

**ARTICLES OF ASSOCIATION**  
**of**  
**the Company, Isavia Ltd.**

1.0 *The name of the Company and domicile*

1.1 The Company is a state-owned limited liability corporation, and its name is Isavia Ltd.

1.2 The Company's domicile is at Dalshraun 3, 220 Hafnarfjörður.

1.3 The Company is established according to a decision by the Minister of Transport and Local Government in accordance to Act no. 153/2009 respecting the establishment of a government-owned limited liability company on air navigation services and the operation of airports and related activities and more.

1.4 According to Article 5 of Act no. 153/2009, the Company shall take over all the rights and commitments of the acquired companies as provided for in Act no. 102/2006 respecting the establishment of a limited liability company on air navigation services and the operation of airports by the Icelandic Civil Aviation Authority, and Act no. 76/2008 respecting the establishment of a government owned limited liability company on the operation of Keflavík International Airport and more. The acquisition does not authorize the contractual parties of the acquired companies, to whom the merger may apply, to terminate existing contractual relationships.

2.0 *The purpose of the Company*

2.1 The purpose of the Company is:

- a) operation and development of air navigation services, including air traffic control, telecommunication- and air navigation systems and other related activities;
- b) operation and development of airports, managing of real estate, as well as other related activities, including operation, maintenance and development of Keflavík International Airport as an international civil aviation airport, as well as utilizing the airport area for security and defence-related activities and the State's international commitments;
- c) operation, maintenance and development of the Leifur Eiríksson Air Terminal, including trade with duty-free commodities at the airport area;
- d) activities that are in direct connection with air transport operations, the operation of airports and air terminals, and other necessary activities within the airport security restricted area;
- e) managing the rights and take on the commitments of the Icelandic State according to international conventions, international treaties, or agreements with other states, including the International Civil Aviation Organization, in collaboration with the authorities.

2.2 The Company shall be authorized to participate in and become owner of other companies and enterprises, including being authorized to participate in a company intended to engage in developing the neighbouring areas of Keflavík International Airport. The Company is furthermore authorized to enter into agreements with other parties in order to realize its purpose in the most feasible manner.

### 3.0 *Shares, representation*

3.1 The share capital of the Company amounts to ISK 9,559,063,362 (ninebillionfivehundredandeightyninemillionandsixtythreethousandthreehundredandsixtytwo).

The Company's Board of Directors is authorised to increase the share capital by up to ISK 15,000,000,000 nominal value. The new shares shall grant rights in the Company from the date of listing of the share capital increase. The Company's share capital after the increase will be ISK 24,559,063,362, should the authorisation to increase the share capital be fully exploited. The above-mentioned authorisation of the Board of Directors of Isavia ohf. expires on the 31<sup>st</sup> of December 2021. This authorisation shall be revoked from the Articles of Association when it has been exercised.

3.2 One vote is attached to the State's share.

3.3 The Minister of Finance and Economic Affairs will govern the share of the Icelandic state in the Company.

3.4 Upon the entry-into-force of the merger of the State-owned limited liability companies, Flugstoðir and Keflavík International Airport, all assets and liabilities, rights and commitments of the companies, without any specific debt instruments shall belong to the Company, cf. Article 1 of Act no. 153/2009.

### 4.0 *Increase/decrease of share capital*

The Company's share capital may be increased with a resolution by a shareholders' meeting. Only a shareholders' meeting may decide to decrease the share capital.

### 5.0 *Sale and disposition of shares*

Selling the State's share in the Company, as well as other disposition of the share, is prohibited, cf. Article 3, paragraph 1, of Act no. 153/2009.

### 6.0 *Limited liability, borrowing*

6.1 A shareholder is not responsible for the Company's liabilities in excess of its holding in the Company.

6.2 The Company may not grant credit against shares in the Company.

- 7.0 *Shareholder's meetings, calls to meetings, etc.*
- 7.1 The supreme power of the Company's affairs is held by a lawful shareholder's meeting.
- 7.2 The Company's Board of Directors shall call shareholder's meetings with a notification to the shareholder by means of registered mail or telegram, or in another equally provable manner. The members of the Board of Directors, the managing director, and the Company's auditors shall be called to shareholder's meetings. The call to the meeting shall state the agenda of the meeting. The shareholder may authorize, by means of a written proxy, its representative to attend the shareholder's meeting and to wield its voting right.
- 7.3 The shareholder's meeting shall elect a chairperson and a secretary for the meeting. A Record of Minutes shall be kept into which decisions at shareholder's meetings are entered.
- 7.4 Proposals amending the Company's Articles of Association or on its merger with other companies or enterprises may not be addressed at shareholder's meetings unless this has been stated in the call to the meeting or subject to special consent by the shareholder.
- 7.5 The Board of Directors may decide that the shareholder may participate in the proceedings of the shareholder's meetings electronically without being present at the meeting. If the Board of Directors decides to exercise this authority it shall be specifically mentioned in the call to the meeting.  
The Board of Directors is authorised to decide that a shareholder's meeting shall only be held electronically. It shall be ensured that the shareholder can participate in the proceedings of the meeting and voting. The call to the meeting shall state how the shareholder announces his participation in the meeting and other information.
- 7.6 A shareholder's meeting is lawful if the shareholder is present or participates in the meeting by electronic means in a verifiable manner. The shareholder's vote determines the outcome of a matter at a shareholder's meeting.
- 8.0 *Annual general meetings, extraordinary meetings*
- 8.1 An annual general meeting shall be held before the end of June each year.
- 8.2 An annual general meeting shall be called at least 14 days in advance and the call to the meeting shall state the agenda of the meeting. The provisions of Article 7 apply to the annual general meeting as appropriate.
- 8.3 Representatives of the media shall be invited to the Company's annual general meeting. Additionally, members of Parliament are allowed to attend the Company's annual general meeting and to submit written queries.

- 8.4 The annual general meeting shall address the following matters:
- a) The Company's Board of Directors shall report on the Company's performance and operations during the past year of operation.
  - b) The Company's balance sheet and the income statement for the past year of operations shall be presented together with notes of the auditor of the Company for approval.
  - c) Election of the chairperson and the Board of Directors.
  - d) Election of the auditor.
  - e) A decision shall be made as to the handling of profit or loss, and about dividend, and contributions to the reserve fund.
  - f) The Board of Directors' remuneration policy shall be taken up for confirmation.
  - g) Decide remuneration to the members of the Board of Directors and the auditors.
  - h) Discussions and voting on other matters lawfully submitted.
- 8.5 The Company's Board of Directors shall call an extraordinary meeting on grounds of its decision or upon requirement by the elected auditors or the shareholder. Such requirement shall be filed in writing and stating the agenda of the meeting, in which instance the meeting shall be called within 14 days. An extraordinary meeting shall be called at least 7 days in advance. If the Board of Directors omits calling a meeting after receiving such a requirement, the assistance of the authorities may be sought according to the Act respecting public limited liabilities companies.
- 8.6 The use of electronic communications of documents and electronic mail in communications between the Company and its shareholder instead of submitting documents written on paper. The authorisation extends to any communication between the Company and its shareholder, such as a call to an annual general meeting, payment of dividends or other notifications that the Company's Board of Directors decides to send to the shareholder. Such electronic communication is equivalent to paper communication. The Board of Directors shall set rules on the execution of electronic communications.
- 9.0 *Board of Directors*
- 9.1 The Company's Board of Directors shall consist of 5 persons and 5 alternates who shall be elected at the annual general meeting for a one-year term. An equal number of men and women must be ensured as possible in the election of board members. The Board of Directors allocate the tasks among themselves.

- 9.2 The Company's Board of Directors manages all affairs of the Company between shareholders meetings and safeguards its interests towards a third party. The signatures of the majority of board members binds the Company.
- 9.3 The Board of Directors shall constitute a quorum if at least three members of the Board of Directors are present.
- 9.4 The chairman calls board meetings. Every board member may demand a meeting of the Board of Directors. The same right is held by the managing director. A record of minutes shall be maintained at board meetings.
- 9.5 The Board of Directors shall set rules of procedure further stipulating the execution of its duties, calls for attendance by alternates, etc. The rules of procedure of the Board of Directors shall be published on the Company's website.

#### 10.0 *Managing director*

- 10.1 The Company's Board of Directors hires the managing director and determines the terms of his/her employment. A member of the Board of Directors may not be hired to the position of managing director.
- 10.2 The board furthermore grants the managing director the power of attorney for the Company. The managing director is responsible for the daily operation of the Company and represents the Company in all matters relating to regular activities. The managing director is responsible for the Company's account and recruitment of personnel, however, he/she shall collaborate with the Board of Directors regarding the recruitment of the Company's executive management personnel.
- 10.3 The managing director shall provide the members of the Board of Directors and the auditor with any information regarding the Company's operation they may request and should be provided according to law.

#### 11.0 *Accounting year and auditing*

- 11.1 The year of operation and the fiscal year is the calendar year. Every year the Board of Directors shall compile the annual accounts of the Company and the board shall have completed the annual accounts and submitted them to the auditor not later than 4 weeks before the annual general meeting.
- 11.2 The Company's auditor is the Icelandic National Audit Office, according to Act respecting the Icelandic National Audit Office.

The auditor shall examine the Company's annual accounts in conformity with good audit practices and in this respect shall inspect the Company's books and other factors pertaining to its operation and financial situation. The auditor is always granted access to all books and documents of the Company. The auditor shall have completed auditing the annual accounts not later than 2 weeks before the annual general meeting. The

auditor shall submit the audited accounts to the Board of Directors together with notes. The audited annual accounts shall be presented at the Company's annual general meeting for approval.

11.3 The annual accounts, the consolidated accounts and the six-month interim accounts shall be published on the Company's website.

12.0 *Amendments to the Company's Articles of Association, dissolution*

12.1 These Articles of Association may be amended with the consent of the shareholder at a lawful annual general meeting or at an extraordinary meeting.

12.2 Proposals on dissolving and winding up the Company shall be as amendments to these Articles of Association. A shareholders' meeting that has entered into a lawful decision on dissolving or winding up the Company shall also determine the disposition of assets and the payment of debts.

13.0 *Other provisions*

13.1 The Company shall publish these Articles of Association on the Company's website.

13.2 In instances where the provisions of Act no. 153/2009 does not stipulate the disposition of matters, the provisions of these Articles of Association shall prevail, as well as the provisions of Act no. 2/1995 respecting government owned limited companies, and other provisions of law as applicable.

Thus accepted at the Company's general meeting held 12 January 2021.

Board of Directors of Isavia ohf.

Sign. Orri Hauksson  
Sign. Matthías Páll Imsland  
Sign. Eva Pandora Baldursdóttir  
Sign. Nanna Margrét Gunnlaugsdóttir  
Sign. Valdimar Halldórsson