

This is a certified and true translation
of the attached Icelandic document
by Vilhelm Steinsen,
state certified and sworn translator and court interpreter.



Settlement regarding the purchase by Fjarskipti of specific assets and operations of 365 midlar hf.

The purchase by Fjarskipti hf. (hereinafter referred to as Fjarskipti) of specific assets and operations of 365 midlar hf. (hereinafter referred to as 365) constitutes a merger (hereinafter referred to as the merger) within the meaning of article 17 of the Competition Act No. 44/2005 and article 62 b) of the Media Act No. 38/2011. The Competition Authority and 365 midlar have reached the following settlement, according to article 17 f) of the Competition Act. It concerns 365 midlar undertaking to abide by the following conditions in its operations, see also article 17 c) of the Competition Act and article 62, paragraph 8 b) of the Media Act.

Chapter I General provisions

Article 1

Need for intervention

If no measures are taken, the merger will impede active competition and has detrimental effects on pluralism and diversity in the media. The merger, therefore, calls for an intervention which can, by law, include an invalidation of the merger or setting of conditions.

The Competition Authority and 365 midlar agree that the merger's detrimental effects can be offset by imposing binding conditions.

Article 2

Objective of conditions

The objective of this settlement, and the conditions entailed in it, is to protect active competition, pluralism and diversity in the markets affected by the merger. In order to achieve this objective the order set forth in this settlement have as main purpose to counter detrimental effects that may be caused by the 365 midlar's ownership in Fjarskipti.

Chapter II Conditions

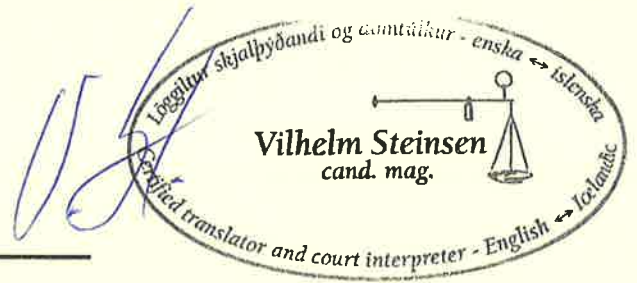
Article 3

Sever ownership links between competitors in the media market

In order to sever ownership links between competitors in the media market, represented by 365 midlar's ownership of Fréttabladid and a specific ownership in Fjarskipti after the merger, 365 midlar undertakes to either sell the operation of Fréttabladid and frett.is/frettabladid.is, or its share in Fjarskipti, to an unconnected third party. The sale shall take place within []¹ months from the signing of this settlement.

¹ Omitted due to confidentiality.

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Article 4

Participation in decisions within Fjarskipti

While there are links of ownership, according to article 3, 365 midlar may not have a representative on the Board of Directors of Fjarskipti. This means that Board Directors, employees and owners of shares in 365 midlar, subsidiaries of 365 midlar and/or companies where 365 midlar has an active control or parties that provide consultation or regular protection of the interest of the parties indicated above, shall not be members of the Board of Directors or alternate Board Members. The same applies to those who are spouses of the said Board Directors, employees and owners, related to them or connected by marriage, i.e. by direct or collateral lineage.

A prohibition according to paragraph 1 includes also that 365 midlar will not exercise its right as a shareholder in Fjarskipti to designate candidates for the Board of Directors of Fjarskipti, at a shareholder meeting where election to the Board of Directors is on the agenda or have any part in deciding what individual is a candidate for the Board of Directors of Fjarskipti.

Paragraphs 1 and 2 also include that the parties indicated in paragraph 1, item 2 may not be instrumental in issues regarding Fjarskipti, directly related to competition with Fréttablaðið.

Article 5

Expiry of the conditions

The conditions of this settlement expire when ownership links according to article 3 no longer exist. Ownership links are considered severed when the operation of Fréttablaðið and its internet media have been sold or the ownership in Fjarskipti, which 365 midlar and other legal entities, that 365 midlar and its owners control, has fallen below 2%.

Article 6

Review etc.

The Competition Authority shall review the conditions of this settlement should there be changes in the market or market structure, which in the opinion of the Competition Authority have removed the grounds for this settlement, provided 365 midlar has presented a reasoned request for cancellation.

While there are ownership links according to article 3, 365 midlar and other legal entities that 365 midlar and its owners control undertake not to acquire more share capital in Fjarskipti than is delivered to fulfil the purchase agreement between 365 midlar and Fjarskipti, dated 14 March 2017.

The provisions of this settlement do not prevent that the share held by 365 midlar in the above mentioned competitors in the media market, be transferred for a limited time to another company in the group, while the time limit according to article 3 has not passed. The settlement then includes that company.

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Article 7
Sanctions

Violations of the orders in this settlement are subject to sanctions according to Chapter IX of the Competition Act.

Article 8
Reservation

This settlement is subject to the reservation that the purchase by Fjarskipti of certain assets and operations of 365 will be authorised on the basis of a settlement with the merging parties, according to a final decision by the Competition Authority.

Reykjavík, 8 October 2017.