

Translation from German

**Modifications of and amendments to the Terms of Realisation
in the bankruptcy proceedings over the assets of
Teak Holz International AG, case number 17 S 97/15 m
published on 29 January 2016**

(1) Introduction

- 1.1 On 29 January 2016 the Insolvency Administrator in the bankruptcy proceedings over the assets of Teak Holz International AG published the terms of realisation of various interests of the debtor in insolvency (Debtor).
- 1.2 The development of the bankruptcy proceedings and interim results of and experiences in the realisation proceedings require the following modifications and clarifications of the Terms of Realisation.
- 1.3 Any modifications and amendments shall apply retroactively from the time of publication of the Terms of Realisation on 29 January 2016.

2. Continuation of business (Clause 1.3 of the Terms of Realisation)

- 2.1 The management of the plantation in Costa Rica and the activities of "Servicios Austriacos Uno S.A." have been maintained until recently through a loan granted by a group of Creditors of the Convertible Bond, who were interested in future acquisition of the interests. Supply of liquidity in that way will not be guaranteed in the future anymore.
- 2.2 Therefore, the Insolvency Administrator agreed to the Holding Companies' plans to maintain the required liquidity by logging and selling of wood. This concerns Finca

Tres, Finca Plantacion and Finca De Los Austriacos, if necessary. The said properties belong to the assets of Finca De Los Austriacos Teca Tres S.A., Plantacion Austriaca Teca S.A. and Finca De Los Austriacos S.A.

- 2.3 Finca Tres owns a planted area of 10 ha and one of the oldest teak stocks of 19 years. At the end of 2014 an expert recommended complete logging within the next two years due to the small size and the old stock. Logging and selling of the teak stock of this finca was ordered.
- 2.4 In 2014 old stock of 15 to 16-year-old teak trees grew on Finca Plantacion on an area of 15 to 20 ha. Half of it was cleared in spring 2014. If liquidity needs should require it, the remaining old stock will be logged and sold as well.
- 2.5 Finca Uno owns a planted area of approx. 232 ha of mainly 15-year-old teak trees. Several experts recommended commercial thinning of the tree stock to 280 to 250 teak trees per hectare already for the year 2015. Should the liquidity situation worsen dramatically, the Insolvency Administrator will allow final logging of up to 10 hectares. Otherwise, the recommended commercial thinning can be carried out while the realisation proceedings are still being conducted; incoming money will be collected by the Insolvent's Estate.

3. Set-off of assumption of the accounts receivable related to the Convertible Bonds (Clauses 4.4.2, 4.4.3 and 6.6.3 of the Terms of Realisation)

- 3.1 Pursuant to Clause 4.4.2 the Purchaser is entitled to take over the accounts receivable by the Creditors of the Convertible Bond either up to the amount of the Purchase Price attributable to the Holding Companies or, at its option, beyond that amount as a set-off for the portion of the Purchase Price attributable to acquisition of the Holding Companies. Set-off is limited to the portion of the Purchase Price defined in Clause 4.2.1, second indent, and to the percentage rate determined by the Insolvency Administrator in Clause 6.6.3. For the rest, not only the assumption of the accounts receivable but also a waiver of claim or an insolvency deferral agreement of the

Creditors taken over must be evidenced according to the previous wording of the Terms of Realisation.

3.2 Since a distribution is now more likely than the fulfilment of the reorganisation plan, the Terms of Realisation shall be modified to the effect that a set-off will only be made to the extent to which Creditors of the Convertible Bond waive any claim vis-à-vis the Debtor in the amount of the par value of the assumed account receivable; an insolvency deferral agreement alone is not sufficient any more. The waiver shall also include the claiming of rights to preferred treatment for the accounts receivable which will be taken over. Such waiver shall be final.

3.3 For easier handling, the dividend of the set-off as defined in Clause 6.6.3 has already been fixed at 35% of the par value of the assumed account receivable for Creditors of the Convertible Bond who waived their claim vis-à-vis the Debtor. Such waiver shall be final.

4. Changes in the course of the proceedings (Clause 6.3, 6.4 and 6.7 of the Terms of Realisation)

4.1 The end of the bidding period will be postponed from 26 February 2016 to 1 March 2016.

4.2 The Auction will not take place on Friday, 4 March 2016 but on 8 March 2016.

Linz, 12 February 2016

8/CM/Ko-TeakAG/015

Dr. Gerhard Rothner
as the Insolvency Administrator