

Statement on recent developments in the liquidation and preparation of a first distribution payment

The liquidators of Herald (Lux) would like to communicate the following:

- In March 2018, Herald (Lux) received a cheque from the BLMIS Trustee pertaining to the 9th interim distribution payment in the amount of USD 8.755.322,40 or 3,806% of the allowed claim. This brings the total percentage of the service to the allowed Herald (Lux) claim to 63,904 %.
- The liquidators confirm that the settlement agreement reached with the parties involved in the Luxembourg litigation initiated by the liquidators has been executed, resulting amongst others in a substantial payment for the benefit of the estate.
- Furthermore as part of the Luxembourg settlements, the claims filed by various investors against Herald (Lux) are subject to waiver of claims for the very large majority. The Court hearing on the waiver of claims has taken place on 21 March 2018. The judgments are to be given on 20 April 2018. The liquidators have no choice but to wait for these judgements to be able to determine the amount to be proposed to the Court for a first distribution payment to the shareholders.
- The next steps to be taken in view of the first distribution payment are as follows:
 - 1) The liquidators will file an application with the Court to seek approval for the amount of a first “distribution payment in principle” to be made to the registered shareholders. Subject to the approval by the Court, this amount will be determined as a percentage in comparison to the total net loss of Herald(Lux), i.e. USD 255,600,000;
 - 2) Distribution payments will be made in USD only to the registered shareholders in pro rata to their investment held in Herald (Lux), i.e. in pro rata to the number of shares held by them in Herald (Lux);
 - 3) Payments will be made to Luxembourg bank accounts only and are subject to shareholders completing KYC/CFT diligences on Herald (Lux) investors as initiated by the liquidators. Only shareholders having completed these diligences to the satisfaction of the liquidators may benefit from distribution payments;
 - 4) Following completion of the aforementioned steps and subject to the approval by the Court to a first “distribution payment in principle”, the liquidators will apply with the Court to seek approval for the payments to be made to the eligible shareholders. Payments will be made in execution of the judgments to be given by the Court.
- The residual value of the approved claim which Herald (LUX) holds in the BLMIS estate is USD 83.035.238,40 or 36,317% of the total value of the allowed claim.

The present statement is not an acknowledgment of the shareholders’ possible right to benefit from distributions in the Herald (Lux) liquidation.

It may not be construed as a waiver of any rights, actions or legal means by Herald (Lux) or its liquidators.

All rights, claims and actions are expressly reserved.

Luxembourg, 04 April 2018