

To the Bondholders in:

Stockholm, 20 April 2017

ISIN: NO0010776982 - Icelandair Group hf. (publ)
(the “**Issuer**”) up to USD 300,000,000 senior
secured callable floating rate bonds with (the
“**Bonds**”)

Notice of amendment of Terms and Conditions

Nordic Trustee & Agency AB (publ) is the appointed agent (the “**Agent**”) under the terms and conditions for the Bonds (the “**Terms and Conditions**”).

This notice is distributed to the Bondholders in accordance with Clause 19(c) of the Terms and Conditions.

We refer to the Terms and Conditions that was entered into between the Issuer and the Agent on 25 October 2016.

In order to clarify that subsequent bonds shall be listed at Nasdaq Stockholm within 60 days from the issue date of such subsequent bonds pursuant to Clause 13.3 (*Listing of the Bonds*) in the Terms and Conditions, the Issuer has requested the Agent to agree to amend Clause 13.3 (*Listing of the Bonds*) of the Terms and Conditions to clarify that subsequent bonds shall be listed within sixty (60) days from the issuance of such Subsequent Bonds.

Our approval of the amendment is made in accordance with Clause 19(a)(i) (*Amendments and Waivers*) of the Terms and Conditions.

The above amendments has become effective as of 18 April 2017.

This notice will also be sent by regular mail to the Bondholders in accordance with the Terms and Conditions.

Kind regards,

Nordic Trustee & Agency AB (publ)