

MEMO

From Icelandair Group's Nomination Committee

Date 9 August 2019

Subject Criteria for Nominating Board Members

On the meeting of Icelandair Group's Nomination Committee on 19 June 2019, it was discussed which criteria should be used to evaluate the composition of the Company's Board of Directors. The main conclusion was that the nominations should be evaluated on the following factors:

1. General personal characteristics which are necessary for all board members.
2. Knowledge and experience regarding the Company's core business.
3. Knowledge, experience and capabilities to support and implement the Company's strategic decisions for the upcoming years.

1. General Personal Characteristics

Icelandair Group is an international company operating within a tough competitive environment and the size of the Company requires that board members have direct experience from management positions, either as managing directors or members of the senior management of comparable companies. Furthermore, it is desirable that board members have general experience from other board member positions, have worked in an international business environment and have a broad personal network. Finally, it is necessary that board members have a solid reputation, good self-confidence, are able to apply independent and critical thinking but at the same time have strong social skills and are able to contribute and function well within a group.

- Experience from board member positions
- Experience from management positions
- International business experience
- Broad network
- Solid reputation

- Independence and critical thinking
- Strong social skills and self-confidence

2. Knowledge and Experience from the Company's Core Business

It is necessary that the Group's Board of Directors possesses sufficient knowledge and experience regarding the Company's core business, international flight operations, and that the board members will, in total, have sufficient knowledge and experience concerning the following factors:

- Experience from international airline operations.
- Knowledge and experience from strategic implementation.
- PR/Branding experience.
- Knowledge of digital solutions and data utilization.
- General knowledge of the tourism industry.
- Experience of human resources management and communications with unions.

3. Knowledge and Experience regarding the Company's Strategy

It is necessary that Icelandair Group's Board of Directors contains sufficient knowledge and experience relating to the strategic emphasis of the Company going forward and that the board members will in total have sufficient knowledge and experience to be able to implement the strategy of the Company. The Nomination Committee will take into account the most relevant strategic topics arising from the strategy in upcoming years when deciding on the nomination of board members.