

Report remuneration committee 2021

Appointment of remuneration committee, committee role and responsibilities.

The board of Iceland Seafood appointed a new remuneration committee after a shareholders meeting on March 18th 2021, Liv Bergþórsdóttir, Jakob Valgeir Flosason and Halldór Leifsson were appointed as members of the Remuneration Committee.

The roles and responsibilities of the remuneration committee are defined in its Rules of Procedures. The 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. It is preferable that the committee members have experience and knowledge on guidelines and common practise regarding decisions on executives' terms of employment. The committee met two times in the period from the time of appointment and to end of February 2022.

Group Bonus Scheme

In accordance with its Remuneration Policy, the Group operates a formal bonus scheme for Managing Directors at each business unit (Spain, Ireland, UK and Iceland) and the Group's senior executive team, which is reviewed and approved by the Remuneration Committee and the Board of Directors. The scheme is focused upon delivery over and above the prior year's Profit Before Tax (PBT) performance. In certain circumstances the prior year's or current year's PBT are being adjusted for certain variables. At its meeting on February 15th 2022 the remuneration committee reviewed the bonus scheme and calculation for 2021. Based on performance of the year 2021, bonuses will be paid to Managing Directors of IS Iberica, Oceanpath, Iceland and to the CEO and CFO of the Group. These bonus payments will be in the range from 10% to 32.5% of the individual annual salary. At its meeting on February 15th 2022, the remuneration committee decided that the bonus scheme and targets for the year 2022 would be reviewed and approved by new committee that will be appointed after the Annual General Meeting at March 17th 2022.

The bonus scheme that has been operated in the past few years have been based on different levels of bonus payments dependent upon the level of PBT target. The respective bonus payments have been in the range from 10% to 32.5% of individual annual salaries. The scheme also has had various conditions attached, including:

- i. No payments to be made before the local auditor has approved accounts,
- ii. Employee must be employed on 31st March of the following year to qualify for a bonus payment
- iii. Scheme is discretionary

Any payments outside of the scheme rules are subject to Remuneration Committee and board approval.

Group Option Scheme

An updated Share option plan was approved by the Annual General Meeting on March 18th 2021, no changes are proposed to the scheme for this year. During the year 2021, no new share options were granted, options of ISK 4.814.584 shares were exercised during the year of five employees. At year end, twelve employees within the Group held options to buy 32.560.417 shares in the company. The total amount of unused permission under the Share option plan is ISK 19.002.136 today. In total €36k were expensed in the Company's accounts during 2021 in relation to the Share Option Agreements.

Remuneration to Board of Directors and Group executive management

The table below set out the remuneration to Board of Directors and executive management:

	2021	2020	Shares at 2021 year end*
Liv Bergþórsdóttir, Chairman	55	46	1.200
Bergþór Baldvinsson, Board Member	28	20	276.998
Halldór Leifsson, Board Member	27	20	278.998
Ingunn Agnes Kro, Board Member	29	26	
Jakob Valgeir Flosason, Board Member	27	26	273.998
Gunnlaugur K Hreinsson, Alternate Board Member	3	3	14.997
Magnús Bjarnason, former Chairman		11	1.212
Bjarni Ármannsson, CEO	327	335	294.000
Reynir Jónsson, CFO	211	217	550
Total salaries and benefits for the BOD and executive management	707	704	1.141.953

The table below shows the breakdown of remuneration to executive management in 2021 and 2020.

Executive management remuneration 2021

	Base salary	Allowances	Bonus*	Total
Bjarni Ármannsson, CEO	320	7	-	327
Reynir Jónsson, CFO	200	11	-	211
	520	18	-	538

Executive management remuneration 2020

	Base salary	Allowances	Bonus*	Total
Bjarni Ármannsson, CEO	309	-	26	335
Reynir Jónsson, CFO	193	6	17	217
	502	6	43	552

Proposals for AGM

The Board of Directors proposes that the remuneration to Board members for the year 2022 will be as follow:

- Chairman of the Board ISK 700,000 per month
- Other Board Members ISK 350,000 per month
- Alternate Board Member ISK 100,000 per meeting
- Chairman of Audit Committee ISK 100,000 per meeting

- Other members of sub committees and alternate board member ISK 50,000 per meeting.

The Remuneration Committee and the Board of directors have reviewed the Remuneration Policy of the company and do propose an unchanged policy for the Annual General Meeting. No changes are proposed to the Stock Option Plan that was approved on the Annual General Meeting in 2021. The proposed Remuneration Policy is available on the Company's website.