

ICELANDAIR GROUP HF. – MINUTES FROM THE SHAREHOLDERS MEETING

Date Wednesday 9 September 2020 at 4:00 PM

Location Hilton Reykjavík Nordica Hotel
Suðurlandsbraut 2
108 Reykjavík

Agenda

1. A proposal to grant the board authorization to increase the Company's share capital
2. A proposal to grant the board authorization to issue warrants

The following took place

The Chairman of the Board of Directors, Mr. Úlfar Steindórsson, announced the Shareholders Meeting open and proposed that Mr. Ólafur Arinbjörn Sigurðsson would be elected to Chair the Meeting. The proposal was agreed to unanimously.

The Chair proposed that Mr. Ari Guðjónsson would be elected the Secretary of the Meeting. The proposal was agreed to unanimously.

The Chair announced that the Meeting had been convened in accordance with the Company's Articles of Association and the Icelandic Company Act no. 2/1995, and declared the meeting lawfully convened.

The meeting was attended by shareholders holding 4,025,000,099 shares of 5,437,660,653 outstanding shares in the Company, which equals to 74.0% of the Company's voting share.

1. A proposal to grant the board authorization to increase the Company's share capital

The Company's President & CEO, Mr. Bogi Nils Bogason, took the floor and introduced the proposals.

The following was proposed:

“The Company's board of directors is authorized to increase the company's share capital by up to ISK 23,000,000,000 in nominal terms (ISK twenty-three billion), by issuing shares in relation to a public share offering for a minimum of ISK 20,000,000,000 (ISK twenty billion). The shareholders waive their pre-emptive rights

to the new shares. The share price shall be ISK 1.0 per share and further terms, in accordance with the decision of the board of directors, will be included in a prospectus published in advance of the public share offering. Subscriptions shall take place in accordance with the Company's Articles of Association and Chapter V of Act No 2/1995 respecting Public Limited Companies. The new shares will be of the same share class as other outstanding shares in the Company. The new shares shall provide the associated rights to the Company from the date of registration. This authorization of the board of directors shall be valid until 15 October 2020, to the extent which it has not been utilized."

The Chair opened the floor for comments or questions. Nobody took the floor and the shareholders voted on the proposal, which was approved unanimously. The proposal will be added to the Company's Articles of Associations as article 15.1.

2. A proposal to grant the board authorization to issue warrants

The following was proposed:

"The Company's board of directors is authorized to issue warrants which investors will receive along with the new shares issued following the public share offering amounting to 25% of the nominal value of the total new share issued corresponding to up to ISK 5,750,000,000 in nominal terms (ISK five billion seven hundred and fifty million). Subscription rights under the warrants may be exercised all at once or in separate steps for up to two years in accordance with terms decided upon by the board of directors. The exercise price per share will be the same as the share price in the public offering with an addition of 15% annual interest. This authorization of the board of directors shall be valid until 15 October 2020, to the extent which it has not been utilized. The board of directors is furthermore authorized until 30 November 2022 to increase the Company's share capital in relation to exercise of the warrants. The shareholders waive their pre-emptive rights to the warrants and shares issued in relation to their exercise."

The Chair opened the floor for comments or questions. Nobody took the floor and the shareholders voted on the proposal, which was approved unanimously. The proposal will be added to the Company's Articles of Associations as article 15.2.

The Chair noted that these minutes would be read out loud by the Secretary at the end of the meeting for any shareholder who so wished.

The meeting was closed at 4.30 pm.

Ólafur Arinbjörn Sigurðsson
Chair

Ari Guðjónsson
Secretary