

THE TRIBUNAL CONCERNING THE BANK FOR INTERNATIONAL SETTLEMENTS

In an

ARBITRATION BETWEEN
DR. HORST REINECCIUS (CLAIMANT No.1) AND THE BANK FOR INTERNATIONAL SETTLEMENTS
AND
FIRST EAGLE SOGEN, FUNDS INC. (CLAIMANT No.2) AND THE BANK FOR INTERNATIONAL
SETTLEMENTS

ORDER CONCERNING COSTS AND DEPOSITS FOR THE ARBITRATION

October 11, 2001

Having considered the submissions of the Parties as follows: letters from Dr. Horst Reineccius, (hereinafter, Claimant No. 1) dated September 12, 2001 and September 24, 2001, a letter from counsel for the Bank for International Settlements (hereinafter, the Bank) dated September 21, 2001, a letter from counsel for First Eagle SoGen Funds, Inc. (hereinafter, Claimant No. 2) dated September 21, 2001 and a letter from counsel for the Bank dated October 5, 2001 regarding the allocation of costs and deposits for the arbitration, the Tribunal directs the Parties:

1. The Bank will immediately deposit \$334,057.00, half of the projected costs (\$668,113.00) of the arbitration as detailed in the estimate submitted to the Parties at the First Preparatory Conference.
2. Each Claimant shall immediately deposit an amount equal to its pro-rata share of the remaining half of the estimated costs of the arbitration. Claimant No. 1 will deposit \$731.00 or its equivalent in Euros and Claimant No. 2 will deposit \$330,327.00. Claimants' share of the costs was determined by dividing the projected costs by the total number of private shares held by Claimant No. 1 and Claimant No. 2 to arrive at a cost of the arbitration per share (\$36.50). Claimant No. 1 holds 20 shares and Claimant No. 2 holds 9085 shares. The same formula based on the number of privately held shares will be used to allocate costs for any additional claimants in the arbitration taking account of the possibility that additional parties may increase the costs of the arbitration.
3. The Tribunal has noted the submission of October 5, 2001 by the Bank with copies to all Claimants regarding the Bank's position concerning the distribution of costs among all the owners of privately held shares should they benefit from an Award made to the Claimants in the arbitration. In this eventuality, the costs of Claimant No. 1 and Claimant No. 2 could be reduced proportionally.
4. The Tribunal reserves the right to order a further deposit for costs should circumstances (such as, but not limited to, the complexity of issues raised in the Statements of Claim or Defense, the length of time required for the scheduling of testimony or analysis of reports from expert witnesses, the extension of the number of days required for hearings, or a need for more meetings than presently projected) increase the costs of the arbitration.

5. Upon receipt of the required deposits, having considered the submissions of the Parties and their substantial agreement regarding preliminary procedure and confidentiality stipulations, the Tribunal will issue an Order on Consent of the Parties.

Prof. Michael Reisman, President and on behalf of the Tribunal
October 11, 2001