

SdK e.V. - Hackenstraße 7b - 80331 München

Newsletter 1 | Steinhoff International Holdings N.V.

Convening of a meeting of noteholders to elect a joint representative

Dear Sir or Madam,

we would like to get back to you in the case of Steinhoff International Holdings N.V.

The SdK intends to enforce the convening of a noteholders' meeting to elect a joint representative of the bondholders. The SdK is also a bondholder and is now supported by investors, who currently have about 2 % of the outstanding notes. It is necessary, that bondholders, who have together at least 5 % of the outstanding notes, support the SdK and authorizes her by power of attorney to convene a meeting of noteholders. There will be no costs for the bondholders on the part of the SdK.

Background

In the opinion of the SdK, it is to fear, that bondholders have to renounce a considerable part of their receivables by means of a reorganization of the company. In order to avoid serious disadvantages for the bondholders, they have to organize themselves, jointly represent their interests and being involved in the ongoing restructuring. Other groups of creditors outside the bondholders have already organized themselves and are intensively negotiating with the Steinhoff Group about their claims. According to recent media reports, the group needs additional liquidity of approximately EUR 200 million for the upcoming six month. These should be provided by the lending banks. Otherwise, the bankruptcy of the company is threatened.

From the point of view of the SdK, it is to be expected that the other creditors will try to reach a better position than to the bondholders, for example, by granting existing securities. However, this must not lead to the result of a structural disadvantage for the bondholders. But this is currently to be feared because the bondholders are not represented in the negotiations with the Steinhoff Group.

Therefore, the SdK, which itself holds bonds, will address a request for a convening of a meeting of noteholders to the Issuer, with the aim of electing a joint representative of the bondholders. The joint representative, as the official representative of the bondholders, can be involved in discussions with the Issuer and the Steinhoff Group and represent the interests of all bondholders.

SdK-Geschäftsführung
Hackenstr. 7b
80331 München
Tel.: (089) 20 20 846 0
Fax: (089) 20 20 846 10
E-Mail: info@sdk.org

Vorsitzender
Daniel Bauer
Dipl.-Volkswirt

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The joint representative

The rights and obligations of the joint representative are determined by the German Schuldverschreibungsgesetz 2009 (SchVG). This is applicable as the bond was issued under German law.

The rights of the joint representative (§ 7 SchVG) are determined by the noteholders' meeting. The advantage of a joint representative is a bundled flow of information and a one-stop-shop for the bondholders. The joint representative may require the issuer to provide all information which are necessary to carry out the tasks entrusted to him. There is no sole power of decision of the joint representative, for example regarding an interest waiver, an extension of the term of the bond or even a reduction of the par value without prior authorization by the bondholders. Changes to the terms and conditions of the bond may be accepted by the joint representative only if expressly authorized beforehand by the bondholders. Such authorization is not planned at the present time.

The joint representative may be removed by the noteholders at any time without reason. The costs and expenses incurred by appointing a joint representative of the noteholders, including a reasonable remuneration of the joint representative, shall be borne by the Issuer. There are no costs for the bondholders.

Enforcement of the convening of a meeting of noteholders

The joint representative is elected by the bondholders at a noteholders' meeting by a simple majority of the votes cast in the vote. The so-called "technically" first noteholders' meeting is only quorate if at least 50 % of the outstanding debt securities are represented; the so-called "technically" second noteholders' meeting is basically always quorate; only for resolutions requiring a qualified majority (§ 5 (3) no. 1 with 9 SchVG), for example an interest waiver, does the law require a quorum of 25 % of the outstanding bonds for these resolutions.

The noteholders' meeting is to be convened by the issuer, if noteholders who together hold 5 per cent of the outstanding notes request such convocation in writing for the purpose of appointing a joint representative (§ 9 (1) SchVG). This is what the SdK intends.

If this request is not complied with by the issuer, the noteholders may file a motion with a court to seek authorization to convene the noteholders' meeting (§ 9 (2) SchVG). The costs of the noteholders' meeting shall be beared by the Issuer. Therefore, the SdK will set a deadline to the issuer to convene the bondholders' meeting.

Power of Attorney

The SdK itself holds bonds and there are already commitments from bondholders, who together hold around 2 % of the outstanding bonds. They will authorize the SdK at their request to convene a bondholders' meeting.

In order to achieve the necessary quorum of 5 %, we ask you to grant the SdK an appropriate power of attorney for the call for the bondholders' meeting. The power of attorney is only valid for this purpose and has no binding effect on the further proceedings. The power of attorney form can be found at www.sdk.org/steinhoff on the right in the box "weitere Unterlagen/further information". There are no costs for you.

Please send the fully completed and signed **original** form and an up-to-date proof of ownership of Steinhoff bonds (deposit, screenshot or bank confirmation) **by 25/01/2018** to

SdK e.V.
- Steinhoff -
Hackenstr. 7b
80331 Munich
GERMANY

The proxy voting as well as the call for convening is free of charge for you.

Formation of an ad-hoc-committee

The SdK also intends to set up an ad-hoc-committee, an informal grouping of bondholders with a high nominal value, in which the creditors can contribute. The ad-hoc-committee should discuss the objectives and modalities of a restructuring and commit itself to a person of the joint representative. The committee shall then be in constant communication with the joint representative in order to achieve the best possible satisfaction of the bondholders. If you are interested in joining the ad-hoc-committee, please contact the lawyer of the SdK, Mr. Michael Siegle, at siegle@sdk.org.

Munich, 2018/01/12
SdK Schutzgemeinschaft der Kapitalanleger e.V.

Disclosure: SdK holds bonds of the issuer!