

ARTICLES OF ASSOCIATION

FOR

ICELANDIC GROUP PLC.

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Version
January 2007

ARTICLES OF ASSOCIATION
for the Limited Liability Company

Icelandic Group Plc.

1. Name of the Company, Domicile and Object.

- 1.01 The name of the Company is ICELANDIC GROUP hf.; the English byname of the Company is ICELANDIC GROUP Plc.
- 1.02 The Company is a limited liability company.
- 1.03 The domicile of the Company is Borgartún 27, Reykjavik.
- 1.04 The Company is a holding company of domestic and foreign subsidiaries and associated companies that produce, purchase and sell or are in agency of marine products and any other food products and supplies. The Company invests in other companies and operates other related business activities, both internally and externally, pursuant to a decision of the Board of Directors of the Company.

2. Share Capital of the Company.

Share Capital – Shares.

- 2.01 The share capital of the Company is ISK 2,893,248,244.

The shares of the Company are divided into shares of one króna or the multiple thereof.

The Board of Directors of the Company is authorized to increase the share capital of the Company of up to ISK 110 million, in stages, through the sale of new shares in connection with stock option agreements which may entered into by the Board of Directors with employees of the Company.

Shareholders' pre-emptive rights to the share capital increase pursuant to the Act Respecting Public Limited Liability Companies and the Articles of Association shall not apply, cf. authorization in Article 34 on the increase of share capital from the Act Respecting Public Limited Companies No. 2/1995.

The Board of Directors is authorized to decide the offering price and sales procedure of the shares based on agreements entered into by the Board with the employees in question at any time, and the Board may deviate from the listed sale price of the shares on the Stock Market at the time the said agreements are concluded or performed.

(So approved at the Annual General Meeting of the Company on March 9, 2001. Registered capital increase 15.9. 2004 kr. 55,000,000)

The Board of the Company may increase the share capital of the Company of up to ISK 2,000,000,000 (two billion) – through the sale of new shares in the Company.

(So approved at the Share Holders Meeting of the Company on December 14, 2005. Registered capital increase 18.5.2006 kr. 341,864,155)

The meeting approves to deviate from the shareholders' pre-emptive rights to the share capital increase pursuant to Article 34 of the Act Respecting Public Limited Companies.

The Board of Directors shall decide the offering price and sales procedure in accordance with Chapter V of the Act Respecting Public Limited Liability Companies No. 2/1995. The Board shall use this authorization within three years from its acceptance. The authorization can be used all at a time or in stages, based on decision of the Board.

There shall be no restrictions on trading in the new shares. The new shares shall carry rights in the Company from the date of listing of the increase in share capital.

(So approved at the Share Holders Meeting of the Company on December 14, 2005)

The Board of Directors of the Company is authorized to register the share capital of the company in a foreign currency in accordance with provisions of the Act Respecting Public Limited Liability Companies. If the Board decides to use its authorization the share capital according to this provision shall be registered in Euros or United States dollars. The transformation shall abide by the officially registered buying rate published by the Central Bank of Iceland on the first day of the month when a decision to transform the share capital's currency was made or the next registration day before that day, if the rate is not registered on that day.

If such authorization is used, Section 4.07 shall be amended accordingly and one vote shall follow any one Euro or dollar, depending on which currency is used.

Increase of Share Capital – Pre-Emptive Rights.

- 2.02 Solely shareholders' meetings can decide upon an increase of the share capital of the Company, whether by means of subscription to new shares or through issuance of compensation shares.

Shareholders shall have pre-emptive rights to increase in share capital in proportion to their registered holdings in the Company. Exemptions may be made from this provision, cf. Article 34, Paragraph 3 of the Act Respecting Public Limited Liability Companies.

Share Certificates – Register of Shares.

- 2.03 Shares in the Company are electronically issued according to Act on Electronic Registration of Title to Securities.

- 2.04 The register of shares under the Act on Electronic Registration of Title to Securities shall be regarded as a fully valid proof of ownership to shares in the Company, and dividends at any time, as well as all notifications, shall be sent to the party registered at any time as the owner of the share in question the register of shares of the Company. The Company assumes no

responsibility for payments or notifications being lost due to failure to notify the Company of changes of address.

The Sale of Shares and Change of Ownership.

- 2.05 There are no restrictions on the rights of shareholders to sell their shares. Changes in ownership and its execution follow the legislation in force at any time concerning electronic registration to title to securities and rules set forth on its basis.

Rights and Obligations of Shareholders.

2. 06 Shareholders are bound, without any particular undertaking on their part, to abide by the Articles of Association of the Company in their present form or as lawfully amended at any time. Shareholders shall, however, not be obligated on the basis of the Articles of Association of the Company, or by amendments thereto, to increase their share capital in the Company or to suffer redemption of their shares. Shareholders are not liable for the commitments of the Company beyond their share in the Company unless they assume such commitments under a separate legal instrument. This provision shall neither be amended nor deleted by any resolution of a shareholders' meeting.

No privileges are associated with any shares in the Company.

3. Organizational Structure.

- 3.01 The Company is managed by:
1. Shareholders' Meetings.
 2. The Board of Directors of the Company.
 3. The President of the Company.

4. Shareholders' Meetings.

- 4.01 The supreme authority in all affairs of the Company, within the limits established by these Articles of Association and statutory law, is in the hands of legitimate shareholders' meetings.

Proxies.

A shareholder may appoint a proxy to attend a shareholders' meeting on his behalf. The proxy shall submit a written and dated letter of proxy.

A letter of proxy may not be revoked with effect for the Company after it has been submitted on delivery of the documents of the meeting, or after the shareholders' meeting has been called to order, whichever occurs first.

The Legality of Shareholders' Meetings.

A shareholders' meeting is valid, regardless of attendance, if it has been legally convened.

Annual General Meeting.

- 4.02 The Annual General Meeting shall be held before the end of June each year. Annual General Meetings shall be convened in the same manner as other shareholders' meetings, cf. the provisions of Section 4.04.

The Agenda of the Annual General Meeting.

- 4.03 The Agenda of the Annual General Meeting shall include the following:
1. The report of the Board of Directors on the activities of the Company in the preceding year;
 2. Confirmation of the annual accounts of the Company and decision on the disposal of profits or losses of the Company over the accounting year;
 3. Decision on the remuneration of the Members of the Board of Directors;
 4. Elections to the Board of Directors, cf. Section 5.01;
 5. Election of an auditor, cf. Section 7.01;
 6. Any other matters lawfully submitted or approved for discussion by the Meeting.

In the event that shareholders controlling at least 1/3 of the shares so request in writing at the Annual General Meeting, decisions on item 2 shall be postponed to 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 requested.

The annual accounts of the Company, the report of the Board of Directors and the Auditor's report shall be available for inspection by shareholders in the Company's office 7 days before the Annual General Meeting.

Convening of Shareholders' Meetings

- 4.04 Shareholders' meetings shall be convened at the discretion of the Board of Directors, by a resolution of a meeting, or when the elected auditor or shareholders, holding a minimum of 1/10 –one tenth– of the shares of the Company, request a meeting by a written notice stating the business of the meeting.

When a valid request for a meeting has been submitted, the Board of Directors must convene a meeting within fourteen days of receiving the request. If the Board of Directors of the Company has not convened a meeting within that time, a request may be submitted to the Register of Companies to convene the meeting pursuant to the provisions of Article 87 of the Act Respecting Public Limited Liability Companies.

Shareholders' meetings shall be convened by post, facsimile or with a notice in the media.

Annual General Meeting shall be convened with at least two weeks' notice, but other shareholders' meetings can be convened with one week notice.

The notice of the meeting shall state the business of the meeting.

Proposals from Shareholders.

The Board of Directors shall have received proposals from shareholders for submission at a shareholders' meeting no later than 7 days before the meeting, to be accepted for discussion.

If the agenda includes a motion to amend the Articles of Association of the Company, the main substance of the motion shall be included in the notice of the meeting.

Agenda.

Each shareholder is entitled to have certain business included on the agenda of a shareholders' meeting provided that he/she submits a written request to the Board of Directors with sufficient notice for the matter to be included on the agenda of the meeting, which shall be available for inspection by shareholders at the offices of the Company, along with the main proposals to be put to the vote, for at least 7 days before the meeting.

Lawfully submitted proposals for supplements or amendments may be submitted at the meeting itself even if they have not been laid open for inspection by shareholders.

Items that are not included on the agenda of a shareholders' meeting may not be brought to a conclusion at a shareholders' meeting except with the approval of all shareholders in the Company, but resolutions may be passed on such matters for the purpose of providing guidance to the Board of Directors.

Chairman of the Meeting.

4.05 A chairman, elected at the meeting, shall preside over shareholders' meetings and appoint a secretary with the approval of the meeting. The chairman shall resolve all matters relating to the legality of the meeting and its execution pursuant to these Articles of Association and statutory law. He shall also decide on the form of discussions, procedure at the meeting and elections.

Minutes of Meeting.

4.06 Minutes shall be kept of the meeting and all decisions of the meeting and results of all elections shall be entered along with a concise account of proceedings. The minutes shall be read aloud before the end of the meeting and comments recorded, if any. The chairman and secretary shall sign the minutes. The recorded minutes shall constitute a conclusive proof of the proceedings of each shareholder's meeting.

Voting.

4.07 One vote follows any one ISK of share capital at shareholders' meetings.

Decisions at shareholders' meetings shall be taken by a majority vote unless otherwise provided in these Articles of Association or statutory law. Proposals are dismissed on equal votes. In the event of an equality of votes, elections shall be decided by casting lots.

The consent of all or 9/10 of shareholders is required to conclude the issues described in Article 94 of the Act Respecting Public Limited Liability Companies No. 2/1995.

Voting shall be by a ballot if any attendant so requests.

Right to Attend.

- 4.08 Shareholders, shareholders' proxies, Company auditors and President even if he is not a shareholder in the Company, are entitled to attend shareholders' meetings. The Board of Directors may also invite experts to attend specific meetings, if their opinion or assistance is required.

5. The Board of Directors of the Company.

- 5.01 Each year, the Annual General Meeting shall elect 5 Members to the Board of Directors of the Company and 2 alternative Members. The eligibility of Members of the Board shall be subject to statutory law.

Election to the Board of Directors.

- 5.02 Elections to the Board of Directors shall be as follows:

Those who pursue election to the Board of Directors shall notify that in writing to the Board of Directors of the Company at least five days prior to the opening of the Annual General Meeting. Only those who notify their desire in such manner are eligible for election at the Annual General Meeting.

Elections at the Annual General Meeting are bound in such a manner that the voting is limited to nominations that have given the necessary advance.

Elections to the Board of Directors shall generally be with a ballot should the number of nominations exceed the number of Members to be elected.

If shareholders holding at least 1/10 of the share capital should so request, Members of the Board of Directors shall be elected by proportional or multiple voting. Requests to this effect shall be delivered to the Board of Directors at least five days prior to the meeting.

Allocation of Tasks and Subjects of the Board of Directors.

- 5.03 The Board of Directors elects its Chairman from its own ranks, but otherwise it shall allocate tasks at its own discretion.

Convening of Meetings of the Board of Directors.

The Chairman shall convene and preside at the meetings of the Board of Directors. Meetings of the Board of Directors shall be held at the discretion of the Chairman. The Chairman shall also call a meeting if requested by a Member of the Board of Directors or the Company President.

Legality of Meetings of the Board of Directors.

The presence of the majority of the members of the Board of Directors constitutes a quorum. Important decisions, however, may not be taken unless all members of the Board of Directors have had the opportunity, if possible, of discussing the matter.

A simple majority shall decide issues, unless otherwise provided in these Articles of Association or other lawful instructions.

Members of the Board of Directors shall keep minutes of proceedings at Meetings of the Board and confirm such minutes with their signatures.

- 5.04 The Board of Directors of the Company has supreme authority in the affairs of the Company between shareholders' meetings and sets forth, in accordance with the objects of the Company, aims in management bearing in mind the interests of the Company and its shareholders. The Board employs a President, one or more, decides on his salary and terms of employment. The Board also determines who shall be authorized to bind the Company.

The Board of Directors operates on the basis of its working rules that are based upon the Act Respecting Public Limited Liability Companies.

- 5.05 Members of the Board shall have access to all books and documents of the Company.
- 5.06 The Board of Directors is responsible for the affairs of the Company between shareholders' meetings and binds the Company with its resolution and contracts. The signatures of a majority of the Members of the Board of Directors are required to bind the Company.

6. The President of the Company.

- 6.01 The President of the Company is responsible for the day-to-day operation of the Company, and manages the subsidiaries and associated companies, pursuant to the rules that are, or will be, established by the Board of Directors. The day-to-day operations do not include measures, which are unusual or extraordinary.

The President shall ensure that the accounts and finances of the Company conform to the law and accepted practices and that the disposal of the property of the Company is secure.

- 6.02 The President of the Company is under obligation to follow all instructions of the Board of Directors. He is required to provide any information that may be requested by the Company's auditor. A member of the Board of Directors may be appointed as President.

7. Accounts and Auditing.

- 7.01 The fiscal year of the Company shall be the calendar year. An auditing company shall audit the annual accounts of the Company. The Annual General Meeting shall elect an auditing company for one year at a time.

8. Own Shares of the Company

- 8.01 The Company is authorized to own up to 10% - ten per cent - of its own shares. Shares held by the Company itself do not carry voting rights. The Company may only buy shares pursuant to authorization granted to the Board of Directors by a shareholders' meeting. Authorization to the Board of Directors to buy Company shares shall not be valid for longer than 18 months at a time.

9. Amendments to the Company's Articles of Association.

- 9.01 The Articles of Association of the Company may only be amended at a legitimate shareholders' meeting, except as provided in the Act Respecting Public Limited Liability Companies, and the notice of the meeting shall clearly indicate that such amendments are proposed and outline the main substance of the amendment. A decision is only valid if it has the support of at least 2/3 of the cast votes and the support of shareholders controlling at least 2/3 of the share capital represented at the meeting.

Proposals to increase or reduce the share capital of the Company shall be treated as amendments to the Articles of Association.

However, the terms of these Articles of Association regarding voting rights of shareholders and equality among them may not be amended except with the consent of 9/10 – nine tenths – of all votes, cf. Article 94 of the Act Respecting Public Limited Liability Companies No. 2/1995.

10. Dissolution of the Company.

- 10.01 In the event that it is considered prudent or necessary to dissolve the Company, any proposals to such effect shall be treated as amendments to the Articles of Association, except that a decision to dissolve the Company shall be taken by shareholders controlling at least 2/3 – two thirds – of the Company's share capital. The same applies to the sale of all the Company's assets.

The provisions of Chapter XIV of the Act Respecting Public Limited Liability Companies No. 2/1995 shall govern the merger or joining of the Company with other companies or a split of the Company.

11. Miscellaneous.

- 11.01 Matters on which these Articles of Association provide no directions shall be governed by the provisions of the Act Respecting Public Limited Liability Companies No. 2/1995.

12. Credit with special conditions

- 12.01. The shareholders meeting, held on January 16th 2007, agrees, with reference to chapter VI of the Act respecting Public Limited Companies, especially Article 47, to take on credit which provides the creditor with a right to convert his claim to shares in the company. The company is authorized to issue debt instruments up to the amount of ISK 5.000.000.000 or an equivalent amount in euros and the lending period shall be five years. The debt bears annual interest which shall be LIBOR + 5%. Interest shall be paid annually, for the first time on December 31st 2007. Half of the interest shall be paid on the maturity date and the other half added to the capital and shall be paid on the final settlement day, December 31st 2011. When calculating interest, the interest shall be added to the capital in accordance with the aforesaid. The company is not authorized to pay the interest until the ratio interestbearing debt/EBITDA is below 5 according to the calculation of the company's auditor.

This loan is subordinated and shall give way to all other claims except claims for the refund of equity. In the case of insolvency or dissolution of the Company the loan shall be refunded after all other general claims but before claims for the refund of equity.

During the period December 1st 2011 to December 31st 2011 the creditor is authorized to convert the capital of the debt, along with the interest, to shares in Icelandic Group hf. In the same manner the creditor may, on the maturity dates for interest (for the first time on December 31st 2007), convert the loan or part of the loan, though never less than 20% of the debt's capital along with accrued interest to shares. The exchange rate shall be the weighed average sales price of shares in Icelandic Group hf. as listed in the Iceland Stock Exchange during the period January 11th to January 15th 2007, calculated by company's auditors.

Should the creditor choose to convert his claim to shares in Icelandic Group hf. he shall notify the company in writing. The Board of Directors shall, as soon as possible, issue the shares in Icelandic Group hf. to the creditor free of charge to fulfill the conversion right.

Should the loan be converted to shares in Icelandic Group hf. full payment is deemed to have taken place when the creditor has issued new shares in Icelandic Group hf. in the name of the creditor. Shares are issued electronically in accordance with article 2.03 of the company's Articles of Association and the company is deemed to have fulfilled its duties when the shares have been inserted in the computer system of the Icelandic Securities Depository using the registry number of the creditor.

If the share capital of the borrower will be increased during the loan period the creditor will not have a preemptive right to new shares. Should the

borrower be dissolved during the period, this includes the merging of the company with others and its division, before the loan has been converted to shares or it paid, the commitment shall give way to other debts of the borrower (but be equal to other subordinated loans which will be taken according to this authorization) but superior to equity in the Company.

Otherwise than stated above, a decision regarding the decrease of share capital in the company, issuing of subordinated notes, loans or subscriptions will not affect the legal status of the creditor before his claim is converted to shares.

Paragraph 4 of Article 47 of the Act respecting public limited companies shall apply regarding the conversion of shares.

The Board of Directors is authorized to increase the share capital by up to the nominal amount of ISK 1.100.000.000 to fulfill the above mentioned obligation. 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.

12.02 Sample of the debt instruments

A sample of the debt instruments accompany these articles in Appendix 1.



The Articles of Association of ICELANDIC GROUP hf. were approved at the establishment meeting of the Company on November 29, 1996, and have been amended at the following shareholders' meetings:

1. In relation to the increase of the share capital of the Company, pursuant to an authorization in Article 12 of the Articles of Association of the Company and Article 2 of the Memorandum of Association of the Company, approved at a meeting of the Board of Directors on April 29, 1997.
2. At a shareholders' meeting on October 16, 1997.
3. At the Annual General Meeting on March 3, 1998.
4. At the Annual General Meeting on March 31, 2000.
5. At the Annual General Meeting on March 9, 2001.
6. At the Annual General Meeting on April 10, 2003.
7. In relation to the increase of the share capital of the Company, pursuant to an authorization in Article 12 of the Articles of Association of the Company, approved at the meeting of the Board of Directors on August 6, 2004.
8. At the shareholder's meeting on December 6, 2004.
9. At the shareholder's meeting on May 30, 2005.
10. At the shareholder's meeting on October 24, 2005.
11. At the shareholder's meeting on December 14, 2005.
12. In relation to the increase of the share capital of the Company, pursuant to an authorization in Article 2 of the Articles of Association of the Company, approved at a meeting of the Board of Directors on March 6, 2006.
13. In relation to the increase of the share capital of the Company, pursuant to an authorization in Article 2 of the Articles of Association of the Company, approved at a meeting of the Board of Directors on April 25, 2006.
14. In relation to the increase of the share capital of the Company, pursuant to an authorization in Article 2 of the Articles of Association of the Company, approved at a meeting of the Board of Directors on May 18, 2006.
15. At the shareholders' meeting on January 16, 2007 (Article 12.1 and 12.2)

The above Articles are the current Articles of Association of the Company, with amendments incorporated.

Reykjavík, January 16, 2007

Pr. Pr. Icelandic Group plc.

A handwritten signature in black ink, appearing to read "Björgólfur J. Haukursson". The signature is written in a cursive, flowing style.