

**IN THE GRAND COURT OF THE CAYMAN ISLANDS  
FINANCIAL SERVICES DIVISION**

**Cause No FSD 152 of 2011 – PCI**

**BETWEEN: (1) VALIANCE SPECIAL OPPORTUNITIES FUND OF FUNDS  
LIMITED**

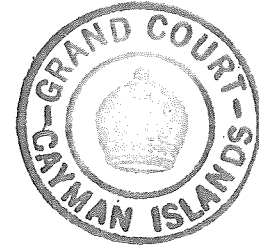
**(2) VALIANCE SPECIAL OPPORTUNITIES CO-INVESTMENT FUND  
LIMITED as General Partner for and on behalf of VALIANCE  
SPECIAL OPPORTUNITIES CO-INVESTMENT MASTER FUND LP** PLAINTIFFS

**AND: CHEYNE NEW EUROPE FUND INC** DEFENDANT

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**ORDER FOR DIRECTIONS**

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**UPON HEARING** counsel for the Plaintiffs and the Defendant

**BY CONSENT IT IS ORDERED THAT:**

1. The issues to be addressed by the valuation expert ordered in paragraph 1 of the consent order signed 18 December 2012 shall be as follows:

*"What is the value as at 31 December 2012 of the Class B1 Euro shares that Plaintiffs still hold in CNEF? To arrive at this figure, you will have to consider the value of the remaining assets in CNEF. In this regard please consider CNEF's NAV, including its method of calculation and the basis of the figures included (inputs) in it, to consider whether it reflects the value of the assets in CNEF.*

*Please consider the market value of the shares and the fair value of the shares. If these are different to each other, or to CNEF's NAV, please explain why in your opinion this is the case. In addition, if there is an alternative basis for valuation that you think more appropriate, please explain why, and calculate the value accordingly.*

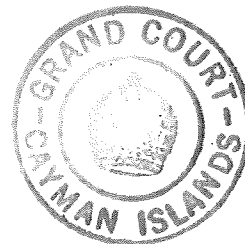
*Market value is defined as the estimated amount for which the Class B1 Euro shares held by the Plaintiffs should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.*

*In arriving at fair value, you should have regard to the guidance provided by IFRS."*

2. The documents to be reviewed by the experts shall, to the extent they exist, and are in the Defendant's possession, custody or power, and in addition to the documents already disclosed as between the parties (including witness statements and pleadings), be as follows:

**List A:**

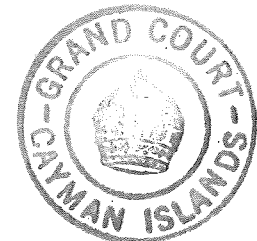
1. Fund structure chart, including percentage shareholding in subsidiary companies and affiliates for CNEF LP and CNEF Inc. (This is intended to capture all subsidiaries and SPVs of CNEF – not just Flavus/Centerra)
2. The latest final or draft consolidated financial statements for CNEF LP and CNEF Inc as at 31 December 2008, 31 December 2011 and 31 December 2012
3. The monthly CNEF LP fund information sheet, containing NAV, from January 2011 to date insofar as it was in fact provided to investors
4. The latest management accounts of CNEF LP (if the accounts as at 31 December 2012 are more detailed, then the accounts as at 31 December 2012), prepared on a basis consistent with the NAV calculation together with the supporting subsidiary company accounts
5. Portfolio listing of combined portfolio of assets held by CNEF LP as at 31 December 2012, listing quantity, cost and market value for each asset, to the extent not already provided in item 2 above
6. The valuation reports from property valuers backing the investments as at 31 December 2012 accounts of CNEF LP
7. The management accounts of CNEF Inc (if the accounts as at 31 December 2012 are more detailed, then the accounts as at 31 December 2012), prepared on a basis consistent with the NAV calculation
8. The valuation reports from property valuers backing the investments as at 31 December 2012 accounts of CNEF Inc
9. For assets that have been valued at fair value approximating cost, please supply the valuation adjustment between net assets of CNEF Inc used for dealing purposes and the net assets of the company as period end financial statements noted in 7 and 8 above (consistent with note 6 to the financial statements of CNEF Inc as at 31 December 2010)
10. For the loan receivable from CCI Czech development Limited (€30,031,328 as at 31 December 2010), please supply the latest financial statements of CCI Czech Development Limited together with commentary on the financial position of the company and the discount assumptions in accordance with IAS 39 (See note 8 to the financial statements of CNEF LP for y/e 31 December 2010).



11. Projected cashflow for CNEF Inc and CNEF LP to the date of final asset realisation
12. Description of current of A1 and B1 class rights and any restrictions that apply
13. The basis for net asset allocation between the classes of shares
14. Listing of all share redemptions including redemption price and the relevant NAV since 2008 to determine the discount

**List B:**

1. the consolidated financial statements for CNEF LP and CNEF Inc as at end 2009 and 2010
  2. historic valuation reports for assets in the portfolio as at 31 December 2012 (to the extent relevant to the value ascribed to the asset by way of the NAV calculation)
  3. latest financial statements for the entities with loans from CNEF as at 31 December 2012
  4. additional relevant financial information available for all private entities in the relevant portfolio held as at 31 December 2012
  5. documents/data related to Valiance's redemption of USD denominated shares and subscription of Euro denominated shares namely: D437, D448, D450, D521, D532, D533, DS155, DS173, DS182, DS2\_246, DS2\_247, P265 and P266
  6. documents/data detailing the terms of the Funds interests in funds (for example: loans, equity stakes, or other); and
  7. financial statements for all funds that the Fund holds an interest in, and documents/data on the underlying investments made by these funds as at 31 December 2012
3. The Defendant shall give disclosure of all the documents in List A and List B above to the extent they exist, and are in the Defendant's possession, custody or power on or before Friday 10 May 2013 and shall provide copies on the same date to the extent not previously provided.
  4. Paragraph 3 of paragraph 1 of the consent order signed 18 December 2012 shall be amended so that signed reports of experts on valuation issues are to be exchanged simultaneously and are to be exchanged not later than 18 June 2013.
  5. The remaining dates for the Valuation expert steps are to be as follows:
    - (a) the meetings of experts are to be by 2 July 2013
    - (b) joint memoranda are to be completed by 16 July 2013
    - (c) any short supplemental reports are to be exchanged simultaneously by 30 July 2013



6. All other directions ordered by the Honourable Justice Cresswell on 14 September 2012 to remain in force.
7. Liberty to apply for further directions.
8. The costs of and occasioned by this application shall be costs in the cause.

Dated: .....<sup>30</sup> April 2013  
Filed: ..... April 2013  
8 May 2013

*Cresswell J*

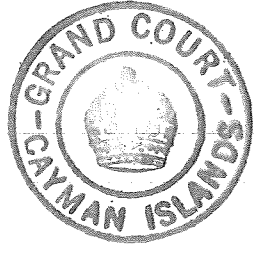
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HON. JUSTICE CRESSWELL

We consent to the terms of this order:

*Campbells*  
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CAMPBELLS  
Attorneys for the Plaintiffs

*Howard Ozannes*  
\_\_\_\_\_  
MOURANT OZANNES  
Attorneys for the Defendant



**THIS CONSENT ORDER** is filed by Campbells, attorneys for the Plaintiffs, whose address for service is Floor 4, Willow House, Cricket Square, George Town, Grand Cayman (Ref: JRM/KAH/13558-18302)