



With reference to the press release published on the Central Bank of Iceland website on 5 May 2017, the bank has decided to extend the deadline for intermediaries to submit requests for transactions at the offer exchange rate of 137.5 kr. per euro until 15 June 2017. Requests shall have been received by that date.

The following are the terms and conditions for the transactions:

1. Clearstream Banking S.A. and Euroclear Bank S.A./N.V. (hereinafter referred to also as the *intermediaries*) are invited to act as intermediaries, in their own names, in connection with requests for transactions at the offer exchange rate, 137.5 kr. per euro (hereinafter referred to as the *transactions*). The transactions are carried out with reference to these terms and conditions and on the basis of Article 18, Paragraph 1 and Temporary Provision III of the Act on the Central Bank of Iceland, no. 36/2001.
2. The total amount in Icelandic krónur that the Central Bank offers to purchase is the outstanding amount of the offshore króna assets, cf. the Act on the Treatment of Króna-Denominated Assets Subject to Special Restrictions, no. 37/2016. The offer extends to offshore króna assets in the form of deposits, bills and bonds issued by the Icelandic Treasury or bearing a Treasury guarantee, and Central Bank certificates of deposit. The price is based on the most favourable purchase offer at the close of trading at Nasdaq Iceland stock exchange on 10 March 2017, as is specified further in the table below, together with accrued interest and adjusted for inflation, at the time of settlement.

ISIN code	Temporary ISIN	Series	Clean Bid Price	Settlement Price*
IS0000017077	IS0000027266	RIKB 19 0226	107,150	109,931
IS0000024453	IS0000027209	RIKB 20 0205	103,500	105,846
IS0000020717	IS0000027282	RIKB 22 1026	111,260	116,007
IS0000019321	IS0000027233	RIKB 25 0612	120,405	120,624
IS0000020386	IS0000027241	RIKB 31 0124	114,970	117,623
IS0000019453	IS0000027191	RIKH 18 1009	99,750	99,922
IS0000020014	IS0000027175	RIKS 21 0414	103,555	127,428
XS0195066146		HFF150224	102,205	84,809
XS0195066575		HFF150434	108,425	142,636
XS0195066658		HFF150644	113,902	174,968
IS0000027068		CBI2016	100,000	100,027397
IS0000028397	IS0000028470	RIKV 17 0815	N/A	99,179
*referring to 22. June 2017 being the Settlement Date				

3. Intermediaries send offers to the Central Bank before 10:00 hrs. on Thursday 15 June 2017 (GMT), the deadline for submittal. The results of the transactions will be published on the Central Bank website following the settlement of the transactions on 22 June 2017. On the settlement date the intermediary will deliver the aggregate of instruments described in the offer to the account specified by the Central Bank. On the same day the Central Bank will deliver the EUR value to the intermediary's account as specified by the intermediary.
4. The transactions will be carried out at a price of 137.5 kr. per euro.
5. The Central Bank reserves the right to accept some or all of the transaction requests submitted, reject them in part, or reject all of them.
6. The aforementioned intermediaries, which have concluded agreements with the Central Bank, shall collect requests for transactions; cf. Article 7 of these terms and conditions. Requests for transactions between customers and intermediaries shall be binding requests, with the reservations that follow from the transactions. Intermediaries shall submit the same type of requests for transactions to the Central Bank in their own names, on behalf of their customers. Intermediaries are authorised to combine transaction requests from their customers where they provide for the same type of payment.

7. Intermediaries shall only collect transaction requests where the funds offered are offshore króna assets as these are defined in Article 2, Item 1 of the Act on the Treatment of Króna-Denominated Assets Subject to Special Restrictions, no. 37/2016, and only those taking the form of cash, bonds and bills issued by the Icelandic Treasury or bearing an Icelandic State guarantee, or Central Bank certificates of deposit and appearing in the table in Article 2.
8. For all transaction requests that they submit to the Central Bank, intermediaries shall have acquired and collected information on the beneficial owner and the origins of the funds on which each transaction request is based, in accordance with Chapters II and III of the Act on Measures to Prevent Money Laundering and Terrorist Financing, no. 64/2006, and shall ensure that the beneficial owner is not subject to international sanctions in accordance with the Act on Implementation of International Sanctions, no. 93/2008. Should the Central Bank request it, the intermediary shall deliver to the Bank, as soon as practicable, copies of relevant documents that verify the identity of the customer, together with other documents for the due diligence analysis. In submitting requests for transactions, the intermediary agrees, both on its own behalf and on behalf of its customers, that the Central Bank may provide the Financial Supervisory Authority, the tax authorities, the prosecuting authorities, and/or the police with information on the beneficial owner of the funds if a demand is made to this effect, irrespective of whether such a demand is directed at the Central Bank offer in general or at individual transaction requests.
9. Transaction requests shall contain at a minimum, information on the volume and type of offshore króna assets offered for sale. In all instances where offshore króna assets are not in cash, the name of the offshore króna asset shall be stated as it is described; cf. Article 2. There is no minimum required amount for each transaction request. Amounts shall be in multiples of 1 kr.
10. If an intermediary does not honour a transaction request, the Central Bank reserves the right to demand full performance and charge the highest legally permitted penalty interest for the period corresponding to the delay in payment, all without further notice, and without liability vis-à-vis the intermediary's customers.
11. No later than 30 June 2017, the intermediary shall deliver the foreign currency to the customer in accordance with the customer's transaction request that the intermediary approved on its behalf, and all distribution of funds among customers is the responsibility of the intermediary.
12. The Central Bank declares itself free of all liability for transaction requests that do not reach the Central Bank due to system error or for any similar reason. The Central Bank is authorised to cancel transactions in their entirety due to technical difficulties. Intermediaries may request that the Central Bank of Iceland's back office personnel confirm receipt of transaction requests by sending an e-mail to [bakvinnsla@sedlabanki.is](mailto:bakvinnsla@sedlabanki.is), but requests for such confirmation do not affect the deadline for submittal of transaction requests. Each intermediary shall send the Central Bank a list of the transaction requests it has collected on behalf of its customers.
13. These terms and conditions apply between the Central Bank and the intermediary, as counterparty to the Central Bank. The Central Bank is not liable for any obligations between the intermediary and its customers concerning foreign exchange transactions between them as a result of the intermediary's participation in the transactions.
14. These terms and conditions are subject to the provisions of Icelandic law. If a dispute should arise concerning these terms and condition, the parties shall try to resolve it between them. If the parties cannot resolve their dispute, they shall refer it to the District Court of Reykjavík.
15. These terms and conditions have been translated into English; however, the Icelandic original shall be considered the authoritative text.