

SHAREHOLDERS' GUIDE

2018 ANNUAL SHAREHOLDERS' MEETING

1. INTRODUCTION

This shareholders' guide is designed to provide information to enable shareholders and holders of CREST Depository Interests linked to the Company's shares (the "**CDI Holders**") to exercise their rights in relation to the Shareholders' Meeting of International Consolidated Airlines Group, S.A. ("**IAG**" or the "**Company**") to be held on June 13, 2018, on first call, or June 14, 2018, on second call (the "**Shareholders' Meeting**").

2. CALL NOTICE

2.1 When is the Shareholders' Meeting going to be held?

Although the notice sets out two dates for convening, the meeting will be held on June 14, 2018, at 1200 hours (CET), on second call.

2.2 Where is the Shareholders' Meeting going to be held?

The venue for the Shareholders' Meeting will be in Madrid (Spain), at Duques de Pastrana, Paseo de la Habana, 208.

The Shareholders Meeting will take place in Madrid only; the meeting will be webcast live and available to watch through the "**2018 Shareholders' Meeting**" section of IAG's website (www.iairgroup.com).

2.3 Where can the call notice be found?

The call notice has been published in the *Boletín Oficial del Registro Mercantil* on May 8, 2018 and has been sent to all shareholders and CDI Holders, either by post or electronically, and is available on the CNMV's (Spanish Securities Commission) website (www.cnmv.es) and on IAG's website (www.iairgroup.com) together with all additional information and documentation relating to the Shareholders' Meeting.

3. RIGHT TO INFORMATION PRIOR TO THE HOLDING OF THE SHAREHOLDERS' MEETING

3.1 How can we obtain the information relating to the Shareholders' Meeting?

Notwithstanding the shareholders' right to examine and obtain a copy of the legally required documents at the registered office (El Caserío, Iberia Zona Industrial nº 2 (La Muñoza), Camino de La Muñoza, s/n, 28042 Madrid) or in the Shareholder Office (IAG) (calle Martínez Villergas, 49, 28027 Madrid); from Monday to Friday, from 0900 to 1600 hours (CET), or to make a request to the Company to have them delivered or sent, immediately and free of charge, after the publication date of the call notice, IAG has placed all of the documents relating to the Shareholders' Meeting on its website (www.iairgroup.com), including:

- a) the call notice;
- b) the financial statements and management reports (which include the annual corporate governance report), together with the related auditors' reports of the Company and of its consolidated group, and the proposed allocation of results, all of the above in relation to the 2017 financial year;
- c) the complete wording of the proposed resolutions prepared by the Board of Directors in relation to the items on the agenda and the reports issued by the Board in relation to items 5 (which contain the professional profile and biography and other particulars of the directors whose re-election and appointment is proposed), 9, 10, 11 and 12 on the agenda;
- d) the 2017 annual report on directors' remuneration;
- e) the proposal regarding the directors' remuneration policy, together with the relevant report by the Remuneration Committee;
- f) the attendance, proxy and remote vote card;
- g) the operating rules of the shareholders' electronic forum;
- h) the number of existing voting rights on the publication date of the call notice; and
- i) this shareholders' guide.

Note: reference to 'shareholder' in this guide means holders of Company's shares traded through the Spanish Stock Exchanges; reference to 'CDI Holder' in this guide means holders of CREST depositary interests linked to the Company's shares, traded on the London Stock Exchange.

3.2 Can questions be submitted prior to the Shareholders' Meeting being held?

Shareholders may request any information or clarification they consider necessary, or submit in writing any questions they wish to be asked up to five days prior to the Shareholders' Meeting (that is, until June 9, 2018, considering that the Shareholders' Meeting will be held on second call).

This right to information can only be exercised in relation to:

- a) the items on the agenda;
- b) any publicly available information that the Company has provided to the CNMV since the holding of the last Shareholders' Meeting, i.e. since June 15, 2017; and
- c) the auditor's report.

Any requests for information or clarification and the submission of questions must be sent in writing and handed in directly at the registered office (El Caserío, Iberia Zona Industrial nº 2 (La Muñoza), Camino de La Muñoza, s/n, 28042 Madrid) or at the Shareholder Office (IAG) (calle Martínez Villergas, 49, 28027 Madrid), Monday to Friday, from 0900 to 1600 (CET) or sent by post (to Shareholder Office as above address) or by e-mail (to the e-mail addresses: shareholder.services@iairgroup.com (English) or accionistas@iairgroup.com (Spanish)), mentioning the name of the shareholder making the request, together with their DNI or passport number or shareholder reference number, and the address for the purpose of replying.

For details on how to ask and receive a reply to a question during the Shareholders' Meeting see paragraph 9.4.

3.3 What about CDI Holders?

Any CDI Holder wishing to submit questions or request clarification on the terms described in paragraph 3.2 must submit their questions or requests to the Shareholder Office (IAG) via email (to the e-mail address shareholder.services@iairgroup.com), including their shareholder reference number and their address as held on the share register for the purposes of the corresponding response.

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4. RIGHT TO ATTEND

4.1 Who can attend the Shareholders' Meeting?

All shareholders who have shares entered in their name on the relevant book entry register in Spain at least five days before the scheduled date for the Shareholders' Meeting (up to June 9, 2018) will be entitled to attend the Shareholders' Meeting in a speaking and voting capacity.

CDI Holders wishing to attend the Shareholders' Meeting must have been appointed as a proxy in respect of the underlying shares their CDIs represent as described in paragraph 4.3.

4.2 What documents are needed to be able to attend the Shareholders' Meeting?

To be able to attend, shareholders must present the attendance, proxy and remote vote card, completed and signed by them, at the entrance to the building where the Shareholders' Meeting is to be held, together with their identity card, passport or any other equivalent official identity document.

In the case of institutional shareholders, a copy of a sufficient power of attorney must also be produced, evidencing the powers of the individual signing the attendance, proxy and remote vote card on behalf of the institutional shareholder.

CDI Holders or their proxies wishing to attend the Shareholders' Meeting need to fulfil the requirements detailed in paragraph 4.3 hereinafter.

4.3 What are the requirements for CDI holders wishing to attend the Shareholders' Meeting?

To be able to attend and exercise the right to vote at the Shareholders' Meeting, CDI Holders must attend the meeting as a proxy in respect of the underlying shares their CDIs represent. To appoint themselves as proxy or to appoint a third party as a proxy, CDI Holders must return the form of instruction or form of direction ('**proxy form**') to Computershare Investor Services PLC ("**Computershare**") by 1100 (BST) on June 7, 2018. CDI Holders need to indicate their name, or that of their appointee, on the reverse of the proxy form and if they wish to vote at the meeting they should leave the vote blank.

Once this procedure is completed, on the date of the Shareholders' Meeting, the CDI Holders (attending as a proxy) need to bring with them a form of identity,

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either a passport or drivers licence. At registration they will be given a voting card which they can complete with their vote at the meeting.

4.4 What time will access to the venue be allowed?

Shareholders or CDI Holders (attending as a proxy), or their representatives, in accordance with the requirements mentioned in this guide, will be allowed into the venue from 1000 (CET), two hours before the start of the Shareholders' Meeting.

4.5 What is the latest time of arrival that will count as attendance at the Shareholders' Meeting?

Attendance, proxy and remote vote cards from the shareholders will only be accepted from those who arrive before, or by the latest, at the time set for the start of the Shareholders' Meeting, that is, until 1200 (CET) on the date of the meeting.

Voting cards for CDI Holders (attending as a proxy) will only be given to those who arrive before, or by the latest, at the time set for the start of the Shareholders' Meeting, that is, until 1200 (CET) on the date of the meeting.

4.6 Will people be allowed into the Shareholders' Meeting if they arrive after it starts?

Any shareholders or CDI Holders (attending as a proxy), or their representatives, who arrive late at the venue for the Shareholders' Meeting, after the attendance, proxy and remote vote cards have stopped being accepted and voting cards have stopped being given, will be allowed into the meeting but will not be included on the list of attendees and, therefore, will not be allowed to speak or vote at the meeting.

4.7 Is it possible to be accompanied at the Shareholders' Meeting by another person?

A shareholder or a CDI Holder (attending as a proxy) or their representative can be accompanied at the Shareholders' Meeting by another person, only if that other person is also a shareholder or a CDI Holder with the right to attend or their representatives.

Otherwise, a request to issue an invitation must be made by email to the Shareholder Office (IAG) for the companion to be able to attend. Given the limited capacity of

the auditorium where the Shareholders' Meeting will be held, there is no guarantee that invitations will be given to every person who requests one.

4.8 If more than one holder appears on the attendance, proxy and remote vote card, who will be able to attend the Shareholders' Meeting?

Only one of the holders will have the right to attend the Shareholders' Meeting, and the attending holder will be deemed to have been appointed to exercise the shareholder rights by the other shareholders.

5. RIGHT TO BE REPRESENTED

5.1 Who can appoint a proxy for the Shareholders' Meeting?

Every shareholder with the right to attend the Shareholders' Meeting can appoint anyone as proxy and that person need not be a shareholder.

5.2 How can a shareholder be represented at the Shareholders' Meeting?

For the proxy authorisation to be valid, it must be accepted by the representative. Unless provided otherwise in relation to remote proxy authorisations, the representative's acceptance must appear on the attendance, proxy and remote vote card, which must be duly signed by the representative.

5.3 How can proxy authorisations be granted?

Shareholders can grant proxy authorisations by completing the proxy section on the attendance, proxy and remote vote card.

After the card has been completed and signed in the proxy section by both the shareholder and the representative, shareholders can hand it over to their representatives to be submitted at the registration desks on the day of the Shareholders' Meeting or by sending it to IAG:

- a) by post: by sending their original attendance, proxy and remote vote card, with the relevant section duly completed and signed, to the Shareholder Office (IAG) (calle Martínez Villergas, 49, 28027 Madrid); or
- b) electronically: on the Company's website (www.iairgroup.com), by following the instructions given and using their electronic DNI (DNIe) or

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their digital signature based on a recognised and valid certificate issued by the Spanish Public Certification Entity (CERES) attached to *Fábrica Nacional de Moneda y Timbre*.

Only one electronic step will be allowed for either one type of transaction or the other (proxy or vote), otherwise, if both take place electronically, the vote will prevail.

5.4 Is there a time limit for exercising the right to appoint a proxy?

When sent by post or electronically the grant of proxy authorisation above must have been received by the Company by midnight (CET) on June 13, 2018, considering that the Shareholders' Meeting will be held on second call. If not received by this time the grant of the proxy authorisation will not be considered to have taken place.

After that time limit has passed only proxy authorisations granted on paper and submitted by the proxy attending the Shareholders' Meeting in person on the date and at the venue of the meeting will be accepted.

5.5 Can a proxy authorisation be revoked?

Yes it can. The fact of a shareholder attending the Shareholders' Meeting in person or casting a remote vote will revoke any proxy authorisation granted, regardless of the date of that authorisation.

5.6 What documents does the proxy need to be able to attend the Shareholders' Meeting in person?

In the case of a proxy authorisation, the person attending the meeting must produce at the entrance to the venue the attendance, proxy and remote vote card in which the shareholder has granted proxy authorisation, signed and completed (by both the person attending in person and by the proxy), together with the proxy's identity card, passport or any other equivalent official identity document of the person attending the meeting.

5.7 What about CDI Holders?

Any CDI Holders wishing to appoint a proxy in relation to the underlying shares must complete the proxy form and return it to Computershare (The Pavilions,

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Bridgwater Road, Bristol BS99 6ZY, United Kingdom) or via their website (www.eproxyappointment.com) by 1100 (BST) on June 7, 2018.

CDI Holders need to follow the procedure established by Computershare for such purposes.

6. REMOTE VOTING RIGHT AT THE SHAREHOLDERS' MEETING

6.1 Who can vote by remote means prior to the Shareholders' Meeting?

Every shareholder with the right to attend the Shareholders' Meeting can vote by remote means prior to the Shareholders' Meeting.

6.2 Can votes be cast by remote means during the Shareholders' Meeting?

No, they cannot.

6.3 How can I vote by remote means?

Shareholders can vote by remote means by completing the remote vote section on the attendance, proxy and remote vote card using the following remote means of communication:

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

Only one electronic step will be allowed for either one type of transaction or the other (proxy or vote); otherwise, if both take place electronically, the vote will prevail.

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6.4 Is there a time limit for remote voting?

Any votes cast on any of the remote means of communication mentioned above must be received by the Company by midnight (CET) on June 13, 2018, considering that the Shareholders' Meeting will be held on second call. Otherwise, the remote vote will be considered not to have been cast.

6.5 Can the remote vote be changed after it has been cast?

Once the remote vote has been cast, it cannot be changed, unless the shareholder that cast the remote vote attends the Shareholders' Meeting in person.

6.6 What about CDI Holders?

Any CDI Holders wishing to vote by remote means in relation to the underlying shares must complete the proxy form and return it to Computershare (The Pavilions, Bridgwater Road, Bristol BS99 6ZY, United Kingdom) or via their website (www.eproxyappointment.com) by 1100 (BST) on June 7, 2018.

7. PRIORITY RULES FOR PROXY, REMOTE VOTE AND ATTENDANCE IN PERSON

7.1 Priority among proxy, remote vote and attendance in person

Where the shareholder has appointed a representative or voted earlier, regardless of the means used, the fact of that shareholder attending the Shareholders' Meeting in person will render the proxy authorisation or vote invalid.

A vote, regardless of the means by which it was cast, will render invalid any proxy authorisation, even if it was granted before the vote, in which case it will be considered to have been revoked, or after the vote, in which case it will be considered not to have been cast.

7.2 Priorities according to the means to be used to appoint a proxy or cast a vote

If a shareholder appoints a proxy electronically, on the one hand, and on the printed paper attendance, proxy and remote vote card, on the other, the paper card will prevail, regardless of their respective dates.

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A vote cast on the attendance, proxy and remote vote card (on paper) will render invalid a vote cast electronically, whether before or after.

8. ATTENDANCE, PROXY AND REMOTE VOTE CARD/PROXY FORM /VOTING CARD

8.1 How can we obtain the attendance, proxy and remote vote cards/ proxy form/voting card?

The attendance, proxy and remote vote cards for shareholders and for CDI Holders, the proxy form will be issued and sent by the Company (to addresses held on the shareholder and CDI registers of the Company) from May 14, 2018.

The attendance, proxy and remote vote card is also available on the Company's website (www.iairgroup.com).

On entering the Shareholders' Meeting, the CDI Holders (attending as a proxy) will receive the voting card in the case they have followed the procedure established by Computershare for such purposes described in paragraph 4.3.

8.2 What should we do if we do not receive the attendance, proxy and remote vote card/proxy form?

For shareholders: a duplicate of the attendance, proxy and remote vote card can be requested by the following channels:

- by calling the Shareholder Office (IAG) on +34 915 878 974 between 0900 to 1600 (CET), Monday to Friday;
- by post: by sending a letter with all of the holder's details to the Shareholder Office (IAG) (calle Martínez Villergas, 49, 28027 Madrid);
- electronically: by sending an e-mail with all of the holder's details to the e-mail address: accionistas@iairgroup.com; or
- at the venue building for the Shareholders' Meeting, before it starts, by producing an identity card, passport or equivalent official identification document.

CDI Holders should contact Computershare on + 44 (0) 370 702 0110 between 0900 and 1700 (BST) Monday to Friday.

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8.3 What should we do if we have to change any of the personal details appearing on the attendance, proxy and remote vote card/proxy form?

You must notify the change on any of the channels mentioned in the preceding paragraph 8.2.

8.4 What should we do if the number of shares appearing on the attendance, proxy and remote vote card does not match the number of shares owned?

The details issued on the attendance, proxy and remote vote cards are the details contained in the Company's records on the date of issue. Therefore, if any share transfer or acquisition transactions have taken place following the issue date, these transactions will not appear on the attendance, proxy and remote vote cards.

Shareholders will hold the voting rights attached to the shares registered in their names in the relevant accounting records five days before the Shareholders' Meeting is held.

In any event, a duplicate attendance, proxy and remote vote card can be requested with the details updated and any errors corrected, on the channels mentioned in paragraph 8.2 above.

9. HOLDING THE SHAREHOLDERS' MEETING

9.1 What quorum is needed for the Shareholders' Meeting to be validly convened and to be able to approve the items on the agenda?

The Shareholders' Meeting will be validly convened, on first call, where attended in person or by proxy by shareholders and CDI Holders (attending as a proxy) owning, at least, fifty per cent of the voting share capital.

On second call, twenty-five per cent of that share capital will be sufficient.

9.2 How will the Shareholders' Meeting take place?

The Shareholders' Meeting will take place, in principle, with the following order of events:

- Opening of the meeting by the Chairman.
- Legal formalities relating to the convening of the Shareholders' Meeting.

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- Chairman's speech.
- Chief Executive Officer's speech.
- Questions asked by shareholders.
- Response to questions by the Chairman or other persons as directed by the Chairman.
- Vote on resolutions.
- Announcement of results.
- Closure of the meeting.

9.3 Which language will the Shareholders' Meeting be held in?

The meeting will be held in Spanish with simultaneous translation into English, with the speech of the CEO being in English with simultaneous translation into Spanish.

9.4 When and how can we speak at Shareholders' Meeting?

Any shareholder, or CDI Holder (attending as a proxy) or their representatives, attending the Shareholders' Meeting who wish to address the Shareholders' Meeting and, where necessary, exercise their information right in accordance with the legal and regulatory terms established, must provide their identity to the Shareholder Office (IAG) team at the entrance of the venue stating their name and surname(s), the number of shares they hold and the number of shares they represent by proxy. They will be requested to hand over at that point the wording or a summary of their statement in order to speed up the meeting.

If the shareholders or CDI Holders (attending as a proxy) or their representatives want their statements to be transcribed word for word in the minutes of the Shareholders' Meeting they must deliver it in writing to the notary or to the notary's assistants for the notary to compare it against the statement made by the shareholder or by the CDI Holder (attending as a proxy) or their representatives.

Statements by shareholders or CDI Holders (attending as a proxy) or their representatives will take place in the order in which they are called to the floor by the Secretary of the Shareholders' Meeting, after the times allowed for those statements have been determined by the Chairman of the Shareholders' Meeting. No shareholder or CDI Holder (attending as a proxy) or their representatives may make any statement dealing with business not included in the agenda or on a subject

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on which they do not have a right to information, or without being granted the floor by the Chairman of the Shareholders' Meeting.

Initially the shareholders, or CDI Holders (attending as a proxy) or their representatives will have up to five minutes for each statement, although the Chairman of the Shareholders' Meeting has the discretion to allow more time. Where the number of statements requested or other circumstances so require, the Chairman of the Shareholders' Meeting may set a maximum statement period of less than five minutes, giving due regard in each case to the equal treatment of presenting shareholders or CDI Holders (attending as a proxy) or their representatives and the principle of non-discrimination.

Once all questions have been asked, the Chairman of the Shareholders' Meeting or the person assigned by him will proceed, in its case, to respond to them accordingly.

9.5 How will the voting procedure take place?

On entering the Shareholders' Meeting, the shareholders and the CDI Holders (attending as a proxy) or their representatives will receive a voting card which they can complete with their vote and hand over to the notary or the notary's assistants at the end of the meeting.

In any event, as mentioned in the Shareholders' Meeting Regulations, in the voting process, once the Chairman of the Shareholders' Meeting has evidence of the existence of sufficient favourable votes, the Chairman of the Shareholders' Meeting will declare the resolutions to be adopted without prejudice to the statements that the attending shareholders or CDI Holders (attending as a proxy) or their representatives may make to the notary (or, in the absence of a notary, to the Secretary of the Shareholders' Meeting) or his assistants, regarding the direction of their vote in accordance with the preceding paragraph.

10. FURTHER QUESTIONS

10.1 What is the difference between the three voting options?

- For: if you are in favour of the resolution please mark this option;
- Against: if you are against the resolution please mark this option; and
- Abstention: if you decline to vote please mark this option.

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10.2 Approval of resolutions

The approval of resolutions requires the vote in favour of the simple majority of the shares present in person (votes casted by remote means will be counted as present in person) or by proxy at the Shareholders' Meeting. Notwithstanding the above, for approval of items 9, 10, 11 and 12 of the agenda, it is required: (i) the favourable vote of two thirds of the shares present in person or by proxy at the Shareholders' Meeting, whereas on second call shareholders, representing twenty-five percent or more but less than fifty percent of the voting share capital of the Company, are present; or (ii) absolute majority of the shares present in person or by proxy at the Shareholders' Meeting, whereas on second call shareholders, representing fifty percent or more of the voting share capital of the Company, are present.

10.3 How can the resolutions adopted at the Meeting be founded out if I am unable to attend?

The Company will publish on its website (www.iairgroup.com), the results of the votes, the proportion of share capital those votes represent, the total number of votes validly cast and the number of votes cast for, against and abstain for each resolution.

10.4 Will those attending the Shareholders' Meeting receive a gift?

No, the Company does not offer gifts for attendance at the Meeting.

10.5 Will an attendance fee be paid to shareholders that attend the General Shareholders' Meeting?

No, shareholders will not receive any remuneration for attending the Meeting.

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