

Disclosure Pursuant to U.S. Treasury Regulation Section 1.1273-2(f)(9)

PDL BioPharma, Inc.

**Exchange of 2.75% Senior Convertible Notes due 2021 for
2.75% Senior Convertible Notes due 2024**

On September 17, 2019, PDL exchanged approximately \$86.1 million in aggregate principal amount of its 2.75% Convertible Senior Notes due 2021 (the "Existing Notes") for approximately \$86.1 million in aggregate original principal amount of new 2.75% Convertible Senior Notes due 2024 (the "Exchange Notes") together with an aggregate of approximately \$6.0 million of cash.

Pursuant to section 1.1273-2(f)(9) of the Treasury Regulations, PDL has made the following determination with respect to the Exchange Notes. This determination is binding on a holder of the Exchange Notes unless the holder explicitly discloses on the holder's timely filed federal income tax return for the taxable year that includes its acquisition date of the Exchange Notes, in accordance with the requirements of the Treasury Regulations, that its determination is different from PDL's determination

PDL has determined that (1) the Exchange Notes were issued for property (the Existing Notes) that are "traded on an established market" (i.e., publicly traded) within the meaning of section 1.1273-2(f)(1) of the Treasury Regulations and (2) the issue price of the Exchange Notes is 98% (expressed as a percentage of the face amount of the Exchange Notes).

This notice is only intended to fulfill PDL's notification obligation under section 1.1273-2(f)(9) of the Treasury Regulations and does not constitute tax advice. Holders should consult their own tax advisors to determine the tax consequences to them of acquiring the Exchange Notes.