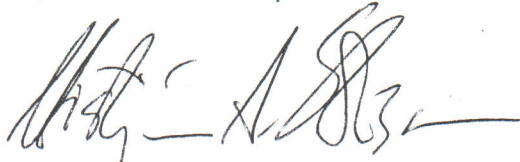


MEMORANDUM OF UNDERSTANDING
ON AIR SERVICES BETWEEN
THE GOVERNMENT OF ICELAND AND
THE GOVERNMENT OF THE ORIENTAL REPUBLIC OF URUGUAY

1. Delegations representing the Government of Iceland and the Government of the Oriental Republic of Uruguay met in Jeddah, Saudi Arabia, on the 12 of December 2012 in order to assess their bilateral air transport relations and to negotiate an Air Services Agreement. A list of members of the two Delegations is attached as Attachment 1.
2. The discussions were conducted in a friendly and positive atmosphere and both Delegations stressed their interest in expanding mutual relations in the field of air transport. The Delegations discussed extensively the substance of a draft agreement and agreed on the text of an Air Services Agreement (ASA) between their respective Governments. The text is attached as Attachment 2.
3. The Delegations agreed, that an article relating to the Avoidance of Double Taxation, attached as Attachment 3, already authorised by the relevant Icelandic authorities, might be inserted into the ASA as Article 12, prior to its signature, upon authorisation from the appropriate authorities of the Government of the Oriental Republic of Uruguay. Such an article is envisioned to cease effect in the event that an Agreement on the Avoidance of Double Taxation enters into force between the Government of the Republic of Iceland and the Government of Uruguay.
4. Both Delegations confirmed that, in addition to full unrestricted third and fourth freedom traffic rights, the Designated Airlines of each Contracting Party are entitled to exercise full fifth freedom traffic rights at all points (whether intermediate or beyond points) of their own choice while operating any type of services (passenger and/or cargo, separately or in combination). Additionally, the Designated Airlines of both Contracting parties are entitled to exercise, in all-cargo services only, full seventh freedom traffic rights.
5. In their effort to strengthen the relations between their respective Countries in the field of civil aviation, the Delegations agreed that, pending the signature and subsequent entry into force of the ASA, the Aeronautical Authorities of both Parties would apply from the date hereof the provisional text as it stands in Attachment 2, with such modifications as may be agreed by the parties during the interim period.
6. The Contracting Parties agreed that the Agreement, initialled only in the English languages, shall be signed in the Spanish, Icelandic and English languages.
7. The venue and date of signing of the ASA will be agreed upon through diplomatic channels.

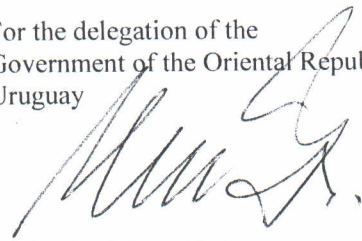
Signed in Jeddah, Saudi Arabia on 12 December 2012

For the delegation of the
Government of the Republic of Iceland



Kristján Andri Stefánsson

For the delegation of the
Government of the Oriental Republic of
Uruguay



Carlos Rodríguez Brianza

**Iceland – Oriental Republic of Uruguay
Air Services Agreement Meeting
Jeddah, Saudi Arabia
12 December 2012**

Icelandic Delegation

Mr. Kristján Andri Stefánsson, Ambassador,
Ministry for Foreign Affairs (Head of Delegation)

Mr. Karl Alvarsson, Senior Legal Adviser,
Ministry for Foreign Affairs

Mr. Pétur Einarsson, Director General, retired
Civil Aviation Administration

Uruguayan Delegation

Dr. Carlos Rodrigues Brianza, (Head of Delegation)
Senior Legal Adviser, Aeronautical Policy
Ministry for Foreign Affairs

