

HF. EIMSKIPAFÉLAG ÍSLANDS
ARTICLES OF ASSOCIATION

Section 1
The Company's Name, Domicile and Object

Art. 1

The Company is a Public Limited Liability Company and its name is Hlutafélagið Eimskipafélag Íslands (Hf. Eimskipafélag Íslands).

Art. 2

The Company's domicile and venue are at Reykjavik. The Company's address is at Korngarðar 2, Reykjavik.

Art. 3

The Company's object is operations, ownership and investments in Companies engaged in transportation operations and other related businesses.

Section II
The Company's Share Capital

Art. 4

The Company's share capital amounts to 1.793.599.135 (one billion seven hundred ninety three million, five hundred ninety nine thousand one hundred and thirty five kronur) and is divided into an equal number of shares amounting to one krona each. One vote attaches to each krona.

The Company's Board of Directors is authorized to raise the Company's share capital by up to ISK 406,400,865 by means of subscription to new shares. The Company's Board of Directors shall determine the nominal value of new shares, tender rate and terms of payment, cf. Chapter V of the Act respecting Public Limited Companies No. 2/1995. Shareholders do not have priority right of subscription to the new shares, cf. Article 34 of the Act respecting Public Limited Companies. The new shares shall grant rights as of the date of registration of the share capital increase. The Board of Directors of the Company is authorized to decide that subscribers to the share capital pay for the new shares in part or wholly by other means than cash. The authorization of the Board of Directors to raise the share capital in accordance with the present paragraph will be cancelled on November 21st 2011 to the extent that it then still remains unused.

The shareholders meeting, held on November 21st 2006, agrees, with reference to Chapter VI of the Act respecting Public Limited Companies, especially Article 48, to authorize the Board of Directors to take a loan which provides the creditor with a right to convert its claim to shares in the company. The Board of Directors is authorized to issue debt instruments to the amount of CDN\$ 100,000,000 bearing 15% annual interest which shall be calculated from the issuing date. The owner of the debt instruments is authorized to convert the claim to shares in the company instead of receiving payment in cash. The claim can be converted to shares at any time prior to the Maturity date which is specified in the debt instruments to be no later than December 31st 2011. The owner of the debt instruments is authorized, at any time during the period, to send notification in writing to the Board of Directors with 5 business days notice, to demand the conversion. The amount of convertible debt shall be calculated by adding accrued interest to the capital claim, and that is the total amount which the owner can convert to shares at the rate 40. Article 47, paragraph 4 of the Act respecting Public Limited Companies shall apply to the conversion.

The Board of Directors is authorized to increase the share capital of the company by up to the nominal amount of ISK 200,000,000 to meet these obligations. The shareholders' priority right shall not apply to the increase according to this authorization. The new shares shall grant rights in the company from the registration date of the increase. The Board of Directors may utilize this authorization in steps during the next five years.

The rights of the owner of the debt instruments shall not be altered if the company increases or decreases its share capital during the period. The same applies if the company issues new convertible debentures or bonds or subscription rights. Should the company merge with another or be acquired the right of the owner shall remain unaltered.

The company agrees that it shall not, without the owner's prior approval, such approval not to be unreasonably withheld, increase the company's shares by an amount which would make it impossible or unlawful for the owner to convert the outstanding debt instruments to shares. If the motion is approved a sample of the debt instruments shall be added to the Articles of Association as a temporary clause.

A shareholders' meeting alone may determine a reduction of share capital.

Art. 5

The Company's Board of Directors are authorized to determine that the Company's share certificates be recorded electronically in conformity with the provisions of Act No. 131/1997 respecting the Electronic Registration of Securities.

Art. 6

The Company's Board of Directors shall keep a register of the shares in a legal form.

Transcription from a Securities Central concerning ownership of shares in the Company is deemed to represent a satisfactory basis for a register of shares and this will grant complete rights as stipulated by the Company's Articles of Association.

The register of shares shall be kept in the Company's office and all shareholders have access thereto and may acquaint themselves with the contents thereof.

Art. 7

No special rights attach to shares in the Company. Shareholders are not in duty bound to be subject to redemption of their shares.

Art. 8

The Company is authorized to own or accept hypothecation of shares in conformity with the provisions of Section VIII of Act No. 2/1995 respecting Public Limited Liability Companies.

Art. 9

Shares in the Company may be sold and hypothecated, unless an alternative is required by law.

Changes in ownership of shares, irrespective of whether these occur through sale, gift, inheritance, administration of estate or execution, shall at all times be notified to the Company's office as soon as these occur and the record of shareholders shall then be amended in conformity therewith.

A person acquiring a share in the Company cannot apply his rights in the capacity of a shareholder unless his name has been recorded in the register of shareholders or he has given notice and evidence of his ownership of the share.

Vis-à-vis the Company the register of shares shall be considered to constitute fully valid evidence of ownership of shares in the Company and dividend at each given time as well as compensation share certificates, calls to meetings and all

notifications shall be sent to the party who is at each given time the registered owner of the share concerned in the Company's register of shares. Dividend shall be paid to those who are registered owners of shares in the Company's register of shares at the end of the day when the general meeting is held, unless the Company has received a notification that the dividend has been assigned with assignment of shares.

The Company is in no way responsible in case payments or notifications go astray in transit due to negligence in notifying the Company of changes in owners or residence.

Art. 10

Each shareholder is in duty bound, without a special obligation, to abide by the Company's Articles of Association as these are at present and may subsequently be amended in a lawful manner.

Shareholders are not responsible for the Company's liabilities in excess of their holdings in the Company.

Section III Shareholders' Meetings

Art. 11

The supreme power in the Company's affairs, within the limits imposed by the present Articles of Association and national Laws, is in the hands of lawful shareholders' meetings.

The right to attend the Company's shareholders' meeting is held by shareholders, their representatives and advisors, the Company's Auditor and the General Manager.

A shareholder may have a representative attend a shareholders' meeting on his behalf. A representative shall submit a dated Power of Attorney in writing. Power of Attorney will never remain valid longer than for five years as of the date thereof. Power of Attorney may be withdrawn at any time.

A shareholder is authorized to attend a meeting along with an advisor. An advisor does not have the right of speech, proposal or vote at shareholders' meetings.

The Company's Auditor and General Manager have complete right of speech and submission of motions at shareholders' meetings although they be not shareholders.

The Company's Board of Directors are authorized to invite specialists to attend individual meetings in case their opinion or assistance need be sought.

Art. 12

An Annual General Meeting shall be held before the end of May each year.

An Annual General Meeting shall be called by means of an advertisement in a daily paper or in an alternative verifiable manner. The agenda of the meeting shall be stated in the call to the meeting. In case there is to be taken for processing a motion for amendment to the Company's Articles of Association the principal subject of the motion shall be specified.

An Annual General Meeting shall be called at a minimum advance notice of a week, but a maximum advance notice of four weeks. An Annual General Meeting is lawful if it is legally called without regard for the number of attendants.

The Board of Directors may determine that shareholders may participate electronically in shareholders' meetings without being present. Shareholders who intend to take advantage of their right to participate electronically shall notify the company's office with 5 day prior notice and submit, in writing, any questions they might have regarding the agenda or presented documents they wish to have answered at the meeting.

If the Board of Directors is of the opinion that sufficiently secure equipment is available and decides to use this authorization it shall be clearly noted in the invitation to the meeting.

Shareholders shall have electronic access to instructions on the electronic device used for participation in the shareholders meeting along with a password. The entered password is equal to the shareholder's signature and is seen as confirmation of his participation in the meeting.

The Board of Directors is also authorized to decide that the Shareholder's meeting will only be held electronically.

If the Board of Directors believes that the meeting can be held entirely electronically with satisfactory equipment and thereby giving the shareholders a chance to participate in the meeting and voting, the invitation to the meeting shall contain information on the necessary equipment shareholders need for participation, along with information on how shareholders notify the company of their electronic participation and where they can get information, instructions and a password for participation. The entered password is equal to the shareholder's signature and is seen as confirmation of his participation in the meeting.

If the Board of Directors feels that it is not plausible to give the shareholders a chance to participate in the shareholder's meeting electronically they shall be given the chance to vote in writing. The invitation to the meeting shall specify how such a vote can be performed. Shareholders can request to have their ballot sent and a request thereof shall be delivered to the company's headquarters 5 days prior to the shareholder's meeting. The shareholders can also collect their ballot at the company's headquarters with the same notice or vote there.

Art. 13

At an Annual General Meeting the following matters shall be taken for consideration: -

1. The Board of Directors report relating to the Company's activities during the immediate year of operations.
2. The Company's annual accounts for the past year of operations and the Company's Auditor's report submitted for confirmation.
3. Decision concerning the handling of the Company's profit or loss during the fiscal year.
4. Decision concerning remuneration to members of the Board of Directors during the next year of operation and to the Auditor for the past year of operation.
5. The Board of Directors proposal for a Remuneration Policy.
6. Motions for amendments to the Company's Articles of Association, if received.
7. Election of Board of Directors.
8. Election of an Auditor or an Audit firm, cf. Art. 23.
9. Other matters.

In case shareholders controlling a minimum of a third of the share capital so require in writing at an Annual General Meeting a decision on items 2 and 3 shall be postponed until an Extended Annual General Meeting which shall be held at the earliest one month and at the latest two months later. Further postponement cannot be required.

Art. 14

Other shareholders' meetings shall be held when the Company's Board of Directors deem there to be reason therefor, according to a resolution of a meeting or if an elected Auditor or shareholders controlling a minimum of a tenth

of the share capital so require in writing, specifying the agenda, but a shareholders' meeting shall then be called within fourteen days as of the time the requirement was received by the Board of Directors.

A shareholders' meeting shall be called at a minimum advance notice of a week and a maximum advance notice of four weeks. Shareholders' meetings shall be called by means of advertisements in daily papers or in another verifiable manner. The lawfulness of shareholders' meetings other than Annual General Meetings shall be subject to the same rules as the legality of an Annual General Meeting, cf. para. 3, Art. 12.

Art. 15

Each shareholder is entitled to have a specific matter taken for consideration at a shareholders' meeting if he files a requirement in writing to that effect with the Company's Board of Directors at sufficient advance notice to render it possible in accordance with the present Articles of Association to adopt the matter to the agenda of the meeting.

A call to a meeting shall specify the matters to be taken for consideration at a shareholders' meeting. At a minimum advance notice of a week before a shareholders' meeting an agenda, final motions as well as annual accounts, the Board's report and the Auditor's report, in case of an Annual General Meeting, shall be submitted on view for shareholders at the Company's office.

Matters which have not been specified in the agenda of a shareholders' meeting cannot be taken for final resolution at the meeting except with the approval of all the Company's shareholders, but a resolution may be made thereon for the guidance of the Company's Board of Directors. Although a matter has not been mentioned in an agenda this does not prevent a decision to call an Extraordinary Meeting to deal with the matter, but an Annual General Meeting may at all times despatch matters which it is obligatory to take for consideration there according to Laws or Company Articles of Association.

Legally presented Motions for addition or amendment may be submitted at the meeting proper even if these have not been available on display for shareholders.

Art. 16

The Chairman of the Company's Board of Directors will open shareholders' meetings and direct the election to the Chair. The Chairman of a meeting will direct shareholders' meetings and the election of a Secretary for a meeting. At the outset of the meeting the Chairman will ascertain as to whether it has been lawfully convened so that a meeting be lawful and will declare as to whether this be so. He will direct all debates and castings of votes.

When a meeting has been opened a list of shareholders and shareholders' representatives attending a meeting shall be prepared in order that it be clear how many shares and votes each one controls. This list shall be used until a shareholders' meeting may amend it.

Art. 17

The Secretary of a meeting will keep a Record of Minutes. Therein shall be recorded the decisions of a shareholders' meeting along with the conclusions of votes cast. A list of present shareholders and their representatives shall be entered in the Record of Minutes and shall attach thereto. The Record of Minutes shall be read aloud prior to the end of a meeting and comments presented, if any, shall be entered therein. The Chairman and the Secretary of a meeting shall sign the Record of Minutes.

At the latest fourteen days after a shareholders' meeting shareholders shall gain access to the Record of Minutes or a certified transcription of Minutes at the Company's office. The book containing the Record of Minutes shall be preserved in a secure manner.

Recorded Minutes shall constitute complete evidence of that which has occurred at meetings.

Art. 18

At a shareholders' meeting one vote attaches to each krona (ISK) of share capital.

At a shareholders' meetings the plurality of votes will decide issues, unless alternative stipulations be contained in the present Articles of Association or national Laws. In case of equal votes being cast in votings in the Company lots will be drawn to decide the issue. Votes shall be cast by means of written ballot if any voting member of a meeting so requires.

The approval of all shareholders is required for the following purposes: -

- (a) To obligate shareholders to contribute funds or other elements for the Company's needs in excess of their obligations.
- (b) To obligate shareholders to be subject to redemption of their shares in part or in full, unless the Company be dissolved or the share capital be lawfully reduced.
- (c) To restrict persons' handling of their shares in excess of that which is specified in Art. 9 of the present Articles of Association.
- (d) To alter the Company's object to a considerable extent.
- (e) To amend the provisions of the Articles of Association concerning privileges, the right to vote, in case priority shares might be issued or concerning persons' participation in the Company or equality between them.

Section IV

The Company's Board of Directors

Art. 19

The Company's Board of Directors consist of a maximum of five and a minimum of three persons who shall be elected annually at an Annual General Meeting. No Reserve shall be appointed. The qualification of Directors is subject to the Act respecting Public Limited Liability Companies. Those making themselves available for the Company's Board of Directors shall give notice thereof in writing to the Board no later than five days before the beginning of the Annual General Meeting at which the election of a Board is on the agenda.

In addition to a candidate's name, an identity number and address, information about main occupation, other directorships, education, experience and holdings of share capital in the company shall be stated in the notification of candidature. Furthermore, all interest links with the principal business parties and competitors of the company as well as with shareholders holding over 10% shares in the Company shall be disclosed.

The company's Board of Directors shall check the notifications of candidature and afford the parties concerned in a verifiable manner an opportunity of improving the shortcomings of the notification within a specified time limit, which shall be no longer than 24 hours. If shortcomings to the notification of candidature are not improved within the specified time limit the company's Board of Directors will decide upon the validity of candidature. It is possible to refer the conclusion of the Board of Directors to a shareholders' meeting which wields final decisive power concerning the validity of candidature.

Information concerning candidates to the Board of Directors of a Public Limited Company shall be submitted on display to shareholders at the company's headquarters no later than two days in advance of an Annual General Meeting.

In case proposals are submitted for a larger number of persons than are to be elected multiplication elections shall be applied. The Company's Board of Directors will elect a Chairman and delegate duties among themselves as is deemed necessary.

Art. 20

The Chairman will call Board meetings and direct these. A meeting shall be held whenever he deems this necessary. The Chairman is also in duty bound to call a Board meeting when required by a single Director or the General Manager. Board of Directors meetings are lawful if the majority of the Board is present. The plurality of votes will decide issues. In case of even votes, the Chairman's votes will be decisive.

Directors shall keep a Record of Minutes on that which occurs at Board meetings and confirm this by means of their signatures.

Art. 21

The Company's Board of Directors wield supreme power in Company affairs between shareholders' meetings.

The Company's Board of Directors will engage a General Manager for the Company and will determine his terms. The Company's Board of Directors and General Manager jointly undertake the administration of the Company.

The Board alone may grant Power of Procuration for the Company.

Signatures of two Directors bind the Company. In other respects the powers, responsibility and work of the Board will be in accordance with Laws and working rules which the Board shall lay down for themselves.

Art. 22

The General Manager undertakes the daily operation of the Company and he shall in that respect abide by the policy and instructions given by the Company's Board of Directors. Daily operations do not extend to arrangements which are unusual or of a major character. The General Manager may make such arrangements only in accordance with special authority from the Company's Board of Directors, unless it be not possible to await the decision of the Company's Board of Directors without considerable disadvantage for the Company's activities. In such instances the Company's Board of Directors shall be given notice of the arrangement without delay.

The General Manager shall arrange for accounting and finances being in conformity with the Laws and good customs and that the handling of the Company's assets be arranged in a secure manner.

The General Manager will engage Company employees. He will also give employees notice of termination and deal with their wage affairs.

Section V Accounts and Audit

Art. 23

At an Annual General Meeting there shall be elected for the Company for one year at a time one Chartered (Certified Public) Accountant or a firm of Auditors. An Auditor may not be elected from the group of Directors or employees. The qualification and acceptability of an Auditor are in other respects subject to Laws.

Art. 24

The Company's operational and fiscal year is from November 1st to October 31st. The Company's Board and General Managers shall prepare annual

accounts for each fiscal year and these shall contain a Profit and Loss Account, Balance Sheet, survey of cash flow and explanatory notes.

The annual accounts shall be prepared in accordance with Laws and good accounting practice, both as it pertains to assessment of the various items, layout, specification, explanatory notes and titles of items.

Art. 25

The Auditor shall audit the Company's annual accounts in conformity with good auditing practice and shall in that connection investigate the Company's book-keeping documentation and other sectors which relate to its operation and status.

Upon completion of Audit the Auditor shall sign the annual accounts and the signature shall attach to the annual accounts as being his report.

Section VI Amendments to the Company's Articles of Association

Art. 26

The present Articles of Association may be amended at a lawful Annual General Meeting or another shareholders' meeting with the votes of shareholders controlling a minimum of two-third of the Company's share capital represented at the meeting, provided that an alternative voting power be not stipulated in the Company's Articles of Association or national Laws.

Motions respecting Amendments to the Articles shall be mentioned in the call to the meeting.

Section VII Dissolution of the Company

Art. 27

Motions relating to administration and dissolution of the Company shall be handled like amendments to the present Articles of Association. The same applies to any kind of merger or amalgamation with other Companies and to sale of all its assets.

A decision on dissolution of the Company shall be taken by shareholders controlling a minimum of two-third of shares out of the Company's total share capital. A shareholders' meeting having made a lawful decision to dissolve or administer the Company shall decide whether a Probate Court or an Administration Committee elected at a shareholders' meeting shall direct the administration.

In case a shareholders' meeting has made a decision concerning dissolution of the Company the Register of Limited Liability Companies shall forthwith be given notice of that decision.

Section VIII Other Provisions

Art. 28

Where the provisions of the present Articles of Association do not stipulate proceedings the provisions of the Act respecting Public Limited Liability Companies as well as other provisions of Laws which may be applicable shall be abided by.

The present Articles of Association were latest amended at an Annual General Meeting held on February 27th 2007.

Reykjavik, February 27th 2007