

Bakkavör Group - Proposals of the Board of Directors for the Company's Annual General Meeting on 20 May 2009

1. Proposal of the company's Board of Directors on dividend payments and allocation of loss for the year 2008.

The Board of Directors of Bakkavör Group hf. proposes that the Annual General Meeting, held on 20 May 2009, approve that no dividend will be paid out to shareholders for the year 2009. The loss for the year GBP 153,872 thousand shall be allocated to the equity of Bakkavör Group hf.

2. Proposal on the remuneration to the members of the Board of Directors.

The Annual General Meeting of Bakkavör Group hf., held on 20 May 2009, agrees that the remuneration to each member of the Board of Directors, including the Chairman, will be £18,000 per annum for the period extending from the Annual General Meeting in 2009 to the Annual General Meeting in 2010. Directors will not receive remuneration for attendance and participation in subcommittees of the Board.

3. Proposal on the composition of the Board of Directors.

Notification of candidature for the Board of Directors of Bakkavör Group hf. shall be submitted to the Board at least five days before the Annual General Meeting. Candidatures will be published at least two days before the Annual General Meeting.

4. Proposal to elect an auditing firm.

It is proposed that Deloitte hf., Smáratorgi 3, 201 Kópavogur, be re-elected as the Company's auditing firm for 2009.

5. Proposal on a Remuneration Policy

The Board of Directors of Bakkavör Group hf. proposes that the Annual General Meeting, held 20 May 2009, approve unamended, the Remuneration Policy of Bakkavör Group hf., previously approved at the Annual General Meeting, held on 14 March 2008.

6. Proposal on the company's Board of Directors' authority to purchase shares in Bakkavör Group hf.

The Board of Directors of Bakkavör Group proposes that the Annual General Meeting for 2009 held on 20 May 2009, agrees to the following proposal on the authority of the Board of Directors to purchase shares in the company:

“The Annual General Meeting of Bakkavör Group hf. held on 20 May 2009 agrees, pursuant to Article 55 of the Act on Public Limited Companies No. 2/1995, to authorise the company's Board

of Directors to purchase, over the next 18 months, up to 10% of the company's own shares. The purchase price may be up to 20% above the average sales price of shares registered on the Iceland Stock Exchange in the two weeks immediately preceding the purchase, the purchase price shall be no less than 0.01 per share. No lower limit is set on this authorisation regarding the size of the share purchased each time. With the approval of this proposal, the same kind of authorisation approved at the last Annual General Meeting is cancelled“

The proposals for amendments are pursuant to Act no. 2/1995 cf. Act no. 89/2006.