

Corporate Governance Statement

About Iceland Seafood International

Iceland Seafood International hf (hereafter referred to as “Iceland Seafood“, the “Company“ or “ISI“) is a holding company for Group of subsidiaries in Europe, North and South America, that are leading suppliers of North Atlantic seafood and one of the largest exporters of seafood from Iceland. The Group is headquartered in Iceland and has subsidiaries in the United Kingdom, Ireland, Spain, Argentina, Iceland, France, Germany and the United States. The Group operates across three divisions; Value Added Southern Europe, Value Added Northern Europe and our Sales and Distribution Division. The Value Added Divisions have processing factories and coldstores in their respective regions with Southern Europe also having a satellite facility in Argentina.

Corporate Governance structure

Iceland Seafood's corporate governance framework is defined by Act No. 2/1995 on Public Limited Companies (hereafter referred to as the “Act on Public Companies“), the Nasdaq Iceland Rules and is set out in the Company's Articles of Association. Under its Articles of Association, the Company is governed by shareholders' meetings, the Company's Board of Directors (hereafter referred to as the “Board of Directors“ or the “Board“) and the Chief Executive Officer. The Shareholders hold the decision-making powers in the Company through shareholders meetings that are held at least once a year. The Board of Directors is authorized to allow shareholders to participate in proceedings at shareholders' meetings through electronic means without being present at the meeting venue if it deems that available equipment is sufficiently secure for this purpose. When organising shareholders meetings, the Board does so in a manner that allows shareholders to exercise their decision powers and express their opinions, i.e. by publishing all information and documents on the Company's website. Between shareholders meetings, the Board holds supreme authority of the Company. In accordance with Article 70 (5) of the Act on Public Companies the Board of Directors has set itself formal Rules of Procedure which are supplementary to the Articles. According to the Rules the Board of Directors may elect committees that operate on behalf of the Board. All Board committees set themselves specific rules of procedure.

The Company adheres to the principles set forth in the Corporate Governance Guidelines, published by the Iceland Chamber of Commerce in co-operation with SA Business Iceland and Nasdaq Iceland (hereafter referred to as the “Guidelines“). As of the date of this statement there is only one deviation from full compliance with the Guidelines as the Company does not have a board nomination committee as such committee has not been considered needed.

Board of Directors

The Company's Board of Directors shall be composed of three to five members and up to one alternate member, elected at the Annual General Meeting for a term of one year. In 2019 the total number of Board meetings was 23 and the Board was competent to make decisions in all meetings. The Board annually evaluates its own work, the work of the CEO and the Company's operation. This assessment is based on self-assessment of the board, examination of whether the Board has operated in accordance with its Rules of Procedures. The Board shall evaluate the work of the CEO and the Company's operation in general, the CEO shall not be present for this evaluation. The Chairman of the Board shall present and discuss the results of the assessment with the CEO. The Board currently consists of three main members and one alternate. The Board of Directors intends to propose to shareholders an expansion of the Board to five members and one alternate at the 2020 Annual General Meeting. As of the date of this statement the Board of Directors consists of the following members:

Chairman of the Board of Directors

Name: Magnús Bjarnason

First elected: February 2019

Education and experience: Magnús Bjarnason is the Managing Partner of MAR Advisors advisory firm for investors in infrastructure and seafood. He holds a B.Sc. degree in Business Administration with focus on Banking and Finance from Nova Southeastern University (1987) and an MBA degree from Thunderbird School of Global Management with focus on strategy and international business (1992)

He was Managing Director of Corporate Finance at Kvika bank prior to founding MAR Advisors in August 2017. Mr. Bjarnason was CEO for Icelandic Group 2012-2014. Prior to that he was the executive vice president for Marketing and Business Development at Landsvirkjun 2010-2013, Managing Director for Islandsbanki and related companies 2005-2010. Mr. Bjarnason previous experience includes posts in the Icelandic Foreign Service for nine years in Beijing and New York.

Magnús has served as a board member of Farice, Sena, Seachill, Icelandic Iberica, Gadus, MP Bank and HS Orka.

Current member of board or management: Magnús is currently a partner with MAR Advisors ehf. and a board member of Úrlausn fasteignir ehf., Clippers ehf., BSI Café ehf, Nauteyri fjárfestingar ehf. and American Scandinavian Foundation, NY in addition to his board membership with the Company.

Shareholdings in the Company as at 31.12.2019 and other interest related to large shareholders, competitors, customers or suppliers 2,261,979 shares via holding company Úrlausn fasteignir ehf.

Board member

Name: Jakob Valgeir Flosason

First elected: February 2019

Education and experience: Jakob has an extensive knowledge of the Icelandic fishing industry from all perspectives, a knowledge that not many people possess. He has been involved in every aspect of the sector from early age, working in factories, on fishing boats and building up the family

company to become one of the most technology advanced and leading company within the Icelandic fishing sector.

Member of board or management: Jakob is currently a board member of Solo Holding ehf., Sigurbjörg ehf., HRock ehf., BB29 ehf., Klofningur ehf., Valgeir ehf., B1917 ehf., Sýr ehf., Itsorf ehf., Salting ehf., Breiðhella ehf., Karlsbali ehf., Gafi ehf., Hamarshöfði 4 ehf., B15 ehf., Fiskmarkaður Vestfjarða hf. and EA 30 ehf. in addition to his board membership with the Company.

Shareholdings in the Company as at 31.12.2019 and other interest related to large shareholders, competitors, customers or suppliers Jakob Valgeir ehf., owned by Jakob, his wife and his father, holds 268,997,713 shares. Jakob Valgeir ehf. is also a large supplier of seafood to the Company

Board member

Name: Liv Bergþórsdóttir

First elected: 5 February 2019

Education and experience: Liv has worked in the telecommunication industry for the last 20 years, most recently for 12 years as CEO of Nova ehf. until 2018. Additionally, she has extensive board membership experience in various listed and unlisted companies.

Liv completed a Cand.oecon in Business Administration from the University of Iceland in 1995 and AMP (Advanced Management Programme) from IESE Business School Barcelona in 2013.

Member of board or management: Liv is currently a board member of Bláa Lónið hf. and chairman of the board of Aur app ehf. and Keahotels ehf in addition to her board membership with the Company.

Shareholdings in the Company as at 31.12.2019 and other interest related to large shareholders, competitors, customers or suppliers 548,158

Alternate board member

Name:	Ingunn Agnes Kro
First elected:	5 February 2019
Education and experience:	From 2017-2019 Ingunn was a Director of Administration and Communication at Skeljungur hf., a company listed on the Icelandic stock market, heading internal and external communication and compliance, incl. legal matters, marketing, public relations, human resources and subsidiaries. At that time Ingunn was also the CEO of H2 Iceland. In the years 2009-2017 Ingunn was the general counsel of Skeljungur, secretary to the Board of Directors and a compliance officer. Ingunn holds a B.A. and M.A. degree in law from the University of Iceland as well as a diploma in Securities Brokerage.
Member of board or management:	Ingunn is currently a board member of Íslenskir fjárfestar hf., and HS Orka hf. and an alternate board member of the Company Lawyers Association of Iceland in addition to her board membership with the Company.
Shareholdings in the Company as at 31.12.2019 and other interest related to large shareholders, competitors, customers or suppliers	None

Subcommittees

The Board of Directors has appointed two subcommittees, Audit Committee and Remuneration Committee.

Audit Committee

The Audit Committee ensures the quality of the financial statements and internal controls. It has oversight of the external auditors. It also presents proposals for the selection of external auditors and ensures their Corporate Governance & Social Responsibility independence. The Audit Committee's main responsibilities include monitoring the integrity of the financial statements of the Group, reviewing the effectiveness of the Group's internal controls and risk management systems and overseeing the selection, appointment and relationship with the Group's external auditor.

The committee shall operate independently on behalf of the Board of Directors who shall elect the members of the Audit Committee each year. The Audit Committee operates in accordance with rules of procedure approved by the Board of Directors and shall be made up of 2-3 members. Committee members shall possess knowledge and experience which is consistent with the work of the committee, at least one of the audit committee members shall be a financial expert who has accounting or related financial expertise. The members shall be independent of the auditor of the Group and the majority should be independent of the Company's management. Members of the Audit Committee are Magnús Bjarnason, Ingunn Agnes Kro and Ágúst Kristinsson.

The committee shall meet at least four times a year, at appropriate times in the reporting and audit cycle and otherwise as required. Only members of the Audit Committee have the right to attend committee meetings, however, other individuals such as the chairman of the Board, chief executive, finance director, other directors and representatives from the finance function may be invited to attend all or part of any meeting as and when appropriate. Additionally, the external auditors are invited to attend meetings of the committee on a regular basis.

The Board is responsible for the appointment and activities of the Audit Committee and it operates under the Board's authority. The Audit Committee does not reduce the responsibilities of the Board or relieve it of any responsibility. The committee shall call meetings as often as necessary at their own initiative or at the request of the other committee members, however, not less than twice a year.

Remuneration Committee

The Remuneration Committee is responsible for establishing a remuneration policy for the Company. 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. The committee's main tasks include preparing and submitting annually a proposal to the Board of Directors for the Company's remuneration policy, annually reviewing the Company's compensation programs and monitoring that salary and any incentive schemes are in accordance with law and market practice.

The Board of Directors appoints the members of the committee and its chairman. Neither the Company's chief executive officer nor any of the Company's and its subsidiaries' top executives shall be appointed to the Remuneration Committee. The committee operates in accordance with rules of procedure approved by the Board of Directors and shall be made up of at least 2 members. It is preferable that the members of the committee have experience and knowledge on guidelines and common practise regarding decision 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 experience. Members of the Remuneration Committee are Liv Bergþórsdóttir and Magnús Bjarnason.

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 responsibility. The committee shall call meetings as often as necessary at their own initiative or at the request of the other committee members, however, not less than twice a year.

Executive Management

The Executive Management comprises the Company's CEO and CFO. The CEO has charge of the day-to-day operations of the Company and represents the Company in all matters concerning normal operations. The CEO shall manage the accounts of the Company and employ the employees of the Company. The CEO shall grant Board members and auditors all necessary information on the operations of the Company which they might request and should be granted according to statutory law. The CEO of the company is Bjarni Ármannsson and the CFO is Reynir Jonsson.

CEO

Name:	Bjarni Ármannsson
First employed:	January 2019
Education and experience:	Bjarni Ármannsson is a private investor. He is a significant investor in Iceland Seafood International via Sjávarsýn ehf. – 100% owned by him. Bjarni is a computer engineer from the University of Iceland in 1990 and graduated with an MBA from IMD in Switzerland in 1996. Bjarni spent the lion share of his career in the banking industry in Iceland, originally as a CEO for Kaupthing, an investment and financial service company, later for the Icelandic Investment Bank and as a CEO of Islandsbanki – a leading seafood service provider out of Iceland.
Member of board or management, owner, co-owner:	Bjarni is currently a board member of Polar Maritime ehf., Solo holding ehf., Gasfélagið ehf, Ísmar ehf., UB koltrefjar ehf., Sjávargrund ehf., Kemi ehf., Landsýn ehf., Tandur hf., Hliðarspor ehf., S4S ehf., Ellingsen ehf., Fáfir Offshore ehf., Íslensk orkumiðlun ehf., Imagine Capital AS, Imagine capital BV, Gullbergur ApS, Shipsinvest AS, Havila Troll AS, Cargow BV and Sjávarsýn ehf. in addition to several of the Company's subsidiaries.
Shareholdings in the Company as at 31.12.2019 and other interest related to large shareholders, competitors, customers or suppliers	Bjarni directly holds 283,065,044 shares through holding company Sjávarsýn ehf. Bjarni does not hold options to purchase Shares in the Company.

Chief Financial Officer

Name:	Reynir Jónsson
Business address:	Köllunarklettsvegur 2, 104 Reykjavík
First employed:	October 2013
Education and experience:	Reynir Jónsson has been the Group's CFO since late 2013. Before joining the Group, he worked as a Director and Partner at Deloitte Financial advisory services for five years, where large parts of his projects were related to the seafood sector in Iceland. Prior to that, Reynir was the head of accounting at HB Grandi from 2003-2006. Reynir holds an MSc degree in Finance and Strategic Management from Copenhagen Business School and a Cand.oecon Degree in accounting from the University of Iceland.

Member of board or management, owner, co-owner: Reynir is a board member of several of the Issuer's subsidiaries

Shareholdings in the Company as at 31.12.2019 and other interest related to large shareholders, competitors, customers or suppliers 310,345 shares in addition to options for 6,790,000 shares

Internal control and risk management

The Board of Directors and the CEO are responsible for internal control and risk management of the Company. Internal control and risk management procedures are designed to minimize risk of material misstatements. The Company does not have an internal audit function, but the Audit Committee reviews the effectiveness of the Group's internal controls and risk management systems.

An independent auditor or auditing company is elected at the Annual General Meeting for a term of one year. The auditors shall be provided with any information requested in relation to its auditing services for the Company, they shall always have full access to the Company's books and documents. They shall audit the Company's consolidated financial statements in accordance with international standards on auditing, including a review of internal controls and processes. Any significant findings in relation to the audit and review of internal controls are reported to the Board of Directors through Audit Committee.

Effective risk management is important to minimise the risk of material misstatement and for the business to perform. Iceland Seafood activities are exposed to variety of risk factors related to its operations and financials, such as; Currency Risk, Supplier Risk, Credit Risk, Liquidity Risk etc. Risk management within Iceland Seafood is governed by the Board of Directors, while the Audit Committee is responsible for its review on a regular basis. The Executive Management is responsible for identifying material risk and developing the risk management strategy.

Corporate Social Responsibility and Environmental Responsibility

The Board of Directors have set a Group policy's on Corporate Social Responsibility and Environmental Responsibility. The purpose of these policies is to set common standards for all Group companies regarding these topics and to make sure the Group manages its environmental impacts throughout the value chain.

CSR Policy

The following key principles on Corporate Social Responsibility and Business Integrity have been set out and detailed in the Company's CSR Policy:

- We are committed to maintaining the highest standards of business conduct by using only legal and ethical means in all business activity.
- We are fair, equitable and respectful to employees, associates, competitors, customers, the public and all business or professional relationships.
- We treat all customers and suppliers honestly, fairly and objectively.
- We observe all applicable state, federal, foreign or international laws and regulations relating to the production, sourcing, processing, labelling, handling, importing, distribution, promoting and selling of seafood products.
- We are committed to maintaining the Group's financial books and business records with the highest degree of accuracy, completeness and integrity.

Environmental Policy

The key environmental considerations for the Group have been defined in the Environmental Policy:

- Sustainable Fisheries
- Energy use
- Greenhouse gas emissions
- Water use
- Waste

The Group's key principles guiding our actions in this area include:

- Our objective is to source only from fisheries that are administrated in conformance with FAO Code of Conducts for responsible fisheries and have proper fishery management systems,
- ISI supports independent and credible standards that are set to audit and approve fisheries that are well managed and will wherever possible promote these fisheries to its customers,
- ISI is committed to working with industry on fishery improvements and best practises,
- ISI will help and support customers to make the right choice to source sustainable seafood,
- ISI is committed to supply sustainable seafood to it's customers.
- Educate customers, suppliers, employees and other key stakeholders about environmentally responsible seafood.
- Participate in work with official and industry bodies to achieve our policy.

Iceland Seafood annually publish a Corporate Social Responsibility report, which is based on the non-financial guidelines for Environmental, Social and Corporate Governance (ESG) disclosures issued by Nasdaq's Nordic and Baltic stock exchanges.

Iceland Seafood's corporate governance rules

The Company has specifically reserved a section of its website for corporate governance information on www.icelandseafood.com/investors. The below information and documents are available on the website:

1. The Company's corporate governance statement.
2. The Company's remuneration policy.
3. Summarized information on the Company's Board of Directors, CEO, auditors and members of sub-committees.
4. Information on the Company's shareholders' meetings, including time and location, information on candidates to the Board, and the agenda of the meeting, together with the date of issue of the annual accounts and interim financial statements.
5. Meeting notices, minutes of shareholders' meetings and documents presented at the meeting. It is not necessary to publish a list of the shareholders and proxies that have attended meetings.
6. The Company's Articles of Association.
7. The Board's rules of procedure.
8. The sub-committee's rules of procedure.
9. The Company's annual accounts and the report of the Board of Directors.

25 February 2020

Board of Directors