

**ANNUAL REPORT OF THE AUDIT AND COMPLIANCE COMMITTEE OF
INTERNATIONAL CONSOLIDATED AIRLINES GROUP, S.A., REGARDING
THE INDEPENDENCE OF THE EXTERNAL AUDITOR (ERNST & YOUNG, S.L.)**

Pursuant to the provisions of subsection 4 of article 529 *quaterdecies* of the Restated Text of the Companies Act (*Ley de Sociedades de Capital*), the Audit and Compliance Committee of International Consolidated Airlines Group, S.A. (“**IAG**” or the “**Company**”), issues this report on the matters provided for in such legal provision, as follows:

1. In view of the letter sent by Ernst & Young, S.L. dated February 21, 2018, and in compliance with the aforementioned provision, the Audit and Compliance Committee of IAG believes that Ernst & Young, S.L., the Company’s statutory auditor, is independent from IAG and its related companies, both directly and indirectly, as required by applicable legal provisions governing audit activities in Spain.

2. Furthermore, the Audit and Compliance de Committee has been informed that the non-audit services provided by Ernst & Young, S.L. and its related companies to the Company and the companies directly and indirectly related thereto during the period covered by the 2017 annual accounts were the following:

(€'000)	2017
Fees payable for non-audit services:	
Other services pursuant to legislation	149
Other services relating to taxation	-
Other assurance services ¹¹	467
Services relating to corporate finance transactions	296
All other services	3
	916

This Committee therefore believes that the auditor of the Company is independent because the fees received by it for services additional to or other than the audit of financial statements are relatively minor by comparison to those received for its audit of

¹ *Fiscal year 2017: 78 per cent of the €619,000 spend related to recurring work on the audit of accounts required by our Joint Business arrangements. These mainly represent spend related to recurring work on the audit of accounts required by the Group’s Joint Business Arrangements.*

the annual accounts, and because the Committee is not aware of any other circumstances that might compromise the objectivity or impartiality thereof.

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Madrid, February 21, 2018.