

## **ICELANDAIR GROUP HF. – MINUTES FROM THE ANNUAL GENERAL MEETING**

**Date** Thursday 3 March 2022 at 4:00 PM

**Location** Electronic Meeting – Stream from Hilton Reykjavik Nordica

### **Agenda**

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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. Share-Based Incentive Program
10. Changes to the Articles of Association
11. Authorization to purchase treasury shares
12. Any other lawfully submitted matters

### **The following took place**

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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 16,631,574,708 shares of 37,828,049,830 outstanding shares in the Company, which equals to appr. 44% 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 2021 and the Financial Statements of the parent company, and held a presentation on the Company's prospects and market position. The Statements had been published in the NASDAQ OMX Iceland stock exchange on 3 February 2021.

The Board submitted the audited Consolidated Financial Statements of 2021 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 but none were made.

The shareholders voted on the proposal, which was approved unanimously. The Financial Statements were approved.

The Board of Directors proposed to the Annual General Meeting that no dividend would be paid for the financial year 2021.

The Chair opened for comments or questions but none were made. The shareholders voted on the proposal, which was approved.

*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 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 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 24 February 2022:

- 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.

7. *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.

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 24 February 2022:

-Helga Árnadóttir  
-Hjörleifur Pálsson

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

9. *Share-Based Incentive Program*

The following proposal was brought before the meeting 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 2022.

**Granting:** Granting would be yearly and based on the performance of the participants in the preceding year. No more than 250 million shares will be granted under the program in 2022.

**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 3% annual interests. 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 2022 approves that the Board of Directors will have authority to issue new shares in accordance with the terms of the long-term incentive program.

The proposal was approved.

#### *10. Changes to the Articles of Association*

The Board of Directors proposed that the two following articles will be added to the Articles of Association:

The Board of Directors proposed the following changes to Article 15 of the Articles of Association. It was proposed that the current Article 15.1, which has lapsed, would be replaced with the following provisions subject to approval of Item 9.

“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 3 March, 2022. 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 2027.”

The proposal was approved.

#### *11. 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.

*12. 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.

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

The meeting was closed at 5.15 PM.

Ólafur Arinbjörn Sigurðsson  
Chair

Ari Guðjónsson  
Secretary