

Code of Ethics for Icelandair Group and its subsidiaries'

Icelandair Group hf. is among the best companies in its branch of industry, the pillar of Icelandic travel industry and a leader in the Icelandic economy. Therefore it is very important that we maintain the reputation and trust of the company and that we ensure that integrity, responsibility, trust and quality work is always carried out. We have therefore put down the following principles and values which we have decided to obey.

The rules do not contain a complete description of appropriate behaviour, as employment agreements contain a more detailed description.

1. Scope

This Code of Ethics applies to all employees and Board Members of Icelandair Group hf. and its subsidiaries.

2. General Behaviour

We commit ourselves to obey the laws of the company and the internal rules in force at any time.

We always show our customers the utmost respect and our attitude is reflected by care and respect for the company's service. When we are the costumers of the company we always behave modestly and let other customers take priority.

We show each other mutual respect and prevent that injustice, such as bullying, sexual harassment, or discrimination based on aspects that are not reasonable to implement, such as gender, age, religion, nationality, disability or sexual orientation will take place in the company.

We shall exercise prudence when speaking publicly about the company and not make any comments which might tarnish the company's image.

Employees who receive benefits at work do so in accordance with clear rules from the company. Such benefits are privileges but not the employee's right.

3. Confidentiality

In accordance with law we are subject to confidentiality in regards to everything that we become aware of regarding our customers as well as the operations of the company, even after retirement.

It is forbidden to use confidential information that we have been aware of in our work for the company, to profit for ourselves or others.

Special caution shall be applied when storing, copying, registering or destroying data to ensure confidentiality.

4. Conflicts of Interest

It is expected that the interests of the company and the employees go hand in hand. Nevertheless it can occur that an employee has direct or indirect interests in a particular matter, regardless of the interests of the company. The concerned party shall, where appropriate, withdraw himself from the case, seek guidance from a supervisor or, if there is no other possibility, handle the case in a reasonable and transparent way so there is no doubt that the interests of the company were been kept in mind.

We do not accept gifts (other than small gifts) or any other payment or service, such as trips or entertainment except with a written consent from a Managing Director or CEO. This applies for gifts from customers of the company, those who wish to deal with the company or others who could profit from decisions made by the company.

We avoid making investments that could create conflicts of interest. The same applies to investments of spouses and minors, as well as other related parties as appropriate.

5. Working Outside the Company

It is expected that the employees work for the company exclusively.

Consent must be granted by a Managing Director if an employee seeks to have a paid employment outside of Icelandair Group, and its subsidiaries, or to run some sort of an enterprise.

Such consent shall only be granted if there is no risk of conflicts of interests.

6. Board Membership

An employee cannot be a Board Member of other companies or organizations unless with a written consent from the CEO or the relevant Managing Director. The CEO shall seek the authorization of the Chairman of the Board in order to be allowed to sit on the Boards of other companies or organizations.

Such consent shall only be granted if there is no risk of conflicts of interests.

7. Community Service

We encourage participation in community service and charities while we make sure that participation in political activities or other social activities will not impact our work for the company or its reputation.

8. Information regarding illegal or improper behavior

If an employee observes behaviour that is illegal, or that breaches this Code of Ethics, he shall report his concerns to his immediate Superior or to the Compliance Officer (compliance@icelandairgroup.is).

9. To be in Breach if this Code of Ethics

We apply to this Code of Ethics and promote its values.

If an employee becomes in breach of this Code of Ethics it may be subject to termination of employment.

10. Publication and Presentation

This Code of Ethics is available on the company's intranet. Employees shall be informed of the existence of these rules and Supervisors shall introduce their employees to them.

Approved by the Board of Directors of Icelandair Group hf. on May 25th 2009 and changed on January 5th 2011 and November 18th 2016.