

ICELANDAIR GROUP HF. – MINUTES FROM THE ANNUAL GENERAL MEETING

Date Friday 6 March 2020 at 4:00 PM

Location Hilton Reykjavík Nordica Hotel
Sudurlandsbraut 2
108 Reykjavík

Agenda

1. The Board of Director's report on the Company's operations during the preceding year.
2. Confirmation of annual accounts and decision on the handling of profit or loss of the financial year
3. Decision on payments to Board Members
4. Proposals of the Board of Directors regarding the Remuneration Policy
5. Report and proposal from the Nomination Committee regarding Board Membership
6. Election of Board Members
7. Election of auditors
8. Election of two members of the Nomination Committee
9. Authorization to purchase treasury shares
10. Any other lawfully submitted matters

The following took place

The Chairman of the Board of Directors, Mr. Úlfar Steindórsson, announced the Annual General Meeting open and proposed that Mr. Ólafur Arinbjörn Sigurðsson would be elected to Chair the Meeting. The proposal was agreed to unanimously.

The Chair proposed that Mr. Ari Guðjónsson would be elected the Secretary of the Meeting. The proposal was agreed to unanimously.

The Chair announced that the Meeting had been in accordance with the Company's Articles of Association and the Icelandic Company Act no. 2/1995, and declared the meeting lawfully convened.

The meeting was attended by shareholders holding 3,908,078,300 shares of 5,437,660,653 outstanding shares in the Company, which equals to 71.9% of the Company's voting share.

The Chair announced that the Company's Annual Report contained detailed information regarding the Company's shareholders and changes of the share registry from the last Annual General Meeting in accordance with Article 84 (4) of the Icelandic Act on Public Limited Companies no 2/1995.

1. *The Board of Director's report on the Company's operations during the preceding year*

The Chairman of the Board of Directors, Mr. Úlfar Steindórsson, presented the board's report on the Company's operations during the preceding year.

2. *Confirmation of annual accounts and decision on the handling of profit or loss of the financial year*

The Company's President & CEO, Mr. Bogi Nils Bogason, presented the Company's audited Consolidated Financial Statements for 2019, after having held a presentation on the Company's prospects and position. The Statements had been published in the NASDAQ OMX Iceland stock exchange on 6 February 2020.

The Chair opened the floor for comments or questions on the Board of Director's Report and the Annual Accounts. Nobody took the floor.

The Board submitted the audited Consolidated Financial Statements of 2019 and Icelandair Group's Financial Statements for the approval of the meeting. The proposals were approved unanimously.

The Board of Directors proposed to the Annual General Meeting that no dividend would be paid for the financial year 2019.

The Chair opened the floor for comments or questions. Nobody took the floor and the shareholders voted on the proposal, which was approved unanimously.

3. *Decision on payments to board members*

The following proposal on remuneration to Board Members was brought before the meeting:

“The Board of Directors proposes to the Annual General Meeting that remuneration to Board Members and Sub-Committee Members shall be unchanged from the last AGM: Each Board Member will receive ISK 330,000 per month, the Chairman will receive ISK 660,000 per month, the Deputy Chairman will receive 495,000 per month, Sub-Committee Members will receive ISK 120,000, the Chairman of the Audit Committee will receive ISK 275,000 per month and the Chairman of the Compensation Committee will receive 150,000 per month. The Board of Directors will decide on compensation for the members nominated by shareholders in the nomination committee. Compensation will be paid on hourly basis”

The Chair opened the floor for comments and questions but none were made. The proposal was approved unanimously.

4. *Proposals of the Board of Directors regarding the Remuneration Policy*

The board proposed that the Remuneration Policy, which was published in advance of the AGM on the Company's website, would be agreed. A printed version of the Policy was distributed at the meeting.

The Chair opened the floor for comments and questions but none were made.

The proposal was approved unanimously.

5. *Report and proposal from the Nomination Committee regarding Board Membership*

Hjörleifur Pálsson, the Chairman of the Nomination Committee, presented the committee's report and proposal regarding board membership.

The Chair opened the floor for comments and questions but none were made.

6. *Election of the Board of Directors*

The following individuals declared their candidacy for the Board of Directors of the Company before the deadline for declaring candidacy expired on 27 February 2020:

- Guðmundur Hafsteinsson
- John F. Thomas
- Nina Jonsson
- Svafa Grönfeldt
- Úlfar Steindórsson

The Chair opened the floor for comments and questions regarding the election.

Guðmundur Hafsteinsson, John F. Thomas, Nina Jonsson, Svafa Grönfeldt and Úlfar Steindórsson took the floor and introduced themselves.

According to the Company's Articles of Association the Annual General Meeting elects five members for the Board of Directors. As five have declared candidacy, the Chair declared them elected to the Board of Directors without ballot at the meeting.

7. *Election of auditors*

The Board proposed to the Meeting that KPMG ehf. would be the company's auditors.

The Chair opened the floor for comments, questions or other proposals but none were made. The proposal was approved unanimously.

8. *Election of two members of the Nomination Committee*

The following individuals declared their candidacy for the Board of Directors of the Company before the deadline for declaring candidacy expired on 27 February 2020:

-Helga Árnadóttir
-Hjörleifur Pálsson

Since no other individuals declared their candidacy the Chair announced that they should be deemed as rightfully elected Nomination Committee members.

9. *Authorization to purchase treasury shares*

The following proposal was brought before the meeting regarding purchase of treasury shares:

“The Board of Directors of Icelandair Group proposes to the Annual General Meeting that the Company will be authorized to purchase in the next 18 months up to 10% of its own shares in accordance with Article 55 of the Icelandic Companies Act No 2/1995 in order to establish a market making agreement for issued shares in the Company or to set up a formal buy-back programme. It is not allowed to purchase such shares at a higher rate than the last spot market rate or the highest bid in the trading system of a regulated market where the shares are traded. Such purchases are however authorized if they are executed by a market maker in accordance with Article 116 of the Act on Securities Trading or in accordance with Item 1, Paragraph 3, Article 115, and Paragraph 2, Article 119 of the Act on Securities Transactions and regulations implemented on the basis of Articles 118 and 131 of the same Act.”

The Chair opened the floor for comments and questions but none were made. The proposal was agreed to unanimously.

10. *Any other lawfully submitted matters*

The Chair informed that no other matters had been rightfully proposed to the Company’s Board of Directors before the meeting but invited attendants to speak about the Company’s matters. Nobody took the floor.

These minutes were read out loud at the end of the meeting and no comments were made.

The meeting was closed at 5.02 pm.

Ólafur Arinbjörn Sigurðsson
Chair

Ari Guðjónsson
Secretary