**[*Bondholder*]**

[Address]

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_2020

Dear Sirs,

Deed of Release – Side Letter

# Background

## We refer to the deed of release entered into between LBI EHF (the “**Company**”), the Winding-up Board and the Named Beneficiaries (each as defined therein) on 10 September 2020 (the “**Deed of Release**”). A link to the redacted copy of the Deed of Release is included in the Announcement (as defined below) and an unredacted copy of the Deed of Release is available upon emailing the Company (at ir@lbi.is).

## We also refer to the announcement published on the Company’s website on 24 September 2020 (the “**Announcement**”) which describes the settlement arrangements agreed between the Company, the Winding-up Board and the Named Beneficiaries (as defined in the Deed of Release) and the rationale for requesting bondholders of the Company to enter into a deed of adherence in return for a release fee. As explained in the Announcement, bondholders will have until 5 p.m. (London time) on 26 October 2020 (the “**Record time**”) to provide to the Company executed copies of (i) a deed of adherence, a link to which is included in the Announcement (the “**Deed of Adherence**”), and (ii) this side letter.

## Capitalised terms used but not otherwise defined in this letter shall have the meaning ascribed to them in the Deed of Release.

# payment of fee

## In consideration for you entering into a Deed of Adherence, and subject to U.S. Bank National Association (“**U.S. Bank**”) (in its capacity as registrar) confirming to us that, as at the Record Time, you are a holder of Convertible Bonds per the register of bondholders of the Company (the “**Relevant Holdings**”), we hereby agree to pay you a fee calculated in accordance with the formula in paragraph 2.2 below (the “**Fee**”). The Fee will be paid no later than five business days following the Record Time.

## The Fee shall be calculated in accordance with the following formula:

## €1,000,000 *×*

## Where:

## X = Relevant Holdings

## Y = Aggregate amount of outstanding Convertible Bonds at the Record Time

## The Fee shall be paid to your account details as held by U.S. Bank as at the date of this letter (unless an you notify the Company (at ir@lbi.is) of an alternative bank account to which the Fee should be paid by no later than 2 business days prior to the Record Time).

# General

## All payments made under this letter shall be made in full without any deduction, set-off or counterclaim and in immediately available cleared funds on the due date.

## You shall not be entitled to receive any amounts by way of consideration for your entry into a Deed of Adherence in addition to the Fee, and payment of the Fee shall be in full and final settlement of any amounts owing from the Company to you in connection with execution of the Deed of Adherence.

## For the avoidance of doubt, nothing in this letter shall:

### have the effect of reducing your Relevant Holdings (or any part thereof); or

### prohibit you from bringing any claim against the Winding-up Board or the Named Beneficiaries to the extent the right to bring such claim is not released within or contrary to the terms of the Deed of Release.

## This letter and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) (a “**Dispute**”) shall be governed by, and construed in accordance with, the law of England and Wales. The courts of England and Wales shall have exclusive jurisdiction to settle a Dispute.

## Please sign and return a copy of the enclosed letter to us to confirm your agreement with its terms.

Yours faithfully

This document has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

|  |  |  |
| --- | --- | --- |
| Executed as a deed by | ) |  |
| **LBI EHF** | ) |  |
| acting by | ) |  |
|  |  |  |
|  | ) | Name: |
| who, in accordance with the laws of Iceland, is | ) | Title: |
| acting under the authority of LBI EHF  | ) |  |

We acknowledge and confirm our agreement to the terms of the side letter relating to the Deed of Release of which this is a copy.

Executed as a deed by
**[Bondholder]**

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
Name:
Title: Director

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
Name:
Title: Director