

1. Composition and Appointment of the Remuneration Committee

- 1.1. Iceland Seafood International hf.'s ("**Company**") Remuneration Committee is a subcommittee to the Company's Board of Directors. The Board appoints the members of the committee along with its Chairman.
- 1.2. Two committee members, independent of the Company and its management, shall be appointed no later than one month after an annual general meeting. New committee members shall receive guidance and information on the committee's operations and procedures. Neither the Company's Chief Executive Officer nor any other of the Company's, and its subsidiaries', top executives shall be appointed to the Remuneration Committee.
- 1.3. It is preferable that the members of the committee have experience and knowledge on guidelines and common practise regarding decisions on executives' terms of employment. If deemed necessary, the Remuneration Committee may seek the assistance of consultants, such consultants shall be independent of the Company, its executives and the Board of Directors who are not deemed to be independent. The committee is responsible for examining the consultant's independence.
- 1.4. The committee shall operate in accordance with Icelandic law and regulations and corporate governance principles.

2. The Committee's role and responsibilities

- 2.1. The Remuneration Committee shall assist the Board in ensuring that compensation arrangements support the strategic aims of the Company and enable the recruitment, motivation and retention of senior executives while also complying with legal and regulatory requirements.
- 2.2. The Board is responsible for the appointment and activities of the Remuneration Committee and it operates under the Board's authority. The Remuneration Committee does not reduce the responsibilities of the Board or relieve it of any liability.
- 2.3. In light of the above, the committee shall, where necessary, consult with external consultants on market standard terms for comparable companies.

3. Key Activities

- 3.1. For the Remuneration Committee to fulfill its role and responsibilities it shall:
 - i. Prepare and submit a proposal to the Board for the Company's remuneration policy for the coming year, which shall include information on the Company's policy regarding salaries, incentive programs and other benefits of the Board, the CEO and other members of the Executive Team as further outlined in article 79(a) of the Act on Public

Limited Companies No. 2/1995. The remuneration policy shall be submitted for approval by shareholders at the Company's Annual General Meeting. Any deviation from the Remuneration Policy shall be submitted to the Board for approval and the reasoning shall be recorded in the Board minutes.

- ii. Annually review the Company's compensation programs to determine whether they are achieving their intended purpose and recommend any appropriate alterations or replacement programs.
- iii. Monitor that salary and other incentive schemes are in accordance with laws, regulations and market practise as appropriate.
- iv. Provide the board of directors with an opinion in advance in relation to an incentive scheme, if establishment of such scheme is proposed.
- v. Voice an independent opinion towards the possible effect of salaries and other incentive schemes on the Company's risk taking and risk management.
- vi. Annually provide the Company's Board of Directors with a report on the activities of the Remuneration Committee.
- vii. Oversee the annual self-assessment of the Board and its committees, including the evaluation of the composition of the Board taking into consideration the strategic objectives of the Company as well as the results of the Board's annual self-assessment.
- viii. Review and reassess the adequacy of these Rules of Procedure annually and propose amendments as deemed appropriate.
- ix. Report regularly to the Board on committee findings and recommendations and any other matters the committee deems appropriate or the Board requests.

4. Meetings and the remuneration committee's power of decision

- 4.1. The Chairman of the committee shall call meetings at their own initiative or at the request of the other committee member. Committee meetings shall convene as often as necessary, but no less than twice a year for it to be able to perform its tasks and duties in an efficient manner.
- 4.2. The Remuneration Committee is competent to enter into decisions when its meetings are attended by both members of the committee. The consent of both committee members is required to decide on a relevant subject matter. Proposals fail if the votes fall even. Minutes shall be written and approved by committee members.
- 4.3. The committee shall keep a record of minutes and the minutes shall be sent to members of the Board of Directors.

5. Confidentiality obligation

- 5.1. Members of the committee are bound by a duty of confidentiality regarding the Company's issues and other aspects that they become aware of in their roles as committee members pursuant to the Company's articles of association, applicable law and/or general principles, unless the Company's Board of Directors decides to make such issue public or it is required by statutory provision or the Company's articles of association. This duty shall continue following the members' tenure at the committee ceasing.
- 5.2. A member of the committee shall preserve all data which he or she receives in his or her operations, in a safe and secure manner. Members of the committee shall deliver to the Company all data they may have received in relation to the Company's issues, if the chairman of the committee deems necessary. Members of the committee shall not comment on subject matters in respect of the Company to the media or otherwise to the public.

6. Meetings and the remuneration committee's power of decision

- 6.1. These rules of procedures are based on Art. 79. a. of Act no. 2/1995 on Public Limited Companies and shall be reviewed annually. Furthermore, these procedures are based on the 5th edition of the Corporate Governance Guidelines issued by the Icelandic Chamber of Commerce, SA Business Iceland and Nasdaq OMX Iceland hf. in May 2015.
- 6.2. Amendments to these rules of procedures do not enter into force until the Company's Board of Directors has approved such amendments. These rules of procedures shall apply to the members of the Company's remuneration committee and the members are obliged to comply with these rules. These rules shall also apply to the Company's Board of Directors as applicable.
- 6.3. The original of these rules shall at all times be maintained in the Company's Book of Minutes and available at the Company's website.

Thus approved in a meeting of the Company's Board of Directors on 22 July 2019.