

ICELANDAIR GROUP HF. NOMINATION COMMITTEE REPORT 2026

1. Summary

The main objective of the Nomination Committee of Icelandair Group hf. (the “Company”) during this term has been to:

- Review and confirm the criteria for nominating Board Members considering the Company’s strategy and the priorities for the coming year.
- Meet with the largest shareholders to gather their expectations and views regarding the Board’s composition and the Committee’s work.
- Interview the members of the Board of Directors, the senior management team and other key stakeholders to gain insight into team dynamics, performance, and areas of focus for the year ahead.
- Seek out, evaluate, and maintain a list of potential candidates in case changes to the Board become necessary or recommended.
- Evaluate the Company’s current Board Members, both individually and as a team, and assess whether changes to the Board composition would be beneficial for the Company at this stage.

Based on these activities, and after considering the Company’s current strategic priorities—including the continued execution of major initiatives, the follow-through of multi-year commitments, and important operational and commercial challenges upcoming in 2026—and considering the overall performance of the Board and the views of shareholders, the management team, and other key stakeholders, and also after comparing the joint skillset of the current Board members against the criteria set by the Committee, the Nomination Committee has concluded that an unchanged Board is recommended at this time.

The shareholders consulted were in general very satisfied with the Board’s work, effectiveness and composition. A few shareholders did express views or offer suggestions that certain changes to the Board could be or should be considered, but such views were the exception, and overall, the prevailing view of shareholders supports maintaining stability given the good functioning of the existing board and the significant tasks ahead for the Company. The prevailing view of shareholders, the management team, and other stakeholders, can also be described as having confidence in the current Board’s passion for and ability to follow through on several multi-year initiatives designed to improve the Company’s performance, some of which are expected to come to fruition in the short term.

The Committee received interest from multiple external candidates regarding possible Board candidacy, including candidates with strong qualifications, and interviewed all of them. Since

the Committee ultimately decided not to recommend any of them to the Board at this time, these candidates requested not to be formally noted in the report.

It is the conclusion of the Committee that the Board continues to demonstrate passion for the Company's success, clear vision, strong teamwork, healthy dynamics, and overall, a constructive and effective relationship with the management team. The Board's self-evaluation shows continued improvement year-over-year, and the Committee finds that the Board remains focused, aligned, and well equipped to steer the Company through the challenges and opportunities that lie ahead in 2026.

The tenure of existing Board members ranges from 5 to 8 years and while the Committee believes an argument for recommending a change on the grounds of healthy renewal is stronger than last year, the Committee also considers the experience and strong cohesion of the Board to be a strength, particularly considering it is still, in the assessment of the Committee, highly effective with healthy team dynamics where individual board members are not afraid to challenge each other.

Accordingly, the Nomination Committee recommends that the Board of Directors remain unchanged for the upcoming term. The Committee believes this is in the best interest of the Company and its shareholders at this time.

The Nomination Committee therefore recommends the following candidates for election to Icelandair Group's Board of Directors at the Company's Annual General Meeting in 2026:

1. Mr. Guðmundur Hafsteinsson
2. Mr. John F. Thomas
3. Mr. Matthew Evans
4. Ms. Nina Jonsson
5. Dr. Svafa Grönfeldt

2. Key Challenges and Strategic Priorities for Icelandair

The Nomination Committee has carefully considered the key challenges and strategic priorities facing Icelandair. The challenges are significant in scale and complexity and require clear vision, consistent leadership, deep expertise, and strong teamwork at the Board level.

Ongoing Collective Bargaining Negotiations

Icelandair is currently engaged in important collective bargaining negotiations with pilots, cabin crew and mechanics following the expiration of long-term agreements in late 2025. These negotiations are central to securing the Company's future competitiveness, operational flexibility, and its ability to attract and retain talent in a challenging global labor market.

Fleet Transition and Network Optimization

The Company is in the middle of a major fleet transition, including the continued phase-in of Airbus aircraft and the retirement of older Boeing 757 and 767 models. This transition affects cost structure, sustainability performance, network flexibility, and long-term strategic positioning.

Project ONE Transformation Journey

The Company's transformation program, Project ONE, continues to be one of the largest and most consequential internal initiatives in recent history. With more than 500 sub-initiatives identified and over 230 already implemented, the program has delivered substantial financial and operational impact, including improved automation, productivity, and revenue optimization. Follow-through on these initiatives requires consistent and focused Board oversight to ensure they are fully realized and embedded into the Company's long-term operating model.

Evolving Regulatory Environment, Including Environmental Taxes

Icelandair operates within an increasingly complex regulatory environment in Europe and North America, particularly regarding environmental taxation and sustainability requirements. The introduction and expansion of environmental taxes will continue to influence cost structures, fleet planning, and commercial strategy.

Geopolitical Conditions Affecting Icelandair's Markets

The geopolitical environment remains volatile, affecting demand patterns, fuel prices, currency movements, and airspace availability. The transatlantic segment, especially the VIA market connecting Europe and North America, faces softer demand and increased uncertainty. Icelandair's leading hub position at KEF remains strong, but the Company must carefully manage its market mix to safeguard profitability.

3. Role of the Committee

Icelandair Group's Nomination Committee was established at the Company's Annual General Meeting on March 8th, 2019. At that meeting, it was concluded that the Company should operate a Nomination Committee which has the role of being advisory in the selection of members of the Board of Directors. The Committee would bring its proposal for the Annual General Meeting or other Shareholders' meetings where election for the Board of Directors is on the agenda.

The main role of the Committee is to put forward a complete proposal for the composition of the Board of the Company and ensure that the Board covers all necessary criteria as defined by the Nomination Committee. As such, the Nomination Committee can create value for the Company since it can suggest a group of individuals which complement each other through different qualities and capabilities.

The Nomination Committee shall put forward its reasoned opinion concurrently with the notification of the Annual General Meeting or as soon as possible in conjunction with other shareholder meetings. The Committee's opinion shall be made available to shareholders in the same way as other proposals to be submitted to the meeting. The Committee operates according to rules of procedure which are proposed by the Committee itself and approved by the Board of Directors.

4. Composition

The Nomination Committee shall consist of three members. The shareholders shall elect two members, one male and one female, directly at the Annual General Meeting. Subsequently, the Board of Directors will appoint one member to the Committee who may not be a member of the Board of Directors. All members shall be independent of the Company and its executives. The member nominated by the Board of Directors shall be independent of the Company's largest shareholders. The same criteria shall apply to the assessment of independence of Committee members as to the assessment of the independence of Board Members according to The Guidelines.

At Icelandair Group's Annual General Meeting in March 2025 Ms. Alda Sigurðardóttir and Mr. Georg Lúðvíksson were elected to the Nomination Committee by the Company's shareholders. Subsequently, Mr. Árni Gunnarsson was elected to the Nomination Committee as the representative of the Company's Board of Directors. All three of them have been on the Committee since March 2024. Ari Guðjónsson, the General Counsel and the Company's Secretary, was appointed the Secretary of the Committee. The Nomination Committee had an open line of communication for questions or suggestions, and all the Company's shareholders were informed of that line of communication on the Company's website.

5. Activities during the year

The Nomination Committee has conducted the following activities during the year:

Agenda of Committee meetings	
September 2025	<ul style="list-style-type: none"> • Election of Chairman and appointment of Committee Secretary. • Discussions on the Rules of Procedure for the Nomination Committee and the year's work schedule. • Preparation of work schedule for the 2025-2026 term.

October 2025	<ul style="list-style-type: none"> • Confirmation of Rules of Procedure for the Nomination Committee and the work schedule for the operating year. • Presentation from the CEO and discussion about the Company's strategy and key initiatives. • Discussions on ways to identify capable Board Members if replacements should be needed. • Discussions and definition of criteria for Board Members. • Preparation for meetings with Board Members, senior management and shareholders. • Review of possible candidates.
December 2024	<ul style="list-style-type: none"> • Individual meetings with Board Members, senior management members, and other key stakeholders. • Meetings with potential Board candidates. • Discussions on the views of shareholders, Board Members and management. • Review of the self-assessment of the Board of Directors.
January and February 2025	<ul style="list-style-type: none"> • Meetings with the Company's largest shareholders. • Meetings with potential Board candidates. • Final assessment of the qualifications of individual candidates submitted to the Board of Directors. • Proposal on the composition of the Board of Directors. • Preparation for a report on the work of the Nomination Committee. • Other preparation for the Annual General Meeting.

6. Criteria for Nominating Board Members

At the start of its work this term, the Nomination Committee updated the criteria for nominating Board Members. The criteria from the previous year was reviewed in context with the Company's current needs based on its strategy and focus areas going forward, as presented and explained to the Committee by the CEO. The Company's core strategy remains mostly intact from previous years.

The Committee resolved to evaluate candidates in the following main areas:

1. General personal characteristics and contribution to healthy Board dynamics
2. Knowledge and experience relevant to the Company's core business.
3. Knowledge and experience relevant to the Company's strategy

The Committee also agreed on the following list of considerations for each of the three main areas above.

1. General Personal Characteristics
 - Experience of board positions
 - International management experience
 - Finance experience
 - Quality and breadth of network
 - Reputation
 - Independence and critical thinking
 - Self-confidence, interpersonal skills and contribution to healthy team dynamics
2. Knowledge and experience relevant to the Company's core business
 - International airline operations
 - Strategy implementation
 - Marketing and PR
 - Information technology & Data-driven decision making
 - Represent the "Spirit of Iceland"
 - HR, Culture and Union relations
 - Finance
3. Knowledge and experience relevant to the Company's strategy
 - Distribution strategy
 - Customer care
 - Network & fleet strategy
 - Strategic partnerships
 - Sustainability & regulatory affairs

The Nomination Committee believes these criteria reflect well the qualifications needed for a strong Board Member of Icelandair Group both short-term and long-term. The criteria are likely to change over time, depending on the challenges and focus areas of the Company in the future.

7. Evaluation of Icelandair Group's current Board composition

The Committee's interviews and evaluation confirm that the Board:

- Works well together, with healthy team dynamics that have continued to improve.
- Demonstrates a high level of effectiveness, relevant expertise, and the ability to address new challenges.
- Maintains a constructive and focused relationship with the CEO and key members of the management team that regularly participate in board meetings.

- Shows passion for the Company’s success and a collective willingness to evolve, improve and respond to feedback.

Self-assessment results further support the conclusion that the Board is functioning at a very high level, with clear progress over past years.

The significant strategic initiatives currently underway—including fleet transition, continued transformation program, and upcoming regulatory and labor-related milestones—also contributed to the Committee’s reasoning to recommend no changes to the Board’s composition for 2026.

Although a few stakeholders interviewed by the Committee recommended changes or mentioned potential opportunities to strengthen the Board, such views were the exception, and the prevailing view of all key Company stakeholders further backs the Committee’s recommendation of no change at this time.

8. Nomination Committee Conclusion

Like in previous years, the Nomination Committee proactively had discussions with external advisors, both domestic and international, regarding suitable candidates who might be able to strengthen the Board or would be good replacement candidates if an existing director left the Board for any reason. The Committee decided that maintaining such a list is important regardless of whether the Committee is recommending changes to the Board or not.

The Committee also received interest from multiple external candidates regarding possible Board candidacy, all of which were interviewed by the Committee. After being informed they would not be formally recommended by the Committee at this time, these candidates all requested that their interest would not be formally noted in the report.

In light of the substantial operational, strategic, regulatory and geopolitical challenges mentioned in chapter 2 and the ongoing efforts to address them, the Nomination Committee recommends an unchanged Board that maintain continuity and has the experience and cohesion needed to guide Icelandair through 2026. The Board has demonstrated effective collaboration, strong oversight capabilities, and a demonstrated ability to support the management team in navigating complex, multi-year initiatives. The Committee therefore considers it in the best interests of the Company and its shareholders to recommend an unchanged Board at this time.

The Committee nominates the following candidates in alphabetical order:

8.1 Guðmundur Hafsteinsson

Guðmundur Hafsteinsson is in his 50s and is an investor and accomplished technology entrepreneur. He was Head of Product for Google Assistant at Google, a position he held from 2014 to 2019. He joined Google in 2014 when Google acquired Emu, a chat based virtual assistant start-up he founded in 2012. Prior to founding Emu, he was VP of Product at Siri and stayed on after the acquisition by Apple through the launch of Siri on iPhone. Prior to Siri/Apple, Guðmundur was a Senior Product Manager at Google, where he managed the initial launches of Google Maps for mobile and Google Voice Search. Guðmundur holds an MBA degree from MIT's Sloan School of Business and a B.Sc. degree in Electrical and Computer Engineering from the University of Iceland. Guðmundur joined Icelandair Group's Board of Directors in March 2018.

Guðmundur is an accomplished entrepreneur and experienced executive from the tech industry in Silicon Valley with broad management and board experience both in Iceland and in the US. He possesses all the general personal characteristics required for a strong Board Member according to the Nomination Committee's judgement and best knowledge.

Guðmundur brings a wealth of knowledge and experience regarding customer focus, product management, innovation, IT, and data-driven decision making. Moreover, he is experienced in strategy implementation. During his term as a member of Icelandair Group's Board of Directors (and as Chairman of the Board from 2021) he has amassed knowledge and experience of international flight operations and is a good ambassador for the "Spirit of Iceland". Furthermore, he has actively assisted the Company in implementing its methodology of using Objectives and Key Results (OKRs) to track progress throughout the Company, a tool to improve alignment, transparency and for follow-through on the Company's strategy.

Through his experience from the tech industry, Guðmundur brings a valuable perspective to the Company's Distribution Strategy and Customer Focus initiative. Moreover, as part of the Company's Board over the past eight years, Guðmundur has become well versed in Network & Fleet Strategy, Strategic Partnerships matters and Sustainability Affairs.

Selected criteria covered:

- IT & Data-driven decision making
- Customer focus
- Spirit of Iceland
- Innovation

It is the conclusion of the Nomination Committee that according to the Guidelines on Corporate Governance issued by the Iceland Chamber of Commerce, SA Business Iceland and Nasdaq Iceland (the "Guidelines") Guðmundur is independent of the Company, its management and significant shareholders.

8.2 John F. Thomas

John F. Thomas is in his 60s and is the owner and CEO of Waltzing Matilda Aviation LLC, a jet charter and aircraft management company based in Boston that he founded in 2008. From 2016-2017, Mr. Thomas was Group Executive at Virgin Australia Airlines where he led a financial turnaround as CEO of an AU\$ 4.0bn (appr. USD 3bn) full-service airline with over 6,000 employees and 125 aircraft. From 1990-2016 Mr. Thomas served as a Managing Director/Senior Partner at global strategy consulting firm L.E.K. Consulting. From 1995 he created and led L.E.K.'s Global Aviation Practice for over 20 years. He also sits on the Board of SkyService Inc. the largest corporate aviation provider in Canada where he also chairs its Health and Safety Committee. He continues to provide advisory work to the global airline industry. Mr. Thomas holds an MBA degree from Macquarie University Graduate School of Business (which included 9 months at the MBA program at INSEAD) and a Bachelor of Commerce degree from the University of New South Wales. He joined Icelandair Group's Board of Directors in March 2020.

Mr. Thomas is a renowned international strategy consultant turned senior executive with wide range of experience from the global aviation industry. He has broad management and board experience from North America, Latin America and Asia Pacific. He possesses all the general personal characteristics required for a strong Board Member according to the Nomination Committee's best knowledge.

Mr. Thomas is highly knowledgeable and experienced in international airline operations, Icelandair Group's core business. He has deep knowledge and experience of Strategy Implementation, International Tourism, Strategic Partnerships and HR & union relations.

Mr. Thomas's wide range of experience in the international airline industry provides a valuable perspective on all aspects of Icelandair Group's strategy.

Selected criteria covered:

- Experience in international airline operations
- Distribution Strategy
- Strategic Partnerships
- Sustainability

It is the conclusion of the Nomination Committee that according to the Guidelines John is independent of the Company, its management and significant shareholders.

8.3 Matthew Evans

Mr. Evans is in his 30s and he joined Bain Capital Credit in 2009 where he is currently a Partner overseeing investments in the Aviation, Aerospace & Defense and Industrial sectors. He sits on several portfolio company boards and has led the development of several external partnerships

and joint ventures within the aviation sector. Bain Capital is active in various airline investments. Matthew joined Icelandair Group's Board of Directors in July 2021.

As the representative of Icelandair's largest shareholder, Mr. Evans has consistently demonstrated strong support for the Company, engaging constructively with management and the Board. He has spearheaded the ONE transformation initiative and has offered strategic insight and guidance throughout the execution of the project, and his contributions have also extended to other key strategic matters, which are instrumental in advancing the Company's long-term objectives.

Mr. Evans holds a B.A. Phi Beta Kappa, summa cum laude from Yale University.

Selected criteria covered:

- Experience of airline board positions
- International Aviation & Finance experience
- Network and Fleet Strategy
- Data-driven decision making

The Nomination Committee concludes that according to the Guidelines Matthew is independent of the Company and its management. However, he serves on the Board as the representative of the Company's largest shareholder with a focus on long-term success and value creation for the benefit of all shareholders and as such he is not independent of the Company's major shareholders.

8.4 Nina Jonsson

Nina Jonsson (Jónína Ósk Sigurðardóttir) is in her 50s and is a senior global aviation executive with over 35 years of experience at several international airlines (Air France-KLM, United Airlines, US Airways and Delta) and global helicopter/industrial operator Bristow Group (Oil & Gas, Search & Rescue). Currently, she is applying her three decades of lessons learned as a board member and advisor to the commercial aviation industry, with particular emphasis on startups pursuing green technology.

For the past 5 years, she has served as Senior Strategic Advisor to JetZero, the California-based developer of the new blended-wing-body aircraft, which will revolutionize commercial air travel with up to 50% less fuel burn. Through her consulting firm Viking Fleet Advisors, LLC, she advises various stakeholders in the commercial aviation industry on strategy, operations, product, customer experience, profitability, network, fleet planning and aircraft transactions.

In addition to her consulting engagements, Ms. Jonsson previously served as Chairman of the board at FLYHT Aerospace Solutions in Calgary, Canada, an avionics and flight operations software provider. She was Senior Vice President Group Fleet at Air France-KLM (2015-2017), based in Paris, France, where she was responsible for group-wide fleet strategy across

its six member airlines, including tactical and long-term strategic planning, aircraft sourcing, leasing and sales. Prior to that, she held several executive positions within the aviation industry including Fleet Management Officer at industrial aviation provider Bristow Group (2012-15) based in Houston, Texas and Aberdeen, Scotland; Director Fleet Planning at United Airlines (2006-2011) in Chicago; and Head of Fleet Management at US Airways (1991-2005) in Washington, DC. Ms. Jonsson holds an MBA degree in Management of Technology from Rensselaer Polytechnic Institute, a B.Sc. degree in Air Transport Management from the University of New Haven, speaks five languages, and is a licensed pilot. Nina joined Icelandair Group's Board of Directors in March 2020. She is a dual citizen of Iceland and the US.

Nina Jonsson is a seasoned airline and aviation executive with over 35 years of industry experience at multiple major international airlines. She has broad management and board experience from both Europe and North America. She possesses all the general personal characteristics required for a strong Board Member according to the Nomination Committee's best knowledge.

Ms. Jonsson is highly knowledgeable and experienced in international airline operations, Icelandair Group's core business. She has knowledge and experience in strategy development in the context of aviation, PR/branding, and human resources management. Furthermore, fleet optimization, network and fleet economics and the operational integration of new fleet types are among her areas of expertise. She has worked as a Fleet Management Officer and Senior Vice President of Group Fleet at major airlines and has advised airlines on matters related to fleet acquisition, negotiation and operational implementation of fixed wing and rotary aircraft.

Ms. Jonsson's wide range of experience in the international airline industry provides a valuable perspective on all aspects of Icelandair Group's strategy.

Selected criteria covered:

- Experience of international airline operations
- Network and Fleet Strategy
- HR & union relations
- Sustainability

It is the conclusion of the Nomination Committee that according to the Guidelines Nina is independent of the Company, its management and significant shareholders.

8.5 Svafa Grönfeldt

Svafa Grönfeldt is in her 60s and is a Professor of Practice at the Massachusetts Institute of Technology. She is a founding member of MIT's newest innovation accelerator DesignX focused on the design and development of technology- and service-based ventures created at MIT. Svafa is the co-founder of The MET fund, a Cambridge based seed investment fund. She is a Board Member of three publicly listed companies: Icelandair Group since 2019,

Össur/Embla Medical since 2008 and the JBT Marel Corporation since 2021. Previous positions include executive leadership positions at two global life science companies where she served as Chief Organizational Development Officer of Alvogen and Deputy CEO of Actavis Group. Her executive career has been focused on organizational design for high growth companies, strategy implementation, service process design for operational improvement and performance tracking. She is a former President of Reykjavik University and holds a Ph.D. from the London School of Economics, where she examined the impact of customer-oriented behaviors and service design on business outcomes.

Svafa is an experienced senior executive with broad management and board experience from pharmaceuticals, orthopedics, IT, finance and education. She possesses all the general personal characteristics required for a strong Board Member according to the Nomination Committee's judgement and best knowledge.

Svafa is a renowned expert in strategy implementation and has valuable experience with Marketing/PR/Branding, customer focus, innovation, digital solutions and data utilization, and human resources management/culture. During her six years as member of Icelandair Group's Board of Directors she has amassed knowledge of and experience in international airline operations and the Icelandic tourism industry.

During her time as Board Member, Svafa has provided valuable support to the management team on the Company's strategy and strategy implementation. As a result, she has detailed insight into most aspects of the Company's strategy.

Selected criteria covered:

- Knowledge and experience of strategy implementation and fostering healthy culture
- PR/Branding experience
- Spirit of Iceland
- Innovation

It is the conclusion of the Nomination Committee that according to the Guidelines Svafa is independent of the Company, its management and significant shareholders.

The gender quota set forth in the Icelandic Companies Act no. 2/1995 and the Company's Articles of Association would be met since the Board would be composed of three males and two females. It is also noteworthy that the Board has a good age distribution, with one member in his 30s, two in their 50s and two in their 60s as well as diversity in experience and expertise.

In accordance with clause 1.3.1 of the Guidelines on Corporate Governance, the Nomination Committee will propose a Chairman for the Company's Annual General Meeting. The Committee proposes that Mr. Ólafur Arinbjörn Sigurðsson, attorney at law, be elected as the Chair of Icelandair Group's Annual General Meeting in 2026.

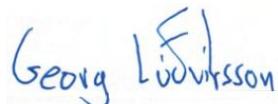
Reykjavík,
February 19th, 2026



Árni Gunnarsson



Alda Sigurðardóttir



Georg Lúðvíksson