year holding period	309,091
IADP 2016	March 7, 2016	March 7, 2019 No performance conditions	125,693
PSP 2016	March 7, 2016	Subject to satisfaction of performance conditions tested over a 3-year period and a further 2-year holding period	314,233

- Category of director:

In accordance with the provisions of Article 529 duodecies 1 of the Companies Law, Mr. William Walsh shall have the category of executive director.

- Proposed re-election:

In consideration of the above, the Board of Directors considers that Mr. William Walsh has the competence, experience and merits necessary to discharge the office of director of the Company, with the category of executive director, and that it is in the best interests of the Company that he be re-elected to such office for a further period of one year.

By virtue thereof, at the proposal of the Nominations Committee, the Board of Directors makes the following proposal to the Shareholders' Meeting for the re-election of Mr. William Walsh as a director of IAG, classified as executive director:

RESOLUTION 5.b)

“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.”

C) TO RE-ELECT MR. PATRICK CESCAU AS A DIRECTOR, CLASSIFIED AS NON-EXECUTIVE INDEPENDENT DIRECTOR.

- Professional profile and biographical data of Mr. Patrick Cescau:

Key areas of prior experience: consumer, finance, sales/marketing, corporate governance.

Current external appointments: Non-Executive Chairman, InterContinental Hotel Group. Trustee, LeverHulme Trust. Temasek European Advisory Panel. Patron, St Jude India Children’s Charity.

Previous relevant experience: Senior Independent and Non-Executive Director, Tesco 2009-2015. Director, INSEAD 2009-2013. Senior Independent Director and Non-Executive Director, Pearson PLC 2002-2012. Group Chief Executive, Unilever 2005-2008. Chairman, Unilever PLC. Deputy Chairman, Unilever NV. Finance Director and other executive positions (including a number of Unilever major operating companies and divisions in the USA, Indonesia and Portugal), having joined the Unilever Group in 1973.

- Date of first and of most recent appointment as a director of the Company:

Mr. Patrick Cescau was appointed as non-executive independent director for the first time on September 27, 2010 and was last re-elected on June 18, 2015.

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

Mr. Patrick Cescau has no shares in the Company.

- Category of director:

Mr. Patrick Cescau has been proposed in consideration of his personal and professional traits, with the Nominations Committee and the Board of Directors itself having deemed that he can discharge his office without being conditioned by relations with the Company or its group, its significant shareholders or its executives, for which reason he should have the category of non-executive independent director.

- Proposed re-election:

In consideration of the above, the Board of Directors considers that Mr. Patrick Cescau has the competence, experience and merits necessary to discharge the office of director of the Company, with the category of independent director, and that it is in the best interests of the Company that he be re-elected to such office for a further period of one year.

By virtue thereof, at the proposal of the Nominations Committee, the Board of Directors makes the following proposal to the Shareholders' Meeting for the re-election of Mr. Patrick Cescau as a director of IAG, classified as non-executive independent director:

RESOLUTION 5.c)

"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 non-executive independent director."

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

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

Key areas of prior experience: finance, airline industry.

Current external appointments: Chairman, Iberia Cards.

Previous relevant experience: Chief Financial Officer, Iberia 1990-2011. Head of finance and deputy director of financial resources, Instituto Nacional de Industria (INI) and Teneo financial group, 1985-1989. Head of subsidiaries at Enadimsa (INI Group), 1982-1985, Chairman IATA finance committee.

- Date of first and of most recent appointment as a director of the Company:

Mr. Enrique Dupuy de Lôme was appointed as executive director for the first time on September 26, 2013 and was last re-elected on June 18, 2015.

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

Mr. Enrique Dupuy de Lôme owns 466,807 Company shares. In addition, he has interests in shares as a result of share awards (conditional awards and options) 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 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-year period	137,931
IADP 2015	May 28, 2015	March 8, 2018 No performance conditions	50,252
PSP 2015	May 28, 2015	Subject to satisfaction of performance conditions tested over a 3-year period and further 2-year holding period	112,364
IADP 2016	March 7, 2016	March 7, 2019 No performance conditions	44,665
PSP 2016	March 7, 2016	Subject to satisfaction of performance conditions tested over a 3-year period and a further 2-year holding period	145,647

- Category of director:

In accordance with the provisions of Article 529 duodecies 1 of the Companies Law, Mr. Enrique Dupuy de Lôme shall have the category of executive director.

- Proposed re-election:

In consideration of the above, the Board of Directors considers that Mr. Enrique Dupuy de Lôme has the competence, experience and merits necessary to discharge the office of director of the Company, with the category of executive director, and that it is in the best interests of the Company that he be re-elected to such office for a further period of one year.

By virtue thereof, at the proposal of the Nominations Committee, the Board of Directors makes the following proposal to the Shareholders' Meeting for the re-election of Mr. Enrique Dupuy de Lôme as a director of IAG, classified as executive director:

RESOLUTION 5.d)

"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."

e) TO RE-ELECT BARONESS KINGSMILL AS A DIRECTOR, CLASSIFIED AS NON-EXECUTIVE INDEPENDENT DIRECTOR.

- Professional profile and biographical data of Baroness Kingsmill:

Key areas of prior experience: government, legal and regulatory affairs.

Current external appointments: Non-Executive Director, EON Supervisory Board. Non-Executive Director, Telecom Italia. Member of the International Advisory Board, IESE Business School. Member of the UK House of Lords since 2006.

Previous relevant experience: Vice Chair and Senior Independent Director, APR Energy 2010-2015. Non-Executive Director, British Airways 2004-2011. Deputy Chairman, Competition Commission 1997-2003. Chairman, UK Department of Trade and Industry's Accounting for People task force 2003.

- Date of first and of most recent appointment as a director of the Company:

Baroness Kingsmill was appointed as non-executive independent director for the first time on September 27, 2010 and was last re-elected on June 18, 2015.

- 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.

- Category of director:

Baroness Kingsmill has been proposed in consideration of her personal and professional traits, with the Nominations Committee and the Board of Directors itself having deemed that she can discharge her office without being conditioned by relations with the Company or its group, its significant shareholders or its executives, for which reason she should have the category of non-executive independent director.

- Proposed re-election:

In consideration of the above, the Board of Directors considers that Baroness Kingsmill has the competence, experience and merits necessary to discharge the office of director of the Company, with the category of independent director, and that it is in the best interests of the Company that she be re-elected to such office for a further period of one year.

By virtue thereof, at the proposal of the Nominations Committee, the Board of Directors makes the following proposal to the Shareholders'

Meeting for the re-election of Baroness Kingsmill as a director of IAG, classified as non-executive independent director:

RESOLUTION 5.e)

“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 non-executive independent director.”

f) TO RE-ELECT MR. JAMES LAWRENCE AS A DIRECTOR, CLASSIFIED AS NON-EXECUTIVE INDEPENDENT DIRECTOR.

- Professional profile and biographical data of Mr. James Lawrence:

Key areas of prior experience: finance, consumer, corporate governance.

Current external appointments: Chairman, Great North Star LLC. Non-Executive Director, Smurfit Kappa Group. Non-Executive Director and Chairman of the Audit Committee, Avnet Inc.

Previous relevant experience: Chairman, Rothschild North America 2012-2015. CEO, Rothschild North America and Co-Head of Global Investment Banking 2010-2012. Non-Executive Director, British Airways 2006-2011. Executive Director and Chief Financial Officer, Unilever 2007-2010. Vice Chairman, Chief Financial Officer and Head of International, General Mills 1998-2007. Executive Vice President and Chief Financial Officer, Northwest Airlines 1996-1998. Executive Vice President and other executive positions, Pepsi-Cola 1992-1996. Chairman and Co-Founder, LEK Consulting 1983-1992. Partner, Bain & Company 1977-1983.

- Date of first and of most recent appointment as a director of the Company:

Mr. James Lawrence was appointed as non-executive independent director for the first time on September 27, 2010 and was last re-elected on June 18, 2015.

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

Mr. James Lawrence owns 326,500 Company shares.

- Category of director:

Mr. James Lawrence has been proposed in consideration of his personal and professional traits, with the Nominations Committee and the Board of Directors itself having deemed that he can discharge his office

without being conditioned by relations with the Company or its group, its significant shareholders or its executives, for which reason he should have the category of non-executive independent director.

- Proposed re-election:

In consideration of the above, the Board of Directors considers that Mr. James Lawrence has the competence, experience and merits necessary to discharge the office of director of the Company, with the category of independent director, and that it is in the best interests of the Company that he be re-elected to such office for a further period of one year.

By virtue thereof, at the proposal of the Nominations Committee, the Board of Directors makes the following proposal to the Shareholders' Meeting for the re-election of Mr. James Lawrence as a director of IAG, classified as non-executive independent director:

RESOLUTION 5.f)

"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 non-executive independent director."

g) TO RE-ELECT Ms. MARÍA FERNANDA MEJÍA CAMPUZANO AS A DIRECTOR, CLASSIFIED AS NON-EXECUTIVE INDEPENDENT DIRECTOR.

- Professional profile and biographical data of Ms. María Fernanda Mejía Campuzano:

Key areas of prior experience: consumer, customer development, strategic planning, supply chain, innovation and marketing communications.

Current external appointments: Senior Vice President and President of Kellogg Latin America, Corporate Officer and member of Kellogg's Global Leadership Team. Board Member of the Council of the Americas.

Previous relevant experience: Vice-President and General Manager Global Personal Care and Corporate Fragrance Development 2010-2011, Colgate-Palmolive Co. Vice-President Marketing and Innovation Europe/South Pacific Division 2005-2010, Colgate-Palmolive Co. President and CEO Spain and Spain Holding Company 2003-2005. General Manager Hong Kong and Director Greater China Management team 2002-2003. Marketing Director Venezuela 2000-2002. Marketing Director Ecuador 1998-2000.

- Date of first and of most recent appointment as a director of the Company:

Ms. María Fernanda Mejía Campuzano was appointed as non-executive

independent director for the first time on February 27, 2014, by co-option, and was last re-elected on June 18, 2015.

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

Ms. María Fernanda Mejía Campuzano owns 100 Company shares.

- Category of director:

Ms. María Fernanda Mejía Campuzano has been proposed in consideration of her personal and professional traits, with the Nominations Committee and the Board of Directors itself having deemed that she can discharge her office without being conditioned by relations with the Company or its group, its significant shareholders or its executives, for which reason she should have the category of non-executive independent director.

- Proposed re-election:

In consideration of the above, the Board of Directors considers that Ms. María Fernanda Mejía Campuzano has the competence, experience and merits necessary to discharge the office of director of the Company, with the category of independent director, and that it is in the best interests of the Company that she be re-elected to such office for a further period of one year.

By virtue thereof, at the proposal of the Nominations Committee, the Board of Directors makes the following proposal to the Shareholders' Meeting for the re-election of Ms. María Fernanda Mejía Campuzano as a director of IAG, classified as non-executive independent director:

RESOLUTION 5.g)

"To re-elect Ms. María Fernanda Mejía Campuzano as a director for the bylaw mandated one-year term, upon proposal from the Nominations Committee, with the status of non-executive independent director."

h) TO RE-ELECT MR. KIERAN POYNTER AS A DIRECTOR, CLASSIFIED AS NON-EXECUTIVE INDEPENDENT DIRECTOR.

- Professional profile and biographical data of Mr. Kieran Poynter:

Key areas of prior experience: professional services, finance services.

Current external appointments: Chairman, F&C Asset Management PLC. Non-Executive Director and Chairman of the Remuneration Committee, British American Tobacco PLC.

Previous relevant experience: Chairman, Nomura International PLC 2009-2015. Member, Advisory Committee for the Chancellor of the Exchequer on the competitiveness of the UK financial services sector 2009-2010. Member, President's committee of the Confederation of British Industry 2000-2008. Chairman and Senior Partner, PricewaterhouseCoopers 2000-2008. Managing Partner, PricewaterhouseCoopers 1998-2000 and other executive positions at PricewaterhouseCoopers 1982-1998.

- Date of first and of most recent appointment as a director of the Company:

Mr. Kieran Poynter was appointed as non-executive independent director for the first time on September 27, 2010 and was last re-elected on June 18, 2015.

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

Mr. Kieran Poynter has no shares in the Company.

- Category of director:

Mr. Kieran Poynter has been proposed in consideration of his personal and professional traits, with the Nominations Committee and the Board of Directors itself having deemed that he can discharge his office without being conditioned by relations with the Company or its group, its significant shareholders or its executives, for which reason he should have the category of non-executive independent director.

- Proposed re-election:

In consideration of the above, the Board of Directors considers that Mr. Kieran Poynter has the competence, experience and merits necessary to discharge the office of director of the Company, with the category of independent director, and that it is in the best interests of the Company that he be re-elected to such office for a further period of one year.

By virtue thereof, at the proposal of the Nominations Committee, the Board of Directors makes the following proposal to the Shareholders' Meeting for the re-election of Mr. Kieran Poynter as a director of IAG, classified as non-executive independent director:

RESOLUTION 5.h)

"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 non-executive independent director."

- i) TO RE-ELECT DAME MARJORIE SCARDINO AS A DIRECTOR, CLASSIFIED AS NON-**

EXECUTIVE INDEPENDENT DIRECTOR.

- Professional profile and biographical data of Dame Marjorie Scardino:

Key areas of prior experience: commercial management, government affairs, communications, digital and media, legal services.

Current external appointments: Non-Executive Director, Twitter, Inc. Member, Board of Pure Tech Health Inc. Member, charitable boards including The MacArthur Foundation (Chairman), London School of Hygiene and Tropical Medicine (Chairman); and The Carter Center. Member, Board of the Royal College of Art. Member, of the Visiting Committee for the Massachusetts Institute of Technology Media Lab; Board member of Bridge International Academies (HQ-Kenya).

Previous relevant experience: Chief Executive Officer, Pearson PLC 1997- 2012. Chief Executive Officer, The Economist Group 1993-1996. President, The Economist Group US 1985-1993. Lawyer practising in the US 1975-1985.

- Date of first and of most recent appointment as a director of the Company:

Dame Marjorie Scardino was appointed as non-executive independent director for the first time on December 12, 2013, by co-option, and was last re-elected on June 18, 2015.

- 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.

- Category of director:

Dame Marjorie Scardino has been proposed in consideration of her personal and professional traits, with the Nominations Committee and the Board of Directors itself having deemed that she can discharge her office without being conditioned by relations with the Company or its group, its significant shareholders or its executives, for which reason she should have the category of non-executive independent director.

- Proposed re-election:

In consideration of the above, the Board of Directors considers that Dame Marjorie Scardino has the competence, experience and merits necessary to discharge the office of director of the Company, with the category of independent director, and that it is in the best interests of the Company that she be re-elected to such office for a further period of one year.

By virtue thereof, at the proposal of the Nominations Committee, the

Board of Directors makes the following proposal to the Shareholders' Meeting for the re-election of Dame Marjorie Scardino as a director of IAG, classified as non-executive independent director:

RESOLUTION 5.i)

"To re-elect Dame Marjorie Morris Scardino as a director for the bylaw mandated one-year term, upon proposal from the Nominations Committee, with the status of non-executive independent director."

j) TO RE-ELECT MR. ALBERTO TEROL ESTEBAN AS A DIRECTOR, CLASSIFIED AS NON-EXECUTIVE INDEPENDENT DIRECTOR.

- Professional profile and biographical data of Mr. Alberto Terol Esteban:

Key areas of prior experience: finance, professional services, information technology, hospitality industry.

Current external appointments: Non-Executive Director, Indra. Non-Executive Director, OHL. Non-Executive Director and Chairman of the Audit Committee, AKTUA. Non-Executive Director, Broseta Abogados. International Senior Advisor Centerbridge. Executive Chairman of various family owned companies.

Previous relevant experience: Non-Executive Director N+1 2014-2015. International Senior Advisor BNP Paribas 2011-2014. Member, Global Executive Committee Deloitte 2007-2009. Managing Partner, EMEA Deloitte 2007-2009. Managing Partner, Global Tax & Legal Deloitte 2007-2009. Member, Global Management Committee Deloitte 2003-2007. Managing Partner, Latin America Deloitte 2003-2007. Managing Partner, Integration Andersen Deloitte 2002-2003, Managing Partner, Europe Arthur Andersen 2001-2002. Managing Partner, Global Tax & Legal Arthur Andersen 1997-2001. Managing Partner, Garrigues 1997-2000.

- Date of first and of most recent appointment as a director of the Company:

Mr. Alberto Terol Esteban was appointed as non-executive independent director on June 20, 2013 and was last re-elected on June 18, 2015.

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

Mr. Alberto Terol Esteban has 9,200 Company shares.

- Category of director:

Mr. Alberto Terol Esteban has been proposed in consideration of his personal and professional traits, with the Nominations Committee and the Board of Directors itself having deemed that he can discharge his office without being conditioned by relations with the Company or its group, its significant shareholders or its executives, for which reason he should have the category of non-executive independent director.

- Proposed re-election:

In consideration of the above, the Board of Directors considers that Mr. Alberto Terol Esteban has the competence, experience and merits necessary to discharge the office of director of the Company, with the category of independent director, and that it is in the best interests of the Company that he be re-elected to such office for a further period of one year.

By virtue thereof, at the proposal of the Nominations Committee, the Board of Directors makes the following proposal to the Shareholders' Meeting for the re-election of Mr. Alberto Terol as a director of IAG, classified as non-executive independent director:

RESOLUTION 5.j)

"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 non-executive independent director."

k) TO APPOINT MR. MARC BOLLAND AS A DIRECTOR, CLASSIFIED AS NON-EXECUTIVE INDEPENDENT DIRECTOR.

- Professional profile and biographical data of Mr. Marc Bolland:

Key areas of prior experience: commercial management/marketing, business management, consumption, hostelry.

Current external appointments: Non-Executive Director, Coca-Cola Co; Ambassador, UK Trade & Investment (UKTI).

Previous relevant experience: Executive Director, Marks & Spencer 2010-2016. Executive Director, WM Morrison Supermarkets PLC 2006-2010. Chief Operating Officer, Heineken 2005-2006. Executive Director, Heineken, 2001-2005. Other executive and non-executive positions in Heineken, 1986-2001.

- Category of director:

Mr. Marc Bolland has been proposed in consideration of his personal

and professional traits, with the Nominations Committee and the Board of Directors itself having deemed that he can discharge his office without being conditioned by relations with the Company or its group, its significant shareholders or its executives, for which reason he should have the category of non-executive independent director.

- Proposed appointment:

In consideration of the above, the Board of Directors considers that Mr. Marc Bolland has the competence, experience and merits necessary to discharge the office of director of the Company, with the category of independent director, and that it is in the best interests of the Company that he be appointed to such office for the statutory period of one year.

By virtue thereof, at the proposal of the Nominations Committee, the Board of Directors makes the following proposal to the Shareholders' Meeting for the appointment of Mr. Marc Bolland as a director of IAG, classified as non-executive independent director:

RESOLUTION 5.k)

"To appoint Mr. Marc Bolland as a director for the bylaw mandated one-year term, upon proposal from the Nominations Committee, with the status of non-executive independent director."

I) TO APPOINT MR. EMILIO SARACHO RODRÍGUEZ DE TORRES AS A DIRECTOR, CLASSIFIED AS NON-EXECUTIVE INDEPENDENT DIRECTOR.

- Professional profile and biographical data of Mr. Emilio Saracho Rodríguez de Torres:

Key areas of prior experience: finance, investment banking.

Current external appointments: Deputy CEO, EMEA. Member of the Executive Committee, Investment Banking, and member of the Executive Committee, JP Morgan Chase since 2012.

Previous relevant experience: CEO, JP Morgan Private Banking for EMEA 2006-2012. Chairman, JP Morgan Spain and Portugal 1998-2006. Investment banking area manager, Santander Investment (UK) 1995-1998. Spanish Market Manager, Goldman Sachs International 1990-1995. Investment Banking division manager, Banco Santander de Negocios 1985-1990. Analyst, Chase Manhattan Bank 1980-1985.

- Category of director:

Mr. Emilio Saracho Rodríguez de Torres has been proposed in consideration of his personal and professional traits, with the Nominations Committee and the Board of Directors itself having

deemed that he can discharge his office without being conditioned by relations with the Company or its group, its significant shareholders or its executives, for which reason he should have the category of non-executive independent director.

- Proposed appointment:

In consideration of the above, the Board of Directors considers that Mr. Emilio Saracho Rodríguez de Torres has the competence, experience and merits necessary to discharge the office of director of the Company, with the category of independent director, and that it is in the best interests of the Company that he be appointed to such office for the statutory period of one year.

By virtue thereof, at the proposal of the Nominations Committee, the Board of Directors makes the following proposal to the Shareholders' Meeting for the appointment of Mr. Emilio Saracho Rodríguez de Torres as a director of IAG, classified as non-executive independent director:

RESOLUTION 5.I)

“To appoint Mr. Emilio Saracho Rodríguez de Torres as a director for the bylaw mandated one-year term, upon proposal from the Nominations Committee, with the status of non-executive independent director.”

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Madrid, 28 April 2016.