

Glitnir Bonds – Markdown / Custodial FAQ

1. Where can I find ISIN codes and final terms for Glitnir bonds?

ISIN codes for Glitnir Bonds and Final terms can be found on our [website](#).

2. What is a blocking number and why is blocking needed in relation to 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

3. What happens if my client has filed a claim but has not been able to obtain a blocking number for their bonds?

If the creditor has filed a claim on or before the deadline (i.e., 26 November 2009) they may still have the opportunity to obtain a blocking number. To obtain the number your client should first contact Epiq Bankruptcy Solutions, LLC (“Epiq”) the Winding-up Board’s Claim Transfer Agent, by telephone at 646.282.2500 or e-mail via Glitnir@epiqsystems.com. If the Winding-up Board approves your request, Epiq will notify the relevant depository (i.e., Euroclear, Clearstream or DTC) that the Winding-Up Board has agreed to allow the claimant to obtain a blocking number. Your client will then be required to seek a blocking number through their account holder according to the standard procedures required by the relevant depository. Epiq cannot assist in that part of the process. Please note that failure to provide a blocking number as part of the claim - 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. If a creditor has not filed a claim in the estate of Glitnir or filed a claim after the 26th of November 2009, then the claim is considered invalid although a creditor may still obtain a blocking number.

4. Can my Glitnir bonds be unblocked once I have requested they be blocked?

No, the Winding-up Board will not allow bonds to be unblocked except in cases of manifest error.

5. Are there any alternative options to unblocking that have been approved by the Winding-Up Board?

Yes, in certain circumstances, the Winding-Up Board has approved two alternative processes to unblocking, the **Markdown Process** and the **Custodial Realignment Process**.

Please note, however, that these processes are **ONLY** available for blocked bond positions at Clearstream and Euroclear.

6. Are there any fees required to markdown or realign my client's Glitnir Bond position?

The Winding-Up Board has established a \$3,000 per-position, non-refundable administrative fee to defray the cost associated with administering markdowns/realignments. The fees are intended to absorb entirely the costs associated with receipt, registration, review, noticing, scanning, reporting and communication with parties to the markdown/realignment regarding the preparation or status of markdowns/realignments. If the requested markdown/realignment is cancelled and withdrawn for any reason other than manifest error (**as determined by the Winding-up Board at its sole discretion**), the Administrative Fee will not be returned or credited to the sender.

Payment of the administrative fee must be received upon submission of the Realignment Request Form (referred to in Question 8 and 9 below). Instructions will be provided upon request by contacting Epiq at +646.282.2500 or Glitnir@epiqsystems.com.

7. What is the Markdown Process?

The Markdown Process is an alternative to unblocking that enables beneficial owners to stop incurring account-related fees arising from maintenance of blocked bond positions.. Basically, in agreeing to the markdown, the creditor would be authorizing the removal of the blocked position from your account at the relevant depository, and the position would, in effect, cease to exist.

7A. Which creditors may use the Markdown Process?

The Markdown Process is available to Beneficial Owners who:

1. have blocked their position but did NOT file a claim against Glitnir; or
2. have blocked their position and their claim was rejected; please note such rejection must be final and not subject to further appeal; or
3. hold an Art. 114 subordinated bond claim; please note the decision must be final regarding this claim and not subject to further appeal; or

4. hold a claim that has been accepted and not yet traded; please note the decision must be final regarding this claim and not subject to further appeal; or
5. hold a claim that has been accepted and subsequently traded in part or in whole; please note the decision must be final regarding this claim and not subject to further appeal.

Please Note: If the position that you wish to markdown is related to a claim that has already been traded, in part or in whole, additional requirements are necessary to complete a markdown of the position. A Markdown can only be requested by the owner of the account in which the position is blocked. A claimholder that acquired the claim via the claim transfer process **cannot** request a markdown of the underlying blocked position. Please review the section below for further details.

7B. Markdown Procedure for Positions Related to Transferred Claims

Creditors that have traded their claim in part or in whole can request to mark down the position blocked in their account. In addition to the decision on the claim being final and not subject to further appeal, this request is subject to the acquiescence of the current owner of the claim.

Once the Winding-up Board has received a valid Markdown request, it will send out an email to the current holders of the claim with a notification that the Markdown has been requested and that such Markdown would not affect the validity of the related claim. The current creditor will be given **ten (10)** calendar days to object to the Markdown. If no objections are received within the time limit, the Winding-up Board will instruct the relevant depository to mark down the position.

Please Note: If any current holders of the claim object to the Markdown, the request will be withdrawn and the Markdown will not be completed.

In essence, the Markdown Procedure for positions related to transferred claims is identical to the regular Markdown Procedure, with the addition of the required notice to current holders of the claim

7C. What are the necessary steps I must take in order to successfully complete a Markdown?

A Claimant/Beneficial Owner may notify the Winding-Up Board of their request to markdown their position by submitting the **Markdown Request Form** to Glitnir's claim agent, Epiq Bankruptcy Solutions, LLC. The Markdown Request Form must be completed and signed by the Claimant/Beneficial Owner. In addition to submitting a properly completed Markdown Request Form, the Claimant/Beneficial Owner must also submit valid **signature verification** documents and pay a **non-refundable administrative fee** in order for the markdown request to be processed.

The non-refundable administrative fee is intended to absorb entirely the costs incurred by the Winding-up Board and Epiq associated with receipt, registration, review, noticing, scanning, reporting and communication with the party requesting the markdown regarding the preparation or status of the markdown. If the requested markdown is cancelled and withdrawn for any reason other than manifest error (as determined by the Winding-up Board at its sole discretion), the administrative fee will not be returned or credited to the sender.

Markdown Request Forms and related documents should be sent to:

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

Or

Winding-Up Board of Glitnir hf
c/o Epiq Systems Ltd.
11 Old Jewry, 4th Floor
London EC2R 8DU
Attn: Glitnir Markdown Agent

Please note, a separate Markdown Request Form and administrative fee will be required for each individual blocked position. If a creditor filed multiple claims that all share one or more blocking numbers, ***please contact Epiq before submitting any documents at Glitnir@epiqsystems.com.***

If the Markdown Request Form and signature verification documents submitted are deemed defective by the Winding-Up Board, the Claimant/Beneficial Owner will be notified of such defects via e-mail and they will have thirty (30) days from the date of the e-mail to submit corrected documents. The Claimant/Beneficial Owner will be requested by Epiq to confirm receipt of the e-mailed Notice of Defective Request. Confirmation e-mails should be sent to Epiq at Glitnir@epiqsystems.com. An auto-generated reply e-mail will not be sufficient to confirm receipt. In the absence of confirmation within two (2) New York business days of the date of the e-mailed Notice of Defective Request, Epiq will send a hard copy of the Notice of Defective Request to the address (i) provided on the original claim form or (ii) the address provided on the Markdown Request Form. A properly completed Markdown Request Form that is not accompanied by valid signature verification documentation or is missing payment of the

administrative fee on the date the hard copy Markdown Request Form is received will also be considered defective.

If the Claimant/Beneficial Owner fails to cure all defects within the thirty (30) day cure period, the request will be deemed “withdrawn” and the Claimant/Beneficial Owner will receive a Notice of Withdrawal sent via e-mail. If corrected documents are submitted within the thirty (30) day cure period but the request is still defective, the thirty (30) day cure period will continue to run until either the markdown request defects have been fully cured or the cure period expires and the markdown request is withdrawn.

Once the markdown request is approved by the Winding-Up Board, Epiq will issue a Proposed Markdown Package including the Notice of Proposed Markdown and additional instructions in order for the Claimant/Beneficial Owner to complete the process. An Indemnity Agreement between the Claimant/Beneficial Owner must be completed and signed in order for the Markdown to occur. In addition, the Claimant/Beneficial Owner’s accountholder (broker, custodian, etc.) will need to enter into an agreement with the relevant depository by signing a Letter of Indemnity. The draft Indemnity Agreement and draft Letter of Indemnity will also be provided in the Proposed Markdown Package. The approval of the request is contingent on the completion and submission of the Indemnity Agreement, and the Claimant/Beneficial Owner will have fifteen (15) days from the date of service of such package to submit the completed Markdown Agreement. The Claimant/Beneficial Owner will be requested by Epiq to confirm receipt of the e-mailed Proposed Markdown Package. Confirmation e-mails should be sent to Epiq at Glitnir@epiqsystems.com. An auto-generated reply e-mail will not be sufficient to confirm receipt. In the absence of confirmation within two (2) New York business days of the date of the e-mailed Proposed Markdown Package, Epiq will send a hard copy of the Proposed Markdown Package to the address (i) provided on the original claim form or (ii) the address provided on the Markdown Request Form.

If the Indemnity Agreement is completed and submitted to Epiq within the fifteen (15) day completion period, Epiq, on behalf of the Winding-Up Board, will authorize the relevant depository to markdown the requested position. Once the depository confirms that the markdown has taken place, Epiq, on behalf of the Winding-Up Board will issue a Notice of Successful Markdown via email.

Notwithstanding the foregoing, it is possible that any composition entered into by Glitnir could provide for the cancellation of any and all Glitnir Bonds.

[8. What is the Realignment Process?](#)

A Realignment occurs when a blocked bond position is moved or “realigned” to a different account held by the same beneficial owner, then held in that new account. Realignments are only permitted for those positions that are blocked at the Euroclear and Clearstream depositories and one may only realign a particular position within the same depository; therefore, realignments from a Clearstream account to a Euroclear account (and vice versa) are NOT allowed.

8A. What types of Realignments are allowed?

The Custodial Realignment Process allows Euroclear or Clearstream custodians / participants to move blocked positions from one custodial or participant account to another within the same depository as a result of a **merger** or **acquisition** of accounts between two custodians / participants that result in the closing of one of the custodial or participant accounts, **or other special circumstance** (as approved by the Winding-Up Board on a case-by-case basis). These realignments are currently allowed only if (1) the **ownership of the underlying bond position(s)** and (2) the **blocking number(s)** **REMAIN THE SAME**. To reiterate, in order for a custodial realignment request to be approved, the ownership of the blocked position and the related claim **must NOT change**.

Any requests that fall outside the parameters stated in the above paragraph will not be allowed. This includes requests initiated by the underlying holders who simply wish to move their accounts from one bank to another. The Custodial Realignment Process is also not available if the relevant claim has been transferred in whole or in part.

8B. What are the necessary steps I must take as the custodian/participant to successfully complete Realignment?

If there is a change in accounts since the filing of the claim by the creditor against Glitnir or if your client’s blocked position needs to move from one account to another without any change in the ownership of the claim and without change of the blocking number, you as the custodian may notify the Winding-Up Board of your request to realign the creditors position by submitting the **Custodial Realignment Request Form** to Epiq at either of the addresses listed below. The Custodial Realignment Request Form must be completed and signed by both the participant/custodian who currently holds the blocked position (the “Granting Party”) and the participant/custodian who will hold the blocked position once the realignment is complete (the “Receiving Party”, together with the Granting Party, the “Requesting Parties”). In addition to submitting a properly completed Realignment Request Form, the Requesting Parties must each submit valid **signature verification** documents, and pay a **non-refundable administrative fee of USD 3,000 per blocked position** in order for the realignment request to be processed. The

signature verification form along with instructions for completing it can be found on the website attached to the “Custodial Realignment Request Form” [here](#).

The non-refundable administrative fee is intended to absorb entirely the costs incurred by the Winding-up Board and Epiq associated with receipt, registration, review, noticing, scanning, reporting and communication with the party requesting the realignment regarding the preparation or status of the realignment. If the requested realignment is cancelled and withdrawn for any reason other than manifest error (as determined by the Winding-up Board at its sole discretion), the administrative fee will not be returned or credited to the sender.

Custodial Realignment Request Forms and related documents should be sent to:

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

Or

Winding-Up Board of Glitnir hf
c/o Epiq Systems Ltd.
11 Old Jewry, 4th Floor
London EC2R 8DU
Attn: Glitnir Realignment Agent

If you filed multiple claims that all share one or more blocking numbers, ***please contact Epiq before submitting any documents at Glitnir@epiqsystems.com.***

If the Custodial Realignment Request Form and signature verification documents submitted are deemed defective by the Winding-Up Board, the Claimant will be notified of such defects via e-mail and they will have thirty (30) days from the date of the e-mail to submit corrected documents. The custodians will be requested by Epiq to confirm receipt of the e-mailed Notice of Defective Request. Confirmation e-mails should be sent to Epiq at Glitnir@epiqsystems.com. An auto-generated reply e-mail will not be sufficient to confirm receipt. A properly completed Custodial Realignment Request Form that is not accompanied by valid signature verification documentation or is missing payment of the administrative fee on the date the hard copy Custodial Realignment Request Form is received will also be considered defective.

If the Requesting Parties fail to cure all defects within the thirty (30) day cure period, the request will be deemed “withdrawn” and the Requesting Parties will receive a Notice of Withdrawal sent via e-mail. If corrected documents are submitted within the thirty (30) day cure period but the request is still defective, the thirty (30) day cure period will continue to run until either all custodial realignment request defects have been fully cured or the cure period expires and the custodial realignment request is withdrawn.

Once the custodial realignment request is approved by the Winding-Up Board, Epiq will issue a Proposed Realignment Package including the Notice of Proposed Realignment and additional instructions in order for the Requesting Parties to complete the process. The Granting Party and the Receiving Party will need to enter into separate agreements with the relevant depository by each signing a Letter of Indemnity, which will also be provided in the Proposed Realignment Package. The approval of the request is contingent on the completion and submission of the Letters of Indemnity by both the Granting Party and the Receiving Party. Both Requesting Parties will be requested by Epiq to confirm receipt of the e-mailed Proposed Realignment Package. Confirmation e-mails should be sent to Epiq at Glitnir@epiqsystems.com. An auto-generated reply e-mail will not be sufficient to confirm receipt.

Once the Letters of Indemnity have been completed by both the Granting Party and the Receiving Party and Epiq has confirmed with the depositories that the letters have been signed, Epiq, on behalf of the Glitnir Winding-Up Board, will authorize the relevant depository to realign the requested position. Once the depository confirms that the realignment has taken place, Epiq, on behalf of the Glitnir Winding-Up Board will issue a Notice of Successful Realignment via email.

Notwithstanding the foregoing, it is possible that any composition entered into by Glitnir could provide for the cancellation of any and all Glitnir Bonds.

[9. If the Claimant \(beneficial owner\) has previously transferred their claim, can the position be realigned to the new claimant?](#)

No, the Custodial Realignment Process is not designed to transfer ownership of blocked positions. If your client has sold their claim, the blocked position will remain blocked in the original account under the beneficial owner. However, if your client has sold their claim and still wish to realign their position to a different account, you may do so assuming that the blocking number will not change and there is no change to the beneficial owner.

[10. If I have any queries, to whom should I submit them?](#)

Please address queries in the first instance to Glitnir's claim transfer agent Epiq Bankruptcy Solutions, LLC by telephone at +1 646.282.2500 or via e-mail at Glitnir@epiqsystems.com. If by mail please send queries to the following address:

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