

ARTICLES OF ASSOCIATION
FOR
EIMSKIPAFÉLAG ÍSLANDS HF.

1	THE NAME OF THE COMPANY, DOMICILE AND OBJECT	2
2	SHARE CAPITAL OF THE COMPANY	2
3	CORPORATE GOVERNANCE	3
4	SHAREHOLDERS' MEETINGS	3
5	BOARD OF DIRECTORS	7
6	ELECTION OF THE BOARD OF DIRECTORS	8
7	DIVISION OF TASKS; PARTICIPATION IN MEETINGS	8
8	MEETINGS OF THE BOARD OF DIRECTORS	8
9	CEO	9
10	ACCOUNTING AND AUDITING	9
11	THE COMPANY'S SHARES	9
12	AMENDMENTS TO THE ARTICLES OF ASSOCIATION	10
13	DISSOLUTION	10
14	MERGER	10
15	SPECIAL PROVISIONS ON INCREASE OF SHARE CAPITAL	10
16	OTHER PROVISIONS	10

ARTICLES OF ASSOCIATION
FOR
EIMSKIPAFÉLAG ÍSLANDS HF.

1 THE NAME OF THE COMPANY, DOMICILE AND OBJECT

- 1.1 The name of the Company is Eimskipafélag Íslands hf.
- 1.2 The Company is a public limited liability company.
- 1.3 The Company is domiciled in Reykjavík.
- 1.4 The Company's object is the operation, ownership and investment in transportation companies and other related activities.

2 SHARE CAPITAL OF THE COMPANY

Share capital – shares - votes

- 2.1 The Company's share capital is ISK 187,000,000.
- 2.2 Each share is divided into one ISK.
- 2.3 One vote is attached to each share at shareholders' meetings.

(Special provisions on increase of share capital and other special provisions are contained in Clause 15, if relevant).

Increase of share capital

- 2.4 Only a shareholders' meeting may decide to increase the Company's share capital, either by subscription of new shares or issuance of compensation shares.

Preemptive rights

- 2.5 Shareholders shall have a preemptive right to purchase new shares in proportion to their registered holdings. Exemptions from this are authorized; cf. Paragraph 3 of Article 34 of Act no. 2/1995 respecting Limited Liability Companies the ("**Company Act**").

Shares – share register

- 2.6 The Company's shares shall be issued electronically in accordance with the provisions of Act No. 131/1997 on Electronic Registration of Title to Securities.
- 2.7 A share register in accordance with the provisions of the Act on Electronic Registration of Title to Securities shall be regarded as sufficient proof of ownership over shares in the Company and dividends and all notifications shall be sent to the party which is at any time registered as an owner of the relevant shares in the Company's share register.

Sale of shares and changes of ownership

- 2.8 No restrictions are placed by the Company on the shareholder's right to sell his shares. The provisions of the Act on Electronic Registration of Title to Securities and rules based on such Act shall govern the change of ownership.

Rights and obligations of shareholders

- 2.9 Shareholders are obligated, without any statement on their behalf, to abide by the Articles of Association as they are issued or later lawfully amended. Shareholders will not, neither according to the Articles of Association or subsequent amendments, become obligated to increase their holdings in the Company and shall not be subjected to redemption of their shares. Shareholders are not responsible for the Company's obligations exceeding their holding in the Company unless they take on such liability in a legally binding document. This provision will not be changed or discontinued by any resolution of a shareholders' meeting.
- 2.10 No special rights accompany any shares.

Communication with shareholders

- 2.11 Electronic file communication and e-mailing is permitted between the Company and shareholders instead of sending and submitting written documents. The authorization extends to any kind of communication between the Company and shareholders, e.g. invitations to shareholders' meetings, distribution of dividends and other notifications which the Board of Directors sends the shareholders. Such electronic communication is equal to correspondence written on paper. The Board of Directors shall set rules stipulating the conduct of electronic communication and the standards of the software used for this purpose. The rules shall be accessible to shareholders. Shareholders who wish to communicate electronically with the Company shall send the Company a confirmation thereof in accordance with the rules set by the Board of Directors.

3 CORPORATE GOVERNANCE

- 3.1 The Company shall be governed by:
1. The Shareholders' Meetings.
 2. The Board of Directors.
 3. The CEO.

4 SHAREHOLDERS' MEETINGS

- 4.1 The supreme power of the Company's affairs, within the boundaries set by these Articles of Association and Icelandic legislation is in the hands of lawful shareholders' meetings.

Right to participation

- 4.2 Shareholders, shareholders' agents, the Company's accountants and the CEO, even if he is not a shareholder, have the right to participate in shareholders' meetings. Furthermore, the Board of Directors may invite specialists to attend the shareholders' meeting if their advice or assistance is required.

- 4.3 The Board of Directors is authorized to decide that shareholders may participate in shareholders' meetings by electronic means without being physically present. If the Board of Directors feels that the Company has equipment which is sufficiently safe to allow shareholders to participate in shareholders' meetings electronically without being physically present and the Board of Directors decides to use this authorization it shall be announced in the invitation to the meeting.

Electronic Shareholders' Meetings

- 4.4 The Board of Directors may decide that a shareholders' meeting only be held electronically.
- 4.5 If the Board of Directors feels that the meeting can be held only electronically with suitable equipment and thereby allowing shareholders to participate electronically, the invitation to the meeting shall clearly give information regarding the technical equipment and information on how shareholders notify the Company of their electronic participation and where they can receive information, instructions and a password for participation. An inserted password into a computer system is deemed to be equal to the shareholder's signature and is viewed as valid participation in the shareholders' meeting.
- 4.6 Shareholders who intend to participate electronically in shareholders' meetings shall notify the Company's office with 5 days' notice thereof and submit written questions regarding the agenda or documents to be presented at the meeting which they require answers to.
- 4.7 The shareholders shall have access to instructions regarding electronic participation in shareholders' meetings along with a password and necessary equipment for participation. An inserted password into a computer system is deemed to be equal to the shareholder's signature and is viewed as valid participation in the shareholders' meeting.

Voting outside a meeting

- 4.8 If the Board of Directors feels that it is not possible to allow shareholders to participate in shareholders' meetings electronically they shall be allowed to vote on proposals or participate in voting in writing. The Board of Directors shall set rules regarding the execution of such voting.

Power of Attorney

- 4.9 A shareholder may send an agent to the shareholders' meeting on his behalf. The agent shall submit a written power of attorney or an electronic power of attorney which shall be dated. The power of attorney shall never be valid for more than one year from its date.
- 4.10 A power of attorney will not be validly revoked after it has been submitted at the delivery of meeting documents or after the shareholders' meeting has been declared open, which ever happens first.

Lawfulness of Shareholders' Meetings

- 4.11 A shareholders' meeting is lawful without regard to attendance if it is lawfully called for.

Annual General Meeting

- 4.12 An Annual General Meeting shall be held within five months from the end of the financial year each year. Annual General Meetings shall be called with the same method as other shareholders' meetings in accordance with the provisions of Clause 4.16 to 4.21.

Agenda of the Annual General Meeting

- 4.13 The following matters shall be addressed at Annual General Meetings:

1. The Board of Director's report on the Company's operations in the past year shall be presented. At the same time the Board of Directors shall present a short summary of the shareholding of each shareholder and their right to vote; and other changes that have occurred in the past year.
2. Confirmation of annual accounts and decision on the handling of profit or loss of the financial year.
3. Decision on payments to board members.
4. Proposals of the Board of Directors regarding the remuneration policy.
5. Election of the Board of Directors in accordance with the provisions of Clause 5.1.
6. Election of auditor in accordance with the provisions of Clause 10.1.
7. Proposals from shareholders which shall be on the agenda according to the provisions of Clause 4.22, cf. paragraph 4 of Article 88 of the Company Act.
8. Other matters.

- 4.14 If shareholders who control at least 1/3 of the Company's share capital insist, a decision on item 2 on the agenda shall be postponed to the extended Annual General Meeting which shall be held no earlier than one month and no later than two months later. No further continuance can be requested.

- 4.15 The Company's annual accounts, report of the Board of Directors, and report of the auditor shall be available for review by the shareholders at the Company's offices 7 days before the Annual General Meeting.

Invitation to Shareholders' Meetings

- 4.16 The Board of Directors shall call for shareholders' meetings when it deems it necessary, or when the elected auditor or shareholders controlling at least 5% of the share capital insist in writing and suggest an agenda for the meeting.
- 4.17 When a lawful claim for a shareholders' meeting is presented, the Board of Directors is obligated to call for a meeting within 14 days from receiving such a claim. If the Board of Directors has not called for a meeting within that time limit a meeting can be called for in accordance with the provisions of paragraph 2 of Article 87 of the Company Act.
- 4.18 Shareholders' meetings shall be called for by electronically means and by advertisement in media.

Notice

4.19 Shareholders' meetings shall be called for with a minimum of three weeks' notice and maximum four weeks' notice.

4.20 Shareholders' meetings shall be called for by electronically means which ensure swift access to the call on equal grounds. Trustworthy media shall be used which ensures the circulation of the invitation to the public in the European Economic Area. The meeting shall also be called for with an advertisement in Icelandic media.

4.21 The invitation shall at least include information regarding:

- 1) The place of the meeting, time and draft agenda. If a proposal on amendments to the Company's Articles of Association is to be addressed at the meeting the substance of the proposal shall be described in the invitation.
- 2) Clear and precise rules on participation in and voting at shareholders' meetings.
- 3) Where and how shareholders can get:
 - a) Documents that will be presented at the shareholders' meeting.
 - b) Proposals and/or comments of the Board of Directors or its committees on each item on the draft agenda.
 - c) Shareholder proposals as received by the Company.
- 4) Website where information can be located on the issues that shareholders shall, according to law, have access to in connection to a shareholders' meeting.

Proposals from shareholders

4.22 Each shareholder has the right to have certain matters addressed at the shareholder's meeting if he so requests in writing to the Board of Directors of the Company with time enough in advance so that the matter can be placed on the agenda and presented to shareholders before the meeting.

Agenda

4.23 The agenda shall be available for shareholders' review at the Company's office, along with final proposals to be addressed at the meeting, no later than seven days before the meeting.

Proposals for changes

4.24 Lawfully proposed additions- or amendments may be presented on the shareholders' meeting itself, even though they were not available for the shareholders' review prior to the meeting.

Matters not on the agenda

4.25 Matters which have not been listed on the agenda may not be finally resolved at the shareholders' meeting without the consent of all shareholders in the

Company. Those matters may however be resolved as directions to the Board of Directors.

- 4.26 If proposals under the heading "Other matters" are presented they may not be finally resolved at the meeting, cf. 4.23.

Chairman

- 4.27 Shareholders' meetings are chaired by a chairman elected by the meeting and he will nominate a secretary with the approval of the meeting. The chairman shall solve all matters which arise concerning the lawfulness of the meeting and its conduct in accordance with these Articles of Association and Icelandic legislation. The chairman shall furthermore decide the form of discussions, procedures for addressing matters at the meeting and voting.

Minutes of Shareholders' Meetings

- 4.28 Minutes of the meeting shall be kept in detail and all resolutions and results of voting recorded. The minutes shall be read out loud at the end of the meeting and comments on the minutes noted in the minutes. The minutes shall be signed by the chairman of the meeting and secretary. The minutes shall constitute full proof of the events of shareholders' meetings.

Weight of votes

- 4.29 A simple majority of votes will decide matters at shareholders' meetings unless otherwise stipulated in these Articles of Association or Icelandic law. A proposal is rejected if votes are equal. If two or more persons receive the equal amount of votes in elections a coin tossup shall determine the election.

5 BOARD OF DIRECTORS

- 5.1 The Annual General Meeting of the Company annually elects 5 members and two alternate members for the Board of Directors. Their ability is determined by law. Alternate board members attend meetings of the Board of Directors when board members are unable to participate in meetings in accordance with the Rules of Procedures of the Board of Directors.
- 5.2 The proportion between genders in the Board of Directors shall be as even as possible and the proportion of each gender shall never go below 40%. (This provision shall take effect from 1 September 2013).

Candidacy

- 5.3 Those who intend to run for the Board of Directors shall notify the Board of Directors of their candidacy at least 5 days before a shareholders' meeting. The notification shall list the name, identification number and address of the candidate along with information about his or her main employment, other board memberships, education, experience and shareholdings. Candidates shall furthermore list any interest connected to shareholders, directors, officers, clients or competitors of the Company and shareholders controlling more than 10% of the Company.
- 5.4 The Board of Directors shall review notifications of candidacy and give the candidate, in a verifiable manner, the opportunity to correct any flaws the notification has within a specific time limit. If the flaws are not corrected

within the given time limit the Board of Directors shall decide on the validity of candidacy, which such decision shall control. The Board's decision can be put to the decision of the shareholders' meeting which shall have supreme power in deciding the validity of the candidacy.

- 5.5 Information about candidates for the Board of Directors shall be available for shareholders' review at the Company's offices no later than 2 days before the shareholders' meeting.

6 ELECTION OF THE BOARD OF DIRECTORS

- 6.1 The election of board members shall be based on proportional voting, cf., Paragraph 6 of item b of Article 63 of the Company Act.
- 6.2 The election shall usually be written if the number of candidates is greater than the number of board members to be elected.

7 DIVISION OF TASKS – PARTICIPATION IN MEETINGS

- 7.1 The Board of Directors elects a chairman of the board from the members of the board. Otherwise the Board of Directors divides tasks as necessary.
- 7.2 The chairman of the Board of Directors calls board meetings and chairs the meetings. Board meetings shall be held whenever the chairman deems necessary. A meeting shall be held if any board member or the CEO requests.
- 7.3 The board members may participate in board meetings through communication systems (e.g. telephone).

8 MEETINGS OF THE BOARD OF DIRECTORS

Lawfulness of board meetings

- 8.1 A board meeting is able to make decisions when at least four of board members participate in meetings. If possible, an important decision may not be taken without all members of the Board of Directors having had a chance to discuss the matter.

Voting

- 8.2 A simple majority of votes of all directors (i.e., the affirmative vote of at least three directors) decides matters in board meetings, provided, however, that the affirmative votes of at least four out of five directors shall be required to approve significant corporate actions, as is further provided for in the Rules of Procedure for the Board of Directors ("Rules of Procedure"). A proposal is rejected if votes are equal.

Minutes of meetings

- 8.3 Board members shall keep minutes of meetings and confirm the minutes with their signature.

Goals and obligations

- 8.4 The Board of Directors has supreme powers in matters concerning the Company between shareholders' meetings and sets the Company's goals regarding its business and represents the Company's and the shareholder's interests in accordance with the object of the Company. The Board of Directors governs the social affairs of the Company between shareholders' meetings and binds the Company with its resolutions and agreements. The Board of Directors hires a CEO, one or more, decides his terms of employment and executes a written contract of employment.
- 8.5 The Board of Director grants power of procuration. Signatures of the majority of the Members of the Board are binding for the Company. For important decisions the signatures of four out of five Members of the Board is required, as is stipulated in the Rules of Procedures.
- 8.6 The Board of Directors works in accordance with rules set by the Board of Directors in accordance with the Company Act.

Board committees

- 8.7 If committees working on behalf of the Board of Directors are elected in accordance with provisions of the Rules of Procedure their conclusions shall only be directive for the Board of Directors and it is not bound by their conclusions when resolving matters unless otherwise stipulated by law.

9 CEO

- 9.1 The CEO handles the day to day operations of the Company in accordance with the rules the Board of Directors has or will set forth. The day to day operations do not include matters which are unusual or of great significance.
- 9.2 The CEO shall make sure the Company's accounts are kept in accordance with law and practice and that the Company's assets are kept in a secure manner.
- 9.3 The CEO is obligated to abide by all instructions of the Board of Directors. He shall give the auditor any information he requests.

10 ACCOUNTING AND AUDITING

- 10.1 The financial year of the Company is the calendar year. The annual accounts shall be audited by an auditing company. An auditor or auditor company shall be elected at an Annual General Meeting for a term of one year.

11 THE COMPANY'S SHARES

- 11.1 The Company is authorized to own up to 10% of the Company's share capital. Votes are not attached to shares owned by the Company. The Company can only acquire shares in accordance with the authorization of a shareholders' meeting to the Board of Directors. An authorization to the Board of Directors to purchase shares in the Company may not be valid for more than 5 years at a time. Rules concerning purchasing and selling shares shall be stipulated in the rules of the Board of Directors.
- 11.2 The Shareholder Meeting of Eimskipafélag Íslands hf. held on 24 July 2018 grant the Board of Directors the authorization to acquire up to 18,000,000, in

one or more transactions, own shares each in the nominal amount of one Icelandic krona. This authorization may be used for setting up formal share repurchase programs or for the purpose of offering shareholders generally to sell their shares to the Company, through auction, provided equal treatment of shareholders is safeguarded when such offer is made. This authorization has a fixed term of 18 months and is limited so that the ownership of the Company, and subsidiaries, do not exceed 10% of the Company's share capital. The purchase price shall be in accordance with Article 55, paragraph 3 of Act No. 2/1995. Other older authorizations to purchase own shares are cancelled by accepting this authorization.

12 AMENDMENTS TO THE ARTICLES OF ASSOCIATION

- 12.1 The Articles of Association may only be amended by a lawful shareholders' meeting as long as the proposal for the amendment is described in the invitation to the meeting. The decision is only valid if approved by 2/3 of the votes and approved by shareholders controlling at least 2/3 of the votes represented at the shareholders' meeting.

13 DISSOLUTION

- 13.1 Should it be advisable or necessary to dissolve the Company, proposals thereof shall be governed by Chapter XIII of the Company Act.

14 MERGER

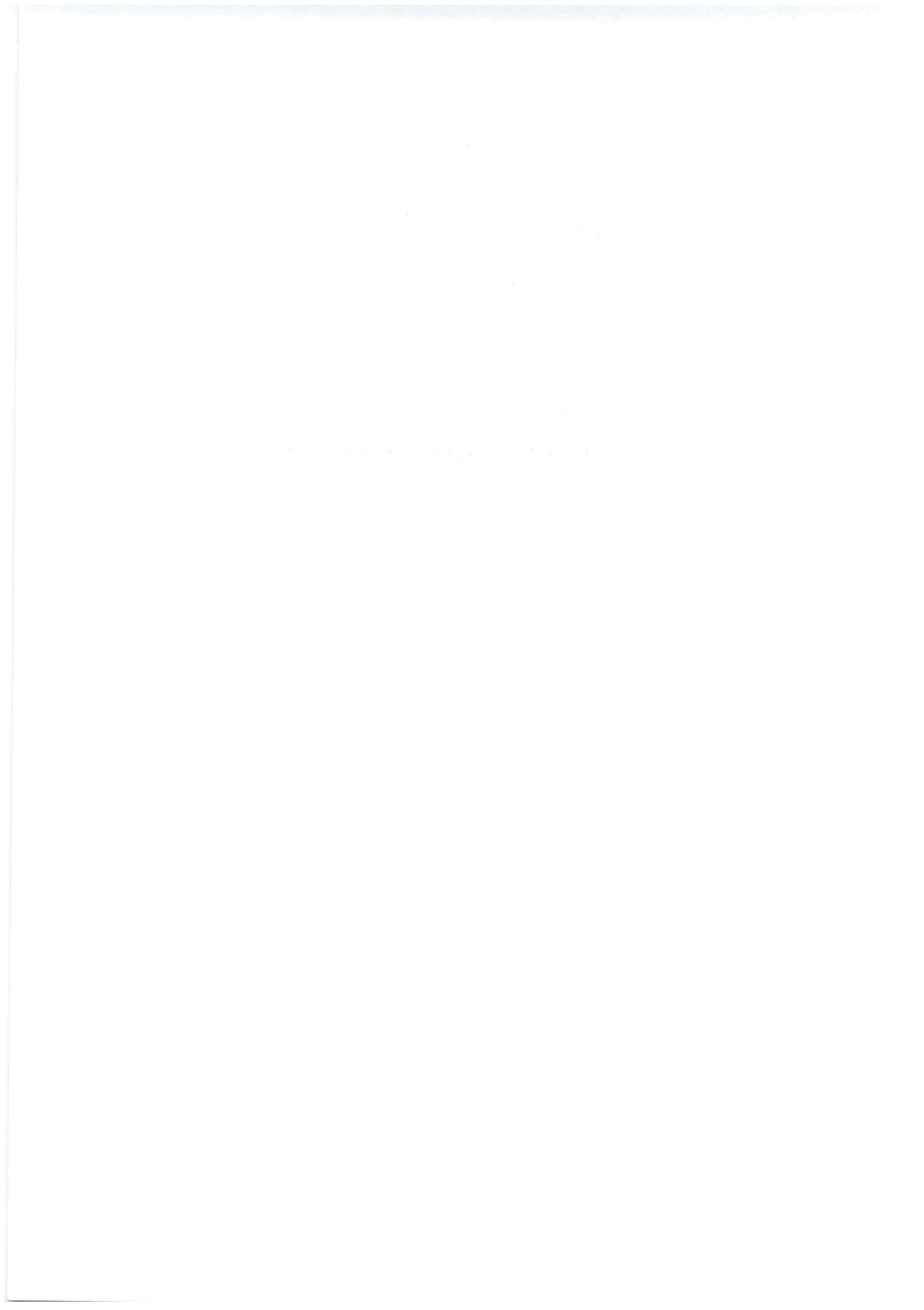
- 14.1 The provisions of Chapter XIV of the Company Act shall apply to a merger of the Company with other companies.

15 SPECIAL PROVISIONS ON INCREASE OF SHARE CAPITAL

- 15.1 The Board of Directors of the Company is authorized to decide upon an increase of the share capital by up to EUR 110,000,000 shares nominal value by issuing new shares, in a single tranche or in multiple tranches. The authorization is valid until 27 March 2019 and lapses on that day to the extent that it has not already been utilized. The authorization shall only be applied in relation to additional growth of the Company and investments. Shareholders do not have pre-emptive subscription rights to shares issued under this authorization. The new shares shall grant rights in the Company from the recording of the increase of the share capital.

16 OTHER PROVISIONS

- 16.1 Where the provisions of these Articles of Association do not stipulate the form of proceedings the provisions of the Company Act no. 2/1995 shall be abided by.





Information in reduced form within parentheses shall not be considered part of the Articles of Association, rather provided for the sake of convenience.

This is an English translation of the Icelandic original Articles of Association. The original Icelandic text is the authoritative text. Should there be discrepancy between this translation and the authoritative text, the Icelandic original prevails.

Reykjavík, 24 July 2018

On behalf of the Board of Directors
of Eimskipafélag Íslands hf.

PR. PR. Guðr. Sigrússon