

**HF FUND**  
**TERMS OF AUCTION**  
**FOR THE SALE OF LSS150434**  
**Auction 5 June 2024**

1. At the request of HF Fund, the Government Debt Management Department of the Central Bank of Iceland (referred to hereinafter as the *arranger*) has decided to oversee an auction in which HF Fund will sell bonds issued by Municipality Credit Iceland plc in series LSS150434, owned by HF Fund. HF Fund aims to sell LSS150434 bonds (ISIN number: IS0000020691) for a nominal value ranging between 1,000 m.kr. and 3,000 m.kr.
2. Primary dealers in Treasury securities that have entered into participation agreements with HF Fund (referred to hereinafter as *participants*) are invited to act as intermediaries for the transactions and submit bids to the arranger through the Bloomberg trading and auction system.
3. The auction will be held between 10:30 hrs. and 11:00 hrs. on Wednesday 5 June 2024. The auction results will be announced publicly at 12:00 hrs. on the auction date. The settlement date is Friday 7 June 2024.
4. The auction will be structured as a Dutch auction in which all accepted bids will be offered to participants at the same price. The lowest accepted price (highest yield) will determine the sale price.
5. The minimum nominal amount of each bid shall be 1 m.kr. Bids shall be submitted in multiples of 1 m.kr. Bids shall be presented as clean prices, with three decimal places. HF Fund reserves the right to increase the total amount auctioned, accept all bids, accept bids in part, or reject all bids.
6. The arranger declares itself free of all liability for bids that do not reach the arranger due to system error or for any other reason. The arranger is authorised to cancel auctions in their entirety due to technical difficulties. Parties are authorised to confirm the receipt of bids by telephone call to the arranger at tel: +354 569 9635. Bids that reach the arranger and are registered to individual terminals in the Bloomberg Auction System are binding and are the responsibility of the person who is registered for that terminal. It is permissible to amend or withdraw bids by sending an appropriate message through the Bloomberg Auction System to the arranger before 11:00 hrs. on the auction date.
7. These terms of auction apply between HF Fund, the arranger, and the participant in connection with the auction. HF Fund and the arranger are not liable for participants' obligations to their customers.
8. In the event of a discrepancy between the English and Icelandic versions of these terms of auction, the Icelandic version shall apply.