Corporate governance statement

The Company is committed to high standards of corporate governance. The Board is accountable to the Company's shareholders for good corporate governance. The code of best practice, set out in Section 1 of the Combined Code as amended from time to time and appended to the Listing Rules of the Financial Services Authority (the 'Combined Code'), has been adopted as the Company's corporate governance statement.

In accordance with the Listing Rules, the Company is required to report firstly on how it applies the main principles of the Combined Code 2008 and secondly to confirm that it has applied the Code's provisions or, where it has not, to provide an explanation. The following section outlines the way in which the Company has applied the main and supporting principles in the Code.

The Board
The Board provides entrepreneurial leadership of the Company within a framework of prudent and effective controls, which enables risk to be assessed and managed. The Board sets the Company's strategic aims, ensures that the necessary financial and human resources are in place for the Company to meet its objectives and reviews management performance. The Board sets the Company's values and standards and ensures that its obligations to its shareholders and others are understood and met.

As a unitary Board, all Directors are involved in, and responsible for, the development of the Company's strategy. The Non-executive Directors review the performance of the Company with the Executive Directors on a regular basis. The Board delegates certain of its functions to committees consisting of Non-executive Directors, as detailed within this report. The Board of the Company routinely meets seven times a year and additionally when necessary to consider all matters relating to the overall control, business performance and strategy of the Company, and for these purposes the Board has drawn up a schedule of matters reserved for Board decision which it reviews at least annually. Broadly, the Board has reserved to itself major strategic and financial decisions, including investment and divestment decisions, approval of business and financial plans, approval of significant alliance or codeshare partnerships, significant contracts and capital commitments of greater than £10 million.

The Board is led by the Chairman and the executive management of the Company is led by the Chief Executive. Their respective roles are more fully described in the terms of reference on the Company's investor relations website, www.bashares.com. The Chairman is responsible for setting the Board agenda and ensuring that it works effectively. Working with the Secretary, he ensures that Board members receive accurate, timely and clear information. Of the 10 members serving at the year end, excluding the Chairman, two were Executive Directors and seven were Non-executive Directors (of which six are considered independent for Combined Code purposes). All seven Non-executive Directors are drawn from a diverse range of business and other backgrounds, bringing a broad spectrum of views and experiences to Board deliberations. This diversity of background and experience is identified by the Board members as one of the strengths of the Board. Maarten van den Bergh is the Board's Senior Independent Director. In this role he is available to the shareholders should they have any concerns that they have been unable to resolve through normal channels, or when such channels would be inappropriate. He is also responsible for leading the Board's discussions on the Chairman's performance and would lead the process leading to the appointment of a new Chairman, when appropriate.

A statement of the Directors' responsibilities in respect of the financial statements is set out on page 65 and a statement on going concern is given on pages 19 and 20.

The Non-executive Directors scrutinise the performance of the management in order to be satisfied as to the integrity and strength of financial information, controls and risk management. They have a prime role in appointing, removing and succession planning of senior management and, through the Remuneration Committee, they are responsible for determining appropriate levels of remuneration for the Executive Directors.

Although the Non-executive Directors are eligible for non-contractual travel concessions in addition to their fees, this is not considered to affect their independence.

All Directors receive regular information about the Company so that they can play as full a part as possible in Board meetings. Papers for Board and Committee meetings are typically distributed in the week prior to the relevant meeting. All Board members have access to the Secretary for any further information they require. If any of the Non-executive Directors has any concerns with the running of the Company, they would first discuss these concerns with one of the Executive Directors, the Secretary or the Chairman. If their concerns cannot be resolved in this way, then they are recorded in the Board minutes. No such concerns arose during the year.

Non-executive Directors are encouraged to visit the Company's operations and to speak to customers and employees. They are also encouraged to attend the annual investor day where they can discuss corporate governance matters with major shareholders. Independent professional advice would be available to Directors in appropriate circumstances, at the Company's expense. No such advice was needed during the year in question.

All Directors are required to submit themselves for re-election every three years. New Directors are appointed to the Board on the recommendation of the Nominations Committee. In December 2009, Rafael Sánchez-Lozano Turmo joined the Board following the signing of the Memorandum of Understanding with Iberia. Although the Committee is currently satisfied with the composition of the Board, it has been conducting a search for an additional independent Non-executive Director following the retirement of two Non-executives from the Board at the Annual General Meeting in July 2009.
The Secretary ensures that the Board members receive an appropriate induction and further training as necessary. The Board receives briefings on changes in regulation or law, as circumstances require. This has included training in relation to the implications of the Companies Act 2006 as various sections of it came into force. More recently the Board has reviewed and responded to the Consultation on the revised UK Corporate Governance Code.

The appointment and removal of the Secretary is a matter for the Board as a whole.

Rules about the appointment and replacement of Directors are set out in the Company's Articles of Association. The Directors' powers are conferred on them by UK legislation and by the Company's Articles of Association.

**Board Committees**

The Board has four specific Committees: Audit, Nominations, Safety Review and Remuneration. Each Committee meets regularly under terms of reference set by the Board, which are published on bashares.com. A Standing Committee, consisting of the Chairman or Senior Independent Director, one Executive and one Non-executive Director, is also available when necessary. The work carried out by each of the four specific Committees is described in their respective reports. Every Committee has authority to take external advice as required.

The Board receives regular feedback on investors' views. As part of its commitment to ensuring that the Board presents a balanced and understandable assessment of the Company's financial position and prospects, the Board received an external view of the Company's investor relations activity again this year.

**Board performance evaluation**

At the end of the financial year, the Secretary met privately with each member of the Board to review the performance of the Board, its Committees and the individual Directors, the results of which were presented to, and considered by, the Board. In addition, the Chairman and Non-executive Directors typically meet without any executives present at least twice each financial year. At least once a year, the Non-executive Directors meet under the chairmanship of the Senior Independent Director to review the performance of the Chairman, taking account of the views of the Executive Directors.

**Relations with shareholders**

The Company maintains regular contact with its major institutional shareholders through its investor relations team, through meetings with the Executive Directors and the Chairman and through annual institutional investor events. The presentations from these events are also available to private shareholders through the Company's investor relations website. The annual Investor Day scheduled for March 2010 was postponed until May 2010, as it would not have been appropriate to hold this event prior to the signing of the Merger Agreement with Iberia.

Private shareholders receive the Company's shareholder magazine twice a year and are encouraged to express their views and concerns either in person at the Annual General Meeting or by e-mail. The main themes are reported to the Board and responded to by the Chairman in his address at the Annual General Meeting.

Due to the illness of one of the Board members, only 10 of the 11 Board members serving at the time attended the 2009 Annual General Meeting. The 2010 Annual General Meeting will be held on Tuesday 13 July at 11.00 am at The Queen Elizabeth II Conference Centre, London. The ordinary business of the meeting will be the receipt and adoption of the annual report and accounts; approval of the remuneration report; the election and re-election of Directors; and the reappointment and remuneration of the auditors. The special business to be considered at the meeting will be the Directors' authority to allot new shares, the disapplication of pre-emptive rights in relation to an allotment of new shares, the authority of the Company to purchase its own shares, and the ability of the Company to hold general meetings at 14 days' notice. Full details can be found in the Notice of Meeting available on our website, www.bashares.com.

Since 2000, all voting at the Annual General Meeting has been by way of a poll to ensure that the views of all shareholders are taken into account. All 12 resolutions put to shareholders at the 2009 Annual General Meeting were passed, with a minimum vote of 98.86 per cent. The Chairman's and Chief Executive's speeches were made available on the website after the meeting.

On 6 August 2009, a General Meeting of shareholders approved the issue of £350 million 5.8 per cent Convertible Bonds due 2014.

**Directors' conflicts**

With effect from 1 October 2008, the new Companies Act 2006 provisions regarding Directors' conflicts of interest came into force. These place Directors under an obligation to avoid situations arising on or after 1 October 2008 in which they have, or can have, a direct or indirect interest that conflicts, or may possibly conflict, with the interests of the Company (Section 175(1)). This duty is not infringed if the matter has been authorised in advance by the Directors pursuant to provisions of the Articles of Association permitting them to do so. This duty does not apply to a conflict of interest arising in relation to a transaction or arrangement with the relevant company directly (such as a contract of employment).

A register of authorised interests is maintained by the Secretary and updated by the Board as needed from time to time; it was last updated in February 2010.

Throughout the year, the Company has complied with all relevant provisions set out in Section 1 of the Combined Code (June 2008).

**Directors' and Officers' liability insurance**

The Company has purchased insurance against Directors' and Officers' liability as permitted by the Companies Act 2006 for the benefit of the Directors and Officers of the Company and its subsidiaries.
Corporate governance statement continued

The Company has granted rolling indemnities to the Chairman, Executive and Non-executive Directors and the Secretary, uncapped in amount but subject to applicable law, in relation to certain losses and liabilities which they may incur in the course of acting as officers of companies within the Group. These indemnities also set out the terms on which the Company may, in its discretion, advance defence costs. You can see a specimen indemnity on the Company’s investor relations website, www.bashares.com, by clicking on the heading Corporate Governance.

Political donations
At the Annual General Meeting in 2008, shareholders passed a resolution to authorise the making of political donations and the incurring of political expenditure for the purposes of Section 367 of the Companies Act 2006. This authorisation was taken on a four-year basis as a precaution only and the Board has no present intention of using it. In the event that any political donation is made or political expenditure incurred, the Company would seek further shareholder approval.

The Company does not make political donations or incur political expenditure within the ordinary meaning of those words and has no intention of doing so. The amount of political donations made and political expenditure incurred in the year to 31 March 2010 was £Nil (2009: £Nil).

Post-balance sheet events
There were no adjusting material post-balance sheet events occurring after 31 March 2010.

Internal control and risk management

Internal control
The Directors are responsible for maintaining, and for reviewing the effectiveness of, the Company’s system of internal control including internal financial control. This is designed to provide reasonable, but not absolute, assurance regarding (a) the safeguarding of assets against unauthorised use or disposition and (b) the maintenance of proper accounting records and the reliability of financial information used within the business or for publication. These controls are designed to manage rather than eliminate the risk of failure to achieve business objectives due to circumstances which may reasonably be foreseen and can only provide reasonable and not absolute assurance against material misstatement or loss.

Internal control over financial reporting
The Company has in place internal control and risk management systems in relation to the Company’s financial reporting process and the Group’s process for the preparation of consolidated accounts. These systems are described above and in more detail under the headings ‘Internal control framework’ and ‘Risk management’.

During the financial year, no changes in risk management and internal control systems over financial reporting have occurred that have materially affected, or are reasonably likely to have materially affected, the Group’s financial reporting.

Standing instructions
In response to The Bribery Act 2010, the Company recently revised and is relaunching its code on business integrity covering matters such as bribery, business conduct and ethics. It is one of a number of Standing Instructions to employees of the Group designed to enhance internal control. Along with the Finance Standing Instructions, these are regularly updated and made available to staff through the Company’s intranet.

Organisation structure
A clear organisational structure exists, detailing lines of authority and control responsibilities. The performance management system establishes targets, reinforces accountability and awareness of controls, and identifies appropriate training requirements.

Information systems
Information systems are developed to support the Company’s long-term objectives and are managed by a professionally staffed Technology Services team within the Chief Financial Officer’s organisation. Appropriate policies and procedures are in place covering all significant areas of the business.

Strategic plan
The business agenda is determined by the strategy (pages 27 to 32) setting out the agreed targets for financial return and service standards, and identifying and prioritising improvement opportunities to deliver those targets. Each year the Board approves the strategy, which is supported by a detailed financial plan for the year ahead. Progress against the plan is regularly monitored.

Management accounting system
A comprehensive management accounting system is in place providing management with financial and operational performance measurement indicators. Detailed management accounts are prepared monthly to cover each major area of the business. Variances from plan and previous forecasts are analysed, explained and acted on in a timely manner. As well as regular Board discussions, monthly meetings are held by the Management Team to discuss performance with specific projects being discussed when required. Throughout 2009/10, the Capital Investment Committee, chaired by the Chief Financial Officer, was instrumental in maintaining tight control of capital and major contract expenditure and headcount. All major corporate projects are audited regularly.

Internal control framework
Effective corporate governance remains key to the business. The Company continues to review its internal control framework to ensure it maintains a strong and effective internal control environment. The effectiveness of the framework has been under regular review by the Management Board. The Group will continue to comply with the Combined Code on corporate governance and the UK Listing Authority rules.
Business controls are reviewed on an ongoing basis by the internal control function which operates internationally and to a programme based on risk assessment. Professionally qualified personnel manage the department with experience gained from both inside and outside the industry. A risk-based audit plan, which provides assurance over key business processes and commercial and financial risks facing the Company, is approved by the Audit Committee quarterly.

The Audit Committee considers significant control matters raised by management and both the internal and external auditors and reports its findings to the Board. Where weaknesses are identified, the Audit Committee ensures that management takes appropriate action. No significant failings or weaknesses were identified during 2009/10.

**Risk management**

The Company has a structure and process to help identify, assess and manage risks. This process has been in place throughout the year to which these statements apply and up to the date of their approval.

The Risk Group consists of the Management Board, the Head of Corporate Risk and Internal Control and key senior executives. Meeting quarterly, it reviews the Company’s key risks contained in the corporate risk register and ensures that all new and emerging risks are appropriately evaluated and any further actions identified. The Risk Group also provides policy and guidance to those responsible for managing the individual risks and to the departmental risk leaders.

The management of each major area of corporate risk is subject to review by an appropriate ‘assurance body’. This includes a review of the controls in place to mitigate the risks and the further actions being taken by management. The Risk Group reports quarterly to the Audit Committee to assist the Board in the management of risk in accordance with the October 2005 Revised Guidance for Directors on the Combined Code.

The risk management process includes multiple opportunities for rigorous discussion and debate to assess the relative profile of each risk to the other. The outcome includes a heat map. This plots each critical risk on an impact and likelihood scale. For each critical risk, mitigating actions exist and are actively managed. This process is iterative and refreshed on an ongoing basis. This report does not include the mapped results and mitigating actions for the principal risks because of the sensitive commercial nature of some of management’s plans.

Liquidity risk is discussed in more detail within the Chief Financial Officer’s statement on page 19. The Company’s Treasury Committee, chaired by the Group Treasurer, is responsible for managing liquidity risk and operates within clearly defined parameters.

**Auditor**

Resolutions to reappoint the retiring auditor, Ernst & Young LLP, and to authorise the Directors to determine its remuneration will be proposed at the 2010 Annual General Meeting.

**Receipts and returns to shareholders**

**Dividend**

The Board has decided not to recommend the payment of a final dividend (2009: nil pence per share).

**Share issues, buy-backs and treasury shares**

The principle of authorised share capital was no longer applicable after 1 October 2009 by virtue of the Companies Act 2006.

During the year, there has been an increase in the issued share capital, details of which are set out in the sections headed ‘Shares and shareholders’ and ‘Capital structure and shareholder rights’, respectively.

Under UK legislation, the Board can be given authority to allot shares in the Company by the passing of an ordinary resolution at a general meeting of the Company. The Board currently has authority to allot shares in the Company up to an aggregate nominal value of £95 million by virtue of a resolution passed at the Annual General Meeting of the Company held on 14 July 2009. This authority expires on 13 July 2010 and shareholders will be asked to renew this authority at the 2010 Annual General Meeting.

Without prejudice to any special rights previously conferred on the holders of any shares or class of shares for the time being issued, any share in the Company may be issued with such preferred, deferred or other special rights, or subject to such restrictions, whether as regards dividend, return of capital, voting or otherwise, as the Company may from time to time by ordinary resolution determine (or, in the absence of any such determination, as the Board may determine) and, subject to the provisions of applicable company law, the Company may issue any shares which are, or at the option of the Company and/or the holder are, liable to be redeemed.

The Company is authorised to conduct share buy-backs of up to approximately 10 per cent of the issued ordinary share capital. This is subject to certain limitations relating to the maximum and minimum prices that may be paid for any shares bought back. This authority is only exercised if the Board considers the buy-back to be in the interests of shareholders. The Company has not conducted any share buy-backs since the authority was first obtained.

Shareholders will be asked to renew this authority at the 2010 Annual General Meeting.

If the Company were to buy-back shares they would be held in treasury. They could be sold quickly (subject to insider dealing rules) and cost effectively, giving the Company additional flexibility in the management of its capital base. Whilst in treasury, the shares would be treated as if cancelled so that no dividends would be paid on them and they would have no voting rights. No shares were held in treasury during the year ended 31 March 2010 (2009: nil).
Shares and shareholders
The number of ordinary shares issued and fully paid as at 31 March 2010 was 1,153,674,000 (31 March 2009: 1,153,628,000). The increase over 31 March 2009 reflects the issue of new ordinary shares to satisfy the share options exercised during the year under the British Airways Share Option Plan 1999 and the vesting of shares awarded under the Performance Share Plan as set out in notes 32 and 33 to the financial statements.

Capital structure and shareholder rights
The share capital of the Company is divided into ordinary shares of 25 pence each and one special voting share of 25 pence. All ordinary shares have equal rights to dividends and capital and to vote at general meetings of the Company. The rights attached to the ordinary shares, in addition to those conferred on their holders by law, are set out in the Company's Articles of Association.

In August 2009 the Company issued £350 million 5.8 per cent Convertible Bonds due 2014. The Bonds are convertible into fully paid ordinary shares of the Company at a price of 189 pence per share and will mature on 14 August 2014.

The special voting share has no dividend rights, limited capital rights and restricted voting rights. The sole function of the special voting share is to ensure that the votes capable of being cast by the UK shareholders of the Company, taken as a whole, need never fall below a majority. Its voting rights would only be triggered if the number of UK shares represent, or are reasonably likely to represent at the time of the next scheduled Annual General Meeting, 50 per cent or less of the issued ordinary share capital and if the Board considers that, as a result, any air service operating right which is currently granted to, or enjoyed by, the Company may be materially restricted, suspended or revoked. Once its voting rights have been triggered, the special voting share entitles the holder to such number of votes as, when aggregated with the votes which are capable of being cast by holders of the UK shares, are equal to 50 per cent of the total number of votes which are capable of being cast, plus one. On any resolution, votes cast by the holder of the special voting share may only be cast in the same manner and proportion as the votes cast by the UK shareholders.

Full details of the rights attaching to such shares, although the ADR depositary is the registered holder of the shares and each ADR holder is entitled to the financial rights of the issued shares or on the exercise of voting rights attached to them, are set out in the Company's Articles of Association. The special voting share is held by The Law Debenture Trust Corporation Plc.

In the case of shares held in certificated form, the Directors may, in their absolute discretion, refuse to register any transfer of the special voting share. The Directors may, in their absolute discretion, refuse to register any transfer of the special voting share.

The shares of a person subjected to an Affected Share Notice may, subject to the specific terms of that notice, no longer confer on the holder any entitlement to exercise rights conferred by membership in relation to general meetings. This includes the rights to attend or vote, either personally or by proxy, at any general meeting of the Company, or any meeting of the holders of any class of shares. In addition, the rights to attend, speak and demand a poll that would have attached to the shares, but for the restrictions set out in the Affected Share Notice, shall vest in the Chairman of the relevant meeting.

The person on whom an Affected Share Notice has been served may also be required to dispose of the shares which are the subject of such notice, in accordance with the provisions of the Articles of Association.

Where, under the Articles of Association, a person has been served with a direction notice as a result of default for the prescribed period in providing the Company with the required information concerning interests in shares held by them, those shares shall no longer confer on the holder any right to vote, either personally or by proxy, at a general meeting of the Company, or exercise any other rights conferred by membership in relation to general meetings of the Company or meetings of the holders of any class of shares.

Additionally, if that person holds at least a 0.25 per cent interest in number or nominal value of the issued shares of that class in the Company, then the Board may also withhold payment of all or part of any dividends payable to them in respect of the shares which are the subject of the direction notice and refuse to register any transfer of such shares until such time as the default is remedied and the Board determines that the direction notice shall cease to have effect.

There may also be restrictions on the transfer of ordinary shares or on the exercise of voting rights attached to them where: (i) the Company has exercised its right to suspend their voting rights or to prohibit their transfer following the omission of their holder or any person interested in them to provide the Company with information requested by it in accordance with Part 22 of the Companies Act 2006; or (ii) their holder is precluded from exercising voting rights by the Financial Services Authority’s (FSA) listing rules or the City Code on Takeovers and Mergers.

Following its delisting from the New York Stock Exchange, the Company maintains an American Depositary Receipts (ADR) programme in the US as a Level I programme. This means that the Company's ADRs are traded on the over-the-counter market. Each ADR is equivalent to 10 ordinary shares and each ADR holder is entitled to the financial rights attaching to such shares, although the ADR depositary is the registered holder of the shares. As at 31 March 2010, the equivalent of 21.2 million shares were held in ADR form (31 March 2009: 21.3 million).
Shareholders can appoint a proxy to vote on their behalf on a poll at shareholder meetings (or any adjournment thereof), either by posting the proxy form to the address set out in the Notice of Meeting or online via the Company’s investor relations website. Proxy appointments must be received by 6.00 pm on Friday 9 July 2010 in order to be eligible for the 2010 Annual General Meeting. If the shares are held in British Airways Investor Services, the Company Nominee, the voting instructions must be received by 11.00 am on Friday 9 July 2010.

In order to protect the air service operating rights of the Company, the number of ordinary shares held by non-UK nationals is monitored, as is the number of ordinary shares held by persons who are not nationals of states comprising the European Economic Area (EEA). At 31 March 2010, 41 per cent of the ordinary shares of the Company were held by non-UK nationals (31 March 2009: 34 per cent) and 18 per cent of the ordinary shares were held by persons who were not nationals of states comprising the EEA (31 March 2009: 20 per cent). Although there are no large interests of single or associated non-UK nationals, the Directors cannot rule out the possibility that the Directors may be required to exercise their powers to restrict non-UK or non-EEA share ownership in order to protect the Company’s operating rights.

Waiver of dividends
The British Airways Employee Benefits Trust (Jersey) Limited, which holds British Airways shares for the purpose of satisfying awards and options granted to employees under the Company’s employee share schemes, has waived its rights to dividends. The Trustee does not vote the shares that it holds. At 31 March 2010 there were 1,086,001 shares held in the Trust (31 March 2009: 2,165,281).

Significant holdings
The Company has been notified pursuant to the DTRs of the following interests of 3 per cent or more of the Company’s issued ordinary shares as at 11 May 2010:

<table>
<thead>
<tr>
<th>Name of shareholder</th>
<th>Percentage of holding</th>
<th>Direct %</th>
<th>Indirect %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Black Rock Advisors</td>
<td>13.86</td>
<td>12.60</td>
<td></td>
</tr>
<tr>
<td>Iberia Lineas Aéreas de España S.A.</td>
<td>9.07</td>
<td>9.07</td>
<td></td>
</tr>
<tr>
<td>Standard Life plc</td>
<td>7.34</td>
<td>4.88</td>
<td>2.46</td>
</tr>
<tr>
<td>Lloyds Banking Group plc</td>
<td>6.30</td>
<td>0.82</td>
<td>5.48</td>
</tr>
<tr>
<td>Janus Capital Management LLC</td>
<td>7.15</td>
<td>7.15</td>
<td></td>
</tr>
<tr>
<td>AXA Investments</td>
<td>4.85</td>
<td>0.75</td>
<td>4.10</td>
</tr>
<tr>
<td>INVESCO plc</td>
<td>4.30</td>
<td></td>
<td>4.30</td>
</tr>
<tr>
<td>Legal &amp; General Group Plc</td>
<td>3.98</td>
<td>3.98</td>
<td></td>
</tr>
</tbody>
</table>

Shareholder analysis
As at 31 March 2010, there were 209,129 shareholders (31 March 2009: 214,119). An analysis is given below.

<table>
<thead>
<tr>
<th>Size of shareholding</th>
<th>Percentage of shareholders</th>
<th>Percentage of shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 – 1,000</td>
<td>88.12</td>
<td>4.52</td>
</tr>
<tr>
<td>1,001 – 5,000</td>
<td>10.51</td>
<td>3.59</td>
</tr>
<tr>
<td>5,001 – 10,000</td>
<td>0.81</td>
<td>0.98</td>
</tr>
<tr>
<td>10,001 – 50,000</td>
<td>0.32</td>
<td>1.05</td>
</tr>
<tr>
<td>50,001 – 100,000</td>
<td>0.04</td>
<td>0.55</td>
</tr>
<tr>
<td>100,001 – 250,000</td>
<td>0.07</td>
<td>2.03</td>
</tr>
<tr>
<td>250,001 – 500,000</td>
<td>0.04</td>
<td>2.74</td>
</tr>
<tr>
<td>500,001 – 750,000</td>
<td>0.01</td>
<td>2.22</td>
</tr>
<tr>
<td>750,001 – 1,000,000</td>
<td>0.02</td>
<td>1.93</td>
</tr>
<tr>
<td>Over 1,000,000</td>
<td>0.06</td>
<td>80.39</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Classification of shareholding</th>
<th>Percentage of shareholders</th>
<th>Percentage of shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individuals</td>
<td>98.33</td>
<td>9.42</td>
</tr>
<tr>
<td>Bank or Nominee</td>
<td>1.38</td>
<td>88.02</td>
</tr>
<tr>
<td>Insurance companies</td>
<td>0.01</td>
<td>0.01</td>
</tr>
<tr>
<td>Pension trusts</td>
<td>0.01</td>
<td>0.38</td>
</tr>
<tr>
<td>Investment trusts</td>
<td>0.02</td>
<td>0.04</td>
</tr>
<tr>
<td>Other corporate bodies</td>
<td>0.25</td>
<td>2.13</td>
</tr>
</tbody>
</table>

Impact of change of control
The following significant agreements contain provisions entitling the counterparties to exercise termination or other rights in the event of a change of control of the Company:

- £350 million 5.8 per cent Convertible Bonds due 2014;
- The Joint Business Agreement between (1) American Airlines Inc. (2) British Airways Plc, and (3) Iberia Lineas Aéreas de España S.A. dated 14 August 2008;
- Merger agreement between British Airways Plc and Iberia Lineas Aéreas de España S.A. dated 8 April 2010;
- All of the Company’s share schemes contain provisions relating to a change in control. Other than the Performance Share Plan, which is subject to the satisfaction of any performance conditions at that time, all outstanding options would normally vest and become exercisable on a change of control. The Directors have determined that if the merger with Iberia proceeds, all options will roll over into International Consolidated Airlines Group S.A.;
- Joint business agreement with Iberia, which coordinates schedules, marketing, sales, freight, pricing and customer service activities;
- Codeshare agreements with Aer Lingus, American Airlines, bmi, Cathay Pacific, Finnair, Flybe, Iberia, JAL, LAN, Malev, Meridiana Fly, Qantas and Royal Jordanian; and
- Contracts to sell miles to Alaska Airlines, American Airlines, American Express Services Europe Ltd, Chase Bank USA N.A., Lloyds TSB plc, Royal Bank of Canada and Tesco Stores Limited.

Neither of the Executive Directors’ service contracts provides for compensation to be paid in the event of change of control of the Company.