

## How to file a claim - FAQ

The entry into force of Act No. 44/2009, amending Act No. 161/2002, on Financial Undertakings, as subsequently amended, makes it possible to begin the process of lodging claims against Glitnir banki hf (“Glitnir”).

In May 2009 the Winding-Up Board issued a notice inviting creditors of Glitnir to lodge their claims. The notice was published in the Legal Gazette (*Lögbirtingarblaðið*) in Iceland on 26 May 2009. This date marks the beginning of the time limit for lodging claims, regardless of where creditors are domiciled. The time limit for lodging claims is six months, and claims must be received before midnight Reykjavík time on 26 November 2009. In September 2009 the Winding-Up Board issued a notice related only to the filing of claims related to Glitnir Bonds.

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### 1. Making a claim

#### 1.1 What do I need to do to make a claim?

You need to send a written statement of your claim to the Winding-Up Board, Glitnir Banki hf, Sóltún 26, Reykjavík 105, Iceland. The statement needs to set out clearly:

- the amount you are claiming (including interest and any other costs);

- any claim for priority;
- any claim for security;
- any claim regarding other specific rights against Glitnir; and
- the basis on which you are making the claim.

You need to supply enough documentation to support your claim – see also question 1.5 below regarding claim forms.

Under Icelandic law, it is up to you to determine how you make your claim. However, claim forms have been prepared to help you make sure that you supply the basic information the Winding-Up Board will need to assess and value your claim.

### **1.2 What claims should be registered?**

All claims against Glitnir need to be registered before the deadline of 26 November 2009. This includes secured claims, priority claims, claims related to Glitnir Bonds and claims for set-off.

### **1.3 Who can register the claim? Can an agent or trustee do this for me?**

Claims need to state on whose behalf they are being made. Another person, including an agent, trustee, paying agent, clearing agent, lawyer or other adviser or representative can make a claim on your behalf – they will need to supply evidence that they have your authority to do this. A signed power of attorney is the best evidence of this and should be included with the claim.

### **1.4 What happens if I don't register my claim?**

If your written claim is not actually received by the Winding-Up Board by 26 November 2009, you will lose your right to make a claim altogether and lose all rights to any future payments. There are a small number of limited exceptions to this under Art. 118 of the Bankruptcy Act. These are mainly related to set-off and situations where Glitnir is holding assets which are legally yours. If you plan to rely on one of these limited exceptions, you are strongly advised to take Icelandic legal advice as there is a risk your claim will be too late and you will lose any rights you had against Glitnir.

Creditors are strongly encouraged to register all claims as soon as possible in order to avoid the risk that your claim becomes null and void.

If you have already submitted your claim related to Glitnir Bonds and it does not include a blocking number, you must amend your claim so that it includes all information contained in the updated claim form for Glitnir Bonds which is available at [www.glitnirbank.com](http://www.glitnirbank.com). For claims related to Glitnir Bonds held through Euroclear, Clearstream or DTC, it is mandatory that you request a blocking number (or its equivalent) for each bond and security position. Failure to receive and include a blocking number for claims related to these types of Glitnir Bonds will cause your claim to be deficient and as such will be rejected by the Winding-Up Board. See question 4.3 for information regarding blocking procedures and what information must be included in the claim form.

### **1.5 Is there a standard form to complete?**

No there is no standard form. You can choose how to make your claim, as long as it complies with the requirements of the Bankruptcy Act.

For your convenience, a number of standard forms are available on this website that covers the main types of claims that we expect. These forms have been designed to help you provide the basic

information that is needed to assess your claim. The forms are accessible on Glitnir's homepage [www.glitnirbank.com](http://www.glitnirbank.com).

It is not compulsory to use these standard forms, but you may find them helpful. You should note that Icelandic law applies to all claims and nothing should be inferred from the forms which is contrary to Icelandic law.

A claim must satisfy the following conditions:

- a. A claim must be submitted in writing.
- b. A claim must clearly indicate or identify the creditor.
- c. A claim must be presented clearly and comprehensively.
- d. The amount of a monetary claim must be stated in the currency of the claim concerned and a breakdown provided of the principal, interest and any other costs.
- e. If the claim concerns the delivery of a specific object, this must be described in as much detail as possible.
- f. A claim concerning a decision on specific rights or release from a specific obligation must include a detailed description of the rights or obligation concerned.
- g. The claimant must state the priority it demands for its claim in the ranking of claims, as provided for in Chapter XVII of Act No. 21/1991 (the Bankruptcy Act).
- h. The claims submission must include the circumstances of the case (or agreement, obligation or instrument) upon which the creditor bases its claim, as well as other aspects which must be explained due to the context.
- i. A claim must be accompanied by documentation substantiating the claim.
- j. Each claim form related to Glitnir Bonds held through Euroclear, Clearstream or DTC must contain a blocking number or it will be deemed deficient by the Winding-Up Board. See question 4.3 below.
- k. A claim which includes a set-off must detail and include documentation related to the set-off right. See question 1.11 below.

## **1.6 When do I need to make my claim by?**

Midnight on 26 November 2009 is the deadline for making claims. The Winding-Up Board must actually receive claims by that deadline. This is six months after the initial advertisement for claims by the Winding-Up Board appeared in the Icelandic Legal Gazette (*Lögbirtingarblaðið*). That date marks the beginning of the time limit for lodging claims, regardless of where creditors are domiciled. On 26 November, there will be staff present until midnight to receive claims. See question 1.7 below.

There are a limited number of exceptions to the deadline – see question 1.4 above.

## **1.7 Whom do I need to make my claim to, and how do I file my claim?**

Send your claim in writing by mail or courier to be actually received by midnight Reykjavík time on 26 November 2009:

Winding-Up Board  
Glitnir Banki hf  
Sóltún 26  
Reykjavík 105  
Iceland.

All claims must be **RECEIVED** at the address above by midnight Reykjavík time on 26 November 2009. Packages that are post-marked prior to that time/date but which are received at the above address after that time/date will **not** be considered timely filed claims.

If you would like a copy of your claim to be returned to you with a date/time stamp, you should submit an extra copy of your claim with a self-addressed, postage paid envelope in what is submitted together with a statement requesting that a date/time stamped copy be returned to you. The Winding-Up Board will not provide a copy of a proof of claim or other form of evidence that a claim has been received at the time the claim is submitted.

Should you need assistance with the delivery of a claim, you may refer to a list of Icelandic law firms included on the website at [www.glitnirbank.com](http://www.glitnirbank.com).

Regular office hours of Glitnir Banki hf are 9:15AM - 5:00 PM Reykjavík time. On 26 November 2009, Glitnir's office hours of will be 9:15:AM until midnight Reykjavík time.

#### **1.8 In what currency do I make my claim? What exchange rate do I use?**

You should make your claim in the currency it was incurred in. For example, if you hold bonds denominated in Euros, you should claim in Euros.

Foreign currency claims will be converted by the Winding-Up Board at the exchange rate published by *Sedlabanki Íslands* (the Icelandic Central Bank) on 22 April 2009. A table of these rates is below:

<b>Currency</b>	<b>Rate</b>
USD	130.71
GBP	191.08
CAD	105.47
DKK	22.722
NOK	19.315
SEK	15.329
CHF	111.99
JPY	1.3358
XDR	193.89
EUR	169.23

Source: [www.sedlabanki.is](http://www.sedlabanki.is)

#### **1.9 Can I claim interest?**

The entry into force of Act No. 44/2009, amending Act No. 161/2002, on Financial Undertakings sets a cut-off point for interest and costs on priority claims and unsecured claims. Accordingly, interest and costs on such claims accruing after 22 April will generally be deferred claims.

You should split out interest and costs incurred before and after 22 April 2009 and state the basis on which your claims are calculated. Where an ongoing claim for interest is made, you should indicate the rate and daily amount claimed.

For interest and costs accrued up to and including 22 April 2009, the Winding-Up Board's current opinion is that Icelandic law is not certain as to whether the same level of priority applies to these claims as the claim for the corresponding principal. It is up to each creditor how they put their claim forward.

#### **1.10 What do I do if the value of my claim is not yet known / certain?**

You still need to make your claim before the deadline of 26 November 2009 (subject to the limited exceptions referred to in question 1.4 above).

#### **1.11 Can I claim set-off?**

There is a possibility that you can set-off amounts you owe to Glitnir. Under Icelandic law, if your right of setoff arises from a transaction more than three months period prior to the reference date (15 November, 2008), i.e. prior to 15 August, 2008, you may provide proof of ownership and claim a right of setoff. There are additional rules in Art.100 of the Bankruptcy Act (No. 21 of 1991). You should state the basis for any set-off right and include all relevant details and provide documentation in evidence of the transaction and the set-off right in the claim form for Glitnir Bonds.

The Winding-Up Board will consider any set-off claim on a case by case basis.

#### **1.12 What evidence must I provide to support my claim?**

You should provide a copy of the loan agreement or other contract which gives you the right to make your claim. Please see below for specific details for syndicated bank lenders, bond holders, and derivative contract claims. You should also provide details of how any interest or costs have been calculated and documentation to support your claim hereof. To support any claim of legal fee costs, include a statement from your legal representative and invoices for legal costs.

For non-contractual claims, you should provide evidence which you think is sufficient to justify your claim. If the Winding-Up Board requires further information, they will inform you. Insufficient information may cause the claim to be rejected.

##### *For syndicated bank lenders*

If the agent bank for the syndicate has provided a copy of the loan agreement, you can refer to this document. For example, "Claim is made under the EUR500m syndicated loan facility dated 1 January 2000, a copy of which was provided to you on 1 June 2009 by ABC Bank as agent bank for the syndicate." It is up to you to check that the agent bank has provided us with a copy of the agreement.

##### *For bond holders*

The trustees of a number of bond issues have provided us with master copies of the bond documentation.

You will need to provide us with evidence that you are the beneficial owner of the bonds you are claiming for, in the form of a blocking number in the case of Glitnir Bonds held through Euroclear, Clearstream, or DTC; or, for other depositories, evidence that the holder's account was blocked. You can authorise your nominee account holder to do this on your behalf – See section 4 below. Please do not provide a "Statement of Account." In case there has been a transfer of claims related to Glitnir Bonds you need to provide additional documentation – See section 3 below. In the event of a discrepancy, the Winding-Up Board reserves the right to request additional information with respect to proof of ownership of the Glitnir Bonds.

Programme documents do not need to be provided for any of the securities included on the website at [www.glitnirbank.com](http://www.glitnirbank.com).

### *For derivative contract claims*

You need to provide a copy of the derivative contract including the relevant master agreement, if any, and all related schedules, annexes, credit support documents and confirmations. You also need to provide a statement showing in reasonable detail the calculations used to determine the amount of your claim.

#### **1.13 What language does my claim need to be in?**

A creditor from a member state of the European Economic Area or the European Free Trade Association may submit claims in a language of that state. Such claims submissions must be accompanied by an Icelandic translation; claims may be submitted in English without an accompanying translation. Other creditors may submit their claims in Icelandic or English. If the documentation accompanying a claim submitted is in a language other than Icelandic or English, a translation into either of these languages must be included. If a translation to Icelandic or English is not provided, (a) the Winding-Up Board reserves the right to request such a translation from the creditor, and (b) the Winding-Up Board will automatically list all such claims as postponed until a translation is obtained. Failure to provide such a translation may also cause the claim to be ultimately rejected.

#### **1.14 Can I make more than one claim?**

If you have different types of claims, for instance a derivative contract and a bond claim, you may find it easier to split these claims out and use separate forms for them. It is still up to you how to make your claim. You should make your claim as clearly as possible, which will help the Winding-Up Board to understand and agree claims.

If you do send in more than one claim form, please indicate this in the section marked “other claims submitted in this process” and include brief details to assist the Winding-Up Board to identify all of the claims that you are making.

If you are amending a previously filed claim form related to Glitnir Bonds please indicate this in the section “type of claim” and include a reference number (if known) or other details to assist the Winding-Up Board.

#### **1.15 What different types of claim can be made?**

Icelandic law allows for different types of claim, as set out in Articles 109 to 115 of the [Bankruptcy Act](#). The law defines what type of claim is within each category and if you are in doubt you should take Icelandic legal advice on your position. The broad types of claim that fall into the categories most relevant to Glitnir are described in question 2.4 below.

## **2. How claims are processed**

### **2.1 What happens after I make my claim?**

Your claim will be reviewed by the Winding-Up Board and their team and advisers. They will verify that it is a valid claim and sufficient information has been provided to evidence or substantiate the claim. The flow chart at the end of this section is a summary of how we will deal with the claims.

Following the expiration of the time limit for submission of claims, the Winding-Up Board will compile a list of the claims submitted. At the same time, the Board will make decisions on recognizing individual claims and report on these decisions in the list of claims to the extent possible. Various rules are provided for in the [Bankruptcy Act](#).

The list of claims shall include at least the following details:

- a. A decision on whether and, if so, how each claim submitted should be recognized.
- b. The substance of each claim, its amount, if applicable, and the priority demanded for the claim in ranking.

If a claim is rejected by the Winding-Up Board, the creditor will be notified of such rejection at least one week prior to the first creditors' meeting. The list of claims submitted must be available no later than one week prior to the first creditors' meeting held to discuss the record of claims.

**Transfers of claims will not be recognized by the Winding-Up Board during the period from 26 November 2009 and the first creditors' meeting in order for the Winding-Up Board to prepare the list of claims to be made available one week in advance of the first creditors' meeting. See questions 3.1 through 3.4 regarding transfers.**

The first creditors' meeting to discuss claims submitted will be held at Hilton Reykjavík Nordica, Suðurlandsbraut 2, Reykjavík, on Thursday, 17 December 2009, at 10:00 am. Those parties who have lodged claims against Glitnir and their agents are entitled to attend the meeting. See questions 5.6 and 5.7 below.

A creditor unwilling to accept the decision of the Winding-Up Board on his claim must state his objections (i) at the first creditors' meeting to discuss claims submitted to be held at the Hilton Reykjavík Nordica, Suðurlandsbraut 2, Reykjavík, on Thursday 17 December 2009 at 10:00am, or (ii) in a letter which must be actually received by the Winding-Up Board no later than the time of the meeting. Any such letter of objection must identify the claim which is objected to and the grounds on which the treatment of the claim is objected to. Creditors whose claims are listed by the Winding-Up Board as postponed prior to the 17 December 2009 meeting need not submit an objection to such treatment at or before the first creditor meeting.

An account must be provided of the objections of each creditor concerned at the meeting. Objections received in writing from a creditor who does not attend the meeting in person will still be taken into account at the meeting.

Those creditors who are entitled to attend the meeting may also oppose the decision of the Winding-Up Board on individual claims which are not their own.

**A decision by the Winding-Up Board on a claim, which is not opposed at the meeting, or in a letter received by the Winding-Up Board no later than the time of the meeting, is final.**

If it proves impossible to conclude decisions prior to the first creditors' meeting on all claims submitted due to the scope and number of claims, the Winding-Up Board may convene one or more follow-up meetings to conclude the process of deciding on recognition of claims.

If a dispute concerning a claim cannot be resolved at the creditors' meeting where it is first discussed, one or more special meetings shall be held to attempt to resolve the dispute concerning the claim. Objections to claims will be resolved through consultation of the parties involved with the Winding-Up Board and its advisers in the time between the first meeting of creditors and any subsequent meeting of creditors scheduled by the Winding-Up Board. The Winding-Up Board will conduct consultations regarding objections to claims in whatever manner is considered most efficient, including, without limitation, in-person meetings, telephone conferences and submission of arguments and other materials in writing.

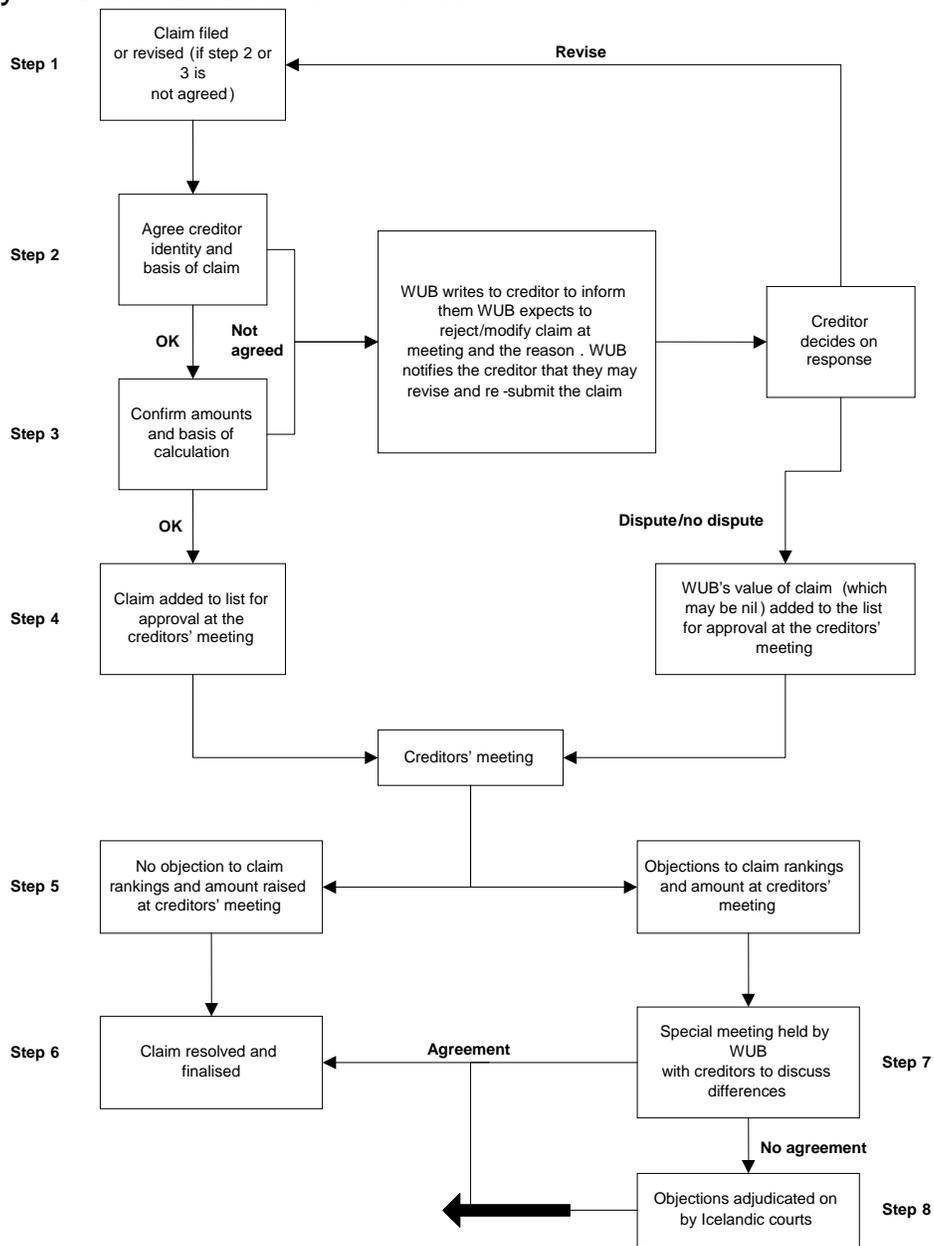
If the dispute concerning the claim cannot be resolved, the Winding-Up Board shall refer the case to an Icelandic court for resolution, regardless of the creditor's domicile.

Disputes concerning claims lodged against Glitnir shall be brought before the Reykjavík District Court.

A ruling by the Reykjavík District Court on a dispute concerning claims may generally be appealed to the Supreme Court of Iceland.

**In general, a claim will not be finally agreed until at least the time of the first meeting of creditors to discuss claims, which is scheduled for 17 December 2009.** This is because creditors have the right to object to other claims at that meeting. With respect to claims listed as postponed by the Winding-Up Board, such claims will not be finally agreed until at least the time of any subsequent meeting of creditors to be scheduled in the discretion of the Winding-Up Board. Currently, no subsequent meeting of creditors has been scheduled.

# Summary of Creditor Claims Process



WUB = Winding-Up Board  
 Icelandic law has precedent if anything in this flow chart appears to contradict Icelandic law .

## 2.2 How is my claim calculated?

Your claim is based on what you are entitled to under Icelandic Bankruptcy law and your contract with Glitnir. If your claim is non-contractual, any other rights you may have are used to value your claim. You are responsible for calculating your claim. If your claim is too low you might lose your right to claim the difference. (There are limited exceptions – see question 1.4. above).

Your claim will be translated into Icelandic Krona (see question 1.8 above). Your entitlement to interest is set out in question 1.9 above.

## 2.3 Who calculates my claim?

It is up to each creditor to calculate its own claim. The Winding-Up Board and their team will also calculate the amount that they think you are entitled to. This will be based on the information you provide. If the claim you lodge is higher than the one the Winding-Up Board think you are entitled to, the Winding-Up Board will inform you. If it is lower you might lose your right to claim the difference. (There are limited exceptions – see question 1.4. above). Finally, the Winding-Up Board will propose valuations for all claims for the meeting of creditors on 17 December 2009 or a subsequent meeting of creditors scheduled in the discretion of the Winding-Up Board. Any creditor can object to the value placed on any claim at these meetings. If disputes cannot be resolved at the meeting, one or more special meetings will be convened. If this does not resolve the disputed claim, it will be referred to the Icelandic courts. Where the Winding-Up Board proposes a value for a claim at the meeting of creditors and no objection is made, that value is final and no further appeal is available.

## 2.4 How are claims ranked?

Claims will be grouped into classes.

The ranking of claims is in the main as follows:

1. Assets and interests in the possession of the bank shall be delivered to a third party if the third party proves his entitlement (article 109 of the Bankruptcy Act).
2. Claims on the estate resulting from a contract concluded after the entry into force of the act or claims arising after the reference date as a result of measures approved by the Appointee. (article 110 of the Bankruptcy Act).
3. Claims secured by collateral or other security in the bank's assets, to the extent they can be settled by means of the proceeds from the sale of the relevant assets and any income derived from them. Any amount of claim remaining after the value of the secured assets has been deducted will normally rank as a general claim. (article 111 of the Bankruptcy Act).
4. Priority claims, including various wage claims and claims on deposits. (article 112 of the Bankruptcy Act, as amended by article 6 of Act no. 44 of 2009).
5. Unsecured claims according to article 113 of the Bankruptcy Act.
6. Deferred claims. In particular, this often includes any claims for interest arising after 22 April 2009 and often the costs of enforcing your claim after the same period. (article 114 of the Bankruptcy Act).

If you are claiming priority, you should state the reason you believe your claim is entitled to priority treatment and provide appropriate evidence to support this.

### **3. Transfer of claims**

#### **3.1 Can I sell/transfer my claim after I have registered?**

Yes, with certain exceptions. The Winding-Up Board will need to stop recognizing transfers of claims in the period from 26 November 2009 to the 17 December 2009 creditors' meeting, and again during the period beginning at least two (2) weeks before the first distribution date, and otherwise as needed in order for the Winding-Up Board to be able to review and process the claims registered and make payments. The exact periods of time during which transfers will not be recognized are subject to change at the discretion of the Winding-Up Board.

Under Icelandic law a claimant is permitted to sell its claim. However, the Winding-Up Board will only recognize such a transfer and accordingly make any future payment to the transferee if the Winding-Up Board is notified of the transfer by both the buyer and the seller and the transfer is perfected in accordance with the procedures set out in questions 3.2 and 3.3 below such that the Winding-Up Board has received clear indication of whom is now entitled to the proceeds of the claim that was transferred.

The Winding-Up Board has established certain fees to defray the cost associated with administering claim transfers. See question 3.2 through 3.4 for additional information on transfers. The fee: (a) **\$500** for the proposed transfer of the full amount of a claim; or (b) **\$1,000** for the proposed transfer of a partial amount of a claim.

The Winding-Up Board takes no position as to which party to a proposed claim transfer is responsible for the payment of the above-referenced fees.

Payment of the fee must be received upon submission of the Claim Transfer Form (referred to in section 3.2 below). Checks should be made payable to "Epiq Bankruptcy Solutions, LLC, as Agent." Wire transfers may be made using the following instructions:

Bank Name: Silicon Valley Bank SJ  
Routing #: 121140399  
For Credit of: Epiq Bankruptcy Solutions, LLC  
Account #: 3300483223  
By order of: Glitnir/[Transferor Name/Claim No.]

The Winding-Up Board will charge an additional fee of \$2,500 for any claim transfer (full or partial) of a claim related to a Glitnir Bond. This fee will be assessed to defray costs associated with payment on account of such claim outside the depository system. This fee will be collected via debit of any payment on account of the relevant claim. See question 4.8 for additional information on transfers.

**The Winding-Up Board is unable to allow the unblocking and re-blocking of Glitnir Bond positions in connection with claim transfers. The Winding-Up Board will maintain its claim system so as to reflect all properly effectuated transfers. The Winding-Up Board will make payments on account of transferred claims by utilizing the disbursement information for the Transferee that is provided in the Claim Transfer Form.**

**If individual creditors wish to make their own arrangements during periods when the Winding-Up Board stops recognizing transfers, they will do so at their own risk. Notwithstanding any purported transfer of a claim, in such a case, it is the original claimant that will be paid and a private transaction will not create any rights of action against the Winding-Up Board.**

**In addition, the Winding-Up Board reserves the right to make any payment to the original claimant, notwithstanding any purported transfer of a claim, if the Winding-Up Board is not satisfied that the procedures set forth in the FAQs have been complied with and / or the submitted documentation does not provide satisfactory evidence of the transfer, new ownership, or account information for the new owner of the claim.**

### **3.2 What procedures do I need to follow when I sell my claim after I have registered?**

Following 26 November 2009, if you wish to trade your claim, including one related to Glitnir Bonds, and you would like the Winding-Up Board to make any future payment to the buyer of the claim, the Winding-Up Board must be notified of the transfer by the submission of the Claim Transfer Form, completed by both the original holder of the claim and the proposed new holder of the claim, and you must provide the Winding-Up Board with any required documentation relating to the transfer of the claim.

Claim Transfer Forms and related materials should be sent to:

Winding-Up Board of Glitnir Banki hf  
c/o Epiq Bankruptcy Solutions, LLC  
757 Third Avenue  
New York, NY 10017  
U.S.A.  
Attn: Glitnir Claim Transfer Agent

Or

The Winding-Up Board of Glitnir Banki hf  
c/o Epiq Systems Ltd.  
128-129 Cheapside  
London EC2V 6BT  
Attn: Glitnir Claim Transfer Agent

The Winding-Up Board will notify you if additional information is required to cure a deficiency in the Claim Transfer Form. In such case, the parties involved in the transfer will have thirty (30) days to cure the deficiencies or the proposed transfer will be deemed "withdrawn."

The Winding-Up Board will not process Claim Transfer Forms received during the period 26 November 2009 through 17 December 2009. If a Claim transfer Form is received during this period, it will be held and deemed accepted for all purposes (including all time periods referenced herein) as though received on 18 December 2009.

The Winding-Up Board will not recognize concurrent transfers of claims. A transfer of a claim or portion thereof must settle – i.e., the transfer must be reflected in the Winding-Up Board claim system with a status of "Confirmed" - before that claim or portion thereof can be traded again (in whole or part).

Parties to a proposed claim transfer that is determined by the Winding-Up Board as properly submitted will be notified via mail and will have twenty-one (21) days from the date of service of such notice to object to the transfer.

Upon receipt of an objection from the transferor and/or transferee to the proposed transfer, the proposed transfer will be deemed "withdrawn" by the parties.

Absent an objection during the twenty-one (21) day period, the transfer will be recognized by the Winding-Up Board, and the transferee will be listed as the new holder of the "original" claim (in the case of a full claim transfer) or the holder of a new claim (in the case of a partial claim transfer). In the case of a partial claim transfer, the amount of the "original" claim will be updated in light of such transfer.

Pursuant to question 1.3 above, a person (such as an agent, trustee, paying agent, clearing agent, lawyer or other adviser) may assert a claim on behalf of another. In order to effectuate a transfer of a claim asserted in this manner, such person must be the party that signs the Claim Transfer Form as the proposed transferor of the claim.

Please see question 3.3 below for additional procedures relating to the transfer of claims related to Glitnir Bonds. The Claim Transfer Form will be available on the [www.glitnirbank.com](http://www.glitnirbank.com) website after 26 November 2009.

### **3.3. What additional procedures do I need to follow when I sell my claim related to Glitnir Bonds after I have registered?**

The Winding-Up Board is unable to make payments on account of transferred Glitnir Bond claims through the depository system (e.g., DTC, Euroclear, Clearstream or other regional depository). Claim Transfer Forms relating to transfers of Glitnir Bond claims **must**, therefore, include information that is sufficient to allow the Winding-Up Board to make a cash or in-kind payment to the Transferee directly

### **3.4 Are there any special procedures for partial claim transfers?**

The Claim Transfer Form requires that the Transferor and Transferee specify whether the claim to be transferred is for the full amount of the asserted claim or a partial of the asserted claim. In the case of a partial claim transfer, the total amount of the “original” claim must be stated, as well as the proposed partial amount of the claim that is proposed to be transferred. Upon the successful completion of a partial claim transfer, the WUB will create a new claim record identifying the transferred claim, and the “original” claim will be updated correspondingly. Given the increased burden on the Winding-Up Board to administer partial claim transfers, the fee required to effectuate a partial claim transfer is \$1,000.

## **4. Blocking in relation to Glitnir Bonds**

### **4.1 What is blocking and why is blocking needed in relation to my Glitnir Bonds?**

When bonds are blocked, they are “frozen” by the relevant depository to ensure that they are prevented from being traded. The depositories will provide information to the Winding-Up Board about blocked positions, and the blocking number will provide a link from a particular bond position to a particular claim. This will help the Winding-Up Board confirm the ownership of a bond position that is included in a bond claim form. In the case of bonds held through Euroclear, Clearstream, and DTC, any payment in connection with the claim will be made to the blocked position. In the case of bonds held through another depository, any payment in connection with the claim will be made in accordance with the account information provided in the bond claim form. Pursuant to question 3.1, Glitnir Bond claims that have been transferred will not be paid through the depository system. Rather, payment on account of such claims will be made utilizing the Transferee payment information provided in the Claim Transfer Form.

### **4.2. Who can assist me with the blocking of Glitnir Bonds?**

The bank or brokerage firm holding your bonds (the “acountholder”) will need to arrange to block your bonds. Once the position has been blocked, you cannot trade your bonds. However, if a holder has properly arranged to transfer the claim in accordance with the required procedures, the underlying bond position may be moved from account of the original holder to the account of the new holder of the claim. See question 4.3 below.

Beneficial holders (which includes most individuals) must direct their acountholder (the bank, broker or other entity that holds the bonds on behalf of the beneficial holder) to contact the relevant depository to obtain a blocking number.

Accountholders with Euroclear, Clearstream, DTC or other relevant depository can obtain a blocking number by following the directions provided by the relevant depository. Accountholders must obtain a separate blocking reference number for each beneficial owner for each ISIN.

- DTC - All requests for DTC VOI numbers must be processed in time for the claim to be received by the Winding-Up Board by 26 November 2009.
- Euroclear and Clearstream - All requests for a blocking number must be sent to Euroclear or Clearstream. Please refer to Euroclear and Clearstream for their deadline to request a blocking number, and be aware that their deadlines might be before the claim filing deadline.
- Other depositories - the Accountholder must follow the directions of their depository.

#### **4.3. What are the relevant procedures relating to blocking of Glitnir Bonds?**

Each of your bonds must be blocked as part of the bond claim process. Each bond claim form must include a Euroclear Electronic Instruction Reference Number, a Clearstream Blocking Reference Number, a DTC VOI number (each a “blocking number”) or other depository-accountholder evidence of blocking, as appropriate. The procedures are different for each depository. We have categorized the information by depository and type of ISIN code below:

##### **a. Euroclear and Clearstream (“XS” ISIN codes)**

Your accountholder will need to arrange to “block” your bonds from trading by giving an instruction to Euroclear or Clearstream. See question 4.2 above. After your accountholder has blocked your bonds, the accountholder will need to provide you with the blocking number so that you can include it in your bond claim form. This is a mandatory field in the claim form for any XS ISIN code. Payments on account of bonds blocked through Euroclear and Clearstream will be made to you directly through the blocked positions at Euroclear or Clearstream (payment will be processed to the accountholders). You do not need to fill out payment instructions in the bond claim form.

If you decide to trade your claim after the bonds have been blocked, you must follow the procedures described in question 3.2 and 3.3 above. Once a claim transfer has been perfected in accordance with these procedures, the Winding-Up Board, through Epiq, will advise Euroclear or Clearstream, as appropriate, of the authorization to unblock and re-block the blocked position, and the accountholder of the transferring holder and the accountholder of the new holder must provide instructions to Euroclear or Clearstream, as appropriate.

##### **b. The Depository Trust Company (DTC) (“US” codes)**

Your accountholder must “tender” your bonds through DTC’s Automated Tender Offer Program (ATOP). In the case of DTC, the blocking number is called a “VOI” number. See question 4.2 above. After your bonds have been tendered by the accountholder, the accountholder will need to provide you with the VOI (Blocking Number) for your particular blocked position so that you can include it in your bond claim form. This is a mandatory field in the claim form for any US ISIN code/ CUSIP. Payments on account of bonds tendered through DTC will be made to you directly through the tendered position at DTC (payment will be processed to the accountholders). You do not need to fill out payment instructions in the bond claim form.

If you decide to trade your claim after the bonds have been blocked, you must follow the procedures described in question 3.2 and 3.3 above. Once a claim transfer has been perfected in accordance with these procedures, the accountholder of the transferring holder and the accountholder of the new holder must provide simultaneous instructions to DTC, and Epiq, as agent, will need to approve the instruction. It will be more difficult for an accountholder to transfer VOIs after the 26 November deadline, although it

will still be possible with the cooperation of the respective accountholders, DTC, and Epiq, as agent (except during those periods during which the Winding-Up Board will stop recognizing transfers - see question 3.1 above). The entire VOI must be moved, and may not be split. See question 3.3 above.

c. Other depositories (including “AU”, “CH”, “IS”, “NO” ISIN codes)

Bonds with these ISINs are handled by domestic clearing system depositories. Your accountholder will need to arrange to “block” the bonds in accordance with their customary procedures. This may include the accountholder placing a block on the position, similar to that which may be used in other corporate actions. The accountholder should provide evidence that the holder’s account was blocked, and you should enclose this evidence with the bond claim form. In the event the relevant depository or accountholder does not provide a blocking number, you may write “see attached evidence of blocking” in the space for a Blocking Number in the bond claim form. Payments on account of bonds blocked through this process will be made in accordance with the Account Information for Payment in Kind and Payment of Cash, as provided in the bond claim form.

If you decide to trade your claim after the bonds have been blocked, you must follow the procedures described in question 3.2 and 3.3 above. Once a claim transfer has been perfected, the Winding-Up Board, through Epiq, will advise the relevant accountholders to unblock and re-block the blocked position based on the directions in the bond claim transfer form, and in accordance with their customary procedures. See question 3.3 above.

**4.4. Do I need to include a blocking number in the bond claim form?**

It depends. For some bonds (held through Euroclear, Clearstream or DTC) a blocking number is mandatory, and must be included in the bond claim form. For other bonds (held through other depositories) it is not necessary to include a blocking number and you may write “see attached evidence of blocking” in the space for a Blocking Number in the bond claim form and enclose such evidence of blocking. (In the event of a discrepancy, the Winding-Up Board reserves the right to request additional information with respect to proof of ownership of the Glitnir Bonds.) See question 4.3 above.

**4.5 What about bearer securities?**

Many bearer securities are on deposit with a depository, such as Euroclear, Clearstream or DTC. However, in the event you hold any bearer Glitnir Bonds in physical form, you will need to deposit your bearer Glitnir Bonds with an accountholder and request that the accountholder block your bonds. See section 4.3 above.

**4.6 Can my Glitnir Bonds be unblocked once I have requested that they be blocked?**

No, absent circumstances the Winding-Up board considers exceptional. The Winding-Up Board will consider requests to unblock on a case-by-case basis.

**4.7 What happens if I have not been able to obtain a blocking number for my Glitnir Bonds?**

You should file a claim anyway. Failure to provide a blocking number for any reason will potentially affect the Winding-Up Board’s ability to verify and, therefore, properly determine the validity of your claim related to Glitnir Bonds. Nonetheless, failure to file a claim by 26 November will automatically preclude you from receiving any payment on account of such claim.

#### **4.8 Can I block an amount that is less than the minimum required denomination?**

It depends on the depository. Each depository has established its own blocking rules based on its existing procedures and technical requirements and limitations. The Winding-Up Board has **no** ability to cause a depository to alter its process, and is only in a position to convey the information it has obtained from its communications with these depositories. In this regard, the Winding-Up Board has learned:

- DTC will, in its discretion, provide a blocking number for an amount that is less than the minimum required denomination.
- Euroclear and Clearstream will **not** provide a blocking number for an amount that is less than the minimum required denomination. However, in the event a broker holds amounts through Euroclear or Clearstream that are smaller than the minimum required denomination and held in a single account, the following step-by-step procedure may be used to facilitate the blocking process:
  - The broker may request blocking of the full amount and obtain a blocking number. (This will be possible only if all clients agree to have their Glitnir Bonds blocked.)
  - The broker provides each client with the blocking number.
  - The broker provides the Winding-Up Board with a listing including an exact breakdown of each client, and the client's portion of the blocked amount. (This list should reflect the total of the blocked amount.)
  - Each beneficial owner of the relevant Glitnir Bonds would include in its individual bond claim form the blocking number provided by the broker through this process.

**No transfer of a claim related to a Glitnir Bond that is blocked through this process would be recognized by the Winding-Up Board unless the full amount is to be transferred to a single transferee.**

**The Winding-Up Board does not recommend or guarantee the above procedure. In addition, you should contact your broker or accountholder to learn more on this subject.**

### **5. Resolving the value of claims**

#### **5.1 What happens if I don't agree with the value put on my claim?**

The Winding-Up Board intends to inform creditors of any differences of opinion in the value of claims. Up to the deadline of 26 November 2009, you have the chance to submit a revised claim once you have seen the reasons given by the Winding-Up Board.

Once the deadline has passed, you can contest the value put on your claim at the meeting on 17 December 2009 or at a subsequent meeting of creditors assuming your claim is listed as "postponed" in the list of claims made available one week prior to the 17 December 2009 meeting of creditors. If no written objections are made to the decision of the Winding-Up Board prior to a creditors' meeting or at the meeting itself, the Winding-Up Board's decision on the claim will be final.

If you object to the value put on your claim by the Winding-Up Board, one or more special meetings will be convened. If this does not resolve the disputed claim, the dispute will be referred to the Icelandic courts and a judge will decide.

For additional information on the process of resolving objections, see section 2.1 above.

## **5.2 Is there a right of appeal?**

A ruling by the Reykjavík District Court on a dispute concerning claims may generally be appealed to the Supreme Court of Iceland.

## **5.3 What law applies?**

Icelandic law applies to the winding-up of Glitnir. The main relevant laws are the Act on Bankruptcy etc, No. 21 of 26 March 1991; and Act 44 of 2009 amending Act 161 of 2002, on Financial Undertakings, as subsequently amended.

English translations of these Acts are available on the Icelandic government's website:

<http://eng.domsmalaraduneyti.is/laws-and-regulations/english/nr/6570>

<http://eng.vidskiptaraduneyti.is/laws-and-regulations/nr/2911>

These links are for your convenience and Glitnir and/or the Winding-Up Board take no responsibility for their accuracy. In the event of inaccuracy or inconsistency, the original Icelandic law prevails. You are strongly advised to take your own legal advice.

## **5.4 If I have any queries, whom should I submit them to?**

Please address queries in the first instance to the Winding-Up Board at [creditorcontact@glitnirbank.com](mailto:creditorcontact@glitnirbank.com) or Glitnir's claims agent Epiq Bankruptcy Solutions, LLC at [glitnir@epiqsystems.com](mailto:glitnir@epiqsystems.com). You can also call +1 646.282.2400. If by mail please send queries to the following address:

Epiq Bankruptcy Solutions, LLC  
757 Third Avenue  
3rd Floor  
New York, NY 10017  
U.S.A.

## **5.5 Will there be a creditors' meeting?**

Yes, there will be a meeting to consider the list of all claims which have been approved (in whole or part) or rejected by the Winding-Up Board. This is scheduled for 17 December 2009 at the Hilton Hotel Nordica in Reykjavík.

A list of claims will be available one week in advance of the meeting. All creditors have the right to object to the treatment of any claim, including their own. To the extent claims are listed as "postponed," the Winding-Up Board will establish a subsequent meeting of creditors, and will make available its determination as to those claims one week in advance of such meeting.

## **5.6 Can I get someone to attend the creditors meeting on my behalf?**

Yes, but they will need to bring proof that they are entitled to represent you at the meeting. This will need to be a signed power of attorney.

## **5.7 Who may attend the creditors' meeting?**

Only creditors that have filed a claim or their authorized representative will be able to attend the creditors' meeting. Creditors (or authorized representative) will need to provide identification in the form of a passport, and, in the case of an authorized representative or company representative, a power of attorney and / or other appropriate evidence of authority.

## **6. Payment mechanism**

### **6.1 How much and when will I get paid?**

It is still too early to say. The Winding-Up Board needs to know the amount of valid claims against the bank. That is the purpose of this claims registration process.

### **6.2 When will I get paid?**

The exact timeframe for distributions is not yet known. It is possible that the initial distribution may be as soon as the summer or fall of 2010; however, it might also be after that.

### **6.3 In what form will payment be made?**

The distribution may take the form of cash and / or securities. Any securities are expected to be eligible to be deposited in Euroclear and Clearstream as well as DTC.

This website will be updated based on the questions and feedback received.