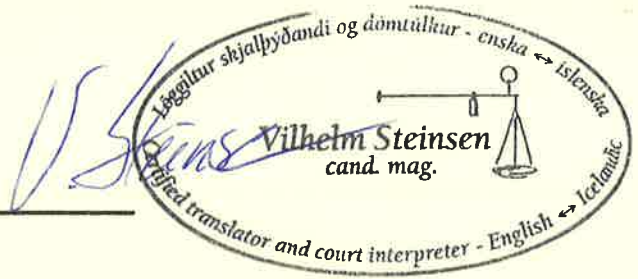


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SETTLEMENT

Regarding the purchase by Fjarskipti hf. 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 365) constitutes a merger (hereinafter 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 Fjarskipti have reached the following settlement, according to article 17 f) of the Competition Act. It concerns Fjarskipti undertaking to abide by the following conditions in its operations, see also article 17 c) of the Competition Act and paragraph 8, article 62 b) of the Media Act.

Chapter I - General provisions

Article 1 Definitions

The following definitions shall apply in this settlement:

- a. *MSR* are Important Domestic TV Channels controlled by Fjarskipti. Important Domestic TV Channels (*MSR*) refer to channels broadcasting TV content that consumers find especially appealing. This refers especially to popular domestic programmes, news, popular sports content and primaries of popular films and TV series.¹
- b. *New Party* is a company that does not offer packages or bundles of telecommunication and TV services at the time the settlement is signed.² This also includes new companies that have not offered telecommunications and TV services before and are not controlled by companies that have offered such services.
- c. *IPTV* is an abbreviation of "*Internet Protocol Television*", which is a new distribution system for TV using a bit-stream access separate from an open Internet part of such access.
- d. *Ljósvakasvid* operates the media part of Fjarskipti, which among other things operates, prices and sells Fjarskipti's subscription TV channels (including *MSR*) on the retail level. Wholesale of *Ljósvakasvid*'s content covered by this settlement takes place through Fjarskipti's wholesale service. Fjarskipti may, for the duration of the settlement and in consultation with an independent specialist, make changes to the internal organisation at the retail level, which should not, however, impede the company's obligation of confidentiality and equality with respect to Important Domestic TV Channels (*MSR*) and

¹ Such TV channels include today Stöd 2 and Stöd 2 Sport, Stöd 2 Sport 2, Stöd 2 Sport 3, Stöd 2 Sport 4 and Golfstöðin. New TV channels with comparable TV content shall also be counted among such TV channels. Fjarskipti shall consult the Competition Authority on whether new TV channels fall within this scope.

² At the signing of this settlement these are at least the following companies: Nova, Hringdu, Símafélagid, Hringidan, Snerpa and Ábóttinn.

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the objectives of the settlement.

- e. *OTT* is an abbreviation of "*Over The Top*", which is an open distribution network (streaming service) of TV across the Internet.
- f. *First Level Service* means an interface or interlayer allowing communication between the electronic systems of Fjarskipti on the one hand and its contracting party. This includes, among other things, opening and closing of subscriptions and simple troubleshooting.
- g. *White Label* is a specific arrangement in providing IP TV services to retailers. With this solution the retailer service level is higher, with respect to the final customer, and the respective retailer's logo is also included in the service interface and as applicable, on equipment where possible.

Article 2

Need for intervention

Without intervention the merger will impede active competition in the telecommunication and media market and has a detrimental effect on pluralism and diversity in the media. It is therefore necessary to apply intervention which can, by law, include the merger's invalidation or imposing conditions.

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

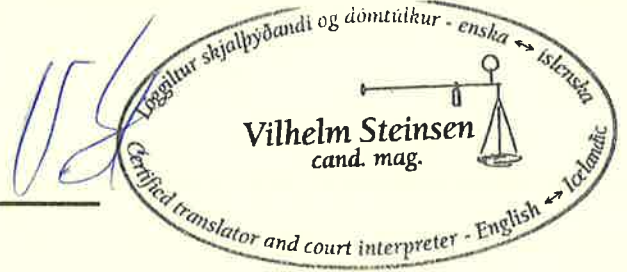
Concurrent with this settlement the Competition Authority has reached a settlement with 365 regarding ownership links in the media market resulting from the merger.

Article 3

Objectives and main subject of conditions

The objective of the settlement, and the conditions entailed in it, is to ensure active competition, pluralism and diversity in markets affected by the merger. In order to attain this objective the orders of this settlement have the following main purpose:

- a. To allow new parties to have a restraining effect through competition on Fjarskipti and other competitors, and thereby to counteract the limited competition resulting in 365's withdrawal as an independent competitor. In order to achieve this the following shall be ensured:
 - (i) New parties shall be given an opportunity to buy wholesale TV channels from Fjarskipti. Thus new parties are given an opportunity to offer packages or bundles of telecommunications and TV services and thereby increase competition in an effective manner.
 - (ii) When new parties buy TV channels wholesale, there is no obligation to buy further services from Fjarskipti (i.e. distribution through Fjarskipti's IPTV TV-network). The new parties can therefore choose to distribute their TV content with their own system (i.e. with OTT technology) or buy distribution services from a third party, if they meet the objective conditions of rightholders for copyright protection. The settlement is in this respect intended to increase competition between distribution channels and insure that new distribution



- channels have market access.
- (iii) Should new parties request buying a defined support service from Fjarskipti, connected to their wholesale purchase of TV channels, this shall be available to them. This can be wholesale access to Fjarskipti's IPTV system and support service.
 - (iv) When the settlement is signed there shall be an agreement with at least one new party for purchases of at least Important Domestic TV Channels (MSR). That agreement shall, when its contents and the competitive capacity of Fjarskipti's contracting party are weighed together, help the contracting party to provide a restraining effect through competition. Other new parties shall be given an opportunity to make a similar agreement with Fjarskipti. They can also, if they choose, reach a different agreement with Fjarskipti on the basis of the settlement's general orders.
 - (v) Within three months, Fjarskipti shall have developed an adequate technological solution for the contracting parties of Fjarskipti's wholesale service to be able to provide a first level service to their customers for decoders and Fjarskipti's broadcast media. Fjarskipti undertakes to commence preparation for providing White Label service for IPTV.
- b. Ensure separation between, on the one hand, Fjarskipti's Ljósvakasvid and, on the other hand, the company's wholesale of telecommunications services (including distribution of TV and radio). This works to prevent Fjarskipti's strength in these areas from impeding active competition, diversity and pluralism.
 - c. Improve the terms and access to Fjarskipti's distribution networks for radio and TV and in that way strengthen the competitive position of smaller domestic TV channels who will be competing with Fjarskipti's airwaves media. This is also meant to increase pluralism and diversity.
 - d. Fjarskipti has stated to the Competition Authority that its operation of presently operating media, including the news room of Stöd 2 and Bylgjan, is important to the company and that there are no plans to cease their operations. For that purpose, Fjarskipti undertakes to continue for at least the next three years operating the newsroom of Stöd 2 and Bylgjan and to buy or produce Icelandic TV and radio content.
 - e. Actively oppose a damaging effect of joint ownership of Fjarskipti and Síminn.
 - f. Ensure that consumers are provided with a normal share in the benefit intended with the merger, amongst other things in pricing of services.

Chapter II

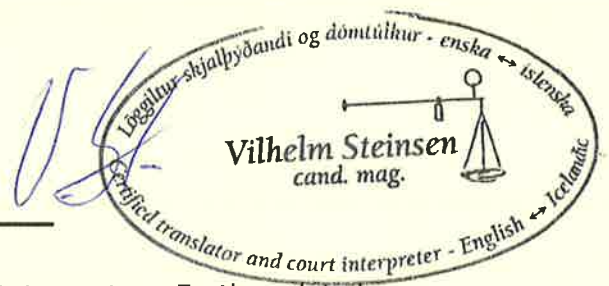
Ljósvakasvid and access to Important Domestic TV Channels (MSR)

Article 4

A separate operating unit

Operation of broadcasting media shall be separated from other operations of Fjarskipti and run within a special operating entity within the company, Ljósvakasvid. The accounting and finances of this unit shall be separate from the company's other operations. The accounts for the unit shall be independent and financial statements in

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accordance with legal principles on annual financial statements. Further details on separation, confidentiality etc., see article 9 of the settlement.

Fjarskipti may, for the duration of the settlement and in consultation with an independent specialist, make changes to the internal organisation at the retail level, which should not, however, impede the company's obligations of confidentiality and equality with respect to Important Domestic TV Channels (MSR) and the objectives of the settlement.

Article 5

Easier market access for new parties - Access Option A

Upon a new party's requests, Fjarskipti's Ljósvakasvid shall sell wholesale to that party one or more TV channels or a package with TV channels as sold by Fjarskipti's retail department at any given time. This obligation covers Important Domestic TV Channels (MSR). In addition, Fjarskipti will strive to offer a diverse selection of other TV channels controlled by Fjarskipti at any given time. It is not permitted to set as a condition for a new party to also buy other services from Fjarskipti, i.e. distribution through Fjarskipti's IPTV network.

Should a new party request to buy further services from Fjarskipti, related to that party's wholesale purchase of TV channels, which may make it easier for that party to compete, this shall be available to the new party. This service is discussed further in Chapter III.

Wholesale prices to new parties shall at least not be higher than the wholesale price paid by Fjarskipti's retail department for access to Important Domestic TV Channels (MSR). The wholesale price shall make it possible for new parties to offer MSR (as a part of a package/bundle) in a competitive and profitable manner and without risk of a margin squeeze.

It is not permitted to include in the wholesale price for MSR to new parties the cost of services a new party does not wish to buy from Fjarskipti, such as distribution. In order to ensure this Fjarskipti undertakes to have Ljósvakasvid offer new services, MSR without distribution cost, to new parties within six months from the time Fjarskipti takes over the assets included in this merger. Thus it is ensured that a new party requesting to buy MSR without distribution has that option.

Non-linear service factors connected to MSR, now named Tímavél and Frelsi, are a part of Fjarskipti's obligation according to paragraph 1.

Article 6

Agreement with at least one new party established

Before Fjarskipti takes over the assets included in this merger, an agreement shall have been established between Fjarskipti and at least one new party for at least wholesale or resale of Important Domestic TV Channels (MSR).

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That agreement shall, when its contents and the competitive capacity of Fjarskipti's contracting party are weighed together, indicate that the contracting party can on that basis provide a restraining effect through competition.

Fjarskipti shall justify to the Competition Authority that the respective agreement meets the conditions of paragraph 2. If the Competition Authority accepts the justification it shall authorise the merger.

Article 7

Easier market access for new parties - Access Option B

Should a new party decide not to negotiate with Fjarskipti on the basis of article 5, that party shall be offered an opportunity to negotiate with Fjarskipti on a basis comparable to that of article 6, in part or in full. A new party thus has an opportunity to negotiate on an independent basis according to article 5 or negotiate with the same conditions and prices stipulated in an agreement according to article 6.

Article 8

Prohibition on unwarranted delays, technological barriers etc.

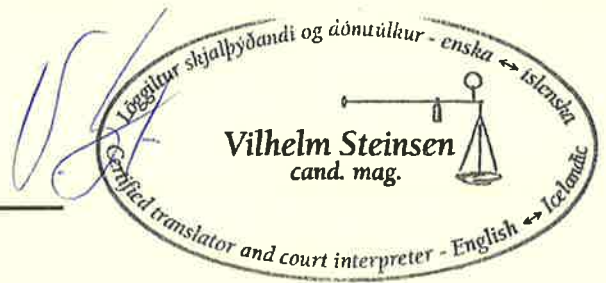
Fjarskipti undertakes to ensure that new parties enjoy at least an equivalent service in preparing an agreement and development of the business transaction as Fjarskipti's operations competing with a new party. This includes, among other things, that Fjarskipti's agreement offer shall be available no later than ten business days after the company received a request from a new party for an agreement. This time limit is independent of whether the new party is requesting an additional service according to Chapter III.

Fjarskipti undertakes also to prevent, to the best of its ability, that technological or other factors obstruct market access for a new party. This includes, among other things, a prohibition on any non-factual technological obstructions concerning an interconnection of a new party to Fjarskipti.

Fjarskipti shall ensure that agreements on wholesale of Important Domestic TV Channels (MSR) (and where applicable, of other Fjarskipti TV channels or TV packages) will not include a tying provision limiting the opportunities of new parties to buy individual TV channels or packages of TV channels from the company. Fjarskipti shall also ensure that the agreements do not include an exclusive purchase provision restricting the relevant party from offering TV channels from other rightholders or wholesalers to their customers. Furthermore, that it will not include any provisions that directly or indirectly affect the stations' distribution method, such as through OTT solutions or other IPTV systems than that of Fjarskipti.

Fjarskipti's agreement obligation according to articles 5 and 7 can be annulled if the company demonstrates verifiable, factual reasons, such as untrustworthy payments.

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Fjarskipti must offer a new party an agreement of at least three years duration on the basis of articles 5 and 7. Should a new party also request a White Label service at the outset, this minimum agreement period begins when that service is ready for use, see also article 16. Should a new party request MSR content without distribution, the minimum agreement period begins when that service is ready for delivery.

Article 9

Business transactions, confidentiality and disclosure

If there is a transaction between Ljósvasasvid on the one hand and other Fjarskipti departments on the other, for a service Fjarskipti offers to new parties, it shall be on business grounds as if it were an arm's length transaction.

Important business information from Ljósvasasvid shall be conveyed in the same manner and at the same time to Fjarskipti's retail operation and to new parties (who have made an agreement according to article 5 or 7).

Ljósvasasvid and, where applicable, Fjarskipti's wholesale service are unauthorised in every respect to supply Fjarskipti with any business information relating to the operation of those competitors of Fjarskipti who are also customers of Ljósvasasvid. The same applies to other divisions or departments of Fjarskipti having such information. Fjarskipti's retail service may not request or use such information. Fjarskipti shall make appropriate organisational changes to ensure the above and adopt effective access control.

The contact person according to article 26 shall communicate with new parties on behalf of Fjarskipti.

Article 10

Free-to-air TV distribution etc.

In order to avoid any doubt, Fjarskipti will also operate other TV channels than Important Domestic TV Channels (MSR) falling outside this settlement. Such TV channels will, in this context, be subject to the provisions of the Media Act and the requirements of that act on separation of operations.

Fjarskipti may, among other things, offer linear domestic content in a free-to-air programme, i.e. without a separate payment from the end user. Should a new party request to distribute this programme, Fjarskipti must accept this without undue delay and irrespective of the stations' method of distribution, see for reference provisions of Chapter seven of the Media Act, such as through OTT solutions or other IPTV systems than those of Fjarskipti, provided that the new parties meet the objective rightholder conditions in their distribution for protection of copyright.

Following the merger, Fjarskipti will not alter remote control sequence or user interface resulting in a negative effect on the rating of other TV stations. However, Fjarskipti may

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have the sequence in a remote control and the user interface reflect the pricing of such services on the basis of the tariff published at any given time.

Article 11

Production of Icelandic content and continued operation of media

Fjarskipti has stated to the Competition Authority that its operation of present media, including the news rooms of Stöd 2 and Bylgjan, are important to the company and that there are no plans to cease their operations. With this in mind, Fjarskipti commits to continue operating the media, that are the object of the purchase, for the next three years. This entails, among other things, a continued operation of the news rooms of Stöd 2 and Bylgjan or comparable news rooms, as well as purchase and production of Icelandic content.

Notwithstanding paragraph 1, Fjarskipti can change the offer of news or production of Icelandic content due to considerable external negative changes in market conditions.

Chapter III Wholesale of telecommunications services

Article 12

Scope of wholesale

Fjarskipti's wholesale service shall sell wholesale access to the company's telecommunications networks and related services to new parties. Such services as fall within the above are, within the meaning of this settlement, TV through IP (wholesale access to IPTV). Fjarskipti shall also sell services to media (content providers) which include transfer and distribution of content through Fjarskipti's TV and radio broadcasting system. This concerns TV distribution by air with UHF frequency or across Fjarskipti's IPTV TV distribution system and radio broadcasting.

In order to make it easier for a new party to enter the market, according to the objective provision of the settlement, Fjarskipti can grant wholesale access to data transfer (bit stream) on equivalent terms. The same applies to telephone services and other connected telecommunications services.

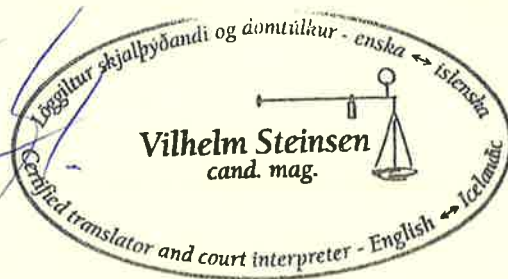
Fjarskipti's wholesale service shall not operate in retail.

The contact person according to article 26 shall communicate on behalf of Fjarskipti's wholesale service with new parties and media service providers.

Provisions of article 1 of Competition Authority decision No. 14/2015, *Exemption from the competition act for Vodafone and Nova (telecommunication companies) for a network sharing agreement*, on access to the wholesale market, as well as other provisions of that settlement, remain fully valid.

The provisions of this chapter do not impede with imposed obligations according to the Telecommunication Act No. 81/2003.

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Article 13

Operational separation

It shall be ensured that Fjarskipti's wholesale service is operated as a separate unit within Fjarskipti, and separate from Fjarskipti's retail service with respect to its operations, management and accounting. A special executive shall manage the wholesale, and retail employees shall not work on assignments in wholesale and vice versa.

Fjarskipti's retail and wholesale services shall be separate in that each section/unit is independent and separate in its daily management and with access control on information systems for each section/unit.

The accounts for the unit shall be independent and financial statements in accordance with legal principles on annual financial statements.

Article 14

Access to systems and services from Fjarskipti's wholesale service

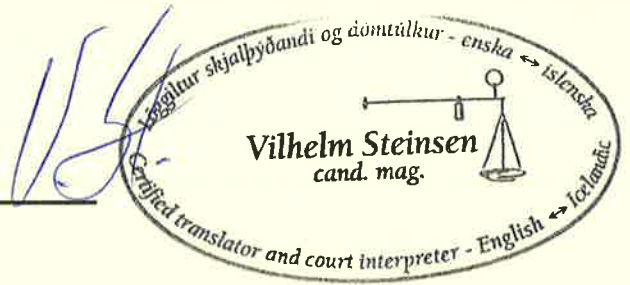
The wholesale service of Fjarskipti, according to article 12 of the settlement, must observe equality and objectivity with respect to new parties and broadcasting media falling under article 17 of this settlement, requesting services according to this chapter in the settlement. This means, among other things, that the wholesale service of Fjarskipti shall ensure that related undertakings, retail sales and Fjarskipti's Ljósvaskasvid on the one hand, and on the other hand Fjarskipti's competitors (new parties or broadcasting media according to article 17) will obtain access and all necessary service in the following manner:

- a. Fjarskipti's retail sales and its competitors shall be granted access with the same service processes, speed and terms.
- b. Access to telecommunications systems, technological solutions and services shall be given to Fjarskipti's retail service and its competitors with the same quality and service level.
- c. Fjarskipti's retail service and its competitors shall have the same access to information on technical and other necessary issues normally associated with inquiries and requests for access to service from Fjarskipti's wholesale service. This applies to any important business or technical information.

Fjarskipti's wholesale service may not discriminate against its customers without verifiable, factual reasons.

Fjarskipti's wholesale service may not inform Fjarskipti's retail service of inquiries or requests for access, by present or prospective competitors of Fjarskipti's retail service, to Fjarskipti's systems or the service of Fjarskipti's wholesale service. The same applies to any other information that Fjarskipti's wholesale service has and may indicate the plans or operations of the competitors of Fjarskipti's retail service, see also article 13 of this settlement.

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Article 15

Access to Fjarskipti's TV services (IPTV)

Reference to wholesale access to Fjarskipti's TV services according to the above means the access of new parties to the service over the access systems Fjarskipti uses for that purpose at any given time. Fjarskipti's obligation of objectivity and equality according to article 14 apply with the limitation that Fjarskipti shall guarantee the functionality of the service where the service is delivered to a new party, who is then responsible for the service from the point of delivery to his customers.

Before Fjarskipti is permitted to receive the assets covered by this settlement, there must be a time-limited agreement between Fjarskipti and at least one new party, who is likely to be able to provide a restraining effect through competition on the respective market, for access to Fjarskipti's IPTV-systems.

As soon as the Competition Authority has confirmed that the said agreement contains adequate provisions on the above-mentioned, the merging parties may perform the said merger, see also article 6.

Article 16

Types of access to Fjarskipti's TV services (IPTV)

A new party requesting access to Fjarskipti TV services can:

- a. Obtain this on the basis of comparable terms and values according to an agreement based on article 15, paragraph 2, in full or in part.
- b. Negotiate independently for a wholesale access on the basis of the conditions Fjarskipti is subject to according to Chapter III of this settlement.

Wholesale of Fjarskipti TV services shall be available on two service levels, i.e. simple wholesale on the one hand, and wholesale of White Label services on the other, see the following:

a. Simple wholesale of Fjarskipti TV

Simple wholesale includes wholesale of TV channels through Fjarskipti's IPTV-system where Fjarskipti's name and logo appear on the service. A new party, who is a contracting party with Fjarskipti's wholesale service, has a business relationship with end users and is responsible for delivering a decoder and provide first level service. Fjarskipti's wholesale service shall observe confidentiality about the business relationship of its contracting parties and end users and Fjarskipti's retail service may not request or have such information.

Within three months from the signature of the settlement, Fjarskipti shall have developed an adequate technological solution for the contracting parties of Fjarskipti's wholesale service to be able to provide a first level service to their customers for decoders and Fjarskipti's broadcast media. An independent specialist shall provide confirmation of the above-mentioned. In case Fjarskipti is

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not able to provide an adequate technological solution according to an independent specialist, Fjarskipti shall pay the contracting party a marketing grant of one ISK million for each month the task is delayed due to events that can be attributed to Fjarskipti.

b. Wholesale of White Label services

Such wholesale includes everything offered in simple wholesale, except that Fjarskipti shall insert in the decoder menu system the wholesale service's contracting party's logo (new party) wherever this is possible. Fjarskipti guarantees that all development of the menu system, new functions, adjustments and additions will also be adopted simultaneously in the menu system of the wholesale service's contracting party.

Fjarskipti undertakes to commence preparation for providing White Label service. Should a factual and binding request for White Label service be put forth by a new party three months after the settlement is signed, Fjarskipti shall provide the service within six months from the time such a request was received.

The obligation to make an agreement based on this article becomes invalid no later than three years from the time Fjarskipti was first able to offer White Label service.

Article 17

Access to Fjarskipti's distribution networks for radio and TV

Fjarskipti is obliged to provide requesting media service providers with wholesale access to Fjarskipti's distribution networks for radio and TV. This relates to a media service provider's access to distribution across the access systems that Fjarskipti uses for that purpose. For further information on the terms and conditions for this service, see article 14 of the settlement.

In order to facilitate pluralism and diversity, Fjarskipti undertakes to give domestic open broadcasts by smaller TV stations, producing basing their programme material on domestic news and cultural coverage, such terms that reflect the station size and a priority to at least three channels that are distributed in an uncoded broadcast through a Vodafone decoder with a 99% geographical coverage. Thereof Fjarskipti shall offer the same parties the possibility of at least one channel in the company's open distribution network for TV, covering 99% of households. A smaller TV station means a broadcast medium with an annual turnover of less than ISK 500 million, individually or on a group basis, as the case may be.

Fjarskipti shall set rules of procedure for itself for the arrangement of this allocation, to be made known in advance to the specialist according to article 24 and the Competition Authority.

Article 18

Planned changes to Fjarskipti's systems and services

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Fjarskipti's wholesale service shall inform all its customers of new or planned products and services, changes or plans related to present or planned services at the same time and in the same manner, concerning access to service according to this settlement. This includes, among other things, plans to develop, renew and change telecommunications connections, maintenance and significant repairs of equipment or systems directly owned by Fjarskipti. The information indicated above shall be accessible to these parties at the same time and in the same manner.

Generally, the objective shall be that information a customer of Fjarskipti's wholesale service needs to have access to, be accessible on a service web, homepage or sent by e-mail.

The disclosure requirement according to paragraph 1 does not include innovations brought about by customers of Fjarskipti's wholesale service, including Fjarskipti's retail service, that are developed in cooperation with a single customer, until after the product/service has become a part of the general product and/or service offer of Fjarskipti's wholesale service.

This article does not impede imposed obligations according to the Telecommunications Act.

Article 19

Protection of confidential information and access control between Fjarskipti's retail service and wholesale service

Fjarskipti shall ensure by all necessary measures that confidential information held by Fjarskipti's wholesale service on individual end users is not communicated to other wholesale service customers, including Fjarskipti's retail service.

Fjarskipti shall take the necessary measures to prevent conflicts of interest that may harm the interests of the customers of Fjarskipti's wholesale service. For that purpose Fjarskipti shall make sure that adequate access controls are in place so that access to the wholesale service computer systems are controlled. Use of systems and data at Fjarskipti's wholesale service shall be actively controlled.

Access to information at Fjarskipti's wholesale service, regarding its operation or business, as well as other information that is appropriate and normal to keep confidential, shall be entirely closed to employees of Fjarskipti's wholesale service. Employees of Fjarskipti's technology department may, as the case may be, need access to information within the retail and wholesale services and such access should be granted, such that it can be traced so as to be able to identify which employee has the respective access and what information that person has access to.

Chapter IV Fjarskipti's independence

Article 20

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Board of Directors and key employee independence in terms of competition

Members of the Board of Directors and key employees of Fjarskipti shall not be linked to the company's competitors through employment, board membership or personal ownership. The same applies to the spouse or partner of the above mentioned parties, through employment as key employees, board membership or ownership.

Parties that provide consultation or regular protection of the interests of Fjarskipti's competitors shall not be members of Fjarskipti's Board of Directors.

A key employee is an individual in a managerial position considered an insider in Fjarskipti at any given time.

Article 21

Shares of Fjarskipti shareholders do not have an impeding effect on competition

Fjarskipti shall ensure, as far as possible, that interests that may stem from shares held by shareholders that are also holders of shares in the company's competitors do not affect decisions made regarding the operation of Fjarskipti and its behaviour in the market. The competition compliance policy according to article 25 shall state the obligations of Board Directors and those of key employees in this respect.

The Board of Directors and key employees of Fjarskipti shall communicate with the company's shareholders such that there is no risk of an impeding effect on competition. Among other things, it must be ensured that sensitive business information does not reach shareholders who also hold shares in Fjarskipti's competitors. Further provisions on this are in the competition compliance policy according to article 25.

Chapter V. Other items

Article 22

The benefits of telecommunication and media market restructuring for consumers

Fjarskipti intends to have customers of the united company benefit from the restructuring resulting from the merger [

]³

Article 23

Prohibition on tying of services

Fjarskipti may not set as condition for purchases of telecommunications services provided by the company, making important TV channels (MSR) according to this

³ Omitted due to confidentiality

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settlement a part of the purchase. Furthermore, Fjarskipti may not tie together the sale of the company's telecommunications service and MSR for a price or business terms that can be equated to such a condition.

Article 24

Independent specialist

Fjarskipti shall, within two weeks of the date of this settlement, designate an independent specialist. If the Competition Authority accepts the designation it shall appoint the specialist for a term of three years. Should the Competition Authority reject the designation, then Fjarskipti shall designate a new specialist within two weeks.

The specialist's function is to monitor whether the conditions of this settlement are being implemented. The specialist shall especially monitor whether the provisions of the settlement, intended to facilitate the entry of new parties to the market, are implemented in accordance with their content and the objective of the settlement. New parties, as defined by the settlement, may seek the assistance and guidance of the specialist in their negotiations with Fjarskipti.

Fjarskipti bears all cost of the specialist's work. Fjarskipti shall provide the specialist with all necessary information and assistance to ensure that he can perform his function. The specialist's monitoring shall be stipulated further in his agreement with Fjarskipti. The agreement with the specialist shall be submitted to the Competition Authority for approval.

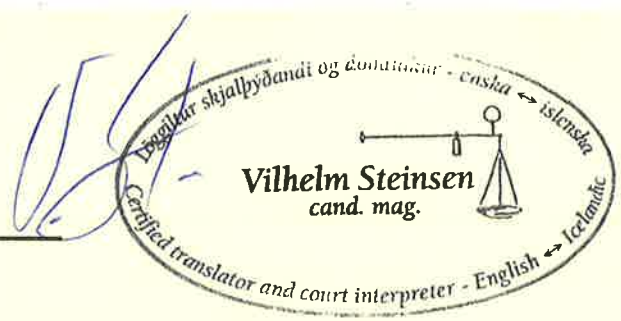
Article 25

Competition compliance policy - Confirmation by Board of Directors and key employees

Fjarskipti shall ensure that Board Directors, managers and other employees of the company, for whom the company considers this settlement relevant, are informed in full about the settlement and any other requirements that competition rules subject the operation of companies in a competitive market. For that purpose a competition compliance policy shall be implemented aiming, among other things, at complying with the settlement. This is to be updated regularly.

The Board of Directors and key employees shall sign a declaration and deliver to the Competition Authority. It shall contain the following:

- a. That the person in question has read the contents of the settlement and declared that he or she will work according to it.
- b. That the person in question will promote, as permitted by his or her position, that within Fjarskipti thorough measures will be taken (e.g. with a defined work method or procedures) intended to ensure that in the company's daily operations the orders of this settlement are observed.



Article 26

Contact person for new parties and media service providers

Fjarskipti shall designate one or more employees of the company's wholesale service as contact persons for new parties and media service providers. The role of a contact person is to communicate with new parties and media service providers requesting access and services provided by Fjarskipti stipulated in this settlement. Should, i.e. a new party request an Important Domestic TV Channel (MSR) or IPTV solution, it is the role of the contact person to reach an agreement with the new party, subject to a normal business consultation with the respective department within Fjarskipti.

Fjarskipti shall prepare a job description for the contact person. The job description shall, among things, stipulate on the following:

- Credible work procedures and resources making it obligatory and possible for a contact person to work in accordance with the objective of this settlement.
- Credible work procedures and resources ensuring that sensitive information from new parties and media service providers are not communicated to those departments of Fjarskipti who are direct competition with new parties and media service providers.
- Credible work procedures and resources that ensure that important information concerning the services that new parties or media service providers buy from Fjarskipti, are delivered at the same time and in the same manner as to those departments of Fjarskipti in direct competition with the above mentioned parties.
- Regular disclosure of information and cooperation with an independent specialist.

Fjarskipti shall present a draft of the above-mentioned job description to an independent specialist and the Competition Authority.

Article 27

Review and cancellation of a decision in part

The Competition Authority shall review the conditions of this settlement no later than 1 September 2020, provided Fjarskipti has presented reasoned request for amendments to the terms.

Should Fjarskipti sell the operations of Important Domestic TV Channels (MSR) to a non-associated third party, the conditions of Chapter II of this settlement are cancelled.

Certain provisions of this settlement are subject to time limits:

- a. Fjarskipti's obligation to make an agreement with a new party, according to article 8 of the settlement, applies once the settlement has been signed.
- b. The provision of article 8, paragraph 4, in the settlement, on the obligation to offer new parties at least a three year agreement, is valid for one year from the time an adequate technological solution for both first level service according to article 16 a) of the settlement and MSR service without distribution, according to article 5, paragraph 4 of the settlement is available. In spite of the above-mentioned there

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



is an obligation to make a three year agreement with a party requesting a White Label service according to article 16 a) at least until an adequate technological solution for that service is available, according to article 16, paragraph 3, item b) of the settlement.

- c. After the time referred to in the first sentence of item b) the obligation to make an agreement with a new party is only valid for the time remaining of a new party's agreement, made at the latest time limit.
- d. After the time referred to in items a) to c), Fjarskipti's obligation to make an agreement with a new party is cancelled.

Other provisions of the settlement are time limited and remain valid.

Article 28

Conflict of law

Nothing in this settlement impedes the obligations of Fjarskipti on the basis of the Telecommunication Act No. 81/2003 and Media Act No. 38/2011, including provisions on must carry rule and may carry rule, separation of operations, accounting and finance, editorial independence and democratic principles.

Article 29

Sanctions

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

Article 30

Provisional provisions

Assuming the Competition Authority receives a notification, i.e. from a specialist or new parties, that the Authority considers factual and concerns a possible shortcoming in this settlement with respect to new parties. Fjarskipti undertakes to commence discussions in good faith with the Competition Authority and, as the case may be, seek the best way to fix shortcomings and thus work to achieve the settlement's objective. A solution to such problems can be a change in the settlement or other measures to the same effect.

The obligation of Fjarskipti according to paragraph 1 is cancelled one year after the date of this settlement.

Reykjavík, 9 October 2017.