

**Arbitration Tribunal Established Pursuant  
to Article XV of the Agreement Signed at  
The Hague on 20 January 1930**

Dr. Horst Reineccius, Claimant v. Bank for International Settlements, Respondent (Claim No. 1)  
First Eagle SoGen Funds, Inc., Claimant v. Bank for International Settlements, Respondent (Claim No. 2)  
M. Pierre Mathieu and la Société Hippique de la Châtre, Claimants v. Bank for International Settlements,  
Respondent (Claim No. 3)

**Procedural Order No. 9**

(Order on Consent with Respect to the Schedule for Proceedings, Applications for  
Documents and Appointment of An Expert in the Second Phase)

January 31, 2003  
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1. Whereas on 22 November 2002, the Tribunal rendered its Partial Award stating in operative part 209(5) that it

retain[ed] jurisdiction with respect to the valuation of the real estate of the Bank for International Settlements, the determination of the exact amount owing by the Bank per share including interest thereon to Claimants No. 1, 2 and 3, the counter-claim of the Bank for International Settlements against Claimant No. 2 (First Eagle), and the costs of the arbitration, as well as any relief requested by any of the Parties relating to those matters.

2. Whereas on 7 January 2003 counsel for First Eagle SoGen Funds, Inc., (hereafter Claimant No. 2), and counsel for the Bank for International Settlements, (hereafter Respondent), notified the Tribunal that they had agreed to the schedule set forth in paragraphs 4 – 10 below.

3. Whereas the scheduling Order proposed by Claimant No. 2 and Respondent was circulated on 21 January 2003 to Dr. Horst Reineccius (hereafter Claimant No. 1) and Mr. Pierre Mathieu (hereafter Claimant No. 3) and

- (a) Claimant No.1 and counsel for Claimant No.3 indicated their agreement with the proposed schedule in letters dated 24 January 2003 and 29 January 2003 respectively.
- (b) Claimant No.1 has requested copies of the documents received from the Bank by Claimant No. 2 in response to its Application for Documents, and
- (c) Claimants No.1 and 3 have requested copies of the submissions in the schedule for further proceedings proposed by Claimant No. 2 and the Bank.

4. Whereas the Parties are agreed that the Bank's net asset value (NAV) in US dollars for purposes of the final award shall be as stated in the J.P. Morgan report (with the addition of the value of the real estate), but

- (a) the Bank takes the position that its balance sheet is effectively in US dollars (its official unit of account for the period at issue was the gold franc, which had a fixed parity of US \$1.94149) and that its consistent past practice in applying the discounted NAV formula has been for the board of directors to decide on a share issuance, at a fixed gold franc price, with payments in hard currencies to be made applying the exchange rate of the date of payment; hence, the discounted NAV stated in US dollars in the J.P.

Morgan report should be converted to Swiss francs as of the 8 January 2001 date of withdrawal of the privately owned shares, rather than applying the 6 September 2000 exchange rate stated in the J.P. Morgan report, while

- (b) Claimants No. 2 and 3 take the position that the Tribunal should award the net asset value in Swiss francs stated in the J.P. Morgan report (as noted in paragraph 209(3) of the Partial Award), but that if the US dollar value were converted as of 8 January 2001 (which it should not be) instead of as in the J.P. Morgan report, the Bank's net asset value should be reassessed as of that date to take account of the impact of the change in the conversion rate on the Bank's non-dollar denominated assets, and hence on its net asset value, as well as of any retained earnings since the J.P. Morgan valuation date.

5. Whereas the Parties will attempt to resolve by agreement the value of the real estate of the Bank, they have agreed that should they fail to reach agreement on the value by 7 February 2003, they will agree on an expert to determine the value on or before 15 February 2003.

6. On or before 17 January 2003, Claimant No. 2 and Respondent will present a request for the production of documents and state the basis for the request. On or before 28 January 2003, Claimant No. 2 and Respondent will each either produce the

documents requested or state its objections to the respective request. The Tribunal will then resolve any issues regarding the production of documents in due course, having regard to the dates for the filing of the Parties' Memorials in paragraph 7 hereof.

7. On or before 28 February 2003, Claimants will submit Memorials on their claims identified in operative paragraph 209(5) of the Partial Award, and Respondent will submit a Memorial on its counterclaim.

8. On or before 18 April 2003, Respondent will submit a Counter-Memorial and Claimant No. 2 will submit its Counter-Memorial on Respondent's counterclaim.

9. On or before 16 May 2003, Claimants will each submit a Reply to Respondent's Counter-Memorial and Respondent will submit a Reply to the Counter-Memorial of Claimant No. 2.

10. Documents produced in response to paragraph 6 above, with the exception of documents or portions of documents relating solely to Respondent's Counter-Claim against Claimant No.2, shall be transmitted to Claimants No.1 and 3 and shall be subject to the Confidentiality Order governing this arbitration.

11. The Tribunal and the Parties have agreed to schedule oral hearings at the Peace Palace in The Hague on 28 and 29 May 2003.

SO ORDERED:

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Prof. Michael Reisman, President and on behalf the Tribunal