

LBI ehf. Transfer Regulations (Bonds)

(Effective from 18 January 2017)

1. Framework

- 1.1 These are the Transfer Regulations referred to in the terms and conditions of the €2,041,382,201 Convertible Bonds due 30 November 2035 (the "**Bonds**") issued by LBI ehf. (the "**Issuer**") (the "**Conditions**"). Except as stated in the next sentence, capitalised terms used in these Transfer Regulations which are not otherwise defined herein have the meanings given to them in the Conditions or in the Trust Deed (as defined in the Conditions). The term "Affiliate" as used in these Transfer Regulations has the meaning given to it in the Articles of Association.
- 1.2 Each transfer of the Bonds is subject to satisfying the Stapling Requirement and the Articles of Association. A copy of the current version of the Issuer's Articles of Association may be found on the Bondholder Website (www.lbi.is) or may be requested from the Issuer or the Registrar (as defined below). Each Transferor and Transferee of Bonds is reminded that, pursuant to Condition 3.3(b), a Bondholder may not transfer any Bonds held by it to another person unless:
 - (a) the principal amount of the Bonds to be transferred is at least the Specified Denomination (€1.00); and
 - (b) the transfer satisfies the Stapling Requirement.
- 1.3 Two forms of Transfer Notice are attached to these Transfer Regulations. Form 1 (Long Form) should be used where a transfer of Bonds and their related Shares is being made to a Transferee who is not an Affiliate of the Transferor. Form 2 (Short Form) should be used only for a transfer of Shares and/or Bonds by a Class A Transferor (as defined in the Articles of Association) to one or more of its Affiliates.
- 1.4 None of the Issuer or any of its Agents is required, or shall have any obligation, to accept any application for a transfer of Bonds, or to make any payment under or in respect of the Bonds, or to accept an application for a transfer of Class A Shares or Class B Shares (the Class A Shares and the Class B Shares being, collectively, the "**Shares**" and together with the Bonds, the "**Securities**"), to a purported Transferee, in any circumstances where the applicable requirements for transfer specified in these Transfer Regulations, the Conditions and the Articles of Association have not been satisfied. Without limitation to the foregoing, Transferors and potential Transferees are reminded that, by Condition 3.3(f), the Issuer (and any of its agents) may refuse to register any transfer of Bonds unless it has received (directly or via the Registrar) a valid Transfer Notice, and that any transfer of Class A Shares, including any Shares which are being transferred in conjunction with a transfer of Bonds must be made in accordance with the Articles of Association. Transferors and potential Transferees are referred, in particular, to Article 11 of the Articles of Association.
- 1.5 The Issuer has appointed U.S. Bank National Association to act as its registrar (the "**Registrar**") in connection with any transfer of Securities and the maintenance of the Register. The register of members of the Issuer (the "**Share Register**") will be maintained by the Issuer, although the Issuer may delegate administrative functions relating to the Share Register to an agent (which may include the Registrar), subject to its obligation to comply with all applicable provisions of Icelandic law relating to the establishment and maintenance of the Share Register. Title to the Bonds is determined solely by reference to entries on the Register; title to the Shares is determined solely by reference to entries on the Share Register. The Registrar is the agent of the Issuer, and has (and

will accept) no liability to any holder of Securities, or to any potential transferee of Securities in respect of any dealings with the Securities.

- 1.6 Each transfer of Securities must be effected in accordance with the provisions set out in these Transfer Regulations and the Articles of Association. As noted in paragraph 7 of these Transfer Regulations, the Registrar may refuse to record in the Register any purported transfer of Bonds which, in the conclusive determination of the Registrar, does not comply with the requirements of these Transfer Regulations, the Conditions or the Articles of Association. Any decision of the Registrar to refuse to register any purported transfer of Bonds will be notified to the affected Transferor and Transferee in accordance with paragraph 7.1 of these Transfer Regulations. The Issuer may refuse (and may instruct any delegate appointed by it for the purposes of updating and maintaining the Share Register to refuse) to record any transfer of Shares in the Share Register if the Board of Directors of the Issuer is not satisfied that the information contained in the Transfer Notice applicable to that requested transfer is correct, complete or otherwise adequate for ensuring compliance with the Articles of Association; if the Transfer Notice indicates that the requested transfer is not in accordance with the Articles of Association; or if the Issuer or any such delegate so appointed believes that the requested transfer would breach the Articles of Association. If the Registrar refuses to record in the Register any purported transfer of Bonds, the Issuer will also refuse to register, or permit to be registered, in the Share Register any purported transfer of the Shares stapled (or deemed to be stapled) to the affected Bonds. Likewise, if the Issuer refuses to record, or to permit to be recorded, in the Share Register any purported transfer of Shares, the Registrar or any other agent appointed by the Issuer for the purpose of updating and maintaining the Register will also refuse to register in the Register any purported transfer of the Bonds stapled (or deemed to be stapled) to the affected Shares.
- 1.7 The Bonds are not currently held in a Clearing System and are represented by Global Certificates in Registered Form issued in the name of and held by Embassy & Co., a nominee of U.S. Bank National Association, acting in its capacity as the Bond Custodian. The Registrar has established a sub-ledger (the "**Ledger**") in the Register for recording, *inter alia*, the holder of each Bond Interest; title to a Bond Interest is determined by the entries in the Ledger only, irrespective of whether the Bond Custodian or the Registrar has, in accordance with Condition 1.2, provided a holder of a Bond Interest with a statement of registration of its Bond Interest. Any transfer of Bond Interests will be effected, therefore, only by reference to the information in respect of those Bond Interests recorded on the Ledger established as a sub-ledger of the Register. Any Transfer Notice relating to a transfer of Bonds Interests which are evidenced by a certificate of Bond Interests must be accompanied by any certificate evidencing the Shares (each, a "**Share Certificate**") held by that Transferor or any of its Affiliates. Transferors and Transferees should note that the Articles of Association do not oblige the Issuer to issue Share Certificates.
- 1.8 All references in these Transfer Regulations to a transfer of Bonds shall be construed to include a transfer of Bond Interests made in accordance with the Trust Deed, the Conditions, these Transfer Regulations and the Articles of Association. Any payments of principal on the Bonds shall be made to the Bond Custodian or, as directed by the Bond Custodian, to the bank accounts of the holders of the Bond Interests specified in the Ledger.
- 1.9 The Issuer may issue Definitive Certificates to holders of Bond Interests upon the occurrence of an Exchange Event, as described in the Conditions and the Trust Deed. If Definitive Certificates are issued, Bond Interests will cease to exist and the Ledger will be closed. Notwithstanding the issuance of Definitive Certificates, title to the Bonds will continue to be determined by entries in the Register only. Any Transfer Notice applicable to a transfer of Bonds which are evidenced by a Definitive Certificate must be accompanied, in addition to a Transfer Notice, by the Definitive

Certificate(s) held by the Transferor and any Share Certificate evidencing the Shares held by that Transferor, in accordance with paragraphs 3.6, 3.7 and 3.8 of these Transfer Regulations.

- 1.10 No Bondholder may require the transfer of Bonds or any beneficial interest therein (including a Bond Interest), or a transfer of Shares, during the periods specified in Condition 3.7.

2. **U.S. Securities Laws and ERISA Considerations**

- 2.1 The Bonds have not been and will not be, registered under the federal securities laws of the United States of America, or under the securities laws of any State of the United States of America or any other jurisdiction. The Bonds are not "restricted securities" within the meaning of Rule 144(a)(3) made under the Securities Act of 1933, as amended (the "**Securities Act**") and may be immediately resold following issuance, without restriction under the Securities Act, by holders of Bonds who are not "affiliates" (as defined in the Securities Act) of the Issuer and have not been "affiliates" (as so defined) of the Issuer within the period of ninety (90) calendar days ending on the date of issuance of the Bonds under the Composition.
- 2.2 Each Transferor will be required to certify, in each Transfer Notice to which it is a party in the capacity of a transferor of Securities, whether it is or was an "affiliate" (as defined in the Securities Act) of the Issuer during any relevant period.
- 2.3 A holder of Bonds who is an affiliate (as defined in the Securities Act) of the Issuer at the time of the Composition or within ninety (90) calendar days prior to any resale of the Bonds received under the Composition, will be subject to certain transfer restrictions relating to the Bonds, to the extent that the holder wishes to sell some or all of those Bonds in the United States of America. Whether a person is an "affiliate" of the Issuer for the purposes of the Securities Act depends on the circumstances, and any holder of Bonds who receives Bonds pursuant to the Composition, and believes it may be an "affiliate" of the Issuer, should consult its legal advisers prior to entering into any sale or other disposition of its Bonds.
- 2.4 While the Issuer believes, as at the date of these Transfer Regulations, that its assets will not be deemed to constitute "plan assets" for the purposes of the U.S. Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), the Issuer can give no assurance to any holder of Securities or to any potential transferee of Securities that less than 25% of the total value of the Securities will be held at all times by pension plans, profit-sharing plans or other employee benefit plans (each a "**Benefit Plan**") subject to ERISA. Consequently, it is possible that the Issuer's assets may be deemed to constitute "plan assets" for ERISA purposes. Holders of the Securities and any purchaser or other transferee of Securities have the exclusive responsibility for ensuring that their holding, disposition, purchase or other acquisition of title to any Securities does not violate the prohibited transactions rules of ERISA or the U.S. Internal Revenue Service or any similar applicable regulations, and should consult their legal advisers prior to any sale, disposition, purchase or other acquisition of Securities.
- 2.5 Each Transferee will be required to certify, in each Transfer Notice to which it is a party in the capacity of a transferee of Securities, whether or not it is a Benefit Plan subject to ERISA.

3. **Transfers (other than a transfer of Securities to an Affiliate)**

- 3.1 Paragraphs 3 to 7 inclusive of these Transfer Regulations shall apply only to a transfer of Securities to a Transferee who is not an Affiliate of the Transferor. Paragraph 8 of these Transfer Regulations shall apply to any transfer of Securities made by a Transferor to one or more of its Affiliates.

- 3.2 Any terms of trade in respect of a transfer of Securities, including any information required to be obtained by the Transferor from the Transferee in respect of any applicable anti-money laundering ("AML") legislation, shall be a matter for the Transferor and the Transferee only. Neither the Issuer nor any of its Agents will give or provide any representations, warranties, covenants or confirmations in respect of any transfer of Bonds, other than a written confirmation from the Registrar to the Transferor and the Transferee upon completion (by entry in the Register and the Share Register, as applicable, in accordance with paragraph 6.2 of these Transfer Regulations) of a transfer of Securities in accordance with these Transfer Regulations and the Articles of Association.
- 3.3 The date on which the contractual terms of a transfer of Bonds and related Shares are agreed by the Transferee and the Transferor is referred to in these Transfer Regulations as the "Trade Date".
- 3.4 As soon as reasonably practicable following the Trade Date in respect of a transfer of Bonds and related Shares, the Transferor should complete and execute a Transfer Notice in the form, or substantially in the form, of Form 1 (Long Form) attached to these Transfer Regulations, and send the same (including any counterpart Transfer Notice) to the Transferee for review and counter-signature, or signature on a counterpart Transfer Notice, by the Transferee. Although both the Transferor and the Transferee must duly complete a Transfer Notice in respect of a transfer of Securities, the Issuer and the Registrar will accept counterpart Transfer Notices, provided that the counterparts are identical other than in respect of the signatures of the Transferor and the Transferee thereon.
- 3.5 Each Transferor and each Transferee is responsible for delivering its counterpart, duly completed with all information required to be provided by it, to the Registrar, together with all additional documents required by these Transfer Regulations to be provided to the Registrar. Neither the Issuer nor the Registrar nor any other agent of the Issuer shall have any duty or obligation to deal with a transfer of Securities documented by two or more counterpart Transfer Notices until all duly completed Transfer Notices relating to that transfer of Securities have been received by it, together with all additional documentation required by these Transfer Regulations. A Transferor and a Transferee may, as between themselves, agree that either one of them will submit the Transfer Notice or counterpart Transfer Notices, together with all additional documentation required by these Transfer Regulations. The Transferee is responsible for ensuring that all KYC Information (as defined below) is submitted to the Registrar.
- 3.6 Any Definitive Certificate held by the Transferor and any Share Certificate relevant to the Bonds or Bond Interests the subject of the Transfer Notice, must be submitted to the Registrar, either with the Transfer Notice (or a counterpart thereof) or as soon as reasonably practicable thereafter. A copy of the Transfer Notice (including any counterpart Transfer Notice) should also be sent to the Issuer, although the KYC Information, any Definitive Certificate and any Share Certificate applicable to the transfer need not be provided to the Issuer (the KYC Information will be made available to the Issuer by the Registrar pursuant to the terms of the Agency Agreement).
- 3.7 The documents referred to in paragraph 3.6, including copies of any original documents specified as required by paragraph 3.8 below to be sent to the Registrar, must be submitted to the Registrar by e-mail to the following e-mail address:
- CDOAgencyservices.lbihf@usbank.com
- 3.8 Any original Definitive Certificate or Share Certificate applicable to the Bonds and the Shares the subject of a Transfer Notice, and the originals of all KYC Information required to be provided to the Registrar, must be sent to the Registrar at the address below. The Issuer and the Registrar may

refuse to register any transfer of Securities until the original Definitive Certificate, any Share Certificate applicable to the Shares the subject of a Transfer Notice, and any KYC Information required to be provided as original documents, have been received by the Registrar. The address to which Definitive Certificates, Share Certificates or original KYC Information documents should be sent is as follows:

U.S. Bank National Association
C/o U.S. Bank Global Corporate Services
214 N. Tryon Street, 27th Floor
Charlotte, NC 28202
United States of America

- 3.9 The provision of original and copy documents to the Registrar, and of a copy of the related Transfer Notice (including any counterpart Transfer Notice) to the Issuer in accordance with paragraphs 3.6, 3.7 and 3.8 above shall be deemed to satisfy the requirements of Article 11.5 of the Articles of Association, provided that (a) the Registrar is satisfied that (i) the information contained in the Transfer Notice is correct, complete and otherwise adequate for the purpose of assessing compliance with the Articles of Association, and (ii) the Transfer Notice does not indicate that the transfer of Shares referred to in that Transfer Notice would not be in compliance with the Articles of Association, and (b) the Issuer has not informed the Registrar within five (5) Business Days of receipt of a copy of that Transfer Notice (including any counterpart Transfer Notice) pursuant to paragraph 3.6 above, that it believes that a transfer of the Shares referred to in that Transfer Notice would breach or result in a breach of the Articles of Association.

4. **KYC Information**

- 4.1 Unless the Transferee is an existing Bondholder, the Transferee must provide to the Issuer and the Registrar such of the information set out in Schedule 1 as is appropriate to its legal form and (if applicable) regulatory status (all such relevant information being the "**KYC Information**", which expression shall include any information requested to be provided to it by the Issuer and/or the Registrar in addition to the information listed in Schedule 1, in order to ensure compliance with any applicable AML legislation).
- 4.2 Each of the Issuer and its Agents reserves the right to require the production of any additional information and documents relating to the Transferee, including information as to its ultimate beneficial owners, as it reasonably believes is required in order to satisfy any applicable AML legislation.
- 4.3 If a Transferee has any questions relating to the KYC Information requirements, or they foresee any problems in providing such information, they are strongly encouraged to contact the Issuer and the Registrar.

5. **Fees and Costs**

- 5.1 No transfer fees will be payable by either the Transferor or the Transferee in respect of any transfer of Securities from the Transferor to the Transferee for a period of ninety (90) calendar days from and including 23 March 2016, provided that the Transferor was the Composition Creditor to whom those Securities were issued pursuant to the Composition.
- 5.2 No transfer fees will be payable by either a Transferor which was the holder of a Disputed Claim or a Contingent Claim, or by its Transferee, in respect of a transfer of Securities by that Transferor

within ninety (90) calendar days of the date on which those Securities are transferred or issued to that Transferor consequent upon the resolution of its Disputed Claim or Contingent Claim in its favour.

- 5.3 Save as provided in paragraphs 5.1 and 5.2 above, a transfer fee of EUR 750 (the "**Transfer Fee**") is payable by the Transferor to the Registrar in respect of each transfer of Securities the subject of a Transfer Notice, together with any taxes, duties or other governmental charges in connection therewith.

6. **The Register and the Share Register**

- 6.1 Within 5 Business Days of receipt by the Registrar of a duly completed Transfer Notice (or duly completed counterpart Transfer Notices), all KYC Information, all other documents required by these Transfer Regulations to be provided to the Registrar in respect of that Transfer Notice, and the Transfer Fee payable in respect of that Transfer Notice, and provided that the proposed transfer of Securities complies with the Stapling Requirement, the Registrar shall update the Register to reflect the Transferee as the Bondholder (or, as applicable, the holder of the Bond Interests) in respect of the Bonds or Bond Interests specified in that Transfer Notice as to be transferred to the Transferee; and the Issuer shall update, or arrange for the updating, of the Share Register to record the Transferee as the holder of the Shares applicable to those transferred Bonds or Bond Interests. The date on which the Register and the Share Register are updated to reflect a transfer of Securities in accordance with a duly completed Transfer Notice shall be the "**Settlement Date**" in respect of that transfer.

- 6.2 Within one Business Day after the occurrence of a Settlement Date in respect of a transfer of Securities the subject of a Transfer Notice, the Registrar shall notify the Transferor and the Transferee by e-mail of the applicable Settlement Date, and that, accordingly, the Transferee has been recorded in the Register and the Share Register as the holder of the transferred Bonds or Bond Interests and Shares specified in that Transfer Notice.

- 6.3 As soon as practicable after the Settlement Date, and if so requested by the Transferee in its Transfer Notice, the Registrar shall arrange for the issuance of a Definitive Certificate (if an Exchange Event has occurred) or a statement confirming the registration in the Ledger of Bond Interests in respect of the Bonds transferred to the Transferee. In circumstances where the Transferor is retaining a portion of its Securities, and if so requested by the Transferor in the applicable Transfer Notice, the Registrar shall arrange for the issuance of a statement confirming the holding of Bond Interests retained by the Transferor, as recorded in the Ledger or, if Definitive Certificates have been issued in respect of the Bonds the subject of that Transfer Notice, for Definitive Certificates to be issued in respect of the Bonds retained by the Transferor, as recorded in the Register.

7. **Rejection of a Transfer Notice**

- 7.1 The Registrar shall notify the Transferor and the Transferee no later than 5 Business Days following receipt by the Registrar of a Transfer Notice if it determines that the Transfer Notice or the transfer of Securities requested therein should be rejected. Any such notification shall be effected by e-mail to the Transferor (at its e-mail address stated in the Register) and the Transferee (at its email address specified in the Transfer Notice or applicable counterpart thereof) and shall specify in reasonable detail the reason(s) for rejecting that Transfer Notice or the transfer of Securities requested therein (for example, if the KYC Information is incomplete, or the Transfer Notice has not been completed as required by these Transfer Regulations or the Articles of Association). Any such notice of rejection (each a "**Transfer Rejection Notice**") shall be conclusive and binding on

the Transferor and the Transferee specified in that Transfer Notice, but shall not preclude the Transferor and/or the Transferee from submitting a replacement Transfer Notice (or counterpart Transfer Notices), KYC Information and any other documentation required by these Transfer Regulations to the Registrar (copied, to the extent required by paragraph 3.6 above, to the Issuer) in respect of the applicable requested transfer of Securities. Any replacement Transfer Notice, KYC Information or other documentation required by these Transfer Regulations to be provided to the Registrar, and proposed to be submitted to the Registrar following the issuance of a Transfer Rejection Notice, must be provided to the Registrar no later than 5 Business Days after the date on which the Registrar sent that Transfer Rejection Notice to the Transferor and the Transferee.

- 7.2 Within five (5) Business Days of its receipt of a replacement Transfer Notice (including any replacement counterpart Notice) and a complete set of all KYC Information or other documents applicable to that replacement Transfer Notice and required by these Transfer Regulations to be provided to the Registrar, the Registrar shall determine if the requirements of these Transfer Regulations and the Articles of Association have been satisfied in respect of the requested transfer of Securities. If the replacement Transfer Notice (or replacement counterpart Transfer Notice), KYC Information or other documentation provided to the Registrar is rejected by the Registrar, the original Transfer Notice and the replacement Transfer Notice will be deemed to have been withdrawn, and the Registrar will send an e-mail (a "**Notice of Withdrawal**") to the Transferor (at its e-mail address stated in the Register) and the Transferee (at its email address specified in the Transfer Notice or applicable counterpart thereof) to this effect. A Notice of Withdrawal shall be conclusive and binding on the Transferor and the Transferee specified in that Transfer Notice and replacement Transfer Notice. The issuance by the Registrar of a Notice of Withdrawal does not preclude the Transferor and/or the Transferee from submitting a further Transfer Notice in respect of the same Securities. There will be no refund payable in respect of the Transfer Fee paid to the Registrar in respect of the withdrawn Transfer Notice.

8. **Transfers of Securities to Affiliates (Short Form Transfer Notice)**

- 8.1 The Articles of Association permit a person who is a "Class A Transferor" (as defined in the Articles of Association) to transfer its Shares and/or Bonds to a person who is an Affiliate of that Class A Transferor, without that transfer complying with the Stapling Requirement. The provisions of this paragraph 8 apply to any transfer of Securities by a Class A Transferor to one or more of its Affiliates.
- 8.2 A Class A Transferor who wishes to transfer Securities to an Affiliate in accordance with the Articles of Association shall complete, and arrange for its Affiliate to complete, a Transfer Form in the form, or substantially in the form, attached as Form 2 (Short Form) to these Transfer Regulations, and send the same, including any counterpart Transfer Notice, to its Affiliate (as the transferee) for review and counter-signature, or signature on a counterpart Transfer Notice. Although both the Transferor and its Affiliate must duly complete a Transfer Notice, the Registrar will accept counterpart Transfer Notices, provided that the counterparts are identical other than in respect of the signatures of the Transferor and the Transferee.
- 8.3 The information specified below (the "**Affiliate's KYC Information**", which expression shall include any information requested to be provided to it by the Issuer or the Registrar in addition to the information listed below, in order to ensure compliance with any applicable AML legislation) must be provided to the Issuer and the Registrar in respect of any transfer of Securities to an Affiliate:

- (a) its full legal name;

- (b) its registration number (if applicable);
 - (c) its jurisdiction of incorporation, organisation or registration and the type of legal entity it is (e.g. limited company, limited liability partnership, etc.);
 - (d) the address of its registered office;
 - (e) its relationship to the Transferor, including a short memorandum setting out the basis for determining that it is an Affiliate;
 - (f) the name of and a specimen signature for each natural person who can bind the Transferee; and
 - (g) a statement, signed by a director or an officer of the Transferee, confirming, in accordance with Article 11.6 of the Issuer's Articles of Association, that it will be the sole beneficial owner of the shares in the Issuer.
- 8.4 Each Transferee will be required to certify, in each Transfer Notice to which it is a party in the capacity of a transferee of Securities, whether or not it is a Benefit Plan subject to ERISA.
- 8.5 For the avoidance of doubt, the procedures set out in paragraphs 5, 6 and 7 of these Transfer Regulations shall apply *mutatis mutandis* to any transfer of Shares and/or Bonds by a Class A Transferor to (as defined in the Articles of Association) to one or more of its Affiliates, provided that all references in paragraphs 5, 6 and 7 to KYC Information shall be deemed to be references to the Affiliate's KYC Information.
- 8.6 If a holder of Securities transfers some or all of the Bonds or Shares associated with its holding to an Affiliate, all references in paragraphs 2 to 7 inclusive of these Transfer Regulations to the "Shares" or "Securities" of the Transferor shall be deemed to include Shares held by its Affiliate, and the Transferor shall ensure that any transfer by it of Bonds shall include a transfer of Shares and/or Bonds by its Affiliate so as to ensure compliance at all times with the Stapling Requirement.

FORM 1: FORM OF LONG FORM TRANSFER NOTICE (BONDS AND SHARES)¹

€2,041,382,201 Convertible Bonds due 2035 (the "Bonds")

To: U.S. Bank National Association, in its capacity as Registrar (the "**Registrar**")
Cc: LBI ehf. (the "Issuer")
Transferor: [insert legal name of the proposed transferor] (the "**Transferor**")
Transferee: [insert legal name of the proposed transferee] (the "**Transferee**")
Date: [insert date, must be identical on counterpart Transfer Notices]

1. The undersigned Transferor and Transferee hereby confirm to the Issuer and the Registrar that the Transferor has agreed to transfer to the Transferee [or, in the case of Shares held by the Transferor's Affiliate *[insert name]*, to procure the transfer by its Affiliate to the Transferee of] ² the following Bonds and [Class A] Shares of the Issuer:
 - (a) €[*] in aggregate principal amount of the [Bonds/Bond Interests] (the "Bonds") and all rights in respect thereof; and
 - (b) [*] [Class A] Shares in the Issuer of €0.01 each, and all rights in respect thereof (the "Shares").
2. The Transferor and the Transferee request the Issuer and the Registrar to effect the transfer of the Bonds and the Shares the subject of this Transfer Notice, in accordance with the Conditions and the Issuer's Articles of Association.
3. Each of the Transferor and the Transferee hereby represents and warrants to the Issuer and the Registrar that the Stapling Requirement is satisfied in respect of the transfer of the Bonds and the Shares the subject of this Transfer Notice.
4. The Transferor [is/is not] an "affiliate" (as defined in the U.S. Securities Act of 1933) of the Issuer.
5. The Transferee:
 - (a) [is/is not] an existing holder of Bonds and Shares of the Issuer; and
 - (b) [is/is not] a Benefit Plan (as defined in the Transfer Regulations).
6. All payments in respect of the Bonds and the Shares transferred to the Transferee are to be made (unless otherwise instructed by the Transferee) to the following account, which shall (until further notice) be the registered account of the Transferee for the purposes of the Conditions and the Issuer's Articles of Association:

Name of bank :
Address of bank :
For the account of :
EUR account number:
IBAN :
SWIFT code :

¹ This form of Transfer Notice will apply to all transfers of the Issuer's Bonds and Shares submitted to the Registrar for processing from and including 10 October 2016.

² Include here a reference to any Affiliate who holds Shares which must be transferred with the Bonds in order to satisfy the Stapling Requirement.

7. The registered address, e-mail address and contact information of the Transferee for the purposes of Condition 16 (Notices) of the Bonds and the register of members (the "**Share Register**") of the Issuer is stated below:

[insert Transferee's address, e-mail address and contact information. If the Transferee is already a holder of Bonds and Shares, the information provided to the Registrar (both in terms of payments and contact information) must be identical to the information already noted in the Register, or the Transferee may replace this paragraph 7 with a confirmation that the payment and contact details already noted on the Register shall apply to the transferred Bonds and Shares.]
8. The Transferee acknowledges that a transfer of title to the Bonds, Bond Interests and Shares is determined solely by the entry of the transfer into the Register, the Ledger or the Share Register, as applicable, and that entries on the Register, the Ledger and the Share Register, as applicable, are conclusive evidence of title to the Bonds, Bond Interests and Shares and of the date of transfer of title to Bonds, Bond Interests and Shares, absent manifest error.
9. This Transfer Notice may be executed by the Transferor and the Transferee in counterparts, each of which shall constitute an original and both of which taken together shall constitute one and the same Transfer Notice.
10. Terms defined in the Conditions attached to the Bonds shall have the same meaning in this Transfer Notice.

 [insert name of Transferor]

By: [insert name of signatory] [Authorised Signatory]
 [insert title, for persons signing on behalf of corporate entities]

 [insert name of Transferee]

By: [insert name of signatory] [Authorised Signatory]
 [insert title, for persons signing on behalf of corporate entities]

Acknowledged By:

_____ Effective Date: _____

U.S. Bank National Association

Name:

Title:

Enclosures: KYC Information for the Transferee

**FORM 2: FORM OF SHORT FORM TRANSFER NOTICE FOR TRANSFERS OF SECURITIES
TO AFFILIATES ONLY³**

€2,041,382,201 Convertible Bonds due 2035 (the "Bonds")

To: U.S. Bank National Association, in its capacity as Registrar (the "**Registrar**")
Cc: LBI ehf. (the "**Issuer**")
Transferor: [insert legal name of the proposed transferor] (the "**Transferor**")
Transferee: [insert legal name of the proposed transferee] (the "**Transferee**")
Date: [insert date, must be identical on counterpart Transfer Notices]

1. The undersigned Transferor and Transferee hereby confirm to the Issuer and the Registrar that they are Affiliates and request the transfer to the Transferee of the following Securities of the Issuer:

- (a) €[*] in aggregate principal amount of the [Bonds/Bond Interests] (the "Bonds") and all rights in respect thereof; and/or
- (b) [*] [Class A] Shares in the Issuer of €0.01 each, and all rights in respect thereof (the "Shares").

2. The Transferor and the Transferee request the Issuer and the Registrar to effect the transfer of the Securities the subject of this Transfer Notice, in accordance with the Conditions and the Issuer's Articles of Association.

3. The Transferee:

- (a) [is/is not] an existing holder of Securities of the Issuer; and
- (b) [is/is not] a Benefit Plan (as defined in the Transfer Regulations).

4. All payments in respect of the Securities transferred to the Transferee are to be made (unless otherwise instructed by the Transferee) to the following account, which shall (until further notice) be the registered account of the Transferee for the purposes of the Conditions and the Issuer's Articles of Association:

Name of bank :
Address of bank :
For the account of :
EUR account number :
IBAN :
SWIFT code :

³ This form of Transfer Notice will apply to all transfers of the Issuer's Bonds and Shares submitted to the Registrar for processing from and including 10 October 2016.

5. The registered address, e-mail address and contact information of the Transferee for the purposes of Condition 16 (Notices) of the Bonds and the register of members (the "**Share Register**") of the Issuer is stated below:

[insert Transferee's address, e-mail address and contact information. If the Transferee is already a holder of Bonds and Shares, the information provided to the Registrar (both in terms of payments and contact information) must be identical to the information already noted in the Register, or the Transferee may replace this paragraph 5 with a confirmation that the payment and contact details already noted on the Register shall apply to the transferred Bonds and Shares.]

6. The Transferee acknowledges that a transfer of title to the Bonds, Bond Interests and Shares is determined solely by the entry of the transfer into the Register, the Ledger or the Share Register, as applicable, and that entries on the Register, the Ledger and the Share Register, as applicable, are conclusive evidence of title to the Bonds, Bond Interests and Shares and of the date of transfer of title to Bonds, Bond Interests and Shares, absent manifest error.
7. This Transfer Notice may be executed by the Transferor and the Transferee in counterparts, each of which shall constitute an original and both of which taken together shall constitute one and the same Transfer Notice.
8. Terms defined in the Conditions attached to the Bonds shall have the same meaning in this Transfer Notice.

[insert name of Transferor]

By: [insert name of signatory] [Authorised Signatory]
[insert title, for persons signing on behalf of corporate entities]

[insert name of Transferee]

By: [insert name of signatory] [Authorised Signatory]
[insert title, for persons signing on behalf of corporate entities]

Acknowledged By:

_____ Effective Date:_____

U.S. Bank National Association

Name:

Title:

Enclosures: KYC Information for the Transferee

SCHEDULE 1

KYC MEMORANDUM⁴

1. Each Transferee who is not an existing Bondholder is required to provide the know-your-client information set out in the table below.
2. All KYC Information should be emailed to the Registrar at CDOAgencyservices.lbihf@usbank.com with the originals to follow to the Registrar at the address below:

U.S. Bank National Association
 C/o U.S. Bank Global Corporate Services
 214 N. Tryon Street, 27th Floor
 Charlotte, NC 28202
 United States of America

	Transferee	DETAILS / ACTION
1.	Corporate Transferees	<p>The following information must be provided by each Transferee that is an incorporated entity:</p> <ul style="list-style-type: none"> (a) its full legal name; (b) its registration number (if applicable); (c) its jurisdiction of incorporation, organisation or registration and the type of legal entity it is (e.g. limited company, limited liability partnership, etc.); (d) the address of its registered office; (e) the name of and a specimen signature for each natural person who can bind the Transferee; and (f) a statement, signed by a director or an officer of the Transferee, confirming, in accordance with Article 11.6 of the Issuer’s Articles of Association, that it will be the sole beneficial owner of the shares in the Issuer.
2.	Individual Transferees (Natural Persons)	<p>The following information must be provided by each Transferee who is a natural person:</p> <ul style="list-style-type: none"> (a) full name;

⁴ KYC Requirements TBD.

	Transferee	DETAILS / ACTION
		<ul style="list-style-type: none"> <li data-bbox="743 256 1110 289">(b) date and place of birth; <li data-bbox="743 323 1386 390">(c) social security number/national insurance number, if applicable; <li data-bbox="743 424 1195 457">(d) permanent residential address; <li data-bbox="743 491 1386 621">(e) a copy (certified by an independent lawyer of a current form of identification (e.g. passport or driver's licence, utility bills) for the purpose of verifying items 2(a) and (d) above; and <li data-bbox="743 655 1386 819">(f) a statement, signed by the Transferee, confirming, in accordance with Article 11.6 of the Issuer's Articles of Association, that he or she will be the sole beneficial owner of the shares in the Issuer.