

IN THE GRAND COURT OF THE CAYMAN ISLANDS

FINANCIAL SERVICES DIVISION

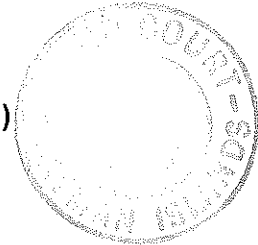
CAUSE NO. FSD 27 OF 2013 - AJJ

The Hon Mr Justice Andrew J. Jones QC
In Chambers, 8th April 2015

IN THE MATTER OF THE COMPANIES LAW (2013 REVISION)

AND

IN THE MATTER OF HERALD FUND SPC (IN OFFICIAL LIQUIDATION)



ORDER

UPON THE APPLICATION OF Michael Pearson, an official liquidator (the "**Additional Liquidator**") of Herald Fund SPC (In Official Liquidation) (the "**Company**") by summons dated 30 March 2015 ("**Summons**")

AND UPON HEARING Leading Counsel for the Additional Liquidator

AND UPON HEARING Leading Counsel for Primeo Fund (In Official Liquidation), a member of the Liquidation Committee

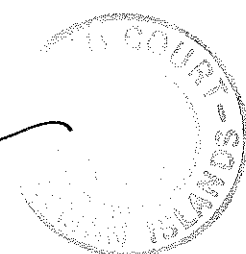
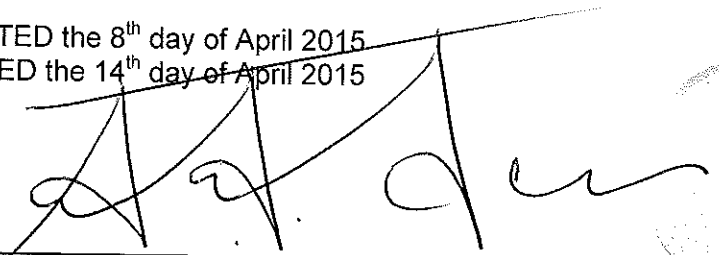
AND UPON READING the Sixth Report of the Additional Liquidator dated 30 March 2015 (the "**Sixth Report**") and the Tenth Affidavit of Michael Pearson sworn on 7 April 2015 and filed herein

IT IS HEREBY ORDERED THAT:

1. The proposed payment of an interim distribution in the amount of approximately \$22,000,000 (the "**Safe Maximum Distribution**") as more particularly described in the Sixth Report be approved and the Additional Liquidator be authorised to take all steps required to make an initial Safe Maximum Distribution to certain of the Company's investors.

2. For the purposes of calculating the Safe Maximum Distribution only and without prejudice to any subsequent directions which may be given by the Court in respect of further distributions to the Company's creditors or investors or any of them in the liquidation of the Company, the Additional Liquidator is authorised to:
- (a) adopt the Intra-Account Method (as defined in the Sixth Report) in respect of dealing with "transfers in" and "transfers out" in respect of the Net Investment Method and Rising Tide Method occurring *prior* to Herald's suspension of redemptions on 12 December 2008 (the "**Suspension**");
 - (b) adopt a *pro rata* treatment in respect of dealing with "transfers in" and "transfers out" occurring *after* the Suspension in respect of the Last Statement Method, Net Investment Method and Rising Tide Method; and
 - (c) convert Euro Class Shares into US Dollar Class Shares at the mid-market exchange rate of 1.3334 as at the date of the commencement of the liquidation on 14 February 2013.
3. The costs of and incidental to the Summons be paid out of the assets of the Company as an expense of the liquidation.

DATED the 8th day of April 2015
FILED the 14th day of April 2015



The Hon. Justice Andrew J. Jones, QC.
JUDGE OF THE GRAND COURT

THIS Order was filed by Walkers, Attorneys at Law for the Additional Liquidator whose address for service is that of their said attorneys, 190 Elgin Avenue, George Town, Grand Cayman KY1-9001, Cayman Islands.