

Serial No: CP 2009/42

**IN THE HIGH COURT OF JUSTICE OF THE ISLE OF MAN  
CHANCERY DIVISION**

**IN THE MATTER OF KAUPTHING SINGER & FRIEDLANDER (ISLE OF MAN)  
LIMITED**

**AND**

**IN THE MATTER OF SECTION 152 OF THE COMPANIES ACT 1931**

**AND**

**IN THE MATTER of the humble Joint Petition of KAUPTHING SINGER &  
FRIEDLANDER (ISLE OF MAN) LIMITED AND THE TREASURY OF THE  
GOVERNMENT OF THE ISLE OF MAN dated the 2<sup>nd</sup> day of April 2009**

At a Court holden in Douglas  
on the 9<sup>th</sup> day of April 2009

**HIS HONOUR  
DEPUTY DEEMSTER CORLETT**

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**ORDER**

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UPON hearing the foregoing Petition this day in the presence of respective Counsel for the Joint Petitioners and in the presence of Counsel for the parties in Chancery Petition CP2008/94 And having perused the affidavit evidence sworn on the 2<sup>nd</sup> day of April 2009 by Michael Simpson on behalf of Kaupthing Singer & Friedlander (Isle of Man) Limited ("the Company") And having heard Counsel UPON CONSIDERATION had thereof **IT IS ORDERED** that:

1. The Company shall convene the following meetings to be held at the Villa Marina, Harris Promenade, Douglas, Isle of Man IM1 2XP (or such other venue as the Company may decide) on the 19<sup>th</sup> day of May 2009 at 11.00 a.m. for the purpose of considering and, if thought fit, approving with or without modification a scheme of arrangement proposed to be made between the Petitioners and the Scheme

Creditors (as defined in the Scheme of Arrangement hereinafter mentioned) pursuant to, and in accordance with the terms of, Section 152 of the Companies Act 1931 ("the Scheme of Arrangement"):

- (1) a meeting of the Scheme Creditors who would be entitled to compensation under the Compensation of Depositors Regulations 2008 No. 826/08 as amended ("DCS") in the event of the Company being determined to be in default (as defined in the DCS), and in relation to whom the amount of their claim (when valued in accordance with paragraph 6(a) below), will not exceed the amount that they would be entitled to claim under the DCS in the event of the Company being determined to be in default;
- (2) a meeting of the Scheme Creditors who would be entitled to compensation under the DCS in the event of the Company being determined to be in default (as defined in the DCS), and in relation to whom the amount of their claim under the Scheme of Arrangement (when valued in accordance with paragraph 6(a) below), will exceed the amount that they would be entitled to claim under the DCS in the event of the Company being determined to be in default; and
- (3) a meeting of all other Scheme Creditors

(together, "the Scheme Meetings").

2. Within 10 working days of this Order, a notice convening the Scheme Meetings and enclosing a copy of the said Scheme of Arrangement, a copy of the Explanatory Statement and its accompanying documentation and the related form of proxy and voting (collectively "the Documents") shall be sent by the Company by prepaid first class mail, as appropriate, to those Scheme Creditors for whom the Company has an address which it understands to be the current address for the relevant Scheme Creditor, except where a Scheme Creditor has instructed the Company not to send documents to that Scheme Creditor by post, in which case the Documents shall be sent by the Company by fax or email to a fax number or email address for that Scheme Creditor contained in the Company's records.

3. Within 10 working days of this Order, a notice convening each of the Scheme Meetings shall be placed by the Company by advertisement in each of the following newspapers:

- (1) the International Herald Tribune;
- (2) the international edition of the Financial Times;
- (3) the Financial Times;
- (4) the New Zealand Herald;
- (5) the Isle of Man Examiner;

and in electronic form on the Company's website.

4. The said notice convening the Scheme Meetings, Scheme of Arrangement, Explanatory Statement and forms of proxy and voting shall be substantially in the form of the documents shown to the Court, subject to:

- (a) the amendments necessary to increase the number of classes of Scheme Creditors in relation to whom Scheme Meetings shall be held from 2 to 3; and
- (b) the completion of blanks and minor modifications as advised by lawyers to the Company and the Treasury.

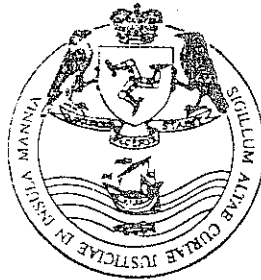
5. Mr Michael Simpson, or failing him, Mr Peter Spratt or another partner in PriceWaterhouseCoopers LLP, be appointed to act as chairman ("the Chairman") of the Scheme Meetings and the Chairman do report the result of each Scheme Meeting to the Court and the Petitioners do file copies of such report(s) with the Court.

6. At the said Scheme Meetings, the Chairman shall :-

- (a) for voting purposes, value Scheme Creditors' claims as at 9<sup>th</sup> October 2008, adjusted, as necessary by (i) converting claims not denominated in Pounds Sterling into Pounds Sterling at the mid-market rate specified in the

Financial Times on the 9<sup>th</sup> day of April 2009 and (ii) by applying the rules of set-off set out in Section 22 Bankruptcy Code 1892, taking the 9<sup>th</sup> day of April 2009 as the effective set-off date; and

- (b) have discretion (a) to accept the value of the claim in respect of which a Scheme Creditor seeks to vote, in whole or in part, notwithstanding failure by such Scheme Creditor to comply with the requirements contained in a form of proxy and voting, if sufficient information has been provided in the form of proxy and voting or by some other means to enable the Chairman to assess the fairness of the value of the claim in respect of which such Scheme Creditor should be permitted to vote and (b) to accept otherwise incomplete or late forms of proxy and voting.
7. The Chairman shall have permission to apply for such further direction in this matter as he may consider necessary or appropriate.



SEAL OF THE HIGH COURT

ISLE OF MAN COURTS  
OF JUSTICE  
2009

24<sup>th</sup> April

EXAMINED AND CERTIFIED A TRUE  
COPY

*AP Gledhill*

Deputy Assistant Chief Registrar

