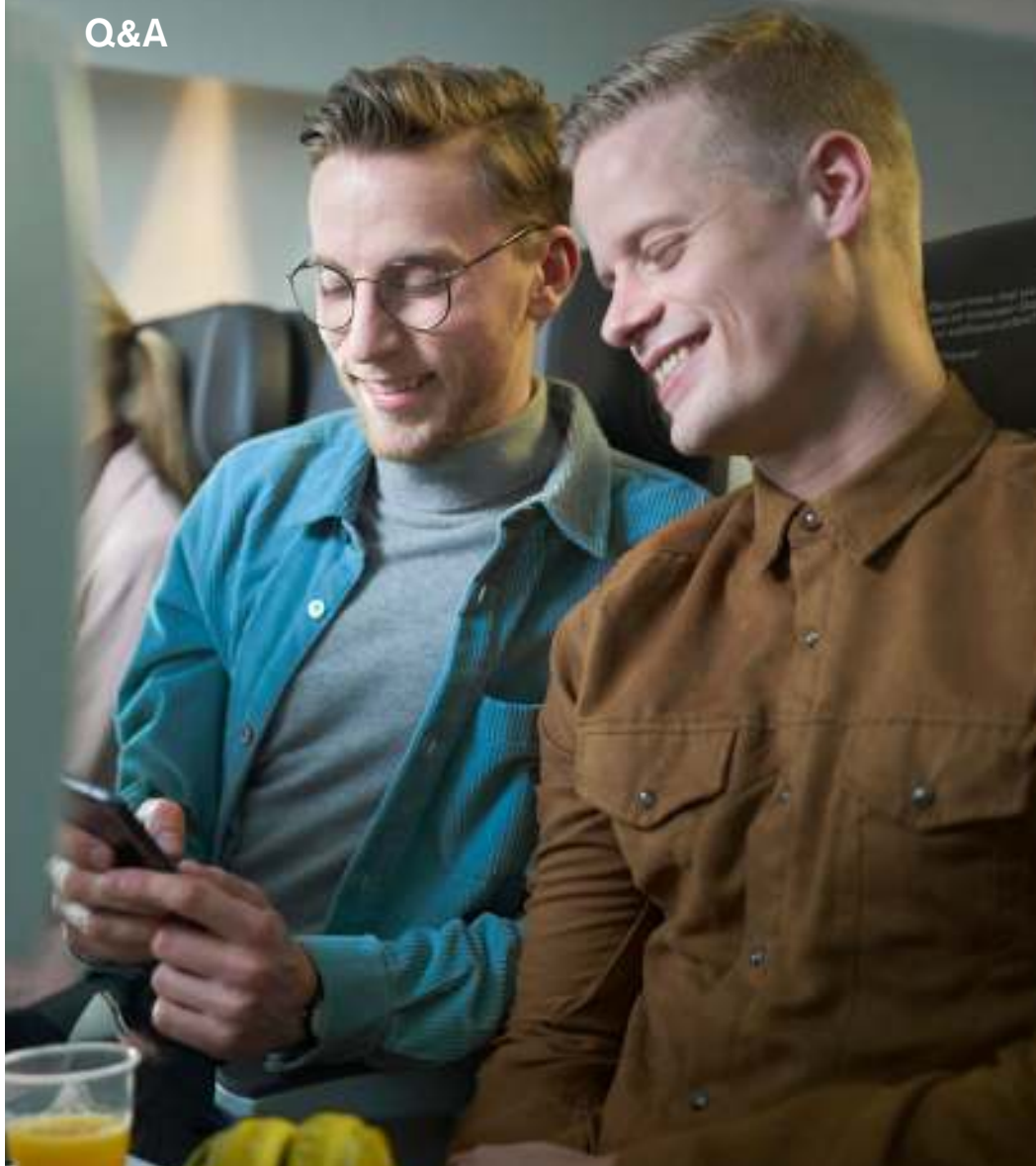


NEW FARE FAMILIES

Q&A



ICELANDAIR



CLASSES OF SERVICE

	Economy light	Economy standard	Economy flex	Saga premium	Saga premium flex
Priority check-in	No	No	No	Yes, where applicable	Yes, where applicable
Lounge access	No	No	No	Yes, where applicable	Yes, where applicable
Priority boarding	No	No	Yes, where applicable	Yes, where applicable	Yes, where applicable
Seating 737, 757	3-3	3-3	3-3	2-2	2-2
Seating 767	2-3-2	2-3-2	2-3-2	2-1-2	2-1-2
Luggage allowance	No checked luggage	1x50 lb (23 kg)	1x50 lb (23 kg)	2x70 lb (32 kg)	2x70 lb (32 kg)
Carry-on luggage	1x22 lb (10 kg)	1x22 lb (10 kg)	1x22 lb (10 kg)	1x22 lb (10 kg)	2x22lb (20kg)
Legroom	31–32" / 79–81 cm	31–32" / 79–81 cm	31–32" / 79–81 cm	40" / 101 cm	40" / 101 cm
In-flight entertainment	Yes	Yes	Yes	Yes	Yes
Wi-Fi	At a small fee	At a small fee	Included for 2 devices	Included for 2 devices	Included for 2 devices
Headphones	For sale	For sale	For sale	Yes, noise-canceling	Yes, noise-canceling
Blankets and pillows	Upon request	Upon request	Upon request	Yes	Yes
Universal electric outlet	No	No	No	Yes	Yes
USB port	Yes	Yes	Yes	Yes	Yes
Non-alcoholic beverages	Included	Included	Included	Included	Included
Alcoholic beverages	For sale	For sale	For sale	Included	Included
Champagne	For sale	For sale	For sale	Included	Included
Meals	For sale	For sale	For sale	Included, special menu	Included, special menu
Travel kit	No	No	No	On N-American routes	On N-American routes
Hot towels	No	No	No	Yes	Yes
Pre-flight drink	No	No	No routes	On N-American routes	On N-American
Stopover	For up to 3 nights	For up to 7 nights	For up to 7 nights	For up to 7 nights	Unlimited
Change fees	\$300 fare difference may apply	\$150 fare difference may apply	None, fare difference may apply	From \$150 fare difference may apply	None, but fare difference is applicable
Refundability	Non-refundable	Non-refundable	Refundable a \$75 processing fee applies	Non-refundable	Refundable a \$75 processing fee applies
Combinability between classes	Combines solely with Economy Light	Combines with Saga Premium	Combines with Saga Premium Flex	Combines with Economy Standard	Combines with Economy Flex

Old RBD structure

C	C
	D
	J
Y	Y
	A
	E
M	M
	B
	K
	Q
	T
	V
	H
	L
	S
	O
	N
	U
	P

Future RBD structure

C	C	
	D	
	J	
	A	
M	Z	
	Y	
	R	
	E	
	M	
	B	
	K	
	Q	
	T	
	V	
	H	
	L	
	W	
	S	
	I	
	O	
	X	
	N	
	U	
	P	
	G*	Groups
	F	Staff



NEW FARE CLASSES

Why are we making these changes?

- We will be more capable of meeting the needs of our various customer segments.
- We will be better equipped to maximize revenue with value based pricing.
- There will be more configuration consistency across our fleet.
- There will be more flexibility to react to market conditions using different price points.
- Processes are simplified and our aircraft will be utilized in a more efficient way.
- We are maintaining our brand status as a recommended and desired carrier.



When will our new Fare Family be introduced and available for purchase?

- Sales will start on April 7.

What are the names of the new fare classes?

- Economy Light
- Economy Standard
- Economy Flex
- Saga Premium
- Saga Premium Flex

Which booking letters belong to which fare classes?

- We're adopting a new fare structure that involves using all fare classes, some in multiple fare families. This will enable us to be more flexible and agile in adapting to the markets' needs, and meeting the service and fare demands of our passengers.
- Economy Light – Y, R, E, M, B, K, Q, T, V, H, L, W, S, I, O, X, N, U, P
- Economy Standard – Y, R, E, M, B, K, Q, T, V, H, L, W, S, I, O, X, N, U, P
- Economy Flex – Y, R, E, M, B, K, Q, T, V, H, L, W, S, I, O, X, N, U, P
- Saga Premium – C, D, J, A
- Saga Premium Flex – C, D, J, A

Why are we utilizing the same booking classes for more than one fare class?

Using more booking classes gives us more price points and enables us to be more flexible in meeting our customers' needs and wishes.

- All fare classes within each cabin will use all booking classes
- All booking classes within each cabin will be available for all fare classes
- For example in an extreme case, all fare could be sold to Economy Light

- Internal information on Workplace, flyers, information sessions & training
- Third parties and resellers will receive designated product definition and technical material
- Icelandair Frontline, Cabin, IGS and Handling agents will be trained and have access to Icelandair Customer Service Manual for guidelines (Confluence).

Is it allowed to combine different fare classes?

Yes, it is possible:

- Economy Light is only combinable with Economy Light.
- Economy Standard is combinable with Saga Premium (leisure aimed products).
- Economy Flex is combinable with Saga Premium Flex (business aimed products).

Make note that Light will be available on all booking classes in Economy with the new fares so it would only be in the cases where Economy Class is fully booked that you would need to find another option, e.g. sell a new Saga Class ticket.

Can I see how the fare classes differ in our check-in system and on the boarding pass?

- No. Unfortunately, you can neither see that information in our check-in system and/or on the boarding pass.

Will the number of priority boarding passengers increase with the new Fare Family?

- Yes, that is likely as Economy Flex passengers will now be able to utilize priority boarding.

Are the prices changing?

- Yes, the Icelandair pricing structure is changing, with the aim to better meet our passengers' needs and wishes. We'll have an increased service differentiation and a product offering that is more customer focused.

Will the service be the same within each cabin?

- Yes. Saga Premium and Saga Premium Flex passengers will enjoy exactly the same on-board service. Passengers in the Economy cabin all enjoy the same on-board service, except that free Wi-Fi is included on Economy Flex. Apart from that, the difference between our fare classes lies in fare conditions and other services. (Link to comparison table)

Will the menu be the same on all classes?

- No. There are 2 different menus. One for Saga Class and one for Economy Class.

What happens to Economy Comfort?

- As of April 7 the Icelandair Economy Comfort Class will be discontinued to make room for our new fare family, that we believe will better serve the diverse needs of our passengers.

What will happen with passengers who have booked flights on Economy Comfort and are flying after April 7? Will they be informed after the change is done?

- Passengers holding Economy Comfort tickets after April 7 will either get the same agreed service or be upgraded to a Saga Premium seat at no additional airfare. They will not be notified about this change beforehand. In case we're not able to meet the purchased seat requirement, the following compensation process applies. (link to process)

Where can I provide passengers/employees/Frontline information regarding the new Icelandair product selection?

- The Icelandair marketing team will be publishing information about the new fare structure offering.
- Information on www.icelandair.com
- For sales offices
- On all customer service channels

Will it be clearly stated on the boarding passes of Economy Flex, Saga Premium and Saga Premium Flex passengers that they can utilize priority boarding?

- Currently it isn't possible to do so, but hopefully that will be resolved within the year.

Can we guarantee priority boarding everywhere?

- We ensure priority boarding where available and possible at airports. (link to available priority boarding airports)

Is fast track available on all our destinations?

- We ensure fast track at all airports where it is available and possible due to security and technical reasons. (link to available priority boarding airports)

How will staff at foreign airports know who should get fast track?

When the staff scans the boarding pass, the computer will recognize the fare class as a business class.

Can Economy Light passengers select seats?

- The entire Economy cabin (eventually a demo photo) is open for seating requests for all passengers traveling in Economy Class. All Economy Class passengers have the option of purchasing seats with More Legroom.

How many Economy Flex seats/fares will be available on each flight?

- It varies as numerous things can affect Economy Flex seat availability.

Are there specific seats for Economy Flex?

- No, there are no specific seats for Economy Flex, the same additional pricing system applies for them as other Economy Class passengers. The entire Economy cabin (eventually a demo photo) is open for seating requests for all passengers traveling on Economy, except for the More Legroom seats that are sold separately. A seating request may be modified at any time due to operational and security reasons.

How does the flexibility on Economy Flex and Saga Premium Flex work?

- Passengers on Economy Flex and Saga Premium Flex never pay any change

fee when altering flights. However, fare differences may apply if their seat on the new flight is a more expensive one (e.g. at the front of the cabin).

- There is no limit on how many times a flight may be altered.
- Passengers on Saga Premium Flex additionally have the possibility to change their flight ticket completely free of charge within 48 hours of the departure of their flight. The departure of the new flight has to be 24 hours before/after the original flight. This option is always subject to the space available and applicable to Icelandair flights only.
- All other Icelandair fares are subject to a change fee and fare difference depending on the availability of the flight/date chosen.

How many seats will there be in the Saga Class cabin?

- Removing the Economy Comfort class allows Icelandair to switch to a fixed structure with two cabins. The number of seats depends on the aircraft type:
- B737 Max8, 16 Saga Class seats (row 1-4)
- B757-200, 22 Saga Class seats (row 1-6)
- B757-200, 20 Saga Class seats (row 1-5)
- B757-300, 22 Saga Class seats (row 1-6)
- B767-300, 25 Saga Class seats (row 1-5)

Why is Saga Premium non-refundable?

- With Saga Premium, we're offering our time-proven Saga comforts and service at a lower price than before. By this, we're expanding the range of our products to better serve diverse passenger needs. Passengers wanting full refundability can purchase a seat on Saga Premium Flex.

For how long can I have a Stopover without additional airfare cost?

- We are proud to include a Stopover in all Transatlantic fares. The length of stay in Iceland is determined by the fare class chosen.
- Economy Light, maximum 3 days
- Economy Standard, maximum 7 days
- Economy Flex, maximum 7 days
- Saga Premium, maximum 7 days
- Saga Premium Flex includes an unlimited Stopover in Iceland, subject to laws and permissions of stay. All permissions and paperwork for a Stopover are the responsibility of the passenger.





MORE LEGROOM
(chargeable seats)



What is the definition of a More Legroom seat?

- More Legroom seats have a pitch that is 34 inches or more.

Which seating rows will be sold as More Legroom seats?

- Seats in the front of the cabin and all exit row seats (except 8 A and F / 9 A and F) have been defined as chargeable extra legroom seats with a variable pricing structure depending on the seat characteristics. Further information is provided in the More Legroom brochure. (link) (photos of AC layouts highlighting seats per AC type)

How much does a More Legroom seat cost?

	AMENITIES	PRICES EUR	PRICES NA	VIA
■ FRONT	Front cabin. More than 34" pitch (L), Full recline, Power outlets.	30 USD	65 USD	95 USD
■ EXIT WITH RECLINE	Approx 40" pitch (XL). Full recline.	20 USD	45 USD	65 USD
■ EXIT WITH RESTR. RECLINE	Approx 40" pitch (XL). No recline or limited recline.	15 USD	35 USD	40 USD
■ EXIT NOT SELLABLE	Seats 8/9AF in 757-200/300. Seat 26F in 757-200 (oddball).	-	-	-

- Extra legroom seats are purchased per flight leg, thus Transatlantic passengers must make reservations for every flight leg in question and subject to the above pricing structure.
- During flight (on board) there will be one flat fee for extra legroom and it will be based on the Front cabin prices, e.g. 30 USD for Europe and 65 USD for N-America.
- Attention: The pricing is based on USD and will be recalculated according to local currencies.

Do we stop selling the More Legroom product anywhere in the process, e.g. after departure?

- No. More Legroom seats are available for purchase before departure through Icelandair Customer Service Center and online www.icelandair.com, through Icelandair on-line check-in and at most airports. They will be sold on board as well.
- Passengers will not be able to purchase More Legroom online after boarding has started.



Can Economy Light passengers buy More Legroom seats?

- All passengers in Economy, any fare type, are able to buy More Legroom seats, subject to availability.

Will More Legroom seats be considered an upgradeable product?

- At the moment, an upgrade to a chargeable seat is not possible.

Can I give my More Legroom seat to another passenger?

- More Legroom seats are non-transferable between passengers. If a passenger holds a pre-purchased seat and decides not to travel, then the seat is lost.

Are More Legroom seats refundable?

- Pre-purchased extra legroom seats are as a rule non-refundable. However, the delay of a flight or other problems on our side can justify a refund (see questions a bit further on).

Will the More Legroom seats be specially marked and visible on the seatmap in the system?

Yes, they will be clearly visible.

Can a passenger accidentally book a chargeable seat?

That is unlikely, as they always see that they'll be charged for the seat.

How will I see whether a seat is chargeable in Amadeus?

There will be a mouse pointer pop up definition where possible. Seat characteristics will be clear and marked with different icons.

Some of the More Legroom seats are situated by the emergency exits. Can anyone buy a More Legroom seat in these places?

- No. The passenger needs to be at least 12 years of age, be physically and mentally fit and willing to help in case of an emergency. Please note that pregnant women, babies, unaccompanied minors, passengers needing a seat belt extension, passengers needing wheelchair assistance and passengers with medical requirements cannot sit by an emergency exit.
- Due to security reasons the cabin crew can at any moment request a passenger not willing and able to move to a non-exit row seat. Passengers that do not comply with these conditions cannot get their More Legroom seat refunded.

Will our staff get some kind of indication if they place a customer in a chargeable seat by mistake?

- The system shows that these seats are chargeable. Hence a bill will be issued if the booking is continued.

What happens with a passenger that already booked a More Legroom seat, before it was announced that they were chargeable seats? Do we move that passenger?

- The passenger will not be moved and will not be charged for his More Legroom seat.

What happens when More Legroom has been double-booked?

- The system architecture behind chargeable seats should not allow this. However, in the first months after the changes, exceptional overlaps may happen. If we are unable to accommodate passengers in the extra legroom seats they have paid for, a refund process is in place. (Link to customer relations refund claim process)

What is the refund process?

- For refunds, please fill in this form for our Customer Relations, who will process your refund (link to CR form)

What changes might affect the More Legroom product?

- Changes that might affect pre-purchased extra legroom space are only for operational reasons, change of aircraft type, involuntary rerouting, and other operational and security reasons.

If we need to change to an aircraft with different seating, how will that affect our More Legroom passengers?

- If we, due to operational reasons, need to transfer passengers who have purchased a pre-paid More Legroom seat, we'll try to meet all reservations with a similar seat. In case this is not possible, the passenger can apply for a refund. The refunding doesn't happen automatically. (link to refund form)

What will be the procedure when there is an aircraft change and the customer has a chargeable seat?

- The system will automatically reseat the passenger in the same type of seat. If that type of seat is not available, the system will reseat the passenger in another type of chargeable seat.
- In the cases when the passenger is reseeded in a standard, non-chargeable seat, a refund can be requested.

Can you buy a More Legroom seat in Kiosks or at the check-in?

- More Legroom seats can be purchased at check-in at most airports and in the web check-in. Due to technical limitations, pre-purchase of extra legroom seats is not available in Kiosks at this moment.

Where can passengers pay for a More Legroom seat?

- During booking process
- In manage booking (My Trips)
- In Icelandair online check-in
- At the Check-in desk
- At the gate
- On board
- Paying for More Legroom seats at baggage drop off and/or Kiosks is not possible.

How will chargeable seats be featured in the Kiosk?

- Passengers will be able to select More Legroom seats in the Kiosk. However, to pay for them, they will need to go to the check-in, gate or the web check-in.

Are customers able to pay for chargeable seats in Self bag drop off?

- No, unfortunately not. They will need to go to the check-in desk, the online check-in or pay at the gate.

If you can't pay for a chargeable seat selected in the kiosk at the Self bag drop off, how will we prevent passengers from having to stand in a long line at the Self bag drop off just to be rejected and sent to a new line at the check-in desk?

- When selecting a More Legroom seat in the kiosk, a text will appear telling the passenger that since they can't pay for the chargeable seat in the kiosk, they either have to check their luggage in at the check-in desk and pay there, or pay through the online check-in and then go to the Self bag drop off.

If a customer uses the kiosk and does not have a bag, will they be charged at the gate?

- Yes, you will not be able to board the customer unless they have paid for the seat.

Won't that affect the boarding time and cause delays?

- We will just have to see if it does and learn from the experience.

How will we charge for More Legroom seats at the check-in? Do we use Altea or a side system?

- Altea will be used wherever possible.

Will More Legroom be available at all airports?

- More Legroom products can't be purchased at non-altea stations. Those are:
 - ARN
 - BLL
 - HAM
 - MXP
 - GVA
 - GOT

Will information about a bought seat with More Legroom appear on the passenger list (PIL)?

- No, unfortunately that isn't possible at this time.

Are More Legroom seats easily identified within our check-in system?

- Yes, they will be marked with a red dollar sign.

Where do passengers with no seating assignment sit?

- Passengers that have not made a seat request will be allocated a general seat automatically in their cabin when the on-line check-in opens. Please note that More Legroom seats do not count as general seats.

How do we assign passengers to unsold More Legroom seats if the flight is sold out and no one has purchased More Legroom seats?

- If More Legroom seats remain unpurchased at the day of departure, check-in agents and cabin crew will offer these seats to Icelandair loyalty customers on board. Special rules will be made for this process and a workshop will be held.

What happens when the passenger has bought the More Legroom product but receives a Class Up?

Passengers who have pre-purchased a More Legroom seat and are then accepted for Class Up are eligible for a full refund of their seat purchase. Refund requests must be made over telephone, in an e-mail, a Facebook message etc. (Link to CR claim form)

What are the upgrade rules regarding passengers that have bought More Legroom and wish to upgrade to Saga Premium or Saga Premium Flex?

- If a passenger on any Economy ticket has purchased a More Legroom seat, then decides to upgrade to Saga Premium or Saga Premium Flex, they will receive a full refund for the seat purchased if they request it.
- A passenger on any Economy ticket that is upgraded, free of charge, by Icelandair for operational and/or security reasons, is not entitled to a refund for a pre-purchased More Legroom seat.

What is the sales process for the crew selling the More Legroom product while airborne?

- The sales process is the same as for any other on-board sale.

Are the More Legroom seats easily identifiable on board?

- The seats will be easily identified as they'll have specific headrest covers. Initially the Economy Comfort headrest covers will be used to distinguish More Legroom seats from other seats. These will be changed to specifically designed More Legroom headrests when the headrest covers for the whole fleet will be renewed.

Are we moving passengers to More Legroom seats upon request?

- A passenger holding a voucher for a pre-purchased chargeable seat will have priority to the seat assignment in place. If Icelandair is unable to accommodate passengers in extra legroom seats, a refund process is in place for non-delivered services. (Link to customer relations refund claim process)

Can employees buy a More Legroom seat with ID tickets?

- This is to be defined yet.

CARRY-ON LUGGAGE



What is included in carry-on luggage?

- One personal item limited to the size of 40x30x15cm (16x12x6 inches), for example a computer bag or a small backpack. It must fit under the seat.
- One carry-on bag not exceeding 10 kg (22 lb) and with a maximum size of 55x40x20cm (22 x 16 x 8 inches).
- Saga Premium Flex passengers may have two carry-on bags of that size with them. NOTE: On certain flights or where country-specific variations apply, Saga Premium Flex passengers must check in their second piece of carry-on luggage.

How do we regulate the carry-on policies?

- Carry-on processes remain as they are today.
- Carry-on tags and carry-on grids are being considered.

How do we explain to customers complaining that other passengers seem to be able to bring more carry-on?

- Our fare structure is designed to offer passengers the fare conditions and services that are the most suited to each traveler at the time of purchase. The passengers bringing extra carry-on have bought a fare with more luggage included.

What happens when we have too much carry-on in the Saga Class cabin?

- As per procedures today, exceeding carry-ons that cannot be accommodated in the cabin will be tagged and moved to the belly. However, we try to avoid doing this if not absolutely necessary. We may need to look into this. If the double carry-on allowance of Saga Premium Flex proves to be a problem, the crew will have to revise procedures.

What about the unsolved carry-on luggage problem that has been caused by Economy Light?

- The problem is that many Economy Light passengers bring carry-on bags that are too large for the cabin and must be put into belly instead, meaning that the company is losing income. We are working on revised procedures. It will take a bit of time.

Does the carry-on luggage of some fare class have priority when the overhead compartments are full?

- No, there are no such rules in place.

**PNR
THROUGHOUT
THE PROCESS**



How do we recognize priority passengers throughout the process?

- Due to system limitations, soon to be solved, we can only recognize the cabin of travel but not the fare.

Can we recognize the fare family when browsing through the passenger list?

- No, the fare purchased is not stated on passenger lists.

How do we know who has free Wi-Fi and who hasn't?

- Economy Flex passengers will soon have access to the Wi-Fi portal using their name and booking reference/ticket number. A short buffer period using vouchers for Wi-Fi will be necessary, and we trust our Flex passengers to make themselves known to the crew.

How can the cabin crew distinguish between the passengers who are entitled to specific things and those who are not?

- At the moment, this is limited to the cabin purchased, but soon new system options will allow us to mark this difference. This adapting period has been taken into account.

Will passengers be identified based on which booking class they have booked, and if so, how?

- In the new fare structure, all booking classes are used for all fares across cabins. Until the new system, which allows us to show fare families is in place, crew will only be able to use cabin as an identifier.



SAGA CLUB



Will the point accumulation change with the new fare classes?

- The accumulation is divided into categories according to fare class and destination (Europe and North America).
- The basic accumulation for one-way to North America is 2400 Saga Points and 1700 one-way to Europe. It varies percent wise according to fare class.
- Members get equally many Card Points as Saga Points, except Saga Silver and Saga Gold members that get an extra 10% and 20% spread on their Card Points.

	50% Economy Light (LT)	100% Economy Standard (EC)	150% Economy Flex (FL)	200% Saga Premium (FL)	300% Saga Premium Flex (FL)
NORTH AMERICA	1200	2400	3600	4800	7200
EUROPE	850	1700	2550	3400	5100

Is it possible to buy More Legroom using Saga Points?

- For the product launch on April 7, this is not in scope.

Do Saga Club members accumulate Saga Points when they buy More Legroom seats?

- No, they don't get Saga Points when buying More Legroom.

Can Saga Gold/Silver members get an upgrade to a More Legroom seat?

- No, Gold and Silver card holders can not be upgraded to More Legroom.

Will Saga Points upgrades change?

- Saga Point upgrades change so that Saga Club members can upgrade from Economy Flex to Saga Class. It is booked as class J. This upgrade doesn't count as a fare change and so the fare conditions are not altered on these tickets.

Will the changes affect Saga Gold upgrades?

- Saga Gold members can get an upgrade from Economy Class to Saga Class if there are seats available. There is no change in the current procedures or where and when Saga Gold members can request an upgrade.

Will the changes affect Saga Silver upgrades?

- Saga Silver upgrades will from now on be booked as class J. Saga Silver members can book an upgrade by calling our Service Center, maximum two months before departure and at least 24 hours before departure. Economy Light fares are not upgradable.

Do Saga Gold and Saga Silver members keep their luggage benefits?

- Yes, their luggage benefits will not change. They can always travel with one checked bag without charge.

If you have any further questions or thoughts, please don't hesitate to contact delight@icelandair.is