

Directors' Remuneration Report

Report of the Remuneration Committee

Dear Shareholder

On behalf of the Board, I am pleased to present our 2022 Directors' Remuneration Report. This is my first report as Chair of IAG's Remuneration Committee, having succeeded Alberto Terol in June 2022. I would like to thank Alberto for his contribution during his time as Chair of the Committee and I am very much looking forward to serving you in this new role.

The aviation sector has faced unprecedented challenges in the last three years with the sector profoundly impacted by COVID-19 and resulting global travel restrictions, the economic uncertainty driven by the war in Ukraine, inflationary pressures and cost of living crisis have made 2022 another difficult year for the sector. Against this backdrop, IAG's return to profitability across all of the Company's airlines and the restoration of capacity to meet the steep ramp up in demand have demonstrated the strength of our businesses and the commitment and flexibility of all of our colleagues, for which I and the Committee are extremely grateful. Within this context, the Committee have sought to take a considered approach to remuneration decisions, balancing the broader experience of the workforce and especially those on lower pay, the experience of shareholders, and the need to continue to attract, retain and incentivise senior leaders in a dynamic and tight labour market.

Performance delivered in 2022

This year we returned to profitability for the first time in three years and across all businesses across the Group and are making strong progress in returning to 2019 levels of performance and profitability. This is a significant achievement particularly given the continued economic uncertainty and challenges faced across the year including sector wide skills and resource shortages, inflationary pressures, responding to a number of IT issues and managing the impact of industrial action across the sector.

- Operating profit before exceptional items €1,225 million
- Capacity recovered to 78 per cent of 2019 levels and over 94 million passengers flown



Heather Ann McSharry
Remuneration Committee Chair

Committee members

	Date appointed
Heather Ann McSharry (Chair)	December 31, 2020
Nicola Shaw	January 1, 2018
Emilio Saracho	June 20, 2019
Eva Castillo	December 31, 2020

- Passenger unit revenues higher than 2019, particularly in the second half of the year
- Significant progress towards 2025 carbon efficiency target as IAG continues to lead the industry on sustainability
- Confirmed acquisition of new more efficient shorthaul aircraft bringing long-term cost savings, lower carbon emissions and improved customer experience

Workforce experience

Our workforce continues to be at the centre of our recovery and our focus on their well-being is critical to the success of the Group. Committee members have led the Board's direct workforce engagement programme and made twelve visits to operating companies this year. The impact of the pandemic on our business and on colleagues, the ongoing cost of living

challenges, and the sense of pride in the role colleagues have played in supporting the business with its recovery were the most common themes raised.

The Committee have received regular updates on workforce experience and in particular the steps the operating companies have taken to support colleagues both in terms of support with cost of living challenges, and their overall wellbeing. With respect to workforce remuneration, each operating company has sought to reach collective agreements which best support colleagues whilst ensuring the business and pay remains competitive. This has included one off payments and contractual pay increases throughout the Group (for example, £1,000 payment made to eligible IAG Loyalty employees and a one-off payment of €1,700 to eligible employees at Aer Lingus).

This year we have provided more detail on the wider workforce experience to demonstrate the Board's and this Committee's commitment to understanding the experience of colleagues and to show how we are using this insight to ensure all decisions regarding executive remuneration reflect the experience and expectations of all stakeholders. This can be found on page 21 of this report.

On behalf of the Committee, I would like to take this opportunity to thank our employees across the Group for their ongoing effort, flexibility and hard work which has been fundamental to our recovery.

2022 Remuneration outcomes for the Executive director

The remuneration outcomes for IAG CEO during 2022 reflect the strong recovery of the Group in a complex operating environment. The Committee sought to ensure remuneration outcomes fairly and competitively compensated the CEO whilst aligning with wider stakeholder experience.

Base salary

As disclosed in the 2021 Remuneration Report, the Committee deferred the review of the CEO's 2022 pay to the second half of 2022, to better understand the Group's recovery from the pandemic. Taking into account a number of factors the Committee decided not to adjust the CEO's base pay for 2022.

2022 annual incentive outcome

The annual bonus plan operated in line with our remuneration policy in 2022 and reflects the strong recovery of the Group in the year and the Group's return to profitability. This follows the decision by the CEO not to be considered for an annual Incentive award in 2021, and the decision by the Board to cancel the 2020 Annual Incentive Plan in its entirety in light of the impact of COVID-19.

The 2022 annual incentive measures were chosen to reflect the most important priorities of the Group for the year, with a focus on strong financial performance and delivering the best experience for our customers. The Committee also agreed to reintroduce a carbon efficiency annual incentive measure for 2022, given the return of more normalised flying schedules and passenger volumes and the strategic importance of ESG and sustainability to the Group. The annual bonus for 2022 was therefore based on: 60 per cent Operating profit before exceptional items, 20 per cent customer NPS, 10 per cent carbon efficiency and 10 per cent personal objectives.

Under those scorecard measures, the bonus outcome was 83.5 per cent of maximum 50 per cent of this bonus will be deferred into shares for three years. Full details of achievement against targets are provided on page 13.

2020 performance share plan vesting

The 2020 PSP award, our last award granted under the performance share plan before transitioning to the restricted share model in 2021, reached the end of its three-year performance period in December 2022. The targets for the 2020 PSP award were set prior to the onset of the COVID-19 pandemic and, as a result, all three measures (relative TSR, EPS and RoIC) fell short of the threshold level at which payments begin. Whilst the Committee recognised the significant progress made in recovering the business' profitability and performance, it did not feel it was appropriate to apply any discretion and the full 2020 PSP award, set at 200 per cent of salary, will therefore lapse in full.

Implementation of the policy in 2023

Base salary

The Committee takes a thoughtful approach to CEO's salary reviews, considering a wide range of factors including salary increases across the Group, shareholder and proxy agency views, the external environment and wider stakeholder experience. We have consistently shown restraint on salary increases in recent years, including implementing temporary salary reductions following the outbreak of COVID-19. As a result, there has been no change to the contractual salary for the CEO since he was appointed in September 2020 and 2022 was the first point at which the full contractual CEO salary of £820,000 was paid.

The Committee is acutely aware of the importance of ensuring that the salary level for the IAG CEO is competitive in the context of a dynamic talent market in the geographies in which the Group operates and competes for talent, and in this context undertook a comprehensive review of the external market and wider market remuneration trends, whilst also taking into account the experience of employees. The Committee approved a salary increase for the IAG CEO of 4 per cent effective from 1 January 2023. This is below the average increase for the wider workforce, which is more than 6 per cent.

Annual incentive

In 2023, IAG will continue to face significant uncertainty and volatility driven by external factors, as it continues to grow and recover business performance. In this context, the Committee have sought to ensure that the annual incentive plan continues to align with business priorities and reflect the underlying performance of the business.

The Committee have decided that maximum annual incentive opportunity will remain at 200 per cent of salary for the IAG CEO in line with the policy, and targets will be based on financial, customer, and

carbon efficiency together with personal and strategic objectives for the IAG CEO.

The targets for 2023 will be fully disclosed in next year's report.

Restricted share awards

As we continue our recovery, the Committee continues to believe that the restricted shares framework best ensures management focus on long-term sustainable performance and achieving our strategic goals, whilst aligning management experience with that of our shareholders.

In line with IAG's remuneration policy, a restricted share award of 150 per cent of salary will be granted to IAG CEO in 2023, the award will vest after three years subject to the satisfaction of the discretionary performance underpin and also be subject to a holding period of two years post vesting.

Shareholder engagement

I would like to take this opportunity to thank our shareholders for their support for our Directors' Remuneration Report and the amendment to our Directors' Remuneration Policy at the 2022 AGM. Although the Board was pleased to note the vote in support of the amendment, the Board acknowledges that a number of shareholders had concerns.

Following my appointment as Chair of the Remuneration Committee, I met with a number of our major shareholders and their representatives to seek their feedback and perspectives. The meetings provided valuable insight which I have fed back to the Remuneration Committee and which we have taken into account as we have determined remuneration outcomes in 2022 and set our approach for 2023, to ensure that our remuneration approach at IAG continues to align interests between our senior leaders and the Group's shareholders. We are not proposing any changes to our current Remuneration Policy and the Committee will seek to engage with shareholders in advance of presenting a new Directors' Remuneration Policy at the 2024 AGM in line with the normal three-year cycle.

This year the Remuneration Committee has again sought to take a balanced and responsible approach to executive pay, taking into account the experience of our employees, shareholders and key stakeholders in the period. I hope that our Director's Remuneration Report is clear in explaining how our policy has been implemented in 2022 and that it receives your support at our 2023 AGM.

Approved by the Board and signed on its behalf by

Heather Ann McSharry
Remuneration Committee Chair

Remuneration at a glance

IAG Chief Executive Officer

Pay Element	Purpose & Link to Strategy features	Outcomes for 2022	Implementation in 2023
Fixed Remuneration			
Base Salary	To attract and retain talent to help achieve our strategic objectives. Takes account of factors such as role, skills and contribution.	First year since appointment in 2020 receiving full contractual salary of £820,000 with no increase in 2021 and 2022 (10% reduction in 2021 and 20% reduction in 2020).	From January 1, 2023: £852,800 (€1,001,528) (an increase of 4 per cent from 2022). First increase since appointment in 2020 and below the average increase for the majority of the wider workforce, which is more than 6 per cent
Taxable Benefits & Pension related Benefits	Provides basic retirement and benefits which reflect local market practice.	Pension at 12.5 per cent of salary, comparable to the rate applicable to the majority of the UK workforce. Benefits provided as per policy.	Benefits to be provided as per policy and pension will remain unchanged.
Variable Remuneration			
Annual Incentive Plan	Incentivises annual corporate financial and non-financial performance and the delivery of role specific objectives. The deferred shares element aligns the interest of executives and shareholders and provides a retention tool.	For our 2022 bonus, our scorecard was weighted to the following measures: 60 per cent Operating Profit (pre-except.), 20 per cent customer NPS, 10 per cent carbon efficiency and 10 per cent personal objectives. Under those scorecard measures, the bonus outcome was 83.5 per cent of maximum, and thus the 2022 bonus amount of £ 1,369,000. 50 per cent deferred into shares for three years.	Maximum opportunity unchanged at 200 per cent of base salary.
Long-Term Incentive (RSP)	Incentivises long-term shareholder value creation, and retention.	The 2020 PSP award was the last award granted under the performance share plan before transitioning to the restricted share model in 2021. The targets for the 2020 PSP award were set prior to the onset of the COVID-19 pandemic and, as a result, all three measures (relative TSR, EPS and RoIC) fell short of the threshold level at which payments begin.	In line with IAG's remuneration policy, a restricted share award of 150 per cent of salary will be granted to the IAG CEO in 2023, the award will vest after three years subject to the satisfaction of the discretionary performance underpin and also be subject to a holding period of two years post vesting.
Shareholding Requirement	Provides long-term alignment with shareholders.	The CEO of IAG is required to build up and maintain a shareholding of 350 per cent of base salary.	No change to shareholding requirements. As at 31 December 2022 the IAG CEO had a shareholding of 484 per cent of base salary.
Malus & Clawback provisions apply to Annual Incentive and Long-Term Incentive awards and the Committee has discretion to adjust formulaic outcomes to reflect corporate performance and broader stakeholders experience.			

2022 performance and pay outcomes summary

Business performance

Key strategic highlights

- Returned to profitability with the ability to be even better-placed to deliver our purpose
- Capacity recovered to 78% of 2019 levels
- Worked hard to transform our business, ensuring we are emerging stronger
- Continued to build a sustainable business

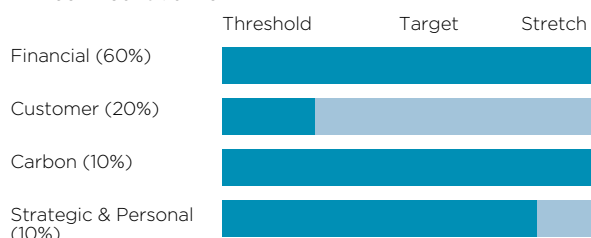
Key statistic

How we performed in 2022

- Operating profit before exceptional items € 1,225 m (€ 4,195 m vly)
- Net Debt €10,385 m and Total liquidity € 13,999 m (-€1,282 m and € 2,013 m vly)
- Net Promoter Score (NPS) 18.4 (-13.8 vly)
- Emissions intensity 83.5 gCO₂/pkm (-11.8% vly)
- SAF use (tonnes CO₂ saved) 30,332 tonnes

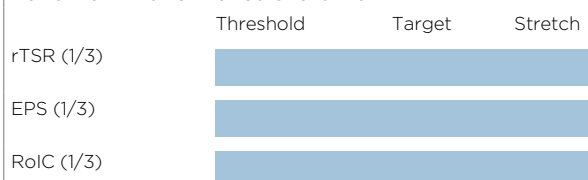
Performance outcomes

Annual Incentive Plan



First Annual Incentive Award since 2019.

2020-2022 Performance Share Plan



The targets for the 2020 PSP award were set prior to the onset of the COVID-19 pandemic and, as a result, all three measures (relative TSR, EPS and RoIC) fell short of the threshold level at which payments begin.

83.5%

Formulaic

-

Committee judgement no adjustments

83.5%

Final Outcome (% of Maximum)

This is the third consecutive year of zero vesting of long-term incentives.

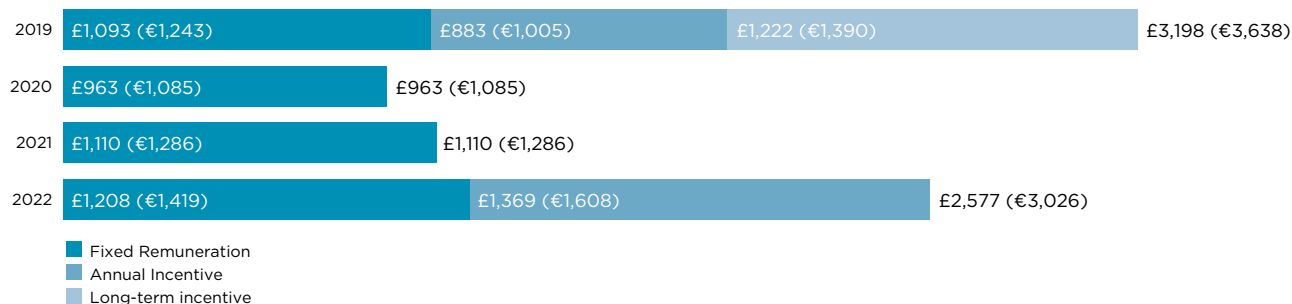
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Committee judgement no adjustments

0%

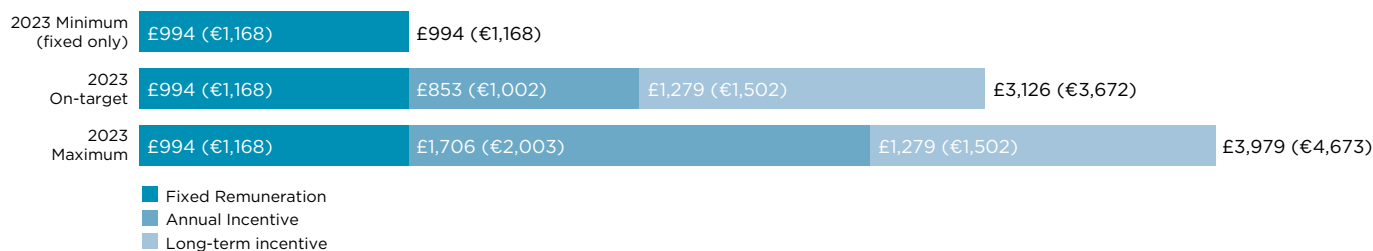
Final Outcome (% of Maximum)

IAG Chief Executive Officer remuneration history



- Fixed Remuneration
- Annual Incentive
- Long-term incentive

Remuneration scenario: proposed 2023 remuneration opportunity



- Fixed Remuneration
- Annual Incentive
- Long-term incentive

1 The scenarios illustrated above include: the minimum remuneration receivable (fixed only), the remuneration receivable if the director performs in line with the Company's expectations (on-target) and the maximum remuneration receivable achieving stretch targets (maximum).

Alignment of IAG remuneration practices to Provision 40 of the UK Corporate Governance Code

UK Corporate Governance Code – Provision 40

How we have achieved alignment

Clarity

Changes to the Policy were designed to improve both simplicity and transparency. Revisions in the areas of pensions, minimum shareholding and long-term incentive either simplified existing structures, such as the replacement of the PSP with the RSP, or introduced straightforward rules for new items, such as the post-employment shareholding requirement.

Simplicity

This has improved the ability of participants, employees and shareholders to understand executive pay arrangements. Additionally, the Company continues to make more remuneration analysis and information available to both employees and shareholders, via both UK and Spanish disclosures.

Risk

Our corporate governance structure provides for a crossover in Board Committee membership between the Remuneration Committee and the Audit and Compliance Committee. This ensures a joined-up view between emerging or crystallised risks and remuneration outcomes. The design of our policy also ensures independent control over remuneration outcomes, with all executive variable pay being awarded on a discretionary basis and subject to malus and clawback provisions.

Predictability

Our Policy identifies the maximum opportunity for each component of executive remuneration and also illustrates potential total remuneration outcomes in various performance scenarios. These disclosures provide transparency around overall opportunities.

Proportionality

Our executive remuneration performance measures, targets and underpins are transparently disclosed where awards are made, detailing the relationship between the performance achieved and the delivery of our long-term strategy and the creation of sustainable shareholder value. The transparency of this approach, alongside the independent nature of executive remuneration decisions, supports proportionate remuneration outcomes relative to company and individual performance measures, as well as the wider performance environment.

Alignment to culture

The selection and balance of financial and non-financial measures for both short- and long-term incentives is designed to reinforce the values and behaviours that support the delivery of long-term sustainable returns to shareholders. In particular, the RSP, and high overall proportion of deferred executive pay, enable a focus on transformation and long-term success.

Remuneration report

Introduction

The Remuneration Committee takes responsibility for the preparation of the Report of the Remuneration Committee, which is approved by the Board.

The Company's current policy on directors' remuneration was approved by shareholders at the Shareholders' Meeting held on June 17, 2021, and amended at the 2022 Shareholders' Meeting, following close consultation with major shareholders.

As a Spanish incorporated company, IAG is subject to Spanish corporate law. The Spanish legal regime regarding directors' remuneration is substantially parallel to that of the UK as far as directors' remuneration disclosure and approval requirements are concerned.

The Company welcomed the opportunity provided by the Spanish CNMV allowing companies to prepare free-format reports. Therefore, for the fifth consecutive year, IAG is presenting a consolidated report responding to Spanish and UK disclosure requirements. This report will be accompanied by a duly completed document which is required by the CNMV covering some relevant data. This is prepared in accordance with Spanish legislation and is available on the Company's and the CNMV's respective websites.

It is the Company's intention once again to comply voluntarily with all reporting aspects of the UK legislation of 2018, The Companies (Miscellaneous Reporting) Regulations (SI 2018/860) and The Companies (Directors' Remuneration Policy and Directors' Remuneration Report) Regulations 2019, and to follow UK standards best practice.

In addition to the Remuneration Committee Chair's statement, this Directors' Remuneration Report contains the Annual Report on Remuneration, which covers the information on directors' remuneration paid in the reported year.

Directors' Remuneration Policy

Key elements of pay

Executive directors

The Company's remuneration approach is to provide total remuneration outcomes that reflect the delivery of the business strategy, are competitive, and take into account each individual's performance of their role in the Company's work.

The Committee receives regular updates on pay and conditions of the Group's employees and takes this into account when considering executive directors' remuneration.

The current Directors' Remuneration Policy

The current Directors' Remuneration Policy reflects recent regulatory and corporate governance framework changes.

The Policy (including the amendment) is available on the company website which was approved by Shareholders on 16 June 2022 IAG - Directors Remuneration Policy (iaigroup.com).

The Committee maintains an ongoing evaluation of the Policy to ensure its components, opportunities and implementation outcomes continue to achieve the Policy's objectives.

Service contracts and exit payments policy

Executive directors

The following is a description of the key terms of the service contracts of executive directors.

The contracts of executive directors are for an indefinite period.

There are no express provisions in executives' service contracts with the Company for compensation payable upon termination of those contracts, other than for payments in lieu of notice.

Executive director	Date of contract	Notice period
Luis Gallego	September 8, 2020	6 months – from/12 months – given

The period of notice required from the executive is six months; the period of notice required from the Company is 12 months. Where the Company makes a payment in lieu of notice, a payment becomes payable only if, in the Company's opinion, the executive has taken reasonable steps to find alternative paid work and then only in monthly instalments. The payments will comprise base salary only. The Company may reduce the sum payable in respect of any month by any amount earned by the executive (including salary and benefits) referable to work done in that month (for example, as a result of alternative paid work referred to above).

In the event of an executive's redundancy, compensation, whether in respect of a statutory redundancy payment or a payment in lieu of notice or damages for loss of office is capped at an amount equal to 12 months' base salary. The Company will honour the contractual entitlements of a terminated director; however, the Company may terminate an executive's service contract with immediate effect and without compensation on a number of grounds including where the executive is incapacitated for 130 days in any 12-month period, becomes bankrupt, fails to perform his or her duties to a reasonable standard, acts dishonestly, is guilty of misconduct or persistent breach of his or her duties, brings the Company into disrepute, is convicted of a criminal offence, is disqualified as a director, refuses to agree to the transfer of his or her service contract where there is a transfer of the business in which he or she is working or ceases to be eligible to work in Spain or the UK (as applicable).

Under any of the Company's share plans, save in respect of deferred Annual Incentive Awards (which will normally vest in full following cessation for any reason), if a director leaves, the Board, after considering the recommendation of the Remuneration Committee, may exercise its discretion (within the rules of the schemes) to grant good leaver status. This can be granted in certain circumstances including, for example (list not exhaustive) the director leaving for reasons of ill health, injury or disability, redundancy, retirement or death. Executive directors leaving with good leaver status will receive a pro rata amount of their PSP shares subject to the company performance conditions being met, and a pro rata amount of their RSP shares, subject to the underpin being met, in accordance with the plan rules. The proration is normally calculated according to what proportion of the performance period the executive director spent in company service. Normal vesting dates, holding periods, and post-cessation shareholding guidelines will normally continue to apply, other than in a limited number of exceptional circumstances in accordance with plan rules and/or at the discretion of the Board. If good leaver status is not granted to an executive director, all outstanding awards made to them will lapse.

Executive directors leaving with good leaver status are eligible to receive a pro rata annual incentive payment for the period of the year actually worked, subject to the regular performance assessment and paid in the normal manner following year end.

In the event of an executive director's termination from the Company, they must not be employed by, or provide services to, a restricted business (i.e. an airline or travel business that competes with the Company) for a period of 12 months.

Non-executive directors

Non-executive directors (including the Chairman) do not have service contracts. Their appointment is subject to the Board regulations and the Company's Bylaws. They do not have the right to any compensation in the event of termination as directors. Board members shall hold office for a period of one year. The dates of the current Chairman's and non-executive directors' appointments are as follows:

Non-executive director	Date of the first appointment	Date of last re-election
Javier Ferrán	June 20, 2019	June 16, 2022
Heather Ann McSharry	December 31, 2020	June 16, 2022
Giles Agutter	September 8, 2020	June 16, 2022
Peggy Bruzelius	December 31, 2020	June 16, 2022
Eva Castillo	December 31, 2020	June 16, 2022
Margaret Ewing	June 20, 2019	June 16, 2022
Maurice Lam	June 17, 2021	June 16, 2022
Robin Phillips	September 8, 2020	June 16, 2022
Emilio Saracho	June 16, 2016	June 16, 2022
Nicola Shaw	January 1, 2018	June 16, 2022

Annual Remuneration Report

The Annual Remuneration Report sets out how the Directors' Remuneration Policy (as approved by shareholders at the Shareholders' Meeting on June 17, 2021 and amended at the Shareholders' Meeting held on June 16, 2022) was and will be implemented in 2022 and 2023, respectively.

The Remuneration Committee

The Remuneration Committee is regulated by article 32 of the IAG Board Regulations and by its own Regulations approved on February 25, 2021. A copy of these Regulations is available on the Company website.

Beyond executive directors, the Committee oversees the general application of the Remuneration Policy for the members of the IAG Management Committee (and occasionally considers remuneration matters related to managers and the broader workforce across the Group).

Article 32 of the Board Regulations ensures that the Remuneration Committee shall be made up of no fewer than three independent non-executive directors, with the dedication, capacity and experience necessary to carry out their function. Heather Ann McSharry chairs the Committee and also holds Senior Independent Director responsibility. None of the Committee members has any personal financial interest, other than as a shareholder, in the matters to be decided.

In accordance with the 2018 UK Code, the Remuneration Committee also has responsibility to review workforce remuneration and related policies and the alignment of incentives and rewards with culture.

The Committee's activities during the year

In 2022, the Committee met eight times and discussed, amongst others, the following matters:

Meeting	Agenda items discussed
January	<p>Proposal to amend the Remuneration Policy following the consultation with investors</p> <p>Review of the Board remuneration measures in the context of the COVID-19 pandemic</p> <p>2021 Directors' Remuneration Report and Non-Financial Information Statements</p> <p>Share ownership update: Review of executive holdings, share awards authority and dilution limits</p> <p>Management Committee pay benchmarking review</p> <p>Approval of grants under the 2022 Executive Share Plan (ESP)</p> <p>Proposal from IAG CEO to not be considered for 2021 Annual Incentive Award</p>
February (two meetings)	<p>2021 Directors' Remuneration Policy amendment – final proposal</p> <p>Review of the 2021 Annual Incentive Outturn</p> <p>Approval of the 2022 Annual Incentive Plan</p> <p>Approval of the 2021 Directors' Remuneration Report</p> <p>Vesting outcome of the Performance Share Plan (PSP) 2019 award</p>
May	<p>Validated the report in relation to the proposal to amend the Directors' Remuneration Policy</p> <p>2022 Annual Incentive Plan update</p> <p>Approval of share awards for senior executives and delegation of authority for future awards</p>
July (two meetings)	<p>Review of market trends and feedback from investors after the 2022 AGM</p> <p>2022 Annual Incentive Plan update</p> <p>IAG CEO compensation benchmarking review</p> <p>Approval of additional 2022 RSP grant for IAG CEO</p>
August	<p>Approval of remuneration for a new Management Committee member</p>
October	<p>Market update on executive remuneration trends</p> <p>IAG CEO 2022 base salary review</p> <p>Workforce remuneration update</p> <p>2020 PSP outturn forecast</p> <p>Remuneration strategy for 2023</p>

Advisors to the Committee

The Committee appointed Deloitte as its external advisor in September 2016. Deloitte reports directly to the Committee. The fees paid to Deloitte for advice provided to the Remuneration Committee during 2022 were £95,493 (€112,147), charged on a time and materials basis. Deloitte is a member of the Remuneration Consultants Group and a signatory to the voluntary UK Code of Conduct. As well as advising the Remuneration Committee, other Deloitte teams provided advisory services to other parts of the Group in 2022. The Committee has reviewed the remuneration advice provided by Deloitte during the year and is comfortable that it has been objective and independent.

In addition to Deloitte providing the Remuneration Committee with market updates on pay themes, the Committee also received market data and insights from other specialist consultants such as Aon, PwC and Willis Towers Watson in 2022.

Consideration of shareholders' views

I would like to take this opportunity to thank our shareholders for their support for our Directors' Remuneration Report and the amendment to our Directors' Remuneration Policy at the 2022 AGM. Although the Board was pleased to note the 81% vote in support of the amendment, the Board acknowledges that a number of shareholders had concerns. As a result, I met with a number of our major shareholders and their representatives in 2022 to seek their feedback and perspectives. The meetings provided valuable insight which I have fed back to the Remuneration Committee, as the Committee and I seek to ensure that our remuneration approach at IAG continues to align interests between our senior leaders and the Group's shareholders.

The Company will engage in an extensive investor consultation exercise whenever there are any significant changes to the Remuneration Policy being proposed.

Statement of voting

The table below shows the consultative vote on the 2021 annual Directors' Remuneration Report and the binding vote on the Directors' Remuneration Policy Amendments at the 2022 Shareholders' Meeting:

	Number of votes cast	For	Against	Abstentions
2021 Annual Directors' Remuneration Report	2,048,314,538 (100 per cent)	1,905,882,463 (93.05 per cent)	14,412,183 (0.70 per cent)	128,019,892 (6.25 per cent)
2022 Directors' Remuneration Policy Amendments	2,048,314,538 (100 per cent)	1,525,324,299 (74.47 per cent)	364,183,944 (17.78 per cent)	158,806,295 (7.75 per cent)
2021 Directors' Remuneration Policy	2,574,695,497 (100 per cent)	2,407,953,176 (93.53 per cent)	149,433,203 (5.80 per cent)	17,309,118 (0.67 per cent)

Single total figure of remuneration for the Executive Director

The table below sets out the single total figure of remuneration breakdown for the IAG CEO, who was the only executive director during 2022. An explanation of how the figures are calculated follows the table.

	CEO: Luis Gallego			
	£ '000 ¹		€ '000 ¹	
	2022	2021	2022	2021
Base Salary	820	738	963	855
Benefits	285	280	334	324
Pension	103	92	121	107
Total Fixed	1,208	1,110	1,418	1,286
Annual Incentive	1,369	0	1,608	0
Cash	685	0	804	0
Deferred into shares 3 years	685	0	804	0
Long-Term Incentive	0	0	0	0
Total Variable	1,369	0	1,608	0
Single Figure	2,577	1,110	3,026	1,286

¹ Remuneration is paid to the Executive Director in pound sterling and expressed in euro for information purposes only.

Additional explanations in respect of the single total figure table for 2022

Only the current IAG CEO, Luis Gallego, served as an executive director in 2022. As the sole executive director, the IAG CEO has confirmed in writing that he has not received any other items in the nature of remuneration other than those already disclosed in the table above.

Base salary

The values shown represent the actual salary paid to the IAG CEO as an executive director for each performance year.

For 2021, the IAG CEO served the full performance year as an executive director and had a COVID-19 related salary deduction of 10 per cent.

For 2022, with the Group emerging from the pandemic, and the CEO having voluntarily given up over £150,000 in salary and pension allowances since assuming the IAG CEO role, it was agreed to stop the IAG CEO salary reduction from January 1. 2022 marked the first point at which the IAG CEO has received full contractual salary of £820,000 since appointment, demonstrating the significant length of time pay reductions had been in place.

In our 2021 Directors' Remuneration Report, the Committee confirmed that the IAG CEO's salary review would be deferred to the second half of 2022 to enable the Committee to better understand the Group's recovery from the pandemic. Taking into account a number of factors the Committee decided not to adjust the CEO's base pay for 2022.

Taxable benefits

Taxable benefits include the provision of a company car, a fuel allowance and private health insurances.

As disclosed in our 2021 Director's remuneration report, from January 2021 until December 2022 the Executive Director has been eligible for a transitional allowance of £250,000 p.a. (gross), to reflect that as a result of his role as IAG CEO he and his family now live in the UK. This allowance has provided a two-year fixed period of transitional support and has considered that the IAG CEO continues to personally maintain a base in Madrid given the Company's significant operations and business in Spain. The value of the transitional allowance is not included in the calculation of any pension, incentive or other benefit values. Payment of the transitional allowance ceased in December 2022.

Pension-related benefits

Employer's contribution to pension scheme and/or cash in lieu of pension contribution.

Annual Incentive Plan

For our 2022 bonus, our scorecard was weighted to the following measures: 60 per cent Operating Profit (pre-except.), 20 per cent customer NPS, 10 per cent carbon efficiency and 10 per cent personal objectives.

Under those scorecard measures, the bonus outcome was 83.5 per cent of maximum. The outcomes of the performance conditions which determined the award are described in detail in the page 13.

Under the current policy, 50 per cent of any Annual Incentive Award for executive directors is made in deferred shares under the Executive Share Plan. Under this plan, incentive award shares are deferred for three years from date of grant.

For 2021, the IAG CEO confirmed to the Board that he did not wish to be considered for a 2021 Annual Incentive Award, waiving any 2021 incentive opportunity, therefore no annual incentives had been awarded to the IAG CEO for 2020 and 2021.

Long-term incentive vesting

This relates to the IAG 2020 PSP award based on performance measured to December 31, 2022. The targets for the 2020 PSP award were set prior to the onset of the COVID-19 pandemic and, as a result, all three measures (relative TSR, EPS and RoIC) fell short of the threshold level at which payments begin. Whilst the Committee recognised the significant progress made in recovering the business' profitability and performance, it did not feel it was appropriate to apply any discretion and the full 2020 PSP award, set at 200% of salary, will therefore lapse in full.

This is the third consecutive year of zero vesting of long-term incentives.

Share price appreciation and depreciation

The amount of remuneration attributable to share price appreciation is zero, as there was zero vesting of the IAG PSP 2020 award. The Committee has not exercised any discretion as a result of share price appreciation or depreciation for any of the remuneration in the above table.

Life insurance

The Company provides life insurance and accidental death cover for all executive directors. For the year ended December 31, 2022 the Company paid life insurance premium contributions of €14,493 (2021: €13,464).

Exchange rate for 2022



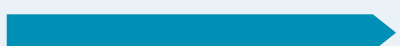

For the year to December 31, 2022, €:£ exchange rate applied is 1.1744 (2021: 1.1587).

Variable pay outcomes
2022 Annual Incentive Plan

The IAG Annual Incentive Plan supports the business strategy through incentivising the delivery of identified priorities within the reporting period. The composition of measures selected reflect the most important priorities for the Group for the year to deliver long-term sustainable returns. For 2022, the Board at the beginning of the year, following a recommendation by the Committee, set the following measures:

Weighting	KPI	Description
60% Financial	IAG Operating profit (before exceptional items)	In 2021 we used a cash-based measure for the financial element of the annual incentive in order to support the protection of cash position during the pandemic. For 2022 it was considered Operating Profit was the most appropriate financial KPI in aligning shareholder interest with the Company
20% Customer	Group Net Promoter Score (NPS)	NPS is used to gauge the loyalty of the Group's customer relationships. It is calculated based on survey responses to the likelihood to recommend, by subtracting the percentage of customers who are 'Detractors' from the percentage of customers who are 'Promoters'
10% IAG-specific carbon efficiency measure	Group Grammes of CO ₂ per passenger kilometre (gCO ₂ /pKm)	With the return of more normalised flight and passenger volumes, we have reinstated a carbon efficiency measure, to further drive progress towards our Flightpath Net Zero 2050 commitment. This has measured the fuel efficiency of our flight operations, taking account of our network, aircraft mix and passenger load factors
10% Strategic and personal	Recover capacity	Ensure IAG is able to operate a full flying schedule as market restrictions ease
	Recover profitability	Ensuring IAG delivers improved profitability and drives operating margin improvements as market restrictions ease
	Transform IAG	Define and implement key projects which transform cost, customer experience and culture
	Growth in shareholder value	Define medium term strategic plan that creates shareholder value, strengthen's IAG position in key markets and improves IAG's capital position
	Procurement	Leverage Group's scale to drive right long term strategic partnerships and supplier value
	People	Build culture and capability to underpin the Group's long term success, ensuring IAG can attract, retain and engage diverse talent
	Sustainability	Enable IAG to lead aviation industry on sustainability, and secure access to alternative fuels to support net zero ambitions
	Government affairs	Work with Governments, industry associations, and other stakeholders to ensure the right foundations are in place to enable IAG to deliver its strategic goals

Under the policy, the IAG CEO has a maximum annual incentive opportunity of 200 per cent of contractual salary. The below table details the approved 2022 performance measures and the Board's assessment of both company and individual IAG CEO performance:

Category	Measure type	Weighting	Threshold	Target	Stretch	Performance delivered	Payout % of maximum for each measure	Weighted Payout %	CEO incentive outcome (£'000)
			At which payments begin (20% pay-out)	(50% pay-out)	Max pay-out (100% pay-out)				
Financial measures	FY 2022	Operating profit before exceptional items (€m)	319	637	956	1,225	100%	60%	£984
		60 per cent							
Description of performance									
During 2022 the Group was able to substantially restore its capacity by the end of the year, having operated a significantly reduced schedule in 2020 and 2021 due to the impact of the COVID-19 pandemic. As capacity was increasingly restored through the year the operating result improved, with the third quarter, which includes the airlines' summer peak seasons, approaching levels of profitability seen in 2019. Fuel prices were significantly higher than in both the previous year and 2019 and the airline sector also experienced high supplier price inflation. Due to the strong demand, passenger unit revenues also rose above those in 2019, thus allowing the airlines to recover a substantial portion of the fuel price increase and other cost inflation. The net results was an operating profit before exceptional items for the year of €1,225 million, versus a target of €637million.									
Customer	FY 2022	NPS	17.5	23.3	29.1	18.4	25%	5%	£82
		20 per cent							
Description of performance									
The outcome for 2022 was 18.4 vs a FY target of 23.3. The quick ramp up of air travel demand, a lack of staff to manage these volumes at airports as well as in some of our airlines, and operational issues impacted negatively our NPS. To mitigate this impact our airlines reduced their schedules to increase stability, undertook a vast recruitment process and re-trained colleagues to support where necessary. Positive impacts to our NPS came from enhancements to our customer proposition, particularly on our catering and on-board experience.									
Carbon	FY 2022	gCO ₂ /pKm	91.1	88.8	83.6	83.5	100%	10%	£164
		10 per cent							
Description of performance									
The outcome for 2022 was 83.5 vs a FY target of 88.8. IAG is targeting net zero emissions by 2050 across its Scope 1, 2, and 3 emissions. IAG's interim targets are an 11 per cent improvement in fuel efficiency 2019-2025, a 20 per cent drop in net Scope 1 and 3 emissions 2019-30, and 10 per cent SAF in 2030.									
IAG is on track to deliver its 2025, 2030 and 2050 climate targets by carrying out emission reduction initiatives, working in collaboration with key stakeholders and proactively advocating for supportive government policy and technology development. Key measures to reduce emissions are fleet modernisation, sustainable aviation fuel (SAF), market-based measures including the UK and EU ETS and CORSIA, and carbon removals.									
Strategic and personal objectives		As described in the table in the previous page	Low (0% to 40%)	Good to High (45% to 65%)	Exceptional (70% to 100%)	Exceptional	85%	8.5%	£139
		10 per cent							
Description of performance									
The IAG CEO has led the group to profitability for the first time in three years and in ensuring the Group returns to 2019 levels of performance and profitability, with a clear plan and delivery against key transformation initiatives. This is a significant achievement particularly given the continued economic uncertainty and challenges faced across the year. The IAG CEO has also driven progress across the ESG agenda, increasing diversity and bench-strength of IAG's senior leadership and making significant progress towards its 2025 carbon efficiency target.									
Total			100 per cent				83.5%		£1,369

Half of the overall outcome of the annual incentive detailed above is payable in deferred shares in the Company vesting after three years (under the Executive Share Plan).

For all measures, there was a straight-line sliding scale between the threshold level and the on-target level, and between the on-target level and the stretch target level.

Formulaic Score Outcome	Remuneration Committee judgement
83.5%	—
per cent of Maximum	No adjustment

Final scorecard outcome as per cent of Maximum	83.5%
	X
Maximum bonus opportunity (per cent of base pay)	200%
	X
Base pay (£'000)	£820
	=
2022 Annual Incentive Award (£'000 shown in single figure table)	£ 1,369
	€ 1,608

IAG Performance Share Plan (PSP) award 2020

The IAG PSP award granted on March 6, 2020 was tested at the end of the performance period which began on January 1, 2020 and ended on December 31, 2022. The award for the current IAG CEO, who was not an executive director of the Group at the time of grant, was equivalent to 150 per cent of salary at the time of the award.

One third of the award was subject to a TSR performance condition measured against the TSR performance of the STOXX Europe 600 Travel & Leisure index, one third subject to achievement of the Company's adjusted EPS targets (diluted EPS, adjusted for exceptional items), and one third subject to RoIC. The definition of RoIC used remains consistent with the methodology described in the Company's Annual Report and Accounts. The vesting of any award was subject to the Board being satisfied that the Group's underlying financial performance was satisfactory in the circumstances prevailing over the three-year performance period.

The outcomes of the performance conditions were as follows:

Measure	Threshold	Target	Maximum	Outcome	Vesting (as per cent award granted in 2020)
TSR performance compared to the TSR performance of the STOXX Europe 600 Travel & Leisure Index over the full three-year performance period (one-third weighting)	IAG's TSR performance equal to the index (25 per cent vests)	IAG's TSR performance between index return and 8 per cent p.a. outperformance (straight line vesting between threshold and maximum)	IAG's TSR performance exceeds index by 8 per cent p.a. (100 per cent vests)	TSR achieved: -65.36 per cent Underperformed the index by 45 per cent	0 per cent
Adjusted EPS. Measure is adjusted EPS in final year of the performance period, i.e. 2022 EPS (one-third weighting)	2022 EPS of 140 €cents (10 per cent vests)	2022 EPS between 140 €cents and 180 €cents (straight line vesting between threshold and maximum)	2022 EPS of 180 €cents (100 per cent vests)	5.6 €cents per share	0 per cent
RoIC. Measure is RoIC in final year of the performance period, i.e. 2022 RoIC (one-third weighting)	2022 RoIC of 14 per cent (10 per cent vests)	2021 RoIC between 14 per cent and 16 per cent (straight line vesting between threshold and maximum)	2022 RoIC of 16 per cent (100 per cent vests)	4.6 per cent	0 per cent
Details of any discretion exercised	No discretion exercised by the Remuneration Committee/Board				
Overall outcome for executive director (IAG CEO)					0 per cent

No value was realised by the IAG CEO following the nil vesting of the 2020 PSP award.

Scheme interests awarded during the financial year 2022 Restricted Share Plan (RSP)

The RSP was introduced from 2021 to increase the alignment of both interests and outcomes between the Group's senior management and shareholders through the build-up and maintenance of senior management shareholdings and an increased focus on the long-term, sustainable performance of the Company. The simplified structure and transparency of the RSP in comparison to the Performance Share Plan, also provided a better basis to attract and retain senior management talent.

A three-year vesting period and further two-year holding period applies to RSP awards for executive directors, with vesting being dependent upon a satisfactory review of the discretionary underpin by the Remuneration Committee. This assessment focuses on the Company's overall performance during the vesting period, including financial and non-financial performance measures, as well as any material risk or regulatory failures identified and ensures any value delivered to executive directors is fair and appropriate in the context of business performance and shareholder experience. Malus and clawback provisions apply to RSP awards enabling the reduction of awards so far as nil value to further ensure that corporate or individual failure is not rewarded under the plan.

For 2022, the Board of Directors of IAG proposed to amend the Directors' Remuneration Policy to increase the maximum opportunity under the Restricted Share Plan from 100 per cent of salary to 150 per cent of salary in respect of any financial year. The amendment was proposed to place more emphasis on the IAG CEO's remuneration package on sustained long-term performance and further align his long-term interests with our shareholders.

This amendment to the 2021 Directors' Remuneration Policy was proposed for the following reasons:

- To ensure the Group is able to offer the IAG Chief Executive a fair and proportionate long-term incentive opportunity, reflective of the complexity of the Group, its strategy, and one that adequately recognises ongoing external challenges.
- To provide a more commensurate RSP opportunity in light of the growing opportunities for talent in the external market. The IAG CEO's existing arrangements are becoming increasingly uncompetitive compared to companies both inside and outside of the aviation industry. The Group competes for talent in a global market and recent evidence suggests that the rate of executive pay growth in mainland Europe and the United States has been faster than the United Kingdom, with the opportunity gap to the United States packages being a particular retention concern.
- Since the start of the pandemic, the Group has lost a number of critical senior individuals to competitors in other sectors. Also, over the past year, the Group's own executive recruitment experience has confirmed the rising market for executive pay, reducing the relative positioning of the IAG CEO's total compensation compared to that of his executive team and increasing the compression in pay levels within the executive team. These factors highlight the challenges the Group faces in retaining its top talent essential to the Group's transformation, as well as the important role that fair and competitive remuneration plays in this.
- It is in IAG and its shareholders' best interests to ensure the Group's ability to retain talent within the Group and, in particular, the current IAG CEO. The current environment amplifies the need for the IAG CEO's skills, capabilities and deep aviation experience.

Over the past year, the Remuneration Committee has consulted extensively with IAG's largest shareholders, proxy advisors and shareholder representative organisations on the proposed amendment to the Directors' Remuneration Policy.

The Policy amendments were approved at the 2022 Shareholders' meeting held on June 16, 2022, and as a result the IAG CEO was granted an additional award under the RSP so that his total award opportunity in respect of financial year 2022 was 150 per cent of salary.

Details of 2022 RSP executive director award

Type of award	Company shares
Basis of determination of the size of award	Awards only made to consistently high-performing executives within key roles who have the potential to take on greater organisational responsibility and whom the Company wishes to retain for the long-term.
Executive director award face value	IAG CEO (Luis Gallego) - 150 per cent of base salary
Date of grant	100 per cent March 21, 2022 Additional 50 per cent October 28, 2022 <ul style="list-style-type: none"> The additional award was granted after shareholders' approval and was made on the same terms as if it had been granted at the normal time in March 2022. This meant, notwithstanding the fall in share price since the March award, the IAG CEO did not benefit from "windfall gains" in relation to the additional award.
Grant price	£1.41
Vesting period	Three years: March 21, 2022 to March 20, 2025
Holding period	Two years: March 21, 2025 to March 20, 2027
Discretionary underpin description	No performance measures are associated with the awards. Vesting will be contingent on the satisfaction of a discretionary underpin, normally assessed over three financial years commencing from the financial year in which the award was granted. In assessing the underpin, the Committee will consider the Company's overall performance, including financial and non-financial performance measures over the course of the vesting period, as well as any material risk or regulatory failures identified. Financial performance may include elements such as revenue, profitability, cash generation, return on capital and benchmarked with comparable airlines. Non-financial performance may include a range of operational and strategic measures critical to the Company's long-term sustainable success. This assessment will ensure any value delivered to executive directors is fair and appropriate in the context of the performance of the business and experience of our stakeholders and that corporate or individual failure is not rewarded. In the case of significant failure on the part of the Company or the individual, vesting may be reduced, including to nil. Full disclosure of the Remuneration Committee's considerations in assessing the underpin will be disclosed in the relevant Directors' Remuneration Report at the point of vesting.

Total pension entitlements

Luis Gallego is not a member of the Company's pension scheme and the Company, therefore, did not pay any contributions in his time as an executive director during the reporting period (January 1, 2022 to December 31, 2022). He received cash in lieu of contributions of £102,500. This value is equivalent to 12.5 per cent of base salary paid during the performance period and is comparable to the rate for the majority of the UK workforce.


Statement of directors' shareholding and share interests

In order that their interests are aligned with those of shareholders, executive directors are required to build up and maintain a minimum personal shareholding in the Company.

Under the Group's shareholding guidelines, the IAG CEO is required to build up and maintain a shareholding of 350 per cent of salary and other executive directors are required to build up and maintain a shareholding of 200 per cent of basic salary.

In addition, executive directors are required to retain all shares received via incentive plans until 100 per cent of their shareholding requirement is attained.

The Committee has reviewed the IAG CEO's progress against the requirement and notes that he is compliant with the policy requirement.

CEO, Luis Gallego	Policy requirement		3.5 times salary
	Actual		4.84 times salary (1,192,376 shares)

Shares which qualify towards the policy include shares already held by the executive, vested and exercised shares, vested and unexercised shares including those in the performance share plan holding period, vested shares in the restricted share plan holding period and unvested deferred annual incentive shares.

The table below summarises current executive directors' interests as of December 31, 2022:

Executive director	Shareholding requirement	Shares owned	Shares already vested, or in the holding period, from performance share plans	Shares already vested from deferred annual incentive plans	Vested shares from restricted share plan	Unvested shares from deferred annual incentive plans	Total qualifying shares held ¹
Luis Gallego	350 per cent of salary	403,834	513,747	231,589	0	43,206	1,192,376 (484 per cent of salary)

¹ In accordance with the Policy, the share price used to calculate the percentage of salary guideline is either the share price on the date of award or on the date of vesting/exercise.

On departure, executive directors will be required to hold the number of shares in line with their in-employment shareholding requirement (or the number of shares that they own at departure if lower) for two years from their date of termination from the Group. Shares will normally be retained in the nominee account administered by the Company to ensure this.

External non-executive directorship

The Company's consent is required before an executive director can accept an external non-executive appointment and permission is only given in appropriate circumstances. The current executive director has no external non-executive appointments.

IAG CEO remuneration history

The table below shows the IAG CEO single total figure of remuneration for the latest ten-year rolling period:

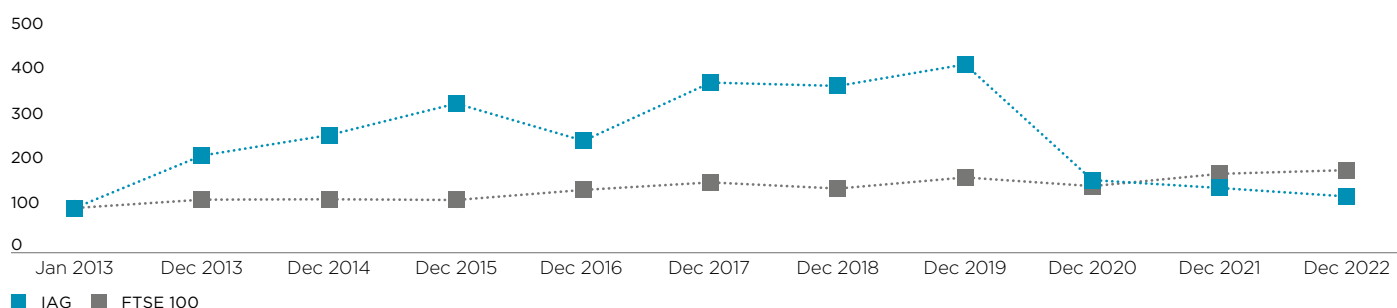
	IAG CEO - total single figure of remuneration	Annual incentive payment as a percentage of the maximum	Long-term incentive vesting as a percentage of the maximum	
2013	Willie Walsh	£4,971,000	78.75 per cent of maximum	100 per cent of maximum
2014		£6,390,000	97.78 per cent of maximum	85.00 per cent of maximum
2015		£6,455,000	80.00 per cent of maximum	100.00 per cent of maximum
2016		£2,462,000	33.33 per cent of maximum	50.00 per cent of maximum
2017		£3,954,000	92.92 per cent of maximum	66.67 per cent of maximum
2018		£3,030,000	61.85 per cent of maximum	46.19 per cent of maximum
2019		£3,198,000	51.97 per cent of maximum	72.11 per cent of maximum
2020	Willie Walsh	£662,000	No annual incentive payment	Zero vesting of long-term incentives
	Luis Gallego	£301,000	No annual incentive payment	Zero vesting of long-term incentives
2021	Luis Gallego	£1,110,000	No annual incentive payment	Zero vesting of long-term incentives
2022		£2,577,000	83.5 per cent of maximum	Zero vesting of long-term incentives

Single total figure of remuneration includes basic salary, taxable benefits, pension-related benefits, Annual Incentive Award and long-term incentive vesting.

IAG's total shareholder return (TSR) performance compared to the FTSE 100

The chart below shows the value by December 31, 2022 of a hypothetical £100 invested in IAG shares on listing compared with the value of £100 invested in the FTSE 100 index over the same period. The other points plotted are the values at intervening financial year-ends. A spot share price has been taken on the date of listing, and a three-month average has been taken prior to the year ends.

The FTSE 100 was selected because it is a broad equity index of which the Company is a constituent, and the index is widely recognised.



Non-executive directors

Non-executive directors are paid a flat fee each year, as per the following table.

Role	Fee
Non-executive Chairman	€645,000
Non-executive directors	€120,000
Additional fee for holding a Committee chairmanship	€20,000
Additional fee for Senior Independent Director	€30,000

All non-executive directors agreed to a reduction in all types of fees received in order to preserve cash and maintain the Group's competitive positioning during the pandemic. Between April 1, 2020 to December 31, 2020, a 20 per cent reduction applied to all fee types. Thereafter in 2021, the reduction was decreased to 10 per cent and applied for the full year.

The fees in the table are the contractual rates and have remained the same since 2011. There are no proposed increases to non-executive director fees for 2023.

Single total figure of remuneration for each non-executive director

The fees shown in the following table reflect that for 2022, with the Group emerging from the pandemic, it was agreed from January 1, 2022 to stop the 10 per cent reduction applied to all fee types in 2021, and revert to contractual rates (shown in the table above).

Director (€'000)	2022 fees	2022 taxable benefits	Total for year to December 31, 2022	2021 fees	2021 taxable benefits	Total for year to December 31, 2021
Javier Ferrán ¹	645	5	650	573	4	577
Heather Ann McSharry ²	147	6	153	108	0	108
Giles Agutter	120	0	120	108	4	112
Peggy Bruzélius	120	0	120	108	0	108
Eva Castillo	120	2	122	108	0	108
Margaret Ewing	140	3	143	126	0	126
Maurice Lam ³	120	12	132	58	2	60
Robin Phillips	120	4	124	108	0	108
Emilio Saracho	120	11	131	108	7	115
Nicola Shaw	140	12	152	123	0	123
Alberto Terol ⁴	79	17	96	153	9	162
Antonio Vázquez ⁵	-	-	-	11	7	18
Total (€'000)	1,871	72	1,943	1,692	33	1,725

1 Javier Ferrán was appointed Chairman on Antonio Vázquez's retirement on January 7, 2021 and his January 2021 fees reflected a blend of non-executive director and chair fees.

2 Heather Ann McSharry was appointed Senior Independent Director and Remuneration Committee Chair in June 2022.

3 Maurice Lam joined the Board on June 17, 2021 and his fees and taxable benefits in 2021 reflect a part year of service.

4 Alberto Terol stepped down from the Board in June 2022 and his fees reflect a part year of service.

5 Antonio Vázquez retired from the Board during 2021 and received no fees in 2022.

Additional explanations in respect of the single total figure table for each non-executive director

Each non-executive director has confirmed in writing that they have not received any other items in the nature of remuneration other than those already disclosed in the table above.

Taxable benefits

Taxable benefits for non-executive directors relate to personal travel benefits.

Exchange rates

For the year to December 31, 2022, €:£ exchange rate applied is 1.1744 (2021: 1.1587).

Directors' interests in shares

	Total shares and voting rights	Percentage of capital
Javier Ferrán	774,750	0.016
Luis Gallego	891,590	0.018
Giles Agutter	625	0.000
Peggy Bruzelius	0	0.000
Eva Castillo	0	0.000
Margaret Ewing	18,750	0.000
Maurice Lam	0	0.000
Heather Ann McSharry	55,000	0.001
Robin Phillips	0	0.000
Emilio Saracho	0	0.000
Nicola Shaw	4,285	0.000
Total	1,745,000	0.035

There have been no changes to the shareholdings set out above between December 31, 2022 and the date of this report.

Payments to past directors

Travel benefits were received during 2022 by the following former Board members:

Former Board Member	Value
Antonio Vázquez	€8,000
Patrick Cescau	€24,000
Maria Fernanda Mejía	€15,000
Deborah Kerr	€7,000
Baroness Kingsmill	€24,000
Kieran Poynter	€9,000
Dame Marjorie Scardino	€17,000
James Lawrence	€8,000

Wider workforce In 2022

A key area of focus for the Committee over 2022 has been understanding the broader workforce experience in light of the current economic environment and cost-of-living crisis and supporting our wider workforce.

Workforce experience highlights

- Within IAG's unique operating model, employee reward is owned and managed within each operating company, to enable them to deliver the right customer and employee experience.
- Our employees have been central to our recovery and key to delivering for our customers. Operating companies continue to support our people through these challenging times and ensure our pay models are sustainable, fair and aligned to the Operating company's competitiveness.
- 89 per cent of employees are subject to collective bargaining agreements with 32 collective bargaining agreements across the Group, many of them reviewed in 2022.
- The Committee have received regular updates on workforce experience and in particular the steps the operating companies have taken to support colleagues both in terms of support with cost of living challenges, and their overall wellbeing. With respect to workforce remuneration, each operating company has sought to reach collective agreements which best support colleagues whilst ensuring the business and pay remains competitive. This has included one off payments and contractual pay increases throughout the Group (for example, £1,000 payment made to eligible IAG Loyalty employees and a one-off payment of €1,700 to eligible employees at Aer Lingus).
- During the COVID-19 pandemic a range of interventions were implemented to support colleagues, including the extensive use of job retention schemes to protect jobs and pay, with operating companies contributing an additional c.£150 million to top-up payments from government schemes.

Engaging with employees

- Board members also regularly engage with representative employee groups. There were twelve visits across the operating companies during 2022. The key themes from the engagement were shared with the Board in order to understand colleague experiences and to identify any areas for improvement. Further explanations of the Board engagement with employees is set out in the 'Stakeholders engagement' section of the Corporate Governance report.

Gender pay

- Operating companies have implemented a range of initiatives to support gender equality including reviewing its recruitment processes to ensure diverse shortlists and interview panels, setting up mentoring and networking opportunities to women and providing educational programmes for girls and young women considering career paths in aviation. As markets re-opened and travel restriction eased, airlines built the capacity to meet increasing demands for travel. This included recruiting around 17,400 new colleagues across the Group, with the majority of new hires in Cabin Crew and Airport Operations. This changing resource profile has resulted at IAG group level, in a year-on-year reduction in the salary gap from 25% in 2021 to 12.6% in 2022.

Remuneration decisions made by the Committee align with our strategy, our stakeholders' interest in our delivery of long-term sustainable value and with the wider workforce in line with the principles set out in our policy.

Alignment of Executive Director and workforce remuneration

The Committee has oversight of workforce remuneration and related policies across the Group and takes this into account when setting remuneration for the IAG CEO and senior management. The table below summarises the remuneration structure for the wider workforce.

	IAG CEO	Below board level
Base Salary	<p>2022 was the first year since appointment in 2020 receiving full contractual salary with no salary increases for 2021 or 2022 (10% reduction in 2021 and 20% reduction in 2020 following the outbreak of the pandemic).</p> <p>Salary increases as a percentage of salary are normally aligned with, or lower than, those of the wider workforce.</p>	<p>89 per cent of our employees are subject to collective bargaining agreements (CBA). Many of them were reviewed over the course of 2022, with the aim to create a stronger link to market alignment and to future business performance and to ensure that pay is both competitive and sustainable.</p> <p>Salary increase budgets for employees are determined by each operating company for each country.</p> <p>Salary increases reflect position against market, performance, skills, contribution and development in role.</p> <p>If we compare the 2022 base salary increases of the IAG CEO against the UK workforce in 2022, of the circa 22,000 employees present in both 2021 and 2022, the median salary increase awarded was 8 per cent of contractual base salary.</p>
Taxable Benefits	Benefit packages are broadly aligned with those of other employees who joined in the same country at the same time.	Benefits are set by operating companies at a competitive level and are appropriate given local market practice.
Pension	Pension contribution of 12.5 per cent of salary in line with the rate applicable to the majority of the workforce in the country in which is based.	Pension arrangements reflect local market practices and requirements.
Annual Incentive Awards	<p>The maximum opportunity in the incentive plan is 200 per cent of salary.</p> <p>At least 60 per cent and no more than 80 per cent of the annual incentive is subject to financial measures. The weighting on role-specific objectives will not exceed 25 per cent, and any remaining portion will be subject to measurable non-financial metrics (e.g., customer and an IAG-specific carbon efficiency measure, to further drive progress towards our Flightpath Net Zero 2050 commitment).</p> <p>50 per cent of any bonus earned is deferred into shares for three years</p> <p>For 2021, the IAG CEO confirmed to the Board that he did not wish to be considered for a 2021 Annual Incentive Award, waiving any 2021 incentive opportunity, therefore no annual incentives had been awarded to the IAG CEO for 2020 and 2021.</p>	For eligible employees Incentive plans were in place against objectives designed to focus on financial, customers, carbon efficiency and personal. Opportunities vary by role and outturns and payments against these plans were managed at a local level.
Long-term Incentives	<p>Maximum restricted share plan opportunity of 150 per cent of base salary and subject to the satisfaction of performance underpins.</p> <p>Awards are subject to a three-year vesting period followed by a two-year holding period.</p>	<p>Restricted share awards granted to senior managers across the Group to incentivise long-term shareholder value creation.</p> <p>Also by exception, identified talent may participate where we believe the individual will achieve promotion to a senior management grade within the next 12-18 months, and whereby an award of long-term incentives is deemed critical to retention.</p>

CEO pay ratio

The following table sets out IAG's CEO pay ratio figures from 2019 to 2022.

Year	CEO single figure (£'000)	Method ¹	25 th percentile pay ratio	Median pay ratio	75 th percentile pay ratio
2022	2,577	Option A	59:1	45:1	29:1
2021	1,110	Option A	29:1	21:1	14:1
2020	963	Option A	34:1	23:1	15:1
2019	3,198	Option A	109:1	72:1	49:1

The pay ratio figures in the above table are calculated using the following UK employee remuneration information:

Year	UK employee pay	25 th percentile pay	Median pay	75 th percentile pay
	Basic salary (£'000)	27.7	40.9	62.4
2022²	Total remuneration (£'000)	43.4	57.1	90.5
	Basic salary (£'000)	26.9	39.7	60.6
2021 ³	Total remuneration (£'000)	38.6	53.4	80.7
	Basic salary (£'000)	17.2	28.6	45.2
2020 ⁴	Total remuneration (£'000)	28.4	42.8	63.9
	Basic salary (£'000)	20.1	32.3	46.5
2019	Total remuneration (£'000)	29.4	44.2	64.7

- 1 The ratio continues to be calculated on the most statistically accurate basis, Option A. UK employee pay is based on the payroll records of 36,474 employees who were in the Group for the whole of or some of 2022.
- 2 To ensure the accuracy of these calculations, earnings data were collected directly from the UK payroll on a month-by-month basis. Any variable incentive elements in respect of 2022, payable to employees later in 2023, are modelled on an employee-by-employee basis against agreed frameworks. This approach enables fair and accurate comparison to the IAG CEO 2022 single total figure of remuneration.
- 3 To provide a fair and representative view to all remuneration received by UK employees, the 2021 basic salary and total remuneration figures include statutory and company top-up furlough payments. With the UK furlough scheme having ended in September 2021, this consideration is not relevant for 2022.
- 4 The 2020 UK employee remuneration figures excluded all types of furlough payment and were representative of earnings for time worked but were not representative of the full level of pay received by employees and their actual remuneration experience.

The reduction in the ratio from 2019 demonstrates the continuing impact of the pandemic and is an accurate reflection of the contraction in IAG CEO's pay, with current IAG CEO's remuneration being around 81 per cent of 2019 levels.

The increase in the UK employee remuneration in 2022 reflects:

- Across our operating companies we have put in place a number of programmes to support our people through the current economic uncertainty.
- Payments made to managers under the 2022 annual incentive plan.
- Changes to the size and composition of the UK workforce between years, with pay for 29,744 employees being reported for 2021 and 36,474 for 2022.

The change in IAG CEO remuneration between 2021 and 2022, is due to:

- 2022 first year since appointment in 2020 receiving full contractual salary (with no increase in 2021 and 2022, 10% reduction in 2021 and 20% reduction in 2020).
- As the Group emerges stronger from the pandemic, 2022 was the first year since 2019 that the IAG CEO received an Annual incentive award.

The Committee is aware that the current ratio, whilst temporary, is an outlier amongst similar profile organisations. As the Group continues its recovery from the pandemic and IAG CEO's long-term variable incentive begin to be payable against the generation of sustainable shareholder value, it is expected that the Group's CEO pay ratio will increase to a more representative, pre-pandemic range.

Change in directors' remuneration compared to employees

The table below shows a comparison of the change in year-on-year remuneration for directors of the Group, against the equivalent change for UK employees from 2020 to 2022.

Director (€'000)	2021 to 2022			2020 to 2021			2019 to 2020		
	Salary or fees value change from 2021 to 2022 ¹	Taxable benefits value change from 2021 to 2022	Annual incentive value change from 2021 to 2022	Salary or fees value change from 2020 to 2021 ¹	Taxable benefits value change from 2020 to 2021	Annual incentive value change from 2020 to 2021	Salary or fees value change from 2019 to 2020	Taxable benefits value change from 2019 to 2020	Annual incentive value change from 2019 to 2020
Luis Gallego ²	13%	3%	100%	269%	315%	0%	-	-	-
Javier Ferrán ³	13%	25%		436%	0%		67%	100%	
Heather Ann McSharry ^{4,6}	36%	100%		-	-		-	-	
Giles Agutter ⁵	11%	(100%)		260%	100%		-	-	
Peggy Bruzelius ⁶	11%	0%		-	-		-	-	
Eva Castillo ⁶	11%	100%		-	-		-	-	
Margaret Ewing	11%	100%		18%	(100%)		67%	300%	
Maurice Lam ⁷	107%	500%		-	-		-	-	
Robin Phillips ⁵	11%	100%		260%	0%		-	-	
Emilio Saracho	11%	57%		6%	17%		(15%)	(67%)	
Nicola Shaw	14%	100%		21%	(100%)		(15%)	(94)	
Alberto Terol ⁸	(48%)	89%		20%	(100%)		(6%)	(62%)	
All UK employees^{9,10}	3%	0%	78%	39%	0%	131%	(11%)	0%	

1 The comparison of fees for all directors in respect of 2020 and 2021, reflects a 20 per cent COVID-19 related reduction operated between April 1, 2020 and December 31, 2020 and a 10 per cent reduction operated for the full year in 2021.

2 Luis Gallego: 2022 first year since appointment in 2020 receiving full contractual salary with no increase in 2021 and 2022 (10% reduction in 2021 and 20% reduction in 2020), and as the Group emerges stronger from the pandemic, 2022 was the first year since 2019 that the IAG CEO received an Annual incentive award. The comparison of 2020 vs 2021 reflects a part year of remuneration in 2020 versus a full year in 2021.

3 The uplift in fees for Javier Ferrán between 2020 and 2021 reflects his role as a non-executive director in 2020 and his assumption of the role of the Chairman from January 7, 2021, for the remainder of the reporting period.

4 The uplift in fees for Heather Ann between 2022 and 2021 reflect her appointment as Senior Independent Director and Remuneration Committee Chair since June 2022.

5 The comparison of 2020 vs 2021 remuneration for Luis Gallego, Giles Agutter and Robin Phillips reflects a part year of director service and remuneration in 2020 versus a full year of director service and remuneration in 2021.

6 Eva Castillo, Heather Ann McSharry, and Peggy Bruzelius were appointed as directors on December 31, 2020, but received no remuneration for 2020.

7 Maurice Lam the comparison of 2021 vs 2022 reflects a part year of director service in 2021 versus a full year in 2022.

8 Alberto Terol stepped down from the Board in June 2022 and his fees reflect a part year of service.

9 The All UK Employee 2021 and 2022 salary medians underlying the 3 per cent uplift in median salary are taken from UK employee earnings published in the 2022 CEO pay ratio section.

10 The reported change in the median value of all UK employee annual incentives from 2021 to 2022 (79 per cent) reflects the strong recovery of the Group in the year and the Group's return to profitability (against the distribution of considerably reduced award values in previous years).

Relative importance of spend on pay

The table below shows, for 2022 and 2021, total remuneration costs, adjusted operating profit/(loss) and dividends for the Company.

	2022	2021
Total employee costs, IAG ¹	€ 4,647,000,000	€ 3,031,000,000
Total remuneration, directors (including non-executive directors)	€ 4,969,000	€ 3,011,000
IAG operating profit/(loss), excluding exceptional items	€ 1,225,000,000	€ (2,970,000,000)
Dividend declared	-	-
Dividend proposed	-	-

¹ Total employee costs are before exceptional items.

Implementation of Remuneration Policy for 2023

The table below shows how the Remuneration Policy approved by shareholders at the 2021 Shareholders' Meeting, and amended at the Shareholders' Meeting in 2022, will be implemented in 2023, alongside a summary of key features:

Pay element	Purpose and link to strategy	Operation of element	Implementation in 2023
Executive directors			
Base salary	To attract and retain talent to help achieve our strategic objectives. Takes account of factors such as role, skills and contribution.	The positioning of base salaries is set with reference to factors such as the external market, as well as the individual's skills and contribution. Basic salaries are reviewed annually, and normally take effect on January 1 each year.	From January 1, 2023: £852,800 (€1,001,528) (an increase of 4 per cent from 2022). First increase since appointment in 2020 and below the average increase for the majority of the wider workforce, which is more than 6 per cent.
Annual Incentive Plan	Annual Incentive award incentivises annual corporate financial and non-financial performance and the delivery of role-specific objectives. The deferred shares element aligns the interest of executives and shareholders and provides a retention tool.	The Board, on a recommendation from the Remuneration Committee, sets the financial and non-financial targets that apply to the Annual Incentive Plan. These are set by reference to a number of factors, including the Business Plan (as approved by the Board), and the Group's strategic focus. For the portion based on personal objectives, the Committee will consider the performance of each executive against their role-specific objectives. 50 per cent of the awards under the Annual Incentive Plan is deferred into shares vesting in three years. Malus and clawback provisions apply.	The maximum opportunity in the incentive plan is 200 per cent of salary. At least 60 per cent and no more than 80 per cent of the annual incentive is subject to financial measures. The weighting on role-specific objectives will not exceed 25 per cent, and any remaining portion will be subject to measurable non-financial metrics (e.g., customer and an IAG-specific carbon efficiency measure, to further drive progress towards our Flightpath Net Zero 2050 commitment).

Pay element	Purpose and link to strategy	Operation of element	Implementation in 2023
Restricted Share Plan	Incentivises long-term shareholder value creation, and retention.	No performance measures are associated with the awards. Vesting will be contingent on continuous employment and on the satisfaction of a discretionary underpin, normally assessed over three financial years commencing from the financial year in which the award was granted. Malus and clawback provisions apply.	In line with IAG's remuneration policy, a restricted share award of 150 per cent of salary will be granted to the IAG CEO in 2023, the award will vest after three years subject to the satisfaction of the discretionary performance underpin and also be subject to a holding period of two years post vesting. Ensuring a fair and proportionate long-term incentive opportunity, aligned with both external market and relative positioning of the IAG CEO's total compensation compared to that of his executive team.
Shareholding Requirement	Provides long-term alignment with shareholders.	Build and maintain a shareholding of 350 per cent of basic salary. Post-cessation shareholding requirements for two years.	No change to shareholding requirements. As at 31 December 2022 the CEO of IAG had a shareholding of 484 per cent of basic salary.
Taxable benefits and pension-related benefits	Provides basic retirement and benefits which reflect local market practice.	Pension contribution will be in line with the rate applicable to the majority of the workforce in the country in which it is based. Taxable benefits include the provision of a company car, a fuel allowance and private health insurances.	Benefits to be provided as per policy and pension will remain unchanged. The IAG CEO's eligibility to the transitional allowance has ceased at the end of 2022.
Non-executive directors			
Basic fees	Fees take into account the level of responsibility, experience, abilities and dedication required.	Fees are set with reference to market positioning. To acknowledge the key role of the Chair of the Board of Directors, fees are set separately for this role. There is also an additional fee for undertaking the role of Senior Independent Director, and also for holding a Committee chair position. There is no additional fee for Committee membership.	Non-executive director fees were last reviewed in 2017 and remain unchanged for 2023. The fees have remained the same since 2011.

Supplementary information — Directors' share options and shares

The following table details the nil-cost options over ordinary shares of the Company granted to the current IAG CEO under the IAG PSP as at December 31, 2022:

Director	Date of grant	Number of options at January 1, 2022	Exercise price	Options exercised during the year	Options lapsed during the year	Options granted during the year	Exercisable from	Expiry date	Number of options at December 31, 2022
Luis Gallego	May 28, 2015	131,242	-	-	-	-	1/1/2020	31/12/2024	131,242
	March 7, 2016	98,001	-	-	-	-	1/1/2021	31/12/2025	98,001
	March 6, 2017	174,504	-	-	-	-	1/1/2022	31/12/2026	174,504
	March 8, 2019	245,114	-	-	245,114	-	lapsed		0
	March 6, 2020	538,805	-	-	-	-	1/1/2025	31/12/2029	538,805
Total nil-cost options over ordinary shares		1,187,666	-	-	245,114	-			942,552

The award granted on March 8, 2019 was tested at the end of the performance period. Threshold performance was not achieved for any measure and therefore the award lapsed in full.

The performance conditions for the unvested PSP awards listed above will be tested to determine the level of vesting. For each of these awards, one third of the award is subject to TSR performance measured against a comparator index, one third is subject to adjusted EPS performance, and one third is subject to RoIC performance. The performance conditions will be measured over a single three-year performance period. Any vested awards are subject to an additional two-year holding period.

The value attributed to the Company's ordinary shares in accordance with the plan rules on the date of the PSP awards was 2020: 459 pence; 2019: 567 pence; 2017: 546 pence; 2016: 541 pence; and 2015: 550 pence.

The following table details the conditional share awards over ordinary shares granted under the Restricted Share Plan (RSP) to Executive Directors:

Director	Date of grant	Number of conditional shares granted	Vesting date	Shares lapsed at vesting due to underpin	Holding period expiry date	Number of unvested conditional shares at December 31, 2022	Number of vested conditional shares at December 31, 2022
Luis Gallego	June 23, 2021	414,954	June 23, 2024	-	June 23, 2026	414,954	-
	March 21, 2022	581,907	March 21, 2025	-	March 21, 2027	581,907	-
	October 28, 2022	290,953	March 21, 2025	-	March 21, 2027	290,953	-
Total conditional share awards (RSP)		1,287,814				1,287,814	

RSP awards are subject to a discretionary underpin prior to vesting. This review, performed by the Remuneration Committee, considers the Company's overall performance, including financial and non-financial performance measures, over the course of the vesting period, as well as any material risk or regulatory failures identified. In the event of a significant failure on the part of the Company or the executive director, malus and clawback provisions are available to the Remuneration Committee to reduce the vesting value, including to nil.

The value attributed to the Company's ordinary shares in accordance with the plan rules on the date of the RSP awards was 2022: 141 pence (2021: 198 pence).

Incentive Award Deferral Plan (IADP)

Under the current policy, 50 per cent of any Annual Incentive Award for executive directors is made in deferred shares under the Executive Share Plan. Under this plan, incentive award shares are deferred for three years from date of grant. The following table details the current Executive Director's holdings of conditional awards over ordinary shares of the Company granted under the IAG IADP. Awards are shown for the performance periods ended December 31, 2018 and December 31, 2019.

No award was made in respect of 2020 (in March 2021) following the decision to cancel the 2020 IAG Annual Incentive Plan. Additionally, no award was made for 2021 (March 2022), as the IAG's CEO confirmed to the Board that he did not wish to be considered for a 2021 Annual Incentive Award, waiving any 2021 incentive opportunity.

The impact of not making IADP grants to the IAG CEO for two years in succession has been a considerable reduction in unvested IADP shareholdings and the effectiveness of unvested IADP shares as a retention tool.

Executive Director	Performance year award relates to ¹	Date of award	Number of Shares at January 1, 2022	Awards released during the year	Date of vesting	Awards lapsing during the year	Awards made during the year	Number of unvested shares at December 31, 2022
Luis Gallego	2018	March 8, 2019	74,576	74,576	March 8, 2022	-	-	-
	2019	March 6, 2020	81,520	-	March 6, 2023	-	-	81,520
Total			156,096	74,576		-	-	81,520

¹ For the performance period ended December 31, 2022 the award is expected to be made March 2023.

IADP awards already reflect performance delivered against a completed performance period, therefore awards are not subject to further performance conditions for vesting to occur. The terms and conditions of award for IADP grants do however require executive directors to be in employment with the Company at the time of vesting, or have left as a good leaver, to be eligible to receive the award. IADP awards are also subject to the policy's malus and clawback provisions.

The values attributed to the Company's ordinary shares in accordance with the plan rules for IADP awards (relating to the previous year's performance) were 2020 award: 459 pence; and 2019 award: 567 pence.

The value attributed to the Company's ordinary shares in accordance with the plan rules on the date of the 2019 IADP award (relating to the 2018 performance year) was 567 pence. The share price on the date of the vesting of this award (March 21, 2022) was 140 pence. The monetary value of the shares received was the share price on the date of the vesting multiplied by the number of shares in respect of the award vested, as shown in the table above.

ANNEX III. STATISTICS RELATING TO THE ANNUAL REPORT ON DIRECTOR REMUNERATION OF LISTED COMPANIES

ISSUER IDENTIFICATION DETAILS

YEAR END-DATE

12/31/2022

TAX ID (CIF)

A-85845535

Company name:

INTERNATIONAL CONSOLIDATED AIRLINES GROUP, S.A.

Registered office:

El Caserío, Iberia Zona Industrial, nº 2 (La Muñoza), Camino de la Muñoza, s/n, 28042 Madrid

ANNEX. STATISTICS RELATING TO THE ANNUAL REPORT ON DIRECTOR REMUNERATION OF LISTED COMPANIES

B OVERALL SUMMARY OF HOW REMUNERATION POLICY WAS APPLIED DURING THE YEAR LAST ENDED

B4 Report on the result of the consultative vote at the General Shareholders' Meeting on remuneration in the previous year, indicating the number of votes in favour, votes against, abstentions and blank ballots:

	Number	% of total
Votes cast	2,048,314,538	100.00
	Number	% of votes cast
Votes against	14,412,183	0.7
Votes in favour	1,905,882,463	93.05
Blank ballots	0	0
Abstentions	128,019,892	6.25

C ITEMISED INDIVIDUAL REMUNERATION ACCRUED BY EACH DIRECTOR

Name	Type	Period of accrual in year n
Javier Ferrán	Independent Chair	From 01.01.2022 to 12.31.2022
Luis Gallego	Executive Director	From 01.01.2022 to 12.31.2022
Giles Agutter	Proprietary Director	From 01.01.2022 to 12.31.2022
Peggy Bruzelius	Independent Director	From 01.01.2022 to 12.31.2022
Eva Castillo	Independent Director	From 01.01.2022 to 12.31.2022
Margaret Ewing	Independent Director	From 01.01.2022 to 12.31.2022
Maurice Lam	Independent Director	From 01.01.2022 to 12.31.2022
Heather Ann McSharry	Independent Director	From 01.01.2022 to 12.31.2022
Robin Phillips	Proprietary Director	From 01.01.2022 to 12.31.2022
Emilio Saracho	Independent Director	From 01.01.2022 to 12.31.2022
Nicola Shaw	Independent Director	From 01.01.2022 to 12.31.2022
Alberto Terol	Independent Director	From 01.01.2022 to 16.06.2022

C.1 Complete the following tables regarding the individual remuneration of each director (including remuneration received for performing executive duties) accrued during the year.

a) Remuneration from the reporting company:

i) Remuneration accruing in cash (thousands of euros)

Name	Fixed remuneration	Attendance fees	Remuneration for membership of board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Indemnification	Other items	Total year n	Total year n-1
Javier Ferrán	645	0	0	0	0	0	0	5	650	577
Luis Gallego	0	0	0	963	1,608	0	0	455	3,026	1,286
Giles Agutter	120	0	0	0	0	0	0	0	120	112
Peggy Bruzelius	120	0	0	0	0	0	0	0	120	108
Eva Castillo	120	0	0	0	0	0	0	2	122	108
Margaret Ewing	120	0	20	0	0	0	0	3	143	126
Maurice Lam	120	0	0	0	0	0	0	12	132	60
Heather Ann McSharry	120	0	27	0	0	0	0	6	153	108
Robin Phillips	120	0	0	0	0	0	0	4	124	108
Emilio Saracho	120	0	0	0	0	0	0	11	131	115
Nicola Shaw	120	0	20	0	0	0	0	12	152	123
Alberto Terol	56	0	23	0	0	0	0	17	96	162

ii) Table of changes in share-based remuneration schemes and gross profit from vested shares or financial instruments

Name	Name of plan	Financial instruments at start of year n		Financial instruments granted during year n		Financial instruments vested during the year				Instruments matured but not exercised	Financial instruments at end of year n	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent/vested shares	Price of vested shares (€)	EBITDA from vested shares or financial instruments (thousands of euros)	No. of instruments	No. of instruments	No. of equivalent shares
Luis Gallego	Share performance plan – PSP 2015	131,242	131,242	0	0	0	0	0	0	0	131,242	131,242
	Share performance plan – PSP 2016	98,001	98,001	0	0	0	0	0	0	0	98,001	98,001
	Share performance plan – PSP 2017	174,504	174,504	0	0	0	0	0	0	0	174,504	174,504
	Share performance plan – PSP 2019	245,114	245,114	0	0	0	0	0	0	245,114	0	0
	Share performance plan – PSP 2020	538,805	538,805	0	0	0	0	0	0	0	538,805	538,805
	Restricted share award - RSP 2021	414,954	414,954	0	0	0	0	0	0	0	414,954	414,954
	Restricted share award - RSP 2022	0	0	872,860	872,860	0	0	0	0	0	872,860	872,860
	Incentive award deferral plan – IADP 2019	74,576	74,576	0	0	74,576	74,576	1.68	125	0	0	0

	Incentive award deferral plan – IADP 2020	81,520	81,520	0	0	0	0	0	0	0	81,520	81,520
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iii) Long-term savings schemes

N/A

iv) Details of other items

Name	Concept	Amount of remuneration
Luis Gallego	Life Assurance, Personal Injury and Accidental Death Cover premium costs	14

b) Remuneration of directors of the listed company for seats on the boards of other subsidiary companies:

i) Remuneration accruing in cash (thousands of euros)

N/A

ii) Table of changes in share-based remuneration schemes and gross profit from vested shares or financial instruments

N/A

iii) Long-term savings schemes

N/A

iv) Details of other items

N/A

c) Summary of remuneration (thousands of euros):

This summary must include the amounts corresponding to all the remuneration items included in this report that have accrued to each director, in thousands of euros.

Name	Remuneration accruing in the Company					Remuneration accruing in group companies					Total in year n, company + group
	Total cash remuneration	Gross benefit of vested shares or financial instruments	Remuneration by way of savings systems	Other items of remuneration	Total in year n, company	Total cash remuneration	Gross benefit of vested shares or financial instruments	Remuneration by way of savings systems	Other items of remuneration	Total in year n. group	
Javier Ferrán	650	0	0	0	650	0	0	0	0	0	650
Luis Gallego	3,026	125	0	14	3,165	0	0	0	0	0	3,165
Giles Agutter	120	0	0	0	120	0	0	0	0	0	120
Peggy Bruzelius	120	0	0	0	120	0	0	0	0	0	120
Eva Castillo	122	0	0	0	122	0	0	0	0	0	122
Margaret Ewing	143	0	0	0	143	0	0	0	0	0	143
Maurice Lam	132	0	0	0	132	0	0	0	0	0	132
Heather Ann McSharry	153	0	0	0	153	0	0	0	0	0	153
Robin Phillips	124	0	0	0	124	0	0	0	0	0	124
Emilio Saracho	131	0	0	0	131	0	0	0	0	0	131
Nicola Shaw	152	0	0	0	152	0	0	0	0	0	152
Alberto Terol	96	0	0	0	96	0	0	0	0	0	96
TOTAL	4,969	125		14	5,108						5,108

C.2 Indicate the evolution in the last five years of the amount and percentage variation of the remuneration accrued by each of the directors of the listed company who have held this position during the year, the consolidated results of the company and the average remuneration on an equivalent basis with regard to full-time employees of the company and its subsidiaries that are not directors of the listed company.

	Total amounts accrued and % annual variation								
	Year n	% variation n/n-1	Year n-1	% variation n-1/n-2	Year n-2	% variation n-2/n-3	Year n-3	% variation n-3/n-4	Year n-4
Executive directors									
Luis Gallego	3,165	108.22	1,520	223.4	470	-	0	-	0
External directors									
Javier Ferrán	650	12.65	577	419.82	111	68.18	66	-	0
Giles Agutter	120	7.14	112	273.33	30	-	0	-	0
Peggy Bruzelius	120	11.11	108	-	0	-	0	-	0
Eva Castillo	122	12.96	108	-	0	-	0	-	0
Margaret Ewing	143	13.49	126	13.51	111	70.77	65	-	0
Maurice Lam	132	120	60	-	0	-	0	-	0
Heather Ann McSharry	153	41.67	108	-	0	-	0	-	0
Robin Phillips	124	14.81	108	260	30	-	0	-	0
Emilio Saracho	131	13.91	115	6.48	108	-21.74	138	0	138
Nicola Shaw	152	23.58	123	19.42	103	-24.26	136	7.09	127
Alberto Terol	96	-40.74	162	17.39	138	-14.81	162	14.08	142
Company results¹ (IAG operating profit/loss),	1,225,000	-	-2,970,000	31.96	-4,365,000	-	3,285,000	1.7	3,230,000,000

less exceptional items)									
Average employee remuneration	76	43.40	53	-2.86	55	-19.12	68	-8.11	74

This annual remuneration report was approved by the Board of Directors of the company in its meeting of February 23, 2023.

Indicate whether any director voted against or abstained from approving this report.

No