

ICELANDAIR GROUP HF. NOMINATION COMMITTEE REPORT 2025

1. Summary

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

- Update the criteria for nominating Board Members to align with the Company’s strategy and ensure that all relevant factors are sufficiently covered.
- Meet with the largest shareholders to get their expectations and views on the Committee’s work and the Company’s Board composition.
- Interview members of the Board of Directors, the senior management and other stakeholders to gain insight into the team dynamics and performance of the Board.
- Seek out and evaluate potential board candidates to ensure that suitable candidates are available if the Committee needs to recommend a new Board Member on short notice.
- 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.

After being briefed on the Company’s strategy and focus areas going forward, with emphasis on broad-based cost optimization and profitable growth, the Nomination Committee decided to update the criteria for the Board accordingly as further detailed below.

According to discussions with many of the largest shareholders, Board Members, the CEO, senior management and other stakeholders, the Board is generally seen to be highly effective with healthy team dynamics, broad and relevant knowledge, supportive and constructive towards the CEO and the management team, while also driving its agenda for the Company in a firm and focused manner when necessary. The self-assessment of the Board of Directors also strongly supports this view and indicates improvement in the dynamics and effectiveness of the Board between years. Furthermore, the Nomination Committee’s criteria for Board Members are well covered within the current Board.

The Board has made some major strategic decisions in recent years which now require follow-through and focused execution by the Company. This makes stability within the Board important at this time and almost all of the key stakeholders interviewed by the Nomination Committee support that view. Therefore, the Nomination Committee concludes that it would be in the best interest of the Company and its shareholders if the Board of Directors remained unchanged at this time. Consequently, the Nomination Committee recommends the following candidates for election to Icelandair Group’s Board of Directors at the Company’s Annual General Meeting on 12 March 2025:

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

2. 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 set by the previous committee 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, however increased focus has been placed on cost and revenue optimization, and regulatory affairs are likely to be increasingly important going forward. The Company is currently working with international management consultants on a transformation journey with the objective of identifying all possible opportunities on both the cost and revenue side. However, the core business model and the Company's main product remain unchanged.

Following a thorough review of the Board performance through interviews with all Board Members as well as with all major stakeholders, the current Board is seen to be of high quality and be highly effective and has also demonstrated the ability to grow, improve and overcome shortcomings over time. The Board Members, the CEO and many of the key stakeholders also emphasized the importance of following through with the major strategic decisions that have been made recently and need focused execution and oversight by the Board. The Committee concluded there was no need to significantly change last year's criteria for nominating Board Members. However, the Committee did update the criteria to emphasize the importance of the Board having expertise or contributing to the following areas:

- Team Dynamics
- Regulatory Affairs
- Marketing
- Information Technology
- Finance
- Innovation

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
 - Experience of management positions
 - General business 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 continue to change over time, depending on the challenges and focus areas of the Company in the future.

3. Evaluation of Icelandair Group's current Board composition

At Icelandair Group's Annual General Meeting in March 2024 the following five individuals were elected to the Board of Directors:

- Mr. Guðmundur Hafsteinsson
- Mr. John F. Thomas
- Mr. Matthew Evans
- Ms. Nina Jonsson

- Dr. Svafa Grönfeldt

These individuals have now worked together within the Board of Directors since 23 July 2021, when Mr. Matthew Evans joined the Board as a representative of Bain Capital, the Company's largest shareholder. Since the Board has remained the same for over three years, the Committee focused significantly on assessing how the Board has worked together and evolved as a team during this time, and whether the criteria set by the Committee were sufficiently covered within the current Board, and to assess whether there was a good reason, and in the interest of the Company, to recommend changes to the current Board composition to strengthen the Board even further.

Based on discussions with several of the largest shareholders, all Board members, the CEO, senior management and other stakeholders, the Committee strongly believes that the Board is highly effective, has healthy team dynamics which have improved over time, has broad and highly relevant knowledge, and is supportive and constructive towards the CEO and the management team, while also being firm and focused in driving forward the key focus areas of its agenda for the Company. The self-assessment of the Board of Directors also strongly supports this view and shows clear improvement in Board dynamics over time. It seems clear that the Board has responded well to the constructive feedback and improvement suggestions it has received in the past and has demonstrated the ability to grow and improve over time to a level that is seen by most as being highly effective and exemplary in most aspects.

The Board has taken major strategic decisions in recent years, such as introducing Airbus aircraft into the fleet, and kicking off a massive company-transformation journey. The Board and almost all key stakeholders see it as imperative to follow through on these major strategic initiatives with a clear focus on firm execution and strong Board oversight of these strategic changes. Furthermore, there are important collective-bargaining negotiations coming up this year. Therefore, Board stability is seen by most stakeholders as unusually important at this time. The Board has extensive international aviation and business experience, and it also includes members with strong connections to Iceland and the Icelandic business community. However, the Committee believes the Board's connection to Iceland, and to the Icelandic context the Company operates in with its largely Icelandic shareholders base, should not be reduced any further.

The Nomination Committee believes the criteria for nominating Board members is well covered within the current Board. However, during discussions with shareholders, Board members, the CEO, senior management and other stakeholders, some potential opportunities to strengthen the Board further have been mentioned, such as by considering recommending new Board members with experience in the field of European aviation and regulatory affairs and members with broader or stronger connection to Icelandic society, Icelandic authorities and generally the Icelandic context the Company operates in. The Committee has taken these suggestions into

account but believes they do not weigh strongly enough to justify recommending changes to the current Board composition at this time.

In summary, the Board is highly effective, is strongly supported by almost all key stakeholders, has healthy team dynamics and has demonstrated ability to improve over time, and covers well the criteria for nominating Board members. Furthermore, the Company is in the middle of an important transformation journey which makes continuity important at this time. There is also a consensus among most of the largest shareholders that all Board members have highly relevant knowledge and experience which is well suited to the interests of the Company based on the current strategy and focus areas in near future.

4. Evaluation of Candidates

Like the previous Committee, the Nomination Committee proactively looked for and created a list of suitable candidates who might be able to strengthen the Board even further or would be good replacements if someone dropped out of the Board for any reason. The Committee decided that maintaining such a list was important regardless of whether the Committee is recommending changes to the Board or not, since it should be prepared if it would need to recommend someone with short notice.

However, the Committee believes that it would be in the best interest of the Company and its shareholders if the Board of Directors remained unchanged at this time.

4.1 Guðmundur Hafsteinsson

Guðmundur Hafsteinsson is in his 40s 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 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 that the Company’s strategy is followed through on in practice.

Through his experience from the tech industry, Guðmundur can bring a valuable perspective to the Company’s Distribution Strategy and Customer Focus initiative. Moreover, as part of the Company’s Board over the past six 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.

4.2 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-ranging 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 experience in the international airline industry provides a valuable perspective on all aspects of Icelandair Group's strategy.

Selected criteria covered:

- Experience from 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.

4.3 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.

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

Selected criteria covered:

- International Aviation & Finance experience
- Network and Fleet Strategy
- Data-driven decision making

It is the conclusion of the Nomination Committee 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.

4.4 Nina Jonsson

Nina Jonsson (Jónína Ósk Sigurðardóttir), is in her 50s and is a strategic advisor to the global commercial airline industry, with particular emphasis on green and sustainable solutions. She is currently serving as Senior Advisor to JetZero, the California-based developer of the new blended-wing-body aircraft. She also recently advised Boston-based, green-focused, airline startup Connect Airlines and served as Chairman of FLYHT Aerospace Solutions in Calgary, Canada.

Prior to her current consulting engagements, Ms. Jonsson 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 aircraft sourcing, leasing and sales. Previously, 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 30 years of industry experience at three 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 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-ranging experience in the international airline industry provides a valuable perspective on all aspects of Icelandair Group's strategy.

Selected criteria covered:

- Experience from 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.

4.5 Svafa Grönfeldt

Svafa Grönfeldt is in her 50s 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 from strategic implementation
- 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, one in his 30's, one in his 40's, 2 in their 50's and one in his 60's as well as diversity in experience and expertise.

5. Role of the Committee

Icelandair Group's Nomination Committee was established at the Company's Annual General Meeting on 8 March 2019. At that meeting, it was concluded that the Company should operate a Nomination Committee which has the role to be 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 to 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 jointly 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 to 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 procedures which are proposed by the Committee itself and approved by the Board of Directors.

6. 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 nominate one member to the committee who may not also 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 2024 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 are new members of the Committee. 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 communications for questions or suggestions and all the Company’s shareholders were informed of that line of communications on the Company’s website.

7. Activities during the year

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

	Business of Committee meetings
September 2024	<ul style="list-style-type: none"> • Election of Chairman and appointment of Committee Secretary. • Discussions on the Rules of Procedures for the Nomination Committee and the work schedule for the year. • Preparation of work schedule for the 2024-2025 term.
October 2024	<ul style="list-style-type: none"> • Confirmation of Rules of Procedures for the Nomination Committee and the work schedule for the operating year. • Introduction from the CEO on the Company’s strategy and key initiatives. • Discussions on ways to identify capable Board Members if any 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.
November 2024	<ul style="list-style-type: none"> • Meetings with the Company’s largest shareholders.
December 2024	<ul style="list-style-type: none"> • Individual meetings with Board Members, senior management and other stakeholders. • 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">• 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.
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8. Proposal

The Nomination Committee proposes that the following candidates, listed in alphabetical order, be elected to the Board of Directors of Icelandair Group hf. at the Company's Annual General Meeting on 12 March 2025:

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

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 2025.

Reykjavík,
February 12th, 2025



Árni Gunnarsson



Alda Sigurðardóttir



Georg Lúðvíksson