

Statement of Corporate Governance

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, 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, and Germany. 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 cold stores 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 are two deviations from full compliance with the Guidelines. The Company does not have a board nomination committee, the reason being that due to the nature of the Company and close connection to the seafood sector, it is considered important to have representatives from key seafood suppliers of the Company on its board. These board members bring both valuable sourcing capabilities and sector knowledge to the board of Iceland Seafood. At the date of this statement, three of five board members of the Company are directors and/or owners of key suppliers of Iceland Seafood and are as such not independent from the company. These board members do not participate in dealings with items connected to their own business or business that is related to them, except from normal trading of seafood.

Board of Directors

The Company's Board of Directors shall be composed of three to five members and up to two alternate members, elected at the Annual General Meeting for a term of one year. In 2021 the total number of Board meetings was 14 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 five main members and one alternate member. As of the date of this statement the Board of Directors consists of the following members:

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Chairman of the Board of Directors

Name:	Liv Bergþórsdóttir
First elected:	February 2019
Education and experience:	<p>Liv Bergþórsdóttir was appointed CEO of ORF Genetics in April 2020. She joined ORF Genetics after 20 years in the telecommunication industry. Liv led the launch of the telecommunications company Nova in 2006 and was the CEO of Nova until 2018. Prior to that, she was the CEO of the mobile phone company Sko and Director of Sales and Marketing at Og Vodafone and Tal.</p> <p>In recent years Liv has also served on the boards of several companies, both in Iceland and abroad. Liv is a business graduate from the University of Iceland and has completed AMP studies at IESE Barcelona Business School.</p>
Member of board or management:	Liv is the CEO of ORF Genetics/BIOEFFECT.
Shareholdings in the Company as at 31.12.2021 and other interest related to large shareholders, competitors, customers or suppliers	Liv holds 1.200.000 shares through the holding company 54 ehf.

Board member

Name:	Jakob Valgeir Flosason
First elected:	February 2019
Education and experience:	<p>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.</p>
Member of board or management	<p>Jakob is currently a board member of Sigurbjörg ehf., HRock ehf., BB29 ehf., Klofningur ehf., Valgeir ehf., B1917 ehf., Sýr ehf., Itsorf ehf., Salting ehf., Breiðhella ehf., Karlsbali ehf., Gafli ehf., Hamarshöfði 4 ehf., B15 ehf., Fiskmarkaður Vestfjarða hf. and EA 30 ehf. in addition to his board membership with the Company.</p>
Shareholdings in the Company as at 31.12.2021 and other interest related to large shareholders, competitors, customers or suppliers	<p>Jakob Valgeir ehf., owned by Jakob, his wife, and his father, holds 273,997,713 shares. Jakob Valgeir ehf. is also a large supplier of seafood to the Company.</p>

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Board member

Name:	Bergþór Baldvinsson
First elected:	March 2020
Education and experience:	Bergþór has been the CEO of Nesfiskur since 1979. Nesfiskur is a family-owned company that Bergþór and his parents started in 1975. Working at Nesfiskur since a teenager, Bergþór has familiarized himself with every aspect of the industry. The small family company has grown constantly from the beginning, today Nesfiskur and its subsidiaries employ around 400 people. Bergþór has been a board member of various companies and pension funds for the past two decades.
Member of board or management	Bergþór is a board member of FSM hf, Umbúðamiðlun hf, Nesfiskur ehf and companies within Nesfiskur Group.
Shareholdings in the Company as at 31.12.2021 and other interest related to large shareholders, competitors, customers or suppliers	Nesfiskur ehf, owned by Bergþór and his family, holds 276,997,713 shares. Nesfiskur is also a large supplier of seafood to the Company.

Board member

Name:	Ingunn Agnes Kro
First elected:	February 2019 as an alternate board member and as a board member from March 2020
Education and experience:	Ingunn is the general manager of Jarðvarmi slhf. Previously Ingunn was a Director of Administration and Communication at Skeljungur hf., a company listed on Nasdaq Iceland, heading internal and external communication, incl. legal matters, marketing, public relations and human resources, and before that the company's general counsel, compliance officer and secretary to the board. Ingunn holds a B.A. and M.A. degree in law and an MBA from the University of Iceland, as well as being a certified district court attorney and securities broker.
Member of board or management	Ingunn is currently a board member of Sjóvá Almennar tryggingar hf. (insurance company), HS Orka hf. (electricity producer and provider), Freyja slhf. (private equity fund) and the Wetlands fund (environmental NGO).
Shareholdings in the Company as at 31.12.2021 and other interest related to large shareholders, competitors, customers or suppliers	None

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suppliers

Board member

Name:	Halldór Leifsson
First elected:	March 2020
Education and experience:	<p>Halldór is Marketing and Sales Director at Fisk Seafood ehf. He has worked in the seafood industry since 1990, in all the key segments including management of production, fleet, sales, office, finance and in the role of deputy MD and MD.</p> <p>Halldor holds a degree in Fishery Technology from the Technical University of Iceland and has studied Business Management in the University of Reykjavík.</p>
Member of board or management	Halldór is the main owner and board member of the company Hafsjór slf.
Shareholdings in the Company as at 31.12.2021 and other interest related to large shareholders, competitors, customers or suppliers	Fisk Seafood, the employer of Halldor, holds 278,997,713 shares. Fisk Seafood is also a large supplier of seafood to the Company.

Board member

Name:	Gunnlaugur K Hreinsson
First elected:	March 2020 as alternate board member
Education and experience:	<p>Gunnlaugur K Hreinsson is the owner of GPG Seafood ehf. and alternate companies. Gunnlaugur has decades of experience from the seafood sector.</p> <p>GPG Seafood ehf. operates four longliners out and four processing plants in the north of Iceland. Gunnlaugur is also the largest shareholder of the company Þórsnes ehf, a seafood company located in Stykkisholmur.</p>
Member of board or management	Gunnlaugur is a board member of GPG Seafood, Þórsnes and related companies.
Shareholdings in the Company as at 31.12.2021 and other interest related to large shareholders, competitors, customers or suppliers	GPG Seafood, holds 14,997,030 shares. GPG Seafood and Þórsnes are also large suppliers of seafood to the Company.

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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 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 Ingunn Agnes Kro, Bergþór Baldvinsson 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.

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 2-3 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, Jakob V Flosason and Halldór Leifsson.

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.

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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 Jónsson.

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	Bjarni is currently a board member of Polar Maritime ehf., Fálkinn Ísmar ehf., UB koltrefjar ehf., Sjávargrund ehf., Kemi ehf., Tandur hf., Hliðarspor ehf., S4S ehf., Ellingsen ehf., Fáfir Offshore ehf., Imagine Capital AS, Imagine capital BV, Sydvestor Troll AS, Cargow BV, Samey Holding ehf, Samey Robotics ehf, Pizza Pizza ehf, PPH ehf, Fjárfestingaráð Vex, SFS, Sjávarsýn fjárfestingar ehf and Sjávarsýn ehf. in addition to several of the Company's subsidiaries.
Shareholdings in the Company as at 31.12.2021 and other interest related to large shareholders, competitors, customers or suppliers	Bjarni directly holds 294,000,000 shares through holding company Sjávarsýn ehf. Bjarni does not hold options to purchase Shares in the Company.

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Chief Financial Officer

Name:	Reynir Jónsson
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	Reynir is a board member of several of the Issuer's subsidiaries.
Shareholdings in the Company as at 31.12.2021 and other interest related to large shareholders, competitors, customers or suppliers	550,345 shares in addition to options for 10,000,000 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.

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Corporate Social Responsible 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:

- The objective to source only from fisheries that are administrated in conformance with FAO Code of Conducts for responsible fisheries and have proper fishery management systems,
- Supporting 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,
- Commitment to working with industry on fishery improvements and best practises,
- Help and support customers to make the right choice to source sustainable seafood,
- Commitment to supply sustainable seafood to its 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.

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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. Summarised 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.

Reykjavík, 22 February 2022.

Board of Directors