

**REGULATIONS OF THE REMUNERATION COMMITTEE OF
INTERNATIONAL CONSOLIDATED AIRLINES GROUP, S.A.**

**TITLE I
GENERAL PROVISIONS**

Article 1.- Nature and purpose

1. In accordance with the law, the Bylaws and the Board Regulations, the Board of Directors of INTERNATIONAL CONSOLIDATED AIRLINES GROUP, S.A. (the “**Company**”) has created a remuneration committee (the “**Remuneration Committee**” or the “**Committee**”) in order to better perform its functions and to comply with the provisions of the applicable legislation.
2. The purpose of these regulations (the “**Regulations**”) is to lay down the principles governing all actions taken by the Remuneration Committee and establish the basic rules for its organisation and operation and the standards of conduct for its members, all with a view to ensuring the independence of the Committee.
3. The Remuneration Committee is a permanent internal body, of a consultative nature and without executive functions, with powers to report, monitor, advise and make proposals within its remit, and is governed by the provisions of the law, the Bylaws, the Board Regulations and these Regulations.

Article 2.- Prevalence and interpretation

1. These Regulations implement and complement the provisions of the Bylaws and of the Board Regulations that are applicable to the Remuneration Committee. The Bylaws and the Board Regulations shall prevail in the event of any contradiction with these Regulations.
2. These Regulations shall be interpreted in accordance with the law, the Bylaws and the Board Regulations. Any questions arising in relation to the interpretation of these Regulations shall be resolved by the Board of Directors.
3. Capitalized terms used but not defined in these Regulations shall have the meaning ascribed to them in the Bylaws and in the Board Regulations.

Article 3.- Approval and amendments

1. These Regulations shall enter into force on the date of their approval by the Board of Directors.

2. The Board of Directors shall be responsible for approving any amendments to these Regulations.

TITLE II COMPOSITION OF THE REMUNERATION COMMITTEE

Article 4.- Composition

1. The Remuneration Committee shall be made up of no less than three directors appointed by the Board of Directors. The Board of Directors shall endeavour to ensure that Committee members, and in particular the Chair, have the appropriate expertise, qualifications and experience to discharge the duties they are called upon to perform.
2. All the members of the Committee shall be independent non-executive directors.
3. To the extent possible and in light of the limitations deriving from its smaller size when compared to the Board of Directors, efforts shall be made to promote diversity in the composition of the Committee, in particular with respect to gender, professional experience, skills, industry knowledge and international experience and skills, favouring scepticism and a critical mindset.

Article 5.- Appointment and offices

1. The members of the Remuneration Committee shall be appointed by the Board of Directors.
2. Committee members re-elected as Company directors pursuant to a resolution of the Shareholders' Meeting shall continue to hold office on the Committee, without having to be re-elected, unless the Board resolves otherwise.
4. The Board of Directors shall appoint the Chair of the Remuneration Committee from among the members of the Committee, taking care to ensure that he or she has sufficient capacity and availability to adequately perform his or her functions and trying to elect a Chair that has served on a remuneration committee of a listed company for at least one year.
3. The Chair of the Board of Directors shall not be eligible to be appointed as the Remuneration Committee Chair.
4. The Secretary of the Board of Directors or his or her nominee shall act as Secretary to the Remuneration Committee.

Article 6.- Withdrawal

Committee members shall cease to hold office:

1. When they cease to be directors of the Company.
2. When they cease to be non-executive directors, even if they continue as directors of the Company.
3. Upon expiration of the maximum term for which they were appointed without being re-elected.
4. By resolution of the Board of Directors.

**TITLE III
REMIT OF THE REMUNERATION COMMITTEE**

Article 7.- Guiding principles

1. Without prejudice to the other tasks assigned to it by the law, the Bylaws or the Board of Directors, the Committee shall have the responsibilities set forth in Article 8 below.
2. The Committee, in the discharge of its duties, shall take into account the following basic principles of action:
 - a) Independence, exercising independent judgement and discretion when authorising remuneration outcomes, taking account of company and individual performance, and wider circumstances. Independent judgement should also be exercised when evaluating the advice of external third parties and when receiving views from executive and senior management.
 - b) Critical mindset, performing its function with scepticism, without routinely approving proposals and reports from persons outside the Committee, particularly those from executive directors and other members of the Management Team.
 - c) Constructive dialogue, that provides the opportunity for all members and attendees to speak freely during meetings. This dialogue includes both that between members, as well as with the Chair of the Board of Directors, the Chief Executive, and other members of the Company's management.
 - d) Sufficient analytical capability, seeking, where necessary or advisable, the expert advice of a third party who may assist the Committee with aspects that are technical or particularly relevant. In doing so, and where relevant, the

Committee will have to take into account any potential conflicts of interest that may exist when engaging the services of such third party.

3. In performing its functions, the Committee shall consult the Chair of the Board of Directors and the Chief Executive, particularly on matters relating to the Management Team.
4. No director or Management Team member shall be involved in any decisions as to his or her own remuneration outcome.

Article 8.- Responsibilities

The Remuneration Committee shall also have the following responsibilities:

1. To propose to the Board the remuneration policy for directors and senior executives and to review and update it on a regular basis.
2. To regularly review the remuneration policy for directors and the Management Team, according to applicable legal requirements and furthermore to consider whether it is appropriate to the Company's particular circumstances, whether it is in line with its strategy and market conditions, and whether it contributes to sustainable value creation and adequate risk management and control.
3. To propose to the Board the amount of the annual remuneration for directors pursuant to the provisions of the Bylaws and in accordance with the Company's remuneration policy.
4. To propose to the Board the individual remuneration of executive directors and the remaining basic terms of their contracts, including any potential compensation or severance which may be payable to them in the event of removal, pursuant to the Company's remuneration policy.
5. To report to the Board on the remuneration for the Company's Management Team, as well as the main terms of their contracts, in particular their total individual remuneration package (including bonuses, incentive payments and share options or share awards).
6. To review the design of all share incentives plans for approval by the Board and, where required, by shareholders. For any such plans, determine each year the individual awards for executive directors and Management Team and the performance and targets to be used.
7. To report to the Board of Directors on the contractual terms on termination for the Management Team, including executive directors, and to ensure that any payments made are fair to the individual and the Company, that failure is not rewarded and the duty to mitigate loss is fully recognised.

8. To review workforce remuneration and related policies and the alignment of incentives and rewards with culture, taking these into account when setting the remuneration policy.
9. To verify each year that the remuneration policies of the directors and of the Management Team are properly applied, that no payments are made that are not provided for therein, whether circumstances have occurred justifying the application of the malus or claw-back clauses provided for in the contracts of the Management Team, and propose any appropriate measures to recover the amounts that might apply.
10. To give due regard to the provisions of applicable good governance codes, the law or regulation and requirements imposed by any stock exchange on which the Company's securities are listed when determining any compensation packages and arrangements.
11. To ensure that the disclosure requirements of the Spanish and the United Kingdom listing rules and any other applicable listing rules, laws or regulations are fulfilled, including those that relate to the annual report on directors' remuneration.
12. To review and submit to the Board of Directors for approval the annual report on directors' remuneration and to review the information on the remuneration of directors and senior executives provided in corporate documents, the notes to the annual accounts and the interim financial statements of the Company.
13. To ensure that any conflicts of interest do not jeopardise the independence of the external advice provided to the Committee.

TITLE IV OPERATION OF THE COMMITTEE

Article 9.- Meetings

1. The Remuneration Committee shall meet whenever called by its Chair, at his or her own initiative or at the request of two or more of its members and, in all cases, where the Board of Directors requests the issue of reports, the presentation of proposals or the adoption of resolutions falling within the scope of its functions.
2. The Remuneration Committee shall establish a schedule of ordinary meetings, including its annual work plan, taking into consideration the time to be dedicated to the different functions, the need for preparatory meetings on specific topics, the potential need to rely on external advisors, and the planning for any training considered appropriate.
3. No attendee shall participate in any discussion or decision regarding his or her own

remuneration.

4. The Chair of the Remuneration Committee shall have the power to call Committee meetings and to establish the agenda.
5. The call notice shall include the agenda, shall be served in writing sufficiently in advance to ensure that members receive it no later than three days before the date of the meeting, except in the case of meetings deemed urgent by the Chair, and shall be authorized by the signature of the Chair of the Remuneration Committee or the Secretary or the acting Chair or Secretary. Efforts shall be made in all cases to ensure that Committee members receive the pertinent documentation and information sufficiently in advance to enable them to adequately perform their functions.
6. The Remuneration Committee may summon any Company employee or officer and may even order them to appear without the presence of any other officer.
7. Efforts shall be made to ensure that the presence of persons unrelated to the Committee (in particular, Company executives and employees) at Committee meetings is limited to cases in which it is necessary and subject at all times to an invitation from the Committee Chair for the items on the agenda for which they are called to attend. However, the Chair of the Board of Directors and the Chief Executive will normally be invited to attend and speak at meetings of the Remuneration Committee.
8. In order to foster a diversity of opinion that enriches the Committee's analyses and proposals, the Chair shall ensure that all members freely participate in deliberations, without being affected by internal or third-party pressure, and shall encourage constructive dialog among the Committee members, promoting free speech and a critical mindset.
9. For the adequate performance of his or her functions, the Committee Chair shall promote the establishment of a channel for effective and periodic communication with the management team, which shall also involve the other Committee members, to the extent he or she sees fit.
10. When a member of the Remuneration Committee, is subject to a conflict of interest situation (upon the terms established in the Board of Directors Regulations) during the celebration of a meeting, such conflict of interest must be governed by the rules established in the Board of Directors Regulations.

Article 10.- Constitution and adoption of resolutions

1. The Remuneration Committee shall be validly constituted where more than half of its members are present, in person or by proxy, at the meeting.

2. Directors shall make every effort to attend Committee meetings and, where they are unable to do so in person, they must endeavour to grant a proxy to another Committee member, including the pertinent instructions and notifying the Committee Chair.
3. The Remuneration Committee shall be validly constituted without prior call when all of its members are present and unanimously agree to hold a meeting.
4. Resolutions shall be adopted by an absolute majority of the members present, in person or by proxy.

Article 11.- Place of the meeting

1. Meetings of the Committee shall be held at the registered office or at the venue, in Spain or abroad, specified in the call notice.
2. Members may attend Committee meetings via telephone multi-conference, videoconference or any other analogous system provided that such systems permit the recognition and identification of the attendees, permanent communication between the attendees regardless of their location, and real-time participation and voting.

Article 12.- Reporting to the Board of Directors

1. The Chair of the Remuneration Committee shall report to the Board of Directors on the activities carried out and the resolutions adopted by the Committee, and the Board of Directors may make any suggestions or recommendations it sees fit.
2. The minutes recording the resolutions adopted by the Committee shall be made available to all of the directors.

Article 13.- Information provided to shareholders and other stakeholders

1. The Committee shall prepare an activity report each year to give shareholders and other stakeholders a better understanding of the activities carried out by the Committee during the year.
2. The annual report by the Remuneration Committee shall be published as part of the Company's annual report and shall be made available to the public on the Company's website.
3. The Chairman of the Committee must attend the Annual Shareholders' Meeting to answer questions on the Committees' activities, where appropriate.

Article 14.- Performance evaluation

1. The Remuneration Committee shall organize annual evaluations of its performance, to be conducted externally at least once every three years.
2. At least once a year, the Committee shall review its composition and operating rules to ensure it is operating as effectively as possible and recommend any changes it considers necessary or appropriate to the Board of Directors for approval.

Article 15.- Training and Induction

The Remuneration Committee shall be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members.

**TITLE V
DUTIES OF COMMITTEE MEMBERS**

Article 16.- Advisory powers

1. The Remuneration Committee has full authority to appoint remuneration consultants and to commission or purchase any reports, surveys or information which it deems necessary at the expense of the Company. However, the Committee should avoid designing pay structures based solely on benchmarking to the market or on the advice of remuneration consultants.
2. If the services of a remuneration consultant are engaged, the Committee shall properly assess its independence.
3. When the performance of their functions so requires, members of the Remuneration Committee shall have access to all of the Company's services and shall have the duty to demand and the right to obtain from the Company the adequate and necessary information to enable them to comply with their obligations.

Article 17.- Duties of Committee members

1. Committee members must act with independence of mind and perform their work with the utmost diligence and professional competence. In particular, attendance at Committee meetings shall be preceded by sufficient dedication of Committee members in analysing and evaluating the information received.
2. In exercising their responsibilities, Committee members must maintain a critical mindset, duly questioning the data, the evaluation processes and the preliminary conclusions reached by the executives and officers of the Company.

3. Committee members shall be subject, in such capacity, to all duties of directors provided for in the Board Regulations, insofar as they apply to the functions performed by the Committee.

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