

ICELANDAIR GROUP HF. – MINUTES FROM THE ANNUAL GENERAL MEETING

Date Thursday 7 March 2024 at 4:00 PM

Location Electronic Meeting – Stream from Berjaya Natura Hotel

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 two members of the Nomination Committee
7. Election of Board Members
8. Nomination of Audit Committee Member
9. Election of Auditors
10. Share-Based Incentive Program
11. Changes to the Articles of Association
12. Authorization to purchase treasury shares
13. Other lawfully submitted matters

The following took place

The Chairman of the Board of Directors, Mr. Guðmundur Hafsteinsson, announced the Annual General Meeting open and proposed that Mr. Ólafur Arinbjörn Sigurðsson, attorney at law, would be elected as the Chair of the Meeting. The proposal was agreed to unanimously.

The Chair proposed that Mr. Ari Guðjónsson, the Company's General Counsel, 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 17,819,170,185 shares of 41,120,247,172 outstanding shares in the Company, which equals to 43,3% 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 Company Act 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. Guðmundur Hafsteinsson, 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 CEO, Mr. Bogi Nils Bogason, presented the Company's audited Consolidated Financial Statements for 2023, and held a presentation on the Company's operations. The Statements had been published in the NASDAQ OMX Iceland stock exchange on 1 February 2024.

The Board submitted the audited Consolidated Financial Statements of 2023 and Icelandair Group's Financial Statements for the approval of the meeting.

The Chair opened for comments or questions on the Board of Director's Report and the Annual Accounts. Questions were raised by shareholders which were answered by the President & CEO.

The shareholders voted on the proposal, which was approved unanimously. The Financial Statements were approved which included that no dividend would be paid for the financial year 2023.

3. Decision on payments to board members

The Board of Directors submitted the following proposal on remuneration to Board Members 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 380,000 per month, the Chairman will receive ISK 760,000 per month, the Deputy Chairman will receive 570,000 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 for comments and questions but none were made. The proposal was approved.

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.

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

The proposal was approved.

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 for comments and questions but none were made.

6. Election of two members of the Nomination Committee

The following individuals declared their candidacy for the Nomination Committee before the deadline for that expired on 29 February March 2024:

-Alda Sigurðardóttir
-Georg Lúðvíksson

Since no other individuals declared their candidacy the Chair announced that they should be rightfully elected as Nomination Committee members without a ballot at the meeting.

7. Election of the Board of Directors

The following individuals declared their candidacy for the Board of Directors of the Company before the deadline expired on 29 February 2024:

- Guðmundur Hafsteinsson
- John F. Thomas
- Nina Jonsson
- Matthew Evans
- Svafa Grönfeldt

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 a ballot at the meeting.

8. Nomination of Audit Committee Member

The Board of Directors proposed to the Meeting that Mr. Alexander Edvardsson would be nominated to the Company's Audit Committee as an independent Committee member.

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

9. Election of Auditors

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

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

10. Share-Based Incentive Program

The following proposal was submitted regarding a share-based incentive program for key employees:

Type of share-based incentive program: Stock options

Participants: The Executive Committee and other selected key employees.

Total number of share options: The total maximum amount of shares granted under the program would be 900 million during a three year period following the approval of the long-term incentive program on the Annual General Meeting 2024.

Granting: Granting would be yearly and based on the performance of the participants in the preceding year.

Vesting time: Three years from the granting date

Exercise period: One year following the three years vesting period. Exercise periods are two per year in April and October for 15 days following the disclosure of the respective Q1 and Q3 financials.

Exercise price: The exercise price will be based on the share price in Icelandair Group at closing of NASDAQ Iceland on granting date with the addition of interests equal to the Central Bank of Iceland's policy interest rate, as they are at any given time. However, interest applied shall never fall below 4%. The exercise price shall be adjusted for any future dividend payments decided after the granting date.

Other key terms and conditions:

- The Remuneration Committee shall have sole discretion on granting to each participant based on performance assessment.
- Vested stock options which will not be exercised within the exercise periods will become invalid.
- Participants are required to hold shares, corresponding to the net profit gained from the options (after tax) measured in total share value as decided by the Board of Directors and the Remuneration Committee.
- The options are valid only if the holder is still employed by Icelandair Group or its subsidiaries on the exercise date. The Remuneration Committee can waive this condition under certain circumstances.
- If a change of control occurs, in accordance with Article 100 of the Icelandic Takeovers Act No. 108/2007, any outstanding stock options shall vest.
- The Company shall not grant any kind of loans or guarantees on relation to the stock option program.
- Rights and obligations under the stock option program cannot be assigned to a third party.
- The Company has the option to reclaim, in whole or in part, remuneration that has been based on false, misleading, insufficient or incorrect data, or if the recipient acted in bad faith in respect of other matters, which resulted in too high remuneration or remuneration which would otherwise not have been granted.
- The Company will issue new shares following the exercise periods corresponding to the total number of exercised shares. The Annual General Meeting 2024 approves that the Board of Directors will have authority to issue new shares in accordance with the terms of the long-term incentive program.

Jón Ingi Benediktsson proposed to the meeting an amendment proposal to the share-based incentive program that no stock options will be granted when the company has not achieved its operational objectives.

The Chair invited Jón Ingi Benediktsson to the podium to introduce the proposal and answer any questions. Jón Ingi Benediktsson presented the proposal to the meeting and Guðmundur Hafsteinsson, the Chairman of the Board of Directors opposed to the proposal and suggested that it would be rejected.

The Shareholders voted on the proposal. The proposal was rejected.

The Chair opened for comments, questions on the initial proposal but none were made. The proposal was approved.

11. Changes to the Articles of Association

The Board of Directors proposed that the following changes would be made to the Articles of Association:

a)

The Board of Directors proposed the following changes to Article 15 of the Articles of Association. It is being proposed that the current Article 15.1, which has lapsed, is replaced with the following provisions subject to approval of Item 10.

“The Company’s Board of Directors is authorized to increase the share capital of the Company in stages by up to ISK 900,000,000 shares of nominal value. This authorization shall only be utilized to fulfil terms under stock option agreements granted pursuant to the Company’s

Share-Based Incentive Program approved by the Company's annual general meeting held on 7 March, 2024. The shareholders of the Company will not have pre-emptive subscription rights to shares issued pursuant to this provision. Share prices and subscription shall be in accordance with the Share Based Incentive Program and stock option agreements entered into pursuant to that. This authorization shall be valid until 31 December 2030."

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

b)

In accordance with Article 85 of the Icelandic Aviation Act no. 80/2022 The Board of Directors proposed that the following Article would be added as new paragraph to Article 2.9 in the Company's Articles of Association:

"Ownership, transfer, or sale of shares in the Company that results or could result in parties other than the Icelandic state, Icelandic citizens, and/or entities within the European Economic Area owning or coming to own 49% or more of the Company, or effectively controlling it, whether directly or indirectly, through one or more parties, is prohibited as per Article 85 of the Aviation Act No. 80/2022. The Company may require shareholders who acquire shares in contravention of this clause to sell their shares. Should the shareholders fail to comply with such a demand, the Company is entitled to redeem the shares of the concerned shareholder or entity. The voting rights attached to shares owned by entities outside the European Economic Area may be reduced if such entities hold more than 49% of the voting rights in the Company."

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

c)

The Board of Directors proposes that the following text will be added to paragraph 1 of Article 4.29 in the Company's Articles of Association:

"which may not also be a member of the Company's Board of Directors."

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

12. 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 set up a formal buy-back programme in accordance with the provisions of Article 5 of MAR (Regulation (EU) No 596/2014 of the European Parliament and of the Council), which has been transposed into Icelandic legislation with Act No 60/2021, as well as the provisions of the Commission Delegated Regulation (EU) 2016/1052 which contains regulatory technical standards for the conditions applicable to buy-back programmes."

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

13. Any other lawfully submitted matters

Jón Ingi Benediktsson proposed that a foreign consultancy firm would be engaged to assess and write a report on the advantages and feasibility of dissolving the company and/or selling it and distributing the funds to shareholders.

The Chair invited Jón Ingi Benediktsson to the podium to introduce the proposal and answer any questions. Jón Ingi Benediktsson presented the proposal to the meeting and Guðmundur Hafsteinsson, the Chairman of the Board of Directors opposed to the proposal and suggested that it would be rejected.

The Shareholders voted on the proposal. The proposal was rejected.

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

The meeting was closed at 5.45 pm.

Ólafur Arinbjörn Sigurðsson
Chair

Ari Guðjónsson
Secretary