

Anticorruption Policy

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1. Statement of Purpose

This Anticorruption Policy (hereafter, the “Policy”) addresses the need to comply with anticorruption legal requirements; and Iberia’s commitment to the highest standards of integrity, transparency and respect for legality included in the Code of Conduct of the IAG Group. La presente Política Anticorrupción (en adelante, la “Política”) atiende principalmente al necesario cumplimiento de los requisitos legales anticorrupción; y al compromiso de Iberia con los más altos estándares de integridad, transparencia y respeto a la legalidad recogidos en el Código de Conducta del Grupo IAG.

In line with the provisions of main international legislation – such as the U.S. *Foreign Corrupt Practices Act* (FCPA), the U.K. *Bribery Act* or the reforms of criminal legislation in Spain and other countries- and in accordance with the previously mentioned standards, it is key for Iberia to ensure that, within its domain, certain conducts that would infringe upon corporate integrity are not permitted; for example, the offering or acceptance of gifts, hospitality or other types of incentives that may reward or influence a business decision, or incursions in eventual conflicts of interest that may put personal priorities over collective priorities first; promoting in this manner that all persons that form part of its activity behave with integrity, without seeking, in any event, unlawful benefits for Iberia, themselves or third parties through the misuse of their position or contacts.

This Policy establishes behaviour guidelines regarding the acceptance or offering of gifts or hospitality, prohibiting any type of bribery. It prohibits promoting, offering or giving any benefit or advantage of any nature, directly or indirectly (through a third party), in order to influence decisions of any kind (including governmental, administrative or judicial) or obtaining undue advantages for Iberia. The acceptance of any type of benefit or advantage that may result in non-compliance with duties and responsibilities of the Company’s board members, executives and employees, is also prohibited.

2. Scope of application

This Policy is of a minimum nature and must be observed by all Iberia Board members, executives and employees, in any of the territories in which it has a presence, as well as by third parties that intermediate, collaborate or participate in businesses in the name of Iberia.

3. Definitions

Applicable anticorruption laws:

Applicable laws that prohibit bribery and any other type of corruption. In particular, the Spanish Criminal Code, the U.S. *Foreign Corrupt Practices Act*, the U.K. *Bribery Act* and any other regulation on fighting corruption that may be applicable.

Object of value:

Any object of value, tangible or intangible, defined broadly, in any form, including, but not limited to, cash, cash equivalents (such as gift cards or product discounts), loans, gifts, hospitality, goods, services, job positions for family members, trips, accommodation, entertainment, meals, reimbursement of expenses, favours, business or employment opportunities, compliance with the request to deliver something of value to a third party, contributions to charities or other non-profit organisations and sponsorships.

Public officials:

For the purpose of this policy, public officials refer to:

- (i) Government, local or official employees, or any other persons that perform duties for a specific country or territory.
- (ii) Persons that carry out administrative, legislative or judicial duties, by appointment, election or succession, in a specific country or territory.
- (iii) Persons affiliated, or who in any other way belong to, a political party.
- (iv) Candidates to any political office.
- (v) Persons who carry out any other type of official duties, at government or local level, within the government or in any of its departments.
- (vi) Employees or representatives of governmental organisations or organisations financed with public funds.
- (vii) Public officials or agents of international organisations of Public Law.

Related party:

A family member of the public official up to the second degree of consanguinity or affinity, as well as the spouse or person with similar relation of affectivity.

Commercial partners:

Third parties acting in the name or on behalf of Iberia or any entity property of, or controlled by, Iberia, that may interact with external agents, especially when these are Public Officials.

Facilitation payments:

The delivery of an object of value to a public official or person who has assigned duties of processing or certification, in order to secure or speed up routine government actions that do not entail a discretionary act on his part.

4. Gifts and hospitality

4.1 General prohibitions

To give, offer, promise, accept or request from, a Public Official or related party, regardless of their location, an object of value, directly or indirectly, in contravention of applicable legislation, as an incentive or reward for acting or abstaining from acting in the exercise of their duties. Among these acts, both the omission and delay of action that the Public Official must perform, are included.

Facilitation payments are expressly prohibited, including in those cases in which they are not prohibited by the legislation of the country or territory in question.

To give, offer, promise, accept or request, by a Board member, executive, employee or business partner of Iberia, by himself or through another person, an object of value or an unjustified benefit or advantage, of any nature, in order to unduly influence the contracting of services or commercial relations.

Signing false contracts in contravention of this Policy.

Not maintaining accurate books and records, hiding or misusing funds, or trying to hide the sources of such funds.

The contravention of this Policy does not require that the exchange actually take place; an offer or promise shall suffice.

4.2 Acceptable practices

Business gifts and hospitality shall never be offered or accepted with unlawful purposes, and shall be, in all cases:

Conforming to the laws and regulations of both the country making the invitation as well as the country receiving such invitation.

Gifted or accepted with no expectation of reciprocity: the intention or purpose of the gift or hospitality must simply be to build a business relationship within the normal standards of courtesy and not to influence the person in charge of making a certain business decision.

Socially acceptable: the gift or hospitality is reasonable and could be communicated without fear of social reproach.

Consistent with the interests of Iberia's business, as well as normal business practices.

Occasional and not excessive, in compliance with local or industry standards.

Registered in documentation, which is precise, appropriate and with reasonable detail. If the gift or hospitality has a value of up to 150€, accounting of it is not necessary and it may be accepted and offered without the approval of the relevant superior. If the value is in excess 150€, authorisation by the relevant superior shall be necessary, as well as its recording in Iberia's Gift Registry, available on the Intranet.

The following table describes the six key tests that all Corporate Hospitality and gift offerings must pass:

Test	Explanation
1. Reasonableness and proportionality	Reasonable and proportional promotional courtesies and expenses, when aimed at improving the Company's image or the presentation of its products or services, or at fostering cordiality in relationships, are considered an intrinsic part of the development of the business activity
2. Legitimate business purposes	The professional dimension of the events is important and must represent an important part of the time spent in the company of third parties
3. Management of timing	It is essential to take into consideration if commercial negotiations are taking place with the entities or persons affected
4. Comparison with similar companies	The planning of any event must be done following standard practices within the sector and without the aim of obtaining unlawful advantages due to a disproportionate cost, dimension or scope
5. Transparency	Gifts in excess of 150 € must be registered
6. Context	The number and frequency of events to which people or organisations are invited to, must be taken into consideration

4.3 Additional considerations

Extending invitations to spouses/partners will make passing test 2 above more difficult, so it is recommended that it be avoided.

It must be indicated that if the person invited to the event cannot attend, other persons from the company may attend if they wish. This avoids allegations that Iberia was intentionally addressing persons with decision-making power.

It is not acceptable to make guest changes without recording the fact nor following the established procedure.

Declining an invitation shall not lead to commercial consequences of any kind.

In certain exceptional circumstances it is possible that the Company may consider appropriate to invite public officials. In such cases it is essential that test 2 – Legitimate business purposes, is perfectly clear, adequately documented and submitted for prior approval by the relevant superior, unless the exceptions foreseen in this Policy are clearly applied.

The definition of public official is broad; consequently, one must proceed with caution in determining whether these provisions are applicable.

If a public official lawfully intervenes on behalf of the Company in some activity over a specified period of time (for example, if the Mayor of Madrid participates in a joint promotion of the City in a foreign business trip), one would expect that the public official's scope of participation in said activity be clearly and verifiably documented, as well as what type of expenses are considered excluded and included regarding such participation.

In any event, when a public official is invited, a copy of the invitation shall be sent to the office where he provides his services so that it is properly documented in the public registers, therefore guaranteeing total transparency and publicity.

The term public official includes elected or appointed persons that hold legislative, administrative or judicial positions in a country or territory. It also includes any person performing public duties at any division of a national, local or municipal government, or that carries out a public duty for any public organisation or public or state entity. Public officers may also be employees or agents of international entities such as, for example, the UN or the World Bank. The definition also extends to their family members or related parties.

5. Conflicts of interest

Iberia employees, executives and Board members shall avoid having personal or family interests influence their decisions, actions, services or assessments, taken or provided in the name of Iberia.

In this regard, Iberia recognises and respects the participation of its employees in financial and business activities different to those they carry out for the Company, provided they are lawful and do not collide with their responsibilities as Iberia employees.

Unless expressly authorised by the Company, and without prejudice to the application, when applicable, of the regime of the Corporation Law regarding conflicts of interest of Board members, employees are subject to the following obligations:

They must avoid situations which may give rise to a conflict between personal and Company interests, and must abstain from representing the Company and intervening or influencing in decision making in any situation in which, directly or indirectly, the employee, or a close relative, has a personal interest.

They may not perform duties, works or provide services for the benefit of companies in the sector or that carry out activities susceptible of competing directly or indirectly or may end up competing with those of Iberia.

They may not use their job title or position in the Company, in the carrying out of their duties as well as in their relations with third parties, for their own personal benefit or for the benefit of related persons by familial or other analogue ties, irrespective of the area of activity in which they intend to exercise their influence.

In the event that Iberia employees may be affected by a conflict of interest, they shall inform the relevant Department Director through their immediate superior, prior to carrying out the operation or conclusion of the relevant business, in order to adopt the appropriate decisions in each individual circumstance and therefore avoid that their impartial behaviour may be compromised. Where appropriate, the Department Director shall consult with the Legal Compliance Unit.

6. Consultation and reporting

In the event that a Board member, executive or employee has doubts regarding compliance, application or interpretation of this Policy, they shall consult with the Legal Compliance Unit.

It is expected that any person who has knowledge of any infraction or suspicion of infraction of this Policy, will report it through the confidential channel available on the IBnet intranet or through any other means facilitated by the Company.

The Company is thankful for this cooperation and, in accordance with its policies, prohibits the adoption of any retribution against those persons making these reports in good faith.



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Legal compliance



Iberia Group

Reporting Channel

7. Disciplinary Procedure

It is the responsibility of each and every one of the Board members, executives and employees, to strictly comply with the provisions of this Policy, and it is the responsibility of the Board members and executives to explain and make this Policy known amongst their collaborators and supervise compliance with the Policy.

Supervision tasks may be conducted to verify the application of the provisions of this Policy. If there is any evidence of possible non-compliance, the relevant investigation shall take place. To this end, audits may be conducted, and in such case, annual reports of its results shall be provided to the Compliance Committee and the Executive Board.

Breach of the provisions of this Policy shall be considered an infraction subject to disciplinary action determined by the Office of the Director of Human Resources, following its relevant analysis, and in accordance with the applicable employment regime, with any form of corruption being, in any case, of the utmost gravity.

