

Decision

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AMSTERDAM DISTRICT COURT

Private law bench

bankruptcy reference number: 13/17/164 -F
issuance: 10 April 2018

In the bankruptcy declared on 19 April 2017 by the Amsterdam Court of Appeal

Portugal Telecom International Finance B.V.,

and having regard to Articles 80 and 108 *et seq.* of the Dutch Bankruptcy Act, the Supervisory Judge *mr* A.E. de Vos finds reason for issuing the following decision.

Background to the application

On 9 April 2018, the private company Portugal Telecom International Finance B.V. (hereinafter: PTIF) and the bankruptcy trustee in the bankruptcy of PTIF, *mr* drs. J.L.M. Groenewegen (hereinafter: the bankruptcy trustee) jointly filed an application for setting a date by which the claims shall have been filed, for setting a date for a verification meeting and for taking a several measures to be taken in connection with the bankruptcy of PTIF,

The requests are based on the following grounds.

The bankruptcy of PTIF is closely connected to the restructuring procedure that is subject to Brazilian law (hereinafter: the RJ), to which besides PTIF, also its Brazilian parent company Oi S.A. (hereinafter: Oi S.A.) and some other group companies, including Oi Brasil Holdings Coöperatief U.A. (hereinafter: Oi Coop), are subjected since 29 June 2016. In the RJ, Oi S.A. has offered the joint creditors (including PTIF and Oi Coop) a consolidated composition plan (hereinafter: the RJ-Plan). In the amended form, the creditors have accepted the RJ-Plan on 20 December 2017 and the Brazilian judge has approved it on 8 January 2018, subject to several conditions.

PTIF intends to offer its creditors in the Dutch bankruptcy a composition plan that substantively reflects the RJ-Plan, with the addition that the claims of creditors arisen after the filing of the request for granting the RJ-procedure (20 June 2016) will be fully paid on the acceptance and that the decision containing the approval of the composition plan having become final.

PTIF has in the period from 2005 to 2013 issued notes for an initial amount of € 4.4 billion. On 20 June 2016, an amount of € 3.9 billion was still outstanding. The notes, issued in 7 series, are governed by English law, with the exception of the series concerning Retail Notes, which is governed by the Portuguese law. PTIF has entered into a *trust deed* under English law with Citicorp Trustee Company Limited (hereinafter: Citicorp), pursuant to which Citicorp, as a professional institution, will manage the rights under the trust deed for all investors that have acquired a beneficial interest in (the seven series of) notes (hereinafter: the noteholders). Citicorp is therefore to be regarded as the trustee, the noteholders as the beneficial owners (hereinafter: *beneficial owners*). Since Citicorp and the noteholders have differing rights under the PTIF notes documentation, PTIF wishes to structure the procedure for filing the claims and voting on the composition plan in such a way that all noteholders are given an equal, simple and efficient opportunity to file their claims and vote on the composition plan.

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The noteholders will be asked, with reference to the *consent solicitation memorandum*, to agree by means of so-called "*extra-ordinary resolutions*" to the proposal that they all grant Citicorp exclusive authority to file the claims under the notes, and thus withdraw or have withdrawn the claims already filed to the bankruptcy trustee, and vote on the composition plan, barring each noteholder from voting individually in the Netherlands. The noteholders are also asked to instruct the bankruptcy trustee with regard to the exercise by the bankruptcy trustee of the voting right with respect to the composition plan offered by Oi Coop in its bankruptcy, in which PTIF is a creditor.

In all seven series Citicorp will organise a Noteholders' meeting to vote on the "*extra-ordinary resolution*". If not all seven "*extra-ordinary resolutions*" are adopted, and consequently conflicting instructions are given to Citicorp, Citicorp as trustee will be in the position that it cannot cast one vote at the Dutch verification meeting to be held. For that reason each of the "*extra-ordinary resolutions*" includes the condition that it will have been adopted only if all seven have been adopted. If this condition is not met, then Citicorp will be unable to cast a vote on the composition plan or file claims.

In order to prevent that under these circumstances the noteholders cannot enforce their rights as creditors, it is requested to take (conditional) measures to ensure that the noteholders as *beneficial owners* can then exercise these rights themselves. Since it concerns marketable listed notes and it is plausible that the trade in them will take place until the date of the verification meeting, it is important that it is determined on which date it must be clear who are to be regarded as creditors (*beneficial owner*) who are entitled to the voting right at the verification meeting (*voting record date*).

Having regard to the fact that there is a multitude of creditors, it is also requested by the applicants that it be decided that the bankruptcy trustee can, when applying provisions of the Dutch Bankruptcy Act that relate to the notification of creditors and with regard to the noteholders, confine himself to a single electronic/digital notification via the clearing institutions.

Having regard to the above, the following decision will be given.

Decision

decides that no later than 17 May 2018 the claims shall have been filed with the bankruptcy trustee *mr drs. J. L.M. Groenewegen*, 1090 GS Amsterdam, Po Box 94700;

decides that on Friday 1 June 2018 at 10.00 hours, in the Herzbergzaal of the Amsterdam district court, located at Pamassusweg 220 in Amsterdam, the verification meeting will take place;

also decides that;

- the bankruptcy trustee shall immediately notify all known creditors of this decision by letter, while in notifying the holders of PTIF notes the bankruptcy trustee can confine himself to a single electronic/ digital notification via the clearing systems;
- the bankruptcy trustee shall immediately notify the bankrupt of this decision by letter and call it to attend this meeting;
- the bankruptcy trustee shall file a copy of the list of provisionally acknowledged and disputed claims at the registry of the district court - Central Desk, located in Amsterdam at Pamassusweg 220 -. This copy will be available for inspection there for everyone, free of charge, during the seven days preceding the verification meeting;
- the bankruptcy trustee shall notify all known creditors in writing of the filing, while in notifying the holders of PTIF notes the bankruptcy trustee can confine himself to a single electronic/ digital notification via the clearing systems. The bankruptcy trustee shall add to this a call to attend the verification meeting and also state whether the bankrupt has filed a draft composition;
- after the end of the verification, the bankruptcy trustee shall report in writing to the

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meeting on the status of insolvency estate.

decides that

subject to the condition that not all seven "*extra-ordinary resolutions*" have been adopted:

- 16 April 2018 shall be set as the *voting record date*;
- noteholders, who have been able to furnish evidence that they held notes issued by PTIF on the *voting record date*, will be equated (Dutch: *op één lijn gesteld met*) with the creditors within the meaning of the Dutch Bankruptcy Act and will therefore also - to the exclusion of Citicorp - be authorised to exercise all rights attached to the claims under the notes belonging to them, including more in particular to file those claims for verification and exercise the voting right thereon at meetings of creditors, *inter alia* on the composition, as well as at any special meetings of creditors pursuant to article 84 of the Dutch Bankruptcy Act; and
- each noteholder can cast one vote regardless of the number of Notes to which this noteholder is entitled,

Thus given in Amsterdam on 10 April 2018 by *mr* A.E. de Vos, and signed by *mr* I.M. Bilderbeek, Delegated Supervisory Judge (Dutch: *waarnemend rechter-commissaris*).