

ICELANDAIR GROUP HF. – MINUTES FROM THE SHAREHOLDERS MEETING

Date Wednesday 24 April 2019 at 4:00 PM

Location Hilton Reykjavík Nordica Hotel
Suðurlandsbraut 2
108 Reykjavík

Agenda

1. A proposal to grant the board authorisation to increase the Company's share capital in relation to a subscription agreement made with Par Capital Management Inc. and affiliates
2. Changes to the Company's Articles of Associations

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 3,538,769,978 shares of 4,812,660,653 outstanding shares in the Company, which equals to 73.5% of the Company's voting share.

- 1. A proposal to grant the board authorisation to increase the Company's share capital in relation to a subscription agreement made with Par Capital Management Inc. and affiliates*

The Company's President & CEO, Mr. Bogi Nils Bogason, took the floor and introduced the proposal and the main terms of the Subscription Agreement between Icelandair Group and PAR Capital.

The following was proposed:

“The company’s board of directors is authorised to increase the company’s share capital by up to ISK 625,000,000 in nominal terms (ISK six hundred twenty-five million), by issuing new shares. The share price shall be according to the subscription agreement made with PAR Capital Management Inc. and affiliates (9,03 per share). The new shares will be of the same share class as other outstanding shares in the Company. The shareholders waive their pre-emptive rights to the new shares. The new shares shall provide the associated rights to the Company from the date of registration. This authorisation of the board of directors shall be valid until 1 December 2019, to the extent which it has not been utilised.”

The Chair opened the floor for comments or questions. Nobody took the floor and the shareholders voted on the proposal, which was approved unanimously.

2. Changes to the Company’s Articles of Associations

The Board of Directors proposed that following changes will be made immediately to the Articles of Association of the Company:

“Article 15.1 shall be removed.”

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 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 4.15 pm

Ólafur Arinbjörn Sigurðsson
Chair

Ari Guðjónsson
Secretary