

**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 2018 ANNUAL  
SHAREHOLDERS' MEETING**

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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.

The proposal that is presented to the Shareholders’ Meeting to re-elect and appoint the directors of IAG, both independent directors and otherwise, has come from the Nominations Committee, which has prepared this report for its delivery to the Board and its subsequent presentation to shareholders for evaluation (accordingly, this report, which has also been approved by the Nominations Committee, includes the proposals and reports by said Committee, in accordance with subarticles 4 and 6 of article 529 decies of the Companies Law).

In accordance with article 36 of the Corporate Bylaws, the term of office for directors of the Company is one year. Although the Spanish Good Governance Code for Listed Companies does not include 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, which belongs to the FTSE 100 index) should be subject to re-election on an annual basis.

Accordingly, 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. Marc Bolland, Mr. Patrick Cescau, Mr. Enrique Dupuy de Lôme, Ms. María Fernanda Mejía Campuzano, Mr. Kieran Poynter, Mr. Emilio Saracho Rodríguez de Torres, Dame Marjorie Scardino; Ms. Nicola Shaw 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 proposes to the Shareholders' Meeting the appointment as non-executive independent director of Ms. Deborah Kerr, for the one-year term specified in the Company's bylaws following the proposal submitted by the Nomination Committee, to fill the vacancy left by Mr. James Lawrence, who will not stand for re-election as part of the Board of Director's succession and renewal plan and who will consequently cease to be a director of the Company at the 2018 Shareholders' Meeting. The Board of Directors expresses its appreciation to Mr. James Lawrence for services rendered.

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.

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

The Board and committees' performance evaluation was conducted internally in 2017. The last external evaluation was completed in 2016. The 2017 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 2017 action plan. Additional questionnaires were distributed to all committees' members as applicable.

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 2018. The review concluded that the Board had effectively fulfilled its responsibilities during 2017, 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 2017. The review concluded that the Board and the committees continue to operate effectively and progress made against the 2017 action plan was unanimously acknowledged.

### **1.4. Diversity on the Board of Directors**

The Board approved on January 2016 a Directors Selection and Diversity policy which superseded the former IAG Board Diversity policy. This Policy sets out the principles that govern the directors' selection process and the approach to diversity on the Company's Board of Directors.

As stated in this Policy, IAG is committed to promoting equality and diversity both at Board and management level. At the same time, the appointment of directors to the Board shall be made in accordance with a formal, rigorous and transparent procedure, ensuring that the proposals for appointment 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 IAG diversity principles while regulating the process for appointing directors. Under this Policy, director appointments are evaluated against the existing balance of skills, knowledge, independence, experience and diversity on the Board, with directors asked to be mindful of

diversity, inclusiveness and meritocracy considerations when examining nominations to the Board.

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.

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 female representation objective of 33 per cent for 2020 following the recommendation included in the final Davies report published in the UK and exceeding the 30 per cent recommended in the Spanish Good Governance Code for Listed Companies.

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.

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.

The Director 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.

Following the recommendations of the Spanish Good Governance Code for Listed Companies, in December 2017 the Nominations Committee carried out its annual compliance check with its Directors Selection and Diversity Policy, concluding that it was satisfactory, as described in greater detail in the 2017 Annual Report.

### **1.5. Succession planning for the Board of Directors and proposed new appointment**

In accordance with the Board of Director's succession and renewal plan, the re-election of Mr. James Lawrence will not be submitted to the 2018 Shareholders' Meeting and, accordingly, he will cease to be a director on that date. The Board of Directors has expressed its appreciation for services rendered.

In this regard, the Nominations Committee, in accordance with the Board of Director's succession plan, has carried out a detailed and rigorous selection process to choose the nominee to fill the position of independent director of the Company, with the collaboration of the firm Spencer Stuart (a search company that has subscribed to the UK Voluntary Code of Conduct for Executive Search Firms), and in compliance with the Director Selection and Diversity Policy, approved by the Board of Directors on January 28, 2016.

The Nominations Committee has assessed the balance in capabilities, experience, independence and knowledge among the Board of Directors, as well as the Group's current circumstances and changing needs, integrating this task with director succession planning, and taking into account the conclusions of the annual performance evaluation of the Board of Directors and its members. As a result, and on the basis of this evaluation, the Nominations Committee has determined the functions and capabilities required for this new position, agreeing to look for a new director with strong experience in information technology, including digital transformation in companies focused on customers and brands.

For this purpose, the Nominations Committee established the relevant specifications according to which Spencer Stuart worked extensively to provide a list of possible candidates. The Committee considered a long list of 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, and based its decision solely on the suitability and merits of the candidates, taking into consideration the needs of the Board of Directors.

After a detailed analysis, following a short-listing process and interviews with the selected candidates, the Nominations Committee selected Ms. Deborah Kerr, a candidate who perfectly matches the specifications sought and who fully satisfies the required legal and bylaw conditions, has a good reputation, as well as the general knowledge, experience, capabilities and availability necessary for the exercise of

the functions and tasks inherent in the position of independent non-executive director.

Furthermore, with the incorporation of Ms. Deborah Kerr to the IAG Board of Directors, the Company achieves a 33.33 per cent female representation on the Board, meeting its objective ahead of the established time frame.

## **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 will be composed of 12 directors, 10 of whom will be independent directors (83.33 per cent of all directors), and two of whom will be executive directors (16.67 per cent of the total). Four directors will be women (33.33 per cent of the total), thus achieving the objective of female representation established in the Company's Directors Selection and Diversity Policy.

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 director 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 experience:* consumer, sales/marketing, finance, governance.

*Current external appointments:* Member, Advisory Board of the Franklin Institute. Member, Cooperation Board of the Loyola University. Trustee, Nantik Lum Foundation.

*Previous relevant experience:* Chairman, Iberia 2012-2013. Chairman and CEO, Iberia 2009-2011. Chairman and CEO, Altadis Group 2005-2008. Chairman, Logista 2005-2008. Director, Iberia 2005-2007. Chief Operations Officer and other various positions, Cigar Division of Altadis Group 1993-2005. Various positions at Osborne 1978-1983 and Domecq 1983-1993. Began his career in consultancy at Arthur Andersen & Co.

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

Mr. Antonio Vázquez Romero was appointed as a director for the first time on May 25, 2010 and was last re-elected on June 15, 2017.

- 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, 2017, Mr. Antonio Vázquez Romero was considered an 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 experience:* airline industry.

*Current external appointments:* Chairman, National Treasury Management Agency of Ireland. Member, IATA Board of Governors.

*Previous relevant experience:* Chairman, IATA Board of Governors 2016-2017. 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 15, 2017.

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

Mr. William Walsh owns 1,930,985 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 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
IADP 2017	March 6, 2017	March 6, 2020 No performance conditions	51,893
PSP 2017	March 6, 2017	Subject to satisfaction of performance conditions tested over a 3-year period and a further 2-year holding period	311,355

- 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. MARC BOLLAND AS A DIRECTOR, CLASSIFIED AS NON-EXECUTIVE INDEPENDENT DIRECTOR.**

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

*Key areas of experience:* general management, commercial management/marketing, retail, hospitality industry.

*Current external appointments:* Head of European Portfolio Operations, The Blackstone Group, L.P. Director, Coca-Cola Company. Non-Executive Director, Exor S.p.A. Vice President, UNICEF UK.

*Previous relevant experience:* Chief Executive, Marks & Spencer 2010-2016. Chief Executive, WM Morrison Supermarkets PLC 2006-2010. Director, Manpower Inc USA 2005-2015. Chief Operating Officer 2005-2006, Director 2001-2005 and other executive and non-executive positions, Heineken 1986-2001.

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

Mr. Marc Bolland was appointed as non-executive independent director for the first time on June 16, 2016 and was re-elected on June 15, 2017.

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

Mr. Marc Bolland has no shares in the Company.

- 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 re-election:

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 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. Marc Bolland as a director of IAG, classified as non-executive independent director:

**RESOLUTION 5.c)**

*“To re-elect 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.”*

**d) 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 experience:* consumer, finance, sales/marketing, governance.

*Current external appointments:* Chairman, InterContinental Hotel Group. Trustee, LeverHulme Trust. Member, Temasek European Advisory Panel. Patron, St Jude India Children's Charity.

*Previous relevant experience:* Senior Independent and Director, Tesco 2009-2015. Director, INSEAD 2009-2013. Senior Independent and Director, Pearson PLC 2002-2012. Group Chief Executive, Unilever 2005-2008. Chairman, Unilever PLC. Deputy Chairman, Unilever the Netherlands, Food Director. Prior to being appointed to the Board of Unilever in 1999 as Group Finance Director, he was Chairman of a number of the company's major operating companies and divisions including the USA.

- 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 15, 2017.

- 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.d)**

*“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.”*

**e) 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 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 2003-2005.

- 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 15, 2017.

- 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 562,165 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 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
IADP 2017	March 6, 2017	March 6, 2020 No performance conditions	22,080
PSP 2017	March 6, 2017	Subject to satisfaction of performance conditions tested over a 3-year period and a further 2-year holding period	147,198

- 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.e)**

*“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.”*

**f) 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 experience:* general management, marketing and sales, supply chain, strategic planning, corporate transactions.

*Current external appointments:* Senior Vice President, The Kellogg Company. President, Kellogg Latin America. Corporate Officer and member of Kellogg’s Company Executive Leadership Team. Member of the Council of the Americas.

*Previous relevant experience:* Vice-President and General Manager Global Personal Care and Corporate Fragrance Development Colgate-Palmolive Co. 2010-2011, Vice-President Marketing and Innovation Europe/South Pacific Division Colgate-Palmolive Co. 2005-2010. President and CEO Spain and Spain Holding Company 2003-2005. General Manager Hong Kong and Greater China 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 15, 2017.

- 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.f)**

*“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.”*

- g) 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 experience:* professional services, finance services, corporate governance and corporate transactions.

*Current external appointments:* Chairman, F&C Asset Management PLC. Senior Independent Director and Chairman of the Audit 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. UK Chairman and Senior Partner, PricewaterhouseCoopers 2000-2008. UK Managing Partner and other executive positions, PricewaterhouseCoopers 1998-2000.

- 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 15, 2017.

- Shares of the Company and derivative financial instruments whose underlying

assets are shares of the Company held by the director:

Mr. Kieran Poynter owns 15,000 Company shares.

- 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.g)**

*“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.”*

- h) TO RE-ELECT 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 experience:* corporate finance, investment banking, corporate transactions.

*Current external appointments:* Advisor, Cinven Spain. Director, Altamar Capital Partners. Director, Industria de Diseño Textil, S.A. (Inditex).

*Previous relevant experience:* Chairman of Banco Popular Español, 2017. Vice Chairman and Member of the Investment Banking Management Committee,

JPMorgan Chase & Co. 2015-2016. Deputy CEO 2012-2015 Investment Banking for EMEA 2012-2014, and member of the Executive Committee 2009-2013, JP Morgan Chase & Co. CEO, JP Morgan Private Banking for EMEA 2006-2012. Director, Cintra 2008. Director, ONO 2008. Chairman, JP Morgan Spain and Portugal 1998-2006. Global Investment Banking Head, Santander Investment (UK) 1995-1998. Spanish Market Manager, Goldman Sachs International 1990-1995.

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

Mr. Emilio Saracho Rodríguez de Torres was appointed as non-executive independent director for the first time on June 16, 2016 and was last re-elected on June 15, 2017.

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

Mr. Emilio Saracho Rodríguez de Torres has no shares in the Company.

- 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 re-election:

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 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. Emilio Saracho Rodríguez de Torres as a director of IAG, classified as non-executive independent director:

#### **RESOLUTION 5.h)**

*“To re-elect 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.”*

**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 experience:* commercial management, government affairs, communications, digital and media, legal services.

*Current external appointments:* Senior Independent Director, Twitter, Inc. Senior Independent Director, 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 MIT Media Lab, Member, Board 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 19, 2013, by co-option, and was last re-elected on June 15, 2017.

- 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 MS. NICOLA SHAW AS A DIRECTOR, CLASSIFIED AS NON-EXECUTIVE INDEPENDENT DIRECTOR.**

- Professional profile and biographical data of Ms. Nicola Shaw.

*Key areas of experience:* transport sector, public policy and regulatory affairs, consumer, general management.

*Current external appointments:* Executive Director, National Grid plc. Member of the Audit and Risk Committee English Heritage. Director for Major Projects Association.

*Previous relevant experience:* Non-Executive Director and Chairwoman of the Audit Committee, Ellevio AB 2015-2017. CEO, HS1 Ltd 2011-2016. Member of the Department for Transport's Rail Franchising Advisory Panel 2013-2016. Non-Executive Director, Aer Lingus Plc 2010-2015. Charity Trustee, Transaid 2011-2013. Director and previously Managing Director, Bus Division at FirstGroup plc 2005-2010. Director of Operations and other management positions at the Strategic Rail Authority 2002-2005. Deputy Director and Deputy Chief Economist, Office of the Rail Regulator (ORR) 1999-2002. Associate, Halcrow Fox 1997-1999. Transport specialist, The World Bank 1995-1997. Corporate planner, London Transport 1990-1993.

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

Ms. Lucy Nicola Shaw was appointed as non-executive independent director on June 15, 2017 with effect from January 1, 2018.

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

Ms. Nicola Shaw has 1,495 shares in the Company.

- Category of director:

Ms. Nicola Shaw was proposed, following a rigorous selection process in accordance with the Director Selection and Diversity Policy, 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. Nicola Shaw 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 appointed to such office for the bylaw 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 Ms. Nicola Shaw as a director of IAG, classified as non-executive independent director:

#### **RESOLUTION 5.j)**

*“To appoint Ms. Lucy Nicola Shaw 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 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 experience:* finance, professional services, information technology, hospitality industry.

*Current external appointments:* Leading Director and Chairman of the Nominations, Remuneration and Corporate Governance Committee, Indra Sistemas, S.A. Chairman of the Supervisory Board, Senvion. Director, Broseta Abogados. International Senior Advisor Centerbridge. Independent Director, Varma. Independent Director Schindler España and Patron of Fundación Telefónica. Executive Chairman of various family owned companies.

*Previous relevant experience:* Director, OHL 2010-2016. Director, Aktua 2013-2016. 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 15, 2017.

- 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 26,537 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.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 non-executive independent director.”*

**I) TO APPOINT MS DEBORAH KERR AS A DIRECTOR, CLASSIFIED AS NON-EXECUTIVE INDEPENDENT DIRECTOR.**

- Professional profile and biographical data of Ms. Deborah Kerr.

*Key areas of experience:* technology, digital, marketing, operations, software and services, general management.

*Current external appointments:* Director, NetApp, Inc. Director, Chico's FAS, Inc. Director, ExlService Holdings, Inc. Senior Advisor, Warburg Pincus.

*Previous relevant experience:* Executive Vice President, Chief Product and Technology Officer, SABRE Corporation 2013-2017. Director, DH Corporation 2013-2017. Director, Mitchell International, Inc. 2009-2013. Executive Vice President, Chief Product and Technology Officer, FICO, 2009-2012. Vice President and Chief Technology Officer, HP Enterprise Services 2007-2009. Vice President Business Technology Optimization, Hewlett-Packard Software 2005-2007. Senior Vice President Product Delivery, Peregrine Systems 1998-2005. Prior senior leadership roles with NASA's Jet Propulsion Laboratory, including Mission Operations Manager, US Space VLBI, Nasa Jet Propulsion Laboratory 1988-1998.

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

Ms. Deborah Kerr has no shares in the Company.

- Category of director:

Ms. Deborah Kerr has been proposed, following a rigorous selection process in accordance with the Company's Director Selection and Diversity Policy, 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 appointment:

In consideration of the above, the Board of Directors considers that Ms. Deborah Kerr 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 appointed to such office for

the bylaw 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 Ms. Deborah Kerr as a director of IAG, classified as non-executive independent director:

**RESOLUTION 5.1)**

*“To appoint Ms. Deborah Kerr 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, May 3, 2018