

**SWISS INSURED BRAZIL POWER FINANCE S.À R.L.**  
**9.850% SENIOR SECURED NOTES DUE 2032 (the “Notes”)**  
**SOLICITATION OF CONSENTS**

This Solicitation (as defined below) will expire at 5:00 p.m. (New York City time) on September 20, 2023, unless extended or earlier terminated (such date and time, including as extended or earlier terminated, the “Expiration Time”). To be eligible to receive the Consent Consideration (as defined below) multiplied by the Scaling Factor (as defined below), Holders (as defined below) must deliver (and not revoke) their Consents (as defined below) at or prior to the Expiration Time. Consents delivered may be validly revoked at any time prior to 5:00 p.m. (New York City time) on September 20, 2023 (the “Revocation Deadline”), but not thereafter, except as required by applicable law.

Upon the terms and subject to the conditions described in this Consent Solicitation Statement (as amended or supplemented from time to time, the “Statement”), Swiss Insured Brazil Power Finance S.à r.l., a private limited liability company (*société à responsabilité limitée*), incorporated and existing under Luxembourg law, having its registered office at 16, rue Eugène Ruppert, L – 2453 Luxembourg, Grand Duchy of Luxembourg, registered with the Luxembourg Register of Commerce and Companies under number B 217648 (the “Company”), hereby solicits (the “Solicitation”) consents (each, a “Consent” and collectively, the “Consents”) from each registered Holder of its 9.850% Senior Secured Notes due 2032 (the “Notes”), issued and outstanding under the indenture (the “Indenture”), dated as of April 12, 2018, among the Company, CELSE – Centrais Elétricas de Sergipe S.A., a corporation (*sociedade anônima*) organized under the laws of Brazil, as guarantor (“CELSE”), and Citibank, N.A., as trustee (in such capacity, the “Trustee”), to permit the Company as sole holder (the “Debenture Holder”) of certain debentures issued by CELSE (the “Existing Debentures”) pursuant to an indenture (as amended from time to time, the “Debenture Indenture”), dated as of March 28, 2018, among CELSE, Pentágono S.A. Distribuidora de Títulos e Valores Mobiliários, as fiduciary agent (the “Fiduciary Agent”) and Credit Suisse AG, in its capacities as policyholder and policyholder agent (the “Policyholder Agent”), to instruct the Fiduciary Agent to hold a debenture holders’ meeting to consent to the proposed amendments and waivers to the Debenture Indenture (the “Debenture Indenture Amendment”) to (i) include a new put option (the “New Put Option”) for the repurchase by CELSE of 100% of the outstanding Existing Debentures from Debenture Holders as of the record date established for such repurchase (which shall be the business day prior to the repurchase date) at a price equal to the New Put Option Price (as defined below), plus accrued and unpaid interest thereon to, but excluding, the date of repurchase, which New Put Option would be triggered upon CELSE’s issuance of a prepayment notice to the Senior Lenders (as defined below) pursuant to the Omnibus Waiver and Consent Agreement (as defined below) (the “New Put Event”), and such New Put Option Price to be paid to the Company no earlier than ten (10) Business Days, but no later than thirty (30) days from the date of exercise of such New Put Option; and (ii) provide a waiver to (1) Section 9.2(t) of the Debenture Indenture to permit CELSE to incur indebtedness in an aggregate principal amount sufficient to directly or indirectly fund the purchases, repayments and redemptions described in this Statement (the “New Indebtedness”), the proceeds of which will be used to fund the purchases, repayments and, indirectly, redemptions described in this Statement (the “Refinancing”); and (2) Section 9.2(o) of the Debenture Indenture to allow CELSE to enter into agreements or arrangements necessary in connection with the Refinancing.

The Company is also soliciting Consents to permit the Company, as the Debenture Holder, to instruct the Fiduciary Agent to hold a debenture holders’ meeting to consent to entering into a waiver and consent agreement with respect to: (1) the Common Terms Agreement, dated April 12, 2018 (as amended from time to time, the “Common Terms Agreement”), among CELSE, the Inter-American Investment Corporation (“IDB Invest”), the International Finance Corporation (“IFC”) and, together with IDB Invest, the “Senior Lenders”, the Fiduciary Agent, the Policyholder Agent, and Citibank, N.A., as project intercreditor agent (the “Project Intercreditor Agent”); (2) the Amended and Restated Collateral Accounts and Security Agreement, dated February 4, 2019 (as amended from time to time, the “CELSE Accounts Agreement”), among CELSE, CELSEPAR – Centrais Elétricas de Sergipe S.A. (“CELSEPAR”), Goldman Sachs Bank USA, as closing date LC issuer, Citibank, N.A., as offshore collateral agent and offshore account bank (“Offshore Collateral Agent”), Banco Citibank S.A., as onshore collateral agent and onshore account bank (“Onshore Collateral Agent”), Credit Suisse AG, as Swiss account bank, Banco de Investimentos Credit Suisse (Brasil) S.A., as senior debentures conversion bank, the Fiduciary Agent, the Policyholder Agent and the Project Intercreditor Agent and (3) that certain Loan Agreement, dated as of April 12, 2018, among CELSE and IFC (the “IFC Loan Agreement”) and that certain Loan Agreement, dated as of April 12, 2018, among CELSE, IDB Invest, in its individual capacity (x) as lender; (y) as agent acting on behalf of IDB as lender; and (z) as agent acting on behalf of the IDB in IDB’s capacity as administrator of the China Fund as lender (the “IDB Loan Agreement” and, together with the IFC Loan Agreement, the “Senior Loans”), to permit all actions required to effect the Refinancing, in full of the Senior Loans, the Existing Debentures, the Notes and the Uninsured Loan Agreement (as defined below) as described in “Principal Terms of the Solicitation” (the “Omnibus Waiver and Consent Agreement” and, together with the Debenture Indenture Amendment, the “CELSE Proposed Amendments and Agreements”).

The Company is also soliciting Consents of the Holders to: (A) amend the Indenture to amend certain of the restrictive covenants contained therein to permit the Refinancing (the “Indenture Amendments”); and (B) authorize the Company to immediately exercise the New Put Option upon the occurrence of the New Put Event (“Put Option Exercise”). In addition, pursuant to the terms of the Company Intercreditor Agreement and the Debenture Indenture, Holders delivering Consents in the Solicitation will agree to modify the end of the decision period and the date of the general meeting of Debenture Holders (the “General Meeting”) to be a date that is as early as one (1) business day following the Expiration Time.

If the requisite number of Consents are received, the CELSE Proposed Amendments and Agreements, the Put Option Exercise and the Indenture Amendments will be effective directly or indirectly, as to all the Notes, which will have adverse consequences for Holders who elect not to deliver their Consents in the Solicitation. The Notes are currently listed on the Official List of the Luxembourg Stock Exchange (the “LuxSE”) and admitted to trading on the Euro MTF market of the LuxSE. For more information, see “Certain Significant Consequences to Holders—Adverse Effect of the CELSE Proposed Amendments and Agreements, the Put Option Exercise, the Indenture Amendments on the Notes.”

If the Requisite Consents are obtained and the CELSE Proposed Amendments and Agreements and the Indenture Amendments, are effected, in order to conform the Indenture to the Debenture Indenture Amendment and to the New Put Option Price, plus accrued and unpaid interest thereon to, but excluding, the date of repurchase, payable to Debenture Holders as of the record date established for such repurchase (which shall be the business day prior to the repurchase date) pursuant to the New Put Option exercise, the Supplemental Indenture will amend Section 3.1 of the Indenture to provide that the redemption price following exercise of the New Put Option will be equal to the New Put Option Price (the “New Redemption Price”), plus accrued and unpaid interest thereon to, but excluding, the date of redemption, which shall be the same date that the Existing Debentures are repurchased pursuant to the New Put Option exercise (such date, the “Redemption Date”), to Holders of the Notes as of the record date established for such redemption (which shall be the business day prior to the Redemption Date).

The New Put Option Price (expressed as a percentage of outstanding principal amount Existing Debentures (i.e., after giving effect to the scheduled principal amortization payments on the Existing Debentures to and including the repurchase date)) and, as a result, the New Redemption Price, will be equal to the lesser of: (i)(a) the sum of the present values of the remaining scheduled payments of principal and interest on the Existing Debentures (after giving effect to the scheduled principal and interest payments on the Existing Debentures to and including the repurchase date) being repurchased, discounted to the repurchase date on a semi-annual basis (assuming a 360-day year of twelve 30-day months), at the Reference Rate (as defined below), less (b) accrued and unpaid interest to, but excluding, the repurchase date; and (ii) 100% of the outstanding principal amount of the Existing Debentures to be redeemed, *minus*, in either case, the Consent Consideration, multiplied by the Scaling Factor, payable pursuant to the Solicitation assuming 100% of the Holders delivered their Consents at or prior to the Expiration Time and such Consents were accepted by the Company for payment. The Reference Rate will be determined by CELSE and will equal the reference rate of the BRL National Treasury Note (NTN-F) due January 1, 2029 (ISIN: BRSTNCNTF1Q6) and as set forth in “Principal Terms of the Solicitation—Proposed Amendments and Waivers to the Debenture Indenture; Omnibus Waiver and Consent.”

The table below summarizes certain payment terms of the Solicitation. The originally issued principal amount of the Notes was R\$3,201,500,000 (the “Original Principal Amount”). The Notes have subsequently had principal repaid such that the remaining principal amount outstanding was R\$2,669,810,887.50 as of September 12, 2023 (the “Outstanding Principal Amount”). The Consent Consideration will be calculated with reference to a scaling factor equal to the quotient of (a) the remaining outstanding principal amount of Notes as of the Expiration Time, divided by (b) the Original Principal Amount of Notes (the “Scaling Factor”). As of September 12, 2023, the Scaling Factor was 83.3925%.

Description of Notes	CUSIP / ISIN	Original Principal Amount	Outstanding Principal Amount	Scaling Factor <sup>(1)</sup>	Consent Effectiveness Payment <sup>(2)</sup>	Additional Consent Consideration <sup>(2)</sup>
9.850% Senior Secured Notes due 2032	Reg S: L8915M AA3 / USL8915MAA38 144A: 870880 AA9 / US870880AA90	R\$3,201,500,000	R\$2,669,810,887.50	83.3925%	R\$5.00	R\$25.00

(1) Scaling Factor as of September 12, 2023. The Scaling Factor reflects the fact that the Notes are subject to principal amortization. For purposes of calculating the Consent Consideration, the Scaling Factor will be calculated as of the Expiration Time.

(2) Per R\$1,000 Original Principal Amount of Notes. Holders who validly deliver (and do not revoke) their Consents at or prior to the Expiration Time will be eligible to receive the consent consideration (the “Consent Consideration”) set forth in the table above, multiplied by the Scaling Factor. The Consent Consideration will be payable in two installments. The consent effectiveness payment (the “Consent Effectiveness Payment”) set forth in the table above will be payable on the initial settlement date, which is expected to be within three (3) business days after all conditions to the Solicitation have been satisfied (the “Initial Settlement Date”). The additional consent consideration (the “Additional Consent Consideration”) set forth in the table above will be payable on either the Initial Settlement Date or the final settlement date, at the sole discretion of CELSE. The final settlement date will be the date that is the earlier of (a) 20 business days following the Expiration Time and (b) the business day immediately prior to any date that the Notes are scheduled to be redeemed pursuant to the terms of the Indenture (the “Final Settlement Date”).

*Sole Structuring and Lead Solicitation Agent*

**Citigroup**

*Co-Solicitation Agents*

**Bradesco BBI**

**BTG Pactual**

**Itaú BBA**

**Santander**

The date of this Consent Solicitation Statement is September 13, 2023.

The Consent Consideration, multiplied by the Scaling Factor, is payable only to Holders who deliver (and do not revoke) their Consents at or prior to the Expiration Time. The Consent Consideration will be payable in two installments. The Consent Effectiveness Payment will be payable on the Initial Settlement Date. The Additional Consent Consideration will be payable, at the sole discretion of CELSE, on either the Initial Settlement Date or on the Final Settlement Date. **The Company will announce each of the Initial Settlement Date and the Final Settlement Date by press release or other public announcement, no later than 9:00 a.m. (New York City time) on the business day prior to the scheduled Initial Settlement Date and Final Settlement Date, as applicable.** The Consent Consideration will be payable by CELSE on behalf of the Company (directly or through an agent) on the applicable Settlement Date in consideration for and in respect of Consents that are validly delivered (and not revoked) at or prior to the Expiration Time. **The Consent Consideration will be calculated with reference to the Scaling Factor equal to the quotient of (a) the remaining outstanding principal amount of Notes as of the Expiration Time, divided by (b) the Original Principal Amount of Notes. As of September 12, 2023, the Scaling Factor was 83.3925%.**

The Record Date for the determination of Holders entitled to give Consents pursuant to the Solicitation is 5:00 p.m. (New York City time), on September 12, 2023. This Statement is being sent to all Holders. The Company reserves the right to establish from time to time any new date as the Record Date and, thereupon, any such new date will be deemed to be the “Record Date” for purposes of the Solicitation.

All descriptions of the Consent Effectiveness Payment, the Additional Consent Consideration and the Consent Consideration set forth in this Statement are before the application of the Scaling Factor. In addition, the descriptions of the New Put Option Price and the New Redemption Price are before application of the fact that the Existing Debentures and Notes are subject to principal amortization in accordance with their respective terms.

**The Consent Consideration is denominated in Brazilian Reais but will be settled in U.S. dollars as converted based on the selling rate for Brazilian Reais into U.S. dollars reported by the Brazilian Central Bank on the “PTAX VENDA800” screen at 5:00 p.m. (São Paulo time) on the business day immediately following the Expiration Time (provided that if such selling rate is not available on the Brazilian Central Bank’s “PTAX VENDA800” screen, then such other source as mutually agreed by the Company and the Sole Structuring and Lead Solicitation Agent shall be used).**

No accrued interest will be payable in connection with the Solicitation. All Notes shall continue to accrue interest whether or not the Holders thereof deliver their Consents. Interest on the Notes will be payable in accordance with the terms of the Indenture.

Subject to the matters described below, upon such acceptance for payment, CELSE will pay the Consent Effectiveness Payment and the Additional Consent Consideration by the deposit of immediately available funds in U.S. dollars on the Initial Settlement Date or the Final Settlement Date, as applicable. Such deposit shall be made with D.F. King & Co., Inc., as information (the “**Information Agent**”), which will act as agent for Holders for the purposes of delivering Consents, receiving payment from CELSE and transmitting such payments to such Holders, or with The Depository Trust Company (“**DTC**”).

**None of the Company, CELSE, the Trustee, the Solicitation Agents or the Information Agent makes any recommendation as to whether or not Holders should deliver their Consents.**

The purpose of the Solicitation is to authorize CELSE and the Company to adopt the CELSE Proposed Amendments and Agreements and the Indenture Amendments, to authorize the Put Option Exercise and for CELSE to:

- upon the exercise of the New Put Option by the Company, fulfill its obligation to purchase 100% of the outstanding Existing Debentures; and
- repay all amounts outstanding under the IFC Loan Agreement and the IDB Loan Agreement;

and for the Company, in turn, to:

- repay all amounts outstanding under that certain uninsured loan credit agreement, dated as of April 12, 2018, among, *inter alios*, the Company, the lenders named therein (the “**Uninsured Lenders**”), and Citibank, N.A., as administrative agent (the “**Uninsured Loan Agreement**”); and
- redeem 100% of the Notes.

To fund these purchases, repayments and redemptions, CELSE intends to incur in New Indebtedness and effect the Refinancing. In order to allow the Refinancing to occur, it is necessary that CELSE and the Company, as applicable, adopt the CELSE Proposed Amendments and Agreements, the Indenture Amendments and the Put Option Exercise.

Concurrently with the Solicitation, CELSE and the Company, as applicable, are separately seeking consents to (i) the CELSE Proposed Amendments and Agreements and the Put Option Exercise from the Uninsured Lenders and SERV Swiss Export Risk Insurance (“**SERV**”); and (ii) the CELSE Proposed Amendments and Agreements from the Senior Lenders. Pursuant to Section 5.06 of the intercreditor agreement (the “**Company Intercreditor Agreement**”), dated as of April 12, 2018, among, *inter alios*, the Company, the Trustee and Citibank, N.A., as intercreditor agent (the “**Company Intercreditor Agent**”), the Company must obtain the consent of both (i) Holders owning at least 56.25% aggregate outstanding principal amount of Notes; and (ii) the Uninsured Lenders owning at least 56.25% aggregate outstanding principal amount of debt under the Uninsured Loan Agreement (the “**Intercreditor Requisite Consents**”) in order to consent to the CELSE Proposed Amendments and Agreements and the Put Option Exercise. Pursuant to Section 9.1(b) of the Indenture, the Company must obtain the consent of Holders of more than 50% of the aggregate principal amount of Notes (the “**Indenture Requisite Consents**” and, together with the Intercreditor Requisite Consents, the “**Requisite Consents**”) in order to effectuate the Indenture Amendments.

Upon receipt of the Requisite Consents and after the Revocation Deadline, the Company will instruct the Fiduciary Agent to consent to and do any other acts necessary to give effect to the CELSE Proposed Amendments and Agreements and the Put Option Exercise, and upon receipt of all other consents required under the Company Intercreditor Agreement, the Debenture Indenture and the Project Intercreditor Agreement (such time, the “**Effective Time**”), the Omnibus Waiver and Consent Agreement and the Debenture Indenture Amendment will be executed by the parties thereto. Simultaneously with the execution of the foregoing documents, the Company, CELSE and the Trustee will execute a supplemental indenture to the Indenture effecting the Indenture Amendments and certain conforming amendments to the Indenture described in “*Principal Terms of the Solicitation—Conforming Amendments to the Indenture*” (the “**Supplemental Indenture**”). The Supplemental Indenture will be effective as to all Holders as of the Effective Time. On the Initial Settlement Date, the consent to the CELSE Proposed Amendments and Agreements, the Put Option Exercise and the Indenture Amendments will be operative as to all Holders, whether or not such Holders delivered Consents or otherwise affirmatively objected to the consent to the CELSE Proposed Amendments and Agreements, the Put Option Exercise and the Indenture Amendments. Non-consenting Holders will not be entitled to any rights of appraisal or similar rights of dissenters (whether pursuant to the Indenture, the Company Intercreditor Agreement or otherwise) with respect to the approval of the CELSE Proposed Amendments and Agreements, the Put Option Exercise and the Indenture Amendments.

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## **IMPORTANT INFORMATION REGARDING THE SOLICITATION**

This Statement contains important information. You should read this Statement in its entirety before you make any decision with respect to the Solicitation. There is no letter of transmittal and consent in connection with the Solicitation. Only Holders are eligible to deliver Consents. In this Statement, the term “**Record Date**” means 5:00 p.m. (New York City time) on September 12, 2023, and the term “**Holder**” means each person who is shown in the records of the clearing and settlement systems of DTC as a holder of the Notes as of the Record Date (also referred to as “**DTC Participants**”). In order to deliver a Consent, DTC Participants must submit, at or prior to the Expiration Time, a Consent in the applicable manner described herein. The Company will accept Consents delivered in accordance with the customary procedures of DTC’s ATOP (as defined herein).

A beneficial owner of an interest in Notes held in an account of a DTC Participant who wishes to deliver a Consent must properly instruct such DTC Participant to cause a Consent to be given in respect of such Notes. The deadlines set by DTC for the submission of a Consent may be earlier than the deadlines specified in this Statement.

Consenting Holders will not be obligated to pay brokerage fees or commissions to the Company or the Information Agent. However, such Holders may be obligated to pay commissions or other payments to their own brokers, custodians or other agents.

Any questions or requests for assistance concerning the Solicitation may be directed to the Solicitation Agents at the addresses, emails and telephone numbers set forth on the back cover page of this Statement. Requests for additional copies of this Statement and assistance relating to the procedures for delivering a Consent may be directed to the Information Agent at the address, email address and telephone numbers on the back cover page of this Statement. Beneficial owners may also contact their broker, dealer, commercial bank, trust company or other nominee for assistance regarding the Solicitation.

**The delivery of this Statement shall not under any circumstances create any implication that the information contained herein or therein is correct as of any time subsequent to the date hereof or thereof or that there has been no change in the information set forth herein or therein or in the affairs of the Company, CELSE or any of their respective affiliates since the date hereof or thereof.**

**No dealer, salesperson or other person has been authorized to give any information or to make any representation not contained in this Statement and, if given or made, such information or representation may not be relied upon as having been authorized by the Company, CELSE, the Solicitation Agents, the Trustee, the Fiduciary Agent or the Information Agent.**

**Neither this Statement nor any other document relating to the Solicitation has been filed with or reviewed by any federal or state securities commission or regulatory authority of any country, nor has any such commission or authority passed upon the accuracy or adequacy of this Statement or any of the other documents relating to the Solicitation. Any representation to the contrary is unlawful and may be a criminal offense.**

**None of the Company, CELSE, the Trustee, the Fiduciary Agent, the Policyholder Agent, the Solicitation Agents, the Information Agent or their respective affiliates makes any recommendation as to whether or not Holders should deliver their Consents pursuant to the Solicitation. Each Holder must decide whether to deliver its Consents. Holders are urged to review carefully all information contained in this Statement.**

The Company reserves the right, subject to applicable law, in its sole discretion to, at any time and from time to time, waive any unsatisfied conditions to the Solicitation, in whole or in part, and accept all such Consents validly delivered and not previously validly revoked, in accordance with the terms set forth in this Statement. In addition, the Company also reserves the right, subject to applicable law, in its sole discretion: (1) to terminate or withdraw the Solicitation at any time at or prior to the Expiration Time and not accept for payment any Consents not theretofore accepted for payment, as applicable; (2) delay the acceptance for payment of Consents or, regardless of whether such Consents were theretofore accepted for payment to delay the payment of any Consents pursuant to the Solicitation, by the Company giving oral or written notice of such delay to the Information Agent; or (3) modify, extend or otherwise amend the Solicitation and retain all properly delivered Consents until the Expiration Time, as extended, subject, however, to the revocation rights of Holders. The Company may extend the Expiration Time without extending the Revocation Deadline.

Except as otherwise provided herein or otherwise required by law, revocation rights with respect to Consents delivered pursuant to the Solicitation will not be extended or reinstated as a result of an extension or amendment of the Solicitation. If the Company makes a material change to the terms of the Solicitation, the Company will disseminate additional materials or, if appropriate, issue a press release setting forth such changes, and will extend the Solicitation to the extent required by law. See “*Revocation of Consents.*”

No consent form or letter of transmittal needs to be executed in relation to the Solicitation or the Consents delivered through DTC. The valid electronic delivery of Consents through the temporary transfer and surrender of existing Notes in accordance with DTC’s ATOP procedures shall constitute a written consent to the Solicitation.

## **AVAILABLE INFORMATION**

Pursuant to Section 5.03 of the Common Terms Agreement and Section 5.18 of the Indenture, CELSE or the Company, as applicable, is required to provide certain annual, quarterly and other releases and reports to the Project Intercreditor Agent, the Trustee or the Holders, as the case may be. In addition, if at any time the Company or CELSE is not subject to the periodic disclosure requirements of Section 13 or 15(d) of the Exchange Act, the Company and CELSE is required to furnish to Holders of Notes and prospective purchasers thereof the information required to be delivered pursuant to Rule 144A(d)(4) under the U.S. Securities Act of 1933, as amended, in order to permit compliance with Rule 144A in connection with resales of such Notes. Neither the Company nor CELSE is subject to the periodic reporting requirements of Section 13 or 15(d) of the Exchange Act as of the date hereof.

The Information Agent will provide without charge to each person to whom this Statement is delivered, upon written or oral request, copies of any or all documents described above. Written or telephone requests for such copies should be directed to the Information Agent at the email address and telephone numbers set forth on the back cover of this Statement. Please be sure to include your complete name and address in your request. If you request any documents, the Company or CELSE will mail them to you by first class mail, or another equally prompt means, within three (3) business days after the Company or CELSE receives the request.

None of the Solicitation Agents, the Information Agent, the Trustee or the Fiduciary Agent takes any responsibility for the accuracy or completeness of the information contained in such documents and records, or for any failure by the Company or CELSE to disclose events or circumstances which may have occurred or may affect the significance or accuracy of any such information.

The information included on the websites of the Company, CELSE, the LuxSE or any other entity or that might be accessed through such websites is not incorporated by reference into this Statement and therefore is not part of this Statement.

## **FORWARD-LOOKING STATEMENTS**

This Statement includes and references “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These statements relate to, among other things, the Company’s and CELSE’s business strategy and refinancing goals as well as expectations relating to the obtaining of required consents and non-objections from relevant parties.

Although the Company and CELSE believe that the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate and the forward-looking statements based on these assumptions could be incorrect.

The matters discussed in these forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results and trends to differ materially from those made, projected, or implied in or by the forward-looking statements, depending on a variety of uncertainties or other factors.

## SUMMARY

*The following summary is qualified in its entirety by reference to, and should be read in conjunction with, the information appearing elsewhere in this Statement and any amendments or supplements hereto. Each of the capitalized terms used in this summary and not defined herein has the meaning set forth elsewhere in this Statement.*

Company .....	Swiss Insured Brazil Power Finance S.à r.l.
The Notes .....	9.850% Senior Secured Notes due 2032.
Listing .....	The Notes are currently listed on the Official List of the LuxSE and admitted to trading on the Euro MTF market of the LuxSE.
Solicitation .....	Upon the terms and subject to the conditions described herein, the Company is soliciting Consents from Holders to the CELSE Proposed Amendments and Agreements, the Put Option Exercise and the Indenture Amendments. Each Holder that validly delivers their Consent at or prior to the Expiration Time (and does not validly revoke such Consent by the Revocation Deadline) will be eligible to receive the Consent Consideration, multiplied by the Scaling Factor. Approval of the CELSE Proposed Amendments and Agreements, the Put Option Exercise and the Indenture Amendments requires receipt of the Requisite Consents.
Record Date.....	The Record Date for the determination of Holders entitled to give Consents pursuant to the Solicitation is 5:00 p.m. (New York City time), on September 12, 2023. This Statement is being sent to all Holders. The Company reserves the right to establish from time to time any new date as the Record Date and, thereupon, any such new date will be deemed to be the “Record Date” for purposes of the Solicitation.
Procedures for Consenting .....	In order to provide a Consent, DTC Participants must submit, at or prior to the Expiration Time, a Consent in the applicable manner described herein. The Company will accept Consents delivered in accordance with the customary procedures of DTC’s ATOP. See “ <i>Procedures for Consenting.</i> ”
Background and Purpose of the Solicitation.....	The purpose of the Solicitation is to authorize CELSE and the Company to adopt the CELSE Proposed Amendments and Agreements and Indenture Amendments, to authorize the Put Option Exercise and for CELSE to:

- upon the exercise of the New Put Option by the Company, fulfill its obligation to purchase 100% of the outstanding Existing Debentures; and
- repay all amounts outstanding under the IFC Loan Agreement and the IDB Loan Agreement;

and for the Company, in turn, to:

- repay all amounts outstanding under the Uninsured Loan Agreement, dated as of April 12, 2018, among, *inter alios*, the Company, the lenders named therein, and Citibank, N.A., as administrative agent; and
- redeem 100% of the Notes.

To fund these purchases, repayments and redemptions, CELSE intends to incur in New Indebtedness. In order to allow the Refinancing to occur, it is necessary that CELSE and the Company, as applicable, adopt the CELSE Proposed Amendments and Agreements, the Indenture Amendments, and the Put Option Exercise.

Concurrently with the Solicitation, CELSE and the Company, as applicable, are separately seeking consent to (i) the CELSE Proposed Amendments and Agreements and the Put Option Exercise from SERV and the Uninsured Lenders; and (ii) the CELSE Proposed Amendments and Agreements from the applicable Senior Lenders.

Pursuant to Section 5.06 of the Company Intercreditor Agreement, the Company must obtain the consent of both (i) Holders owning at least 56.25% aggregate outstanding principal amount of Notes; and (ii) the Uninsured Lenders owning at least 56.25% aggregate outstanding principal amount of debt under the Uninsured Loan Agreement in order to consent to the CELSE Proposed Amendments and Agreements and the Put Option Exercise. Pursuant to Section 9.1(b) of the Indenture, the Company must obtain the consent of Holders of more than 50% of the aggregate principal amount of Notes in order to effectuate the Indenture Amendments. Holders who do not consent to the CELSE Proposed Amendments and Agreements, Indenture Amendments and the Put Option Exercise will nonetheless be subject to the amended Indenture and, indirectly, to the amended Debenture Indenture, Common Terms Agreement and CELSE Accounts Agreement, as modified by the Debenture Amendment and the Omnibus Waiver and Consent Agreement if the Requisite Consents are obtained, the other consents required under the Company Intercreditor Agreement, the Debenture Indenture and the Project Intercreditor Agreement are obtained and the relevant documents are accordingly amended. Holders of Notes should therefore consider the effect that the CELSE Proposed

Amendments and Agreements, Indenture Amendments and the Put Option Exercise will have on their positions if they do not provide their consents in the Solicitation.

Revocation Deadline .....	<p>The Revocation Deadline with respect to the Solicitation will be 5:00 p.m. (New York City time) on September 20, 2023. Holders may revoke their Consents before the Revocation Deadline but not thereafter, unless required by applicable law.</p> <p>The transfer of Notes after the Record Date will not have the effect of revoking any Consent theretofore validly delivered by a Holder, and each Consent validly delivered will be counted notwithstanding any transfer of the Notes to which such Consent relates, unless the procedures for revoking Consents described herein have been complied with.</p>
Initial Settlement Date and Final Settlement Date .....	<p>The Consent Consideration will be payable in two installments. The Consent Effectiveness Payment will be payable on the Initial Settlement Date, which is expected to be within three (3) business days after all conditions to the Solicitation have been satisfied. The Additional Consent Consideration will be payable on either the Initial Settlement Date or the Final Settlement Date, at the sole discretion of CELSE, will be the date that is the earlier of (a) twenty (20) business days following the Expiration Time; and (b) the business day immediately prior to the Redemption Date pursuant to the terms of the Indenture. The Consent Consideration will be payable by CELSE on behalf of the Company (directly or through an agent) on the applicable Settlement Date in consideration for and in respect of Consents that are validly delivered (and not revoked) at or prior to the Expiration Time.</p> <p>The Company will announce the each of the Initial Settlement Date and the Final Settlement Date by press release or other public announcement, no later than 9:00 a.m. (New York City time) on the business day prior to the scheduled Solicitation Initial Settlement Date and Final Settlement Date, as applicable.</p>
Expiration Time .....	The Solicitation will expire at 5:00 p.m. (New York City time) on September 20, 2023, unless extended or earlier terminated by the Company.
Consideration Payable in U.S. Dollars .....	The Consent Consideration is denominated in Brazilian Reais but will be settled in U.S. dollars as converted based on the selling rate for Brazilian Reais into U.S. dollars reported by the Brazilian Central Bank on the “PTAX VENDA800” screen at 5:00 p.m. (São Paulo time) on the business day immediately following the Expiration Time (provided that if such selling rate is not available on the Brazilian Central Bank’s “PTAX VENDA800” screen, then such other source as mutually agreed by the Company and the Sole Structuring and Lead Solicitation Agent shall be used).
Accrued Interest .....	No accrued interest will be payable in connection with the Solicitation. All Notes shall continue to accrue interest whether or not the Holders thereof deliver their Consents. Interest on the Notes will be payable in accordance with the terms of the Indenture.
Scaling Factor .....	<p>The Consent Consideration will be calculated with reference to the Scaling Factor equal to the quotient of (a) the remaining outstanding principal amount of Notes as of the Expiration Time, divided by (b) the Original Principal Amount of Notes. As of September 12, 2023, the Scaling Factor was 83.3925%. The Scaling Factor reflects the fact that the Notes are subject to principal amortization.</p> <p>All descriptions of the Consent Effectiveness Payment, the Additional Consent Consideration and the Consent Consideration set forth in this Statement are before the application of the Scaling Factor. In addition, the descriptions of the New Put Option Price and the New Redemption Price are before application of the fact that the Existing Debentures and Notes are subject to principal amortization in accordance with their respective terms.</p>
CELSE Proposed Amendments and Agreements; Indenture Amendments; and Put Option Exercise .....	For a description of the CELSE Proposed Amendments and Agreements, the Indenture Amendments and the Put Option Exercise, see “ <i>Principal Terms of the Solicitation—Proposed Amendments and Waivers to the Debenture Indenture; Omnibus Waiver and Consent</i> ” and “ <i>Principal Terms of the Solicitation—Proposed Amendments to the Indenture.</i> ”
Certain Conforming Amendments to the Indenture .....	Section 9.2(a)(i) of the Indenture provides that the Company and the Trustee may, <b>without the consent of any Holder</b> , enter into supplemental indentures to conform the Indenture to any change, approved in accordance with the intercreditor agreement, dated as of April 12, 2018, among, <i>inter alios</i> , the Project Intercreditor Agent, IDB Invest, IFC, the Fiduciary Agent, SERV, the Onshore Collateral Agent, the Offshore Collateral Agent (the “ <b>Project Intercreditor Agreement</b> ”) and the Company Intercreditor Agreement, to the Common

Terms Agreement or the Debenture Indenture (including, for the avoidance of doubt, any changes to the maturity date, payment dates, interest rate and other payment terms). If the Requisite Consents are obtained and the CELSE Proposed Amendments and Agreements and the Indenture Amendments, are effected, in order to conform the Indenture to the Debenture Indenture Amendment and to the New Put Option Price, plus accrued and unpaid interest thereon to, but excluding, the date of repurchase, payable to Debenture Holders as of the record date established for such repurchase (which shall be the business day prior to the repurchase date) pursuant to the New Put Option exercise, the Supplemental Indenture will amend Section 3.1 of the Indenture to provide that the redemption price following the exercise of the New Put Option will be equal to the New Redemption Price, plus accrued and unpaid interest thereon to, but excluding, the Redemption Date to Holders of the Notes as of the record date established for such redemption (which shall be the business day prior to the Redemption Date).

**If the Requisite Consents are obtained and the foregoing documents are amended, Holders who do not consent to the CELSE Proposed Amendments and Agreements, Indenture Amendments and the Put Option Exercise will nonetheless be subject to the amended Indenture and will receive the New Redemption Price following trigger and exercise of the New Put Option.**

Conditions to the Solicitation .....

The Solicitation is subject to the satisfaction or waiver of the following conditions:

- the receipt of the Requisite Consents;
- the receipt of all consents required under the Debenture Indenture, the Company Intercreditor Agreement and the Project Intercreditor Agreement necessary to effectuate the CELSE Proposed Amendments and Agreements;
- the absence of any laws, regulations, injunctions or actions or other proceedings, pending or threatened, which, in the case of any action or proceeding, if adversely determined, would make unlawful or invalid or enjoin the implementation of the Solicitation; and
- the Trustee and the Fiduciary Agent (on behalf of the Debenture Holders) shall not have objected in any respect to, or taken any action that could, in the Company's reasonable judgment, adversely affect the consummation of the Solicitation, as the case may be, nor shall the Trustee or the Fiduciary Agent (on behalf of the Debenture Holders) have taken any action that challenges the validity or effectiveness of the procedures used by the Company in making the Solicitation, as the case may be.

The foregoing conditions are for Company's benefit and may be waived by the Company, in whole or in part, in its absolute discretion. Any determination made by the Company concerning an event, development or circumstance described or referred to above will be conclusive and binding. The Company will not accept any Consents or pay the Consent Consideration in respect of any Notes until all of the conditions set forth above are satisfied or waived.

Certain Consequences to Holders Not Consenting .....

Adoption of the CELSE Proposed Amendments and Agreements, Indenture Amendments and the Put Option Exercise will have adverse consequences for Holders of Notes that elect not to deliver Consents in the Solicitation, or otherwise object to the CELSE Proposed Amendments and Agreements, Indenture Amendments and the Put Option Exercise. Holders of Notes outstanding after the effectiveness of the Supplemental Indenture will be bound by the exception added to the restrictive covenants described in this Statement.

For a discussion of certain factors that should be considered in evaluating the Solicitation, see "*Certain Significant Consequences to Holders – Adverse Effect of the CELSE Proposed Amendments and Agreements, the Put Option Exercise, the Indenture Amendments on the Notes.*"

Effective Time.....

Upon receipt of the Requisite Consents and after the Revocation Deadline, the Company will instruct the Fiduciary Agent to consent to and do any other acts necessary to give effect to the CELSE Proposed Amendments and Agreements and the Put Option Exercise, and upon receipt of all other consents required under the Company Intercreditor Agreement, the Debenture Indenture and the Project Intercreditor Agreement (such time, the "**Effective Time**"), the Omnibus Waiver and Consent Agreement and the Debenture Indenture Amendment will be executed by the parties thereto. Simultaneously with the execution of the foregoing documents, the Company, CELSE and the Trustee will execute the Supplemental Indenture to the Indenture effecting the Indenture Amendments and the conforming amendments to the Indenture described in "*Principal Terms of the Solicitation—Conforming Amendments to the Indenture.*" The Supplemental Indenture will be effective as to all Holders as of the Effective Time. On the Initial Settlement Date, the consent to the CELSE Proposed Amendments and Agreements, the Put Option Exercise and the Indenture Amendments, will be operative as to all Holders, whether or not such Holders delivered Consents or otherwise affirmatively objected to the consent to the CELSE Proposed Amendments and Agreements, the Put Option Exercise and the Indenture Amendments. Non-consenting Holders will not be entitled to any rights of appraisal or similar rights of dissenters (whether pursuant to the Indenture, the Company Intercreditor Agreement



or otherwise) with respect to the approval of the CELSE Proposed Amendments and Agreements, the Put Option Exercise and the Indenture Amendments.

Certain Tax Consequences .....	For a discussion of certain U.S. federal income and Luxembourg tax consequences of the Solicitation applicable to Holders, see “ <i>Certain U.S. Federal Income Tax Consequences</i> ” and “ <i>Certain Luxembourg Tax Consequences</i> .”
Sources of Funds .....	CELSE intends to pay the Consent Consideration using cash on hand and with a portion of the proceeds of the New Indebtedness.
Solicitation Agents .....	Citigroup Global Markets Inc., as sole structuring and lead solicitation agent (the “ <b>Sole Structuring and Lead Solicitation Agent</b> ”), and Banco Bradesco BBI S.A., Banco BTG Pactual S.A. – Cayman Branch, Itau BBA USA Securities, Inc. and Santander US Capital Markets LLC, as co-solicitation agents, are serving as the Solicitation Agents in connection with the Solicitation. You may contact the Solicitation Agents with any questions about the Solicitation at the addresses, emails and telephone numbers set forth on the back cover page of this Statement.
Information Agent .....	D.F. King & Co., Inc. is serving as the Information Agent in connection with the Solicitation. Questions concerning the terms of the Solicitation and requests for additional copies of this Statement and any other required documents should be directed to the Information Agent. The contact information for the Information Agent appears on the back cover page of this Statement.
Market and Trading Information .....	Prices and trading volumes of the Notes can be difficult to monitor. Quotations for securities that are not widely traded, such as the Notes, may differ from actual trading prices and should be viewed as approximations. Holders are urged to obtain current information with respect to market prices for the Notes.

## IMPORTANT DATES

Holders of Notes should take note of the following dates in connection with the Solicitation:

<b>Date</b>	<b>Calendar Date</b>	<b>Event</b>
Record Date	5:00 p.m. (New York City time) on September 12, 2023.	The record date for the determination of Holders entitled to give Consents pursuant to the Solicitation.
Launch Date	September 13, 2023.	Commencement of the Solicitation.
Revocation Deadline	5:00 p.m. (New York City time) on September 20, 2023, unless extended.	The last time for Holders to validly revoke Consents, except in limited circumstances where revocation rights are required by law.
Expiration Time	5:00 p.m. (New York City time) on September 20, 2023 unless extended or earlier terminated.	Final deadline for the delivery of Consents (unless extended or earlier terminated) and to qualify for payment of the Consent Consideration, multiplied by the Scaling Factor.
Initial Settlement Date	Currently expected to be within three (3) business days after all conditions to the Solicitation have been satisfied, unless extended or terminated by the Company, in its sole discretion	The date on which CELSE deposits with DTC the Consent Effectiveness Payment (and the Additional Consent Consideration, if CELSE elects to deposit the Additional Consent Consideration on the Initial Settlement Date), multiplied by the Scaling Factor, to Holders of Notes who have validly delivered (and not validly revoked) their Consents at or prior to the Expiration Time.
Final Settlement Date (if applicable)	The date that is the earlier of (a) twenty (20) business days following the Expiration Time; and (b) the business day immediately prior to the Redemption Date pursuant to the terms of the Indenture (if applicable).	The date on which CELSE deposits with DTC the Additional Consent Consideration, multiplied by the Scaling Factor to Holders of Notes who have validly delivered (and not validly revoked) their Consents at or prior to the Expiration Time (if applicable).

**In the event that the Solicitation is withdrawn or otherwise not completed, or the conditions thereto are not satisfied or waived by the Company, Consent Consideration, multiplied by the Scaling Factor, will not be paid or become payable to Holders who have validly delivered Consents in connection with the Solicitation.**

## PRINCIPAL TERMS OF THE SOLICITATION

Subject to the satisfaction or waiver of the conditions to the Solicitation, the Company hereby solicits Consents to the CELSE Proposed Amendments and Agreements, the Put Option Exercise and the Indenture Amendments from the Holders. The Company shall determine in its sole discretion if certain conditions to the Solicitation have been satisfied for the acceptance of delivered Consents.

The Consent Consideration, multiplied by the Scaling Factor, is payable only to Holders who deliver (and do not revoke) their Consents at or prior to the Expiration Time. The Scaling Factor reflects the fact that the Notes are subject to principal amortization. The Consent Consideration will be payable in two installments. The Consent Effectiveness Payment will be payable on the Initial Settlement Date, which is expected to be within three (3) business days after all conditions to the Solicitation have been satisfied. The Additional Consent Consideration will be payable on either the Initial Settlement Date or the Final Settlement Date, at the sole discretion of CELSE. The Final Settlement Date will be the date that is the earlier of (a) twenty (20) business days following the Expiration Time and (b) the business day immediately prior to the Redemption Date pursuant to the terms of the Indenture. **The Company will announce each of the Initial Settlement Date and the Final Settlement Date by press release or other public announcement, no later than 9:00 a.m. (New York City time) on the business day prior to the scheduled Initial Settlement Date and Final Settlement Date, as applicable.** The Consent Consideration will be payable by CELSE on behalf of the Company (directly or through an agent) on the applicable Settlement Date in consideration for and in respect of Consents that are validly delivered (and not revoked) at or prior to the Expiration Time. **The Consent Consideration will be calculated with reference to the Scaling Factor equal to the quotient of (a) the remaining outstanding principal amount of Notes as of the Expiration Time, divided by (b) the Original Principal Amount of Notes. As of September 12, 2023, the Scaling Factor was 83.3925%.**

The Record Date for the determination of Holders entitled to give Consents pursuant to the Solicitation is 5:00 p.m. (New York City time), on September 12, 2023. This Statement is being sent to all Holders. The Company reserves the right to establish from time to time any new date as the Record Date and, thereupon, any such new date will be deemed to be the "Record Date" for purposes of the Solicitation.

All descriptions of the Consent Effectiveness Payments, the Additional Consent Consideration and the Consent Consideration set forth in this Statement are before the application of the Scaling Factor. In addition, the descriptions of the New Put Option Price and the New Redemption Price are before application of the fact that the Existing Debentures and Notes are subject to principal amortization in accordance with their respective terms.

**The Consent Consideration is denominated in Brazilian Reais but will be settled in U.S. dollars as converted based on the selling rate for Brazilian Reais into U.S. dollars reported by the Brazilian Central Bank on the "PTAX VENDA800" screen at 5:00 p.m. (São Paulo time) on the business day immediately following the Expiration Time (provided that if such selling rate is not available on the Brazilian Central Bank's "PTAX VENDA800" screen, then such other source as mutually agreed by the Company and the Sole Structuring and Lead Solicitation Agent shall be used).**

No accrued interest will be payable in connection with the Solicitation. All Notes shall continue to accrue interest whether or not the Holders thereof deliver their Consents. Interest on the Notes will be payable in accordance with the terms of the Indenture.

Upon the terms and subject to the conditions to the Solicitation, CELSE will pay the Consent Consideration, multiplied by the Scaling Factor, to Holders that validly deliver their Consents, at or prior to the Expiration Time, provided that such Holders previously do not validly revoke their Consents. Such Holders are expected to receive payment of the Consent Effectiveness Payment and Additional Consent Consideration, in each case multiplied by the Scaling Factor, on the Initial Settlement Date and Final Settlement Date, respectively, if the Company accepts the delivered Consents for payment. Holders that validly deliver their Consents after the Expiration Time will not be eligible to receive the Consent Consideration. The Company will be deemed to have accepted validly delivered Consents in the Solicitation when, as and if the Company has given oral or written notice thereof to the Information Agent.

To the extent permitted by applicable law, the Company reserves the right to extend, delay, accept, amend or terminate the Solicitation. To the extent permitted by applicable law, the Company may waive any or all of the conditions to the Solicitation.

A beneficial owner of an interest in Notes held in an account of a DTC Participant (as defined herein) who wishes to deliver a Consent must properly instruct such DTC Participant to cause a Consent to be given in respect of such Notes. The deadlines set by DTC for the submission of a Consent to the CELSE Proposed Amendments and Agreements, the Put Option Exercise and the Indenture Amendments may be earlier than the deadlines specified in this Statement.

**None of the Company, CELSE, the Trustee, the Solicitation Agents or the Information Agent makes any recommendation as to whether or not Holders should deliver their Consents.**

Holders may not be given notice of the receipt of the Requisite Consents (if the Requisite Consents have been received) and the occurrence of the Revocation Deadline until the Expiration Time has occurred. At the Expiration Time, the Information Agent will provide notice to the Trustee as to whether or not the Requisite Consents have been received in the Solicitation.

Consent instructions will be accepted in minimum denominations of R\$500,000 of the Original Principal Amount and integral multiples of R\$1,000 in excess thereof. Consents may only be submitted in authorized denominations. Payment of cash consideration to Holders who have validly delivered their Consents will be paid by CELSE directly to DTC for further credit to the cash accounts of such delivering Holders. In the event the Company increases the consideration offered for delivered Consents in the Solicitation, such amended consideration will be paid with regard to all Consents accepted by the Company in the Solicitation, including those accepted before the announcement of any such increase.

Holders that deliver Consents in the Solicitation will not be required to pay brokerage commissions to the Company, the Solicitation Agents or the Information Agent or fees or, subject to the instructions of the relevant clearing systems, other transfer taxes with respect to the delivery of Consents pursuant to the Solicitation. If Notes are held through a nominee, Holders should contact such nominee to determine whether any transaction costs are applicable. See *"Fees and Expenses."*

Concurrently with the Solicitation, CELSE and the Company, as applicable, are separately seeking consents to (i) the CELSE Proposed Amendments and Agreements and the Put Option Exercise from SERV and the Uninsured Lenders, and (ii) the CELSE Proposed Amendments and the Agreements from the applicable Senior Lenders.

The following summary description contains basic information about the CELSE Proposed Amendments and Agreements, the Put Option Exercise and the Indenture Amendments and certain other aspects of the Solicitation. It does not contain all the information that may be important to Holders in making a decision regarding the Solicitation. **Holders should read this Statement in its entirety.**

### ***Proposed Amendments and Waivers to the Debenture Indenture; Omnibus Waiver and Consent***

The Company is soliciting Consents from Holders to allow the Company to instruct the Fiduciary Agent to hold a debenture holders' meeting to consent to the Debenture Indenture Amendments to (i) include a New Put Option for the repurchase by CELSE of 100% of the outstanding Existing Debentures from Debenture Holders as of the record date established for such repurchase (which shall be the business day prior to the repurchase date) at a price equal to the New Put Option Price, plus accrued and unpaid interest thereon to, but excluding, the date of repurchase, which New Put Option would be triggered upon the occurrence of the New Put Event, and such New

Put Option Price to be paid to the Company no earlier than ten (10) Business Days, but no later than thirty (30) days from the date of exercise of such New Put Option; and (ii) provide a waiver to (1) Section 9.2(t) of the Debenture Indenture to permit CELSE to incur the New Indebtedness, the proceeds of which will be used to fund the purchases, repayments and, indirectly, redemptions described in this Statement; and (2) Section 9.2(oo) of the Debenture Indenture to allow CELSE to enter into agreements or arrangements necessary in connection with the Refinancing (as defined below). Upon deposit by CELSE of the New Put Option Price, plus accrued and unpaid interest on the Existing Debentures, with the Company's custodian bank in Brazil, the repurchase by CELSE of the Existing Debentures will be consummated and the SERV insurance policy, pursuant to its terms, will no longer be effective as to the Existing Debentures. Accordingly, pursuant to the terms of the Existing Indenture and the SERV insurance policy, upon such consummation, the SERV insurance policy will terminate and SERV will not be required to pay any amounts to the Company or CELSE with respect to such repurchased Existing Debentures.

The New Put Option Price will be calculated pursuant to the language substantially in the following form:

The New Put Option Price (expressed as a percentage of outstanding principal amount Existing Debentures (i.e., after giving effect to the scheduled principal amortization payments on the Existing Debentures to and including the repurchase date)) will be equal to the lesser of:

- (a) the sum of the present values of the remaining scheduled payments of principal and interest on the Existing Debentures (after giving effect to the scheduled principal and interest payments on the Existing Debentures to and including the repurchase date) being repurchased, discounted to the repurchase date on a semi-annual basis (assuming a 360-day year of twelve 30-day months), at the Reference Rate (as defined below), less (b) accrued and unpaid interest to, but excluding, the repurchase date; and
- 100% of the outstanding principal amount of the Existing Debentures to be redeemed,

*minus*, in either case, the Consent Consideration, multiplied by the Scaling Factor, payable pursuant to the Solicitation assuming 100% of the Holders delivered their Consents at or prior to the Expiration Time and such Consents were accepted by the Company for payment.

The “**Reference Rate**” will be determined by CELSE and will equal the reference rate of the BRL National Treasury Note (NTN-F) due January 1, 2029 (ISIN: BRSTNCNTF1Q6) (the “**Reference Security**”), as of the close of business on the business day prior to the date that the New Put Option is exercised, quoted by the Brazilian Financial and Capital Markets Association as the “*Tx. Compra*” for the Reference Security at the [https://www.anbima.com.br/pt\\_br/informar/taxas-de-titulos-publicos.htm](https://www.anbima.com.br/pt_br/informar/taxas-de-titulos-publicos.htm) reference page (or any other recognized quotation source selected by CELSE if such quotation report is not available or is manifestly erroneous). CELSE's actions and determinations in determining the New Put Option Price will be conclusive and binding for all purposes, absent manifest error.

The Company is also soliciting Consents to permit the Company, as the Debenture Holder, to instruct the Fiduciary Agent to hold a debenture holders' meeting to consent to entering into the Omnibus Waiver and Consent Agreement with respect to: (1) the Common Terms Agreement; (2) the CELSE Accounts Agreement; and (3) the Senior Loans to (i) provide a waiver to (1) Section 2.06(a) of the Common Terms Agreement, Section 3.06 of the IFC Loan Agreement and Section 3.06 of the IDB Loan Agreement, in each case, to allow CELSE to use the proceeds from the New Indebtedness to prepay the amounts due (a) to the Senior Lenders, among other parties thereto, under the Common Terms Agreement and the Senior Loans; (b) to the Company, represented by the Fiduciary Agent, under the Common Terms Agreement and the Debenture Indenture; and (c) if any, the Policyholder Agent on behalf of SERV; (2) Section 5.02(m) of the Common Terms Agreement to permit CELSE to incur in the New Indebtedness; (3) Section 5.02(u) of the Common Terms Agreement to allow CELSE to execute (a) all documents required for the incurrence of the New Indebtedness; (b) all documents and agreements required to effect the Solicitation, and any waivers and consents described in this Statement; and (c) any such other documents and agreements required to give effect to any waivers and consents granted under the Omnibus Waiver and Consent Agreement; (4) Section 5.16(a) of the CELSE Accounts Agreement to allow the CELSE to deposit the gross proceeds from the New Indebtedness in the Mandatory Prepayment Account (Onshore); (5) Section 5.16(b) of the CELSE Accounts Agreement to permit CELSE to instruct the Onshore Account Bank to transfer amounts deposited in the Mandatory Prepayment Account (Onshore) to (x) the Senior Lenders and other parties thereto; and (y) pay the New Put Option Price to the Company in order to consummate the exercise of the New Put Option in full and the acquisition of the Existing Debentures; (6) Section 5.16(c) of the CELSE Accounts Agreement to permit (x) if so required to effect the Refinancing, the payment of the New Put Option Price to the Company and the repayment of the Senior Loans to occur on a date that is not an interest payment date under the Senior Loans; (y) the instruction to be given to the Onshore Account Bank to be in the form of the withdrawal/transfer certificate; and (z) to permit such withdrawal/transfer certificate to be delivered to the Onshore Account Bank no later than five (5) Business Days prior to the date of such requested transfers; and (7) Section 5.17 of the CELSE Accounts Agreement to permit CELSE to transfer funds from the Mandatory Prepayment Account (Onshore) directly to the Company's account held with the Correspondent Bank (as defined in the Debenture Indenture) for purposes of settlement of the New Put Option Price; (ii) require prepayment of Senior Loans with a portion of the proceeds of the New Indebtedness; and (iii) permit all other actions required to effect the Refinancing.

In addition, pursuant to the terms of the Company Intercreditor Agreement and the Debenture Indenture, Holders delivering Consents in the Solicitation will agree to modify the end of the decision period and the date of the General Meeting to be a date that is as early as one (1) business day following the Expiration Time.

The amendments and waivers described in this “*Proposed Amendments and Waivers to the Debenture Indenture; Omnibus Waiver and Consent*” are referred to as the “**CELSE Proposed Amendments and Agreements**.”

#### ***Proposed Amendments to the Indenture***

The Company is soliciting Consents from Holders of the Notes to amend the Indenture to amend the covenants and restrictive provisions listed below (the “**Indenture Amendments**”). The proposed Indenture Amendments would amend such covenants and provisions to permit the Company and CELSE to take the actions described in the Statement and effectuate the Refinancing:

- Section 5.2 – *Performance under Notes Financing Documents*. This provision requires the Company to comply with its obligations and agreements stated in the Indenture, the Company Intercreditor Agreement, and all other documents and agreements delivered by or on behalf of the Company for the benefit of the Collateral Agent, Trustee or Intercreditor Agent, and to not take any action that would release any party from their significant covenants or obligations or undermine the validity or effectiveness of the aforementioned agreements.
- Section 5.7 – *Limitation on Subsidiaries and Consolidations, Mergers, Sales, Conveyances or Transfer*. This provision restricts the Company from establishing or acquiring subsidiaries, or engaging in consolidations, mergers, sales, conveyances, or transfers of assets.
- Section 5.9 – *Negative Pledge*. This provision prohibits the Company from impairing the validity or effectiveness of any Notes Financing Document, allowing liens on the collateral securing the Notes other than those permitted, or taking any action that would jeopardize the first priority security interest of the documents creating the security interest in the collateral.
- Section 5.14 – *Maintenance of Security Interest*. This provision requires the Company to take necessary actions, at its own expense, to maintain the perfection and priority of the security interest held by the Collateral Agent in the collateral securing the Notes.
- Section 5.21 – *Further Actions*. This provision requires the Company to fulfill various obligations and take necessary actions to ensure the validity, enforceability and effectiveness of liens in the collateral securing the Notes, legal compliance, binding obligations, evidentiary admissibility, preservation of rights and assistance to the Trustee under the Notes Financing Documents.

- Section 11.5(a)(i) – *Covenants of CELSE*. This provision requires CELSE to fulfill its obligations under the Debenture Indenture, the Common Terms Agreement, the Senior Loans and other material agreements.

The CELSE Proposed Amendments and Indenture Amendments would also make certain other changes in the Debenture Indenture and the Indenture of a technical or conforming nature, including without limitation the deletion of those definitions from the applicable agreement that are used only in provisions that would be eliminated or modified as a result of the elimination or modification of the foregoing provisions. Cross-references to the provisions in the applicable document that have been deleted as a result of the CELSE Proposed Amendments and Indenture Amendments will be revised to reflect such deletions.

#### ***Put Option Exercise***

The Company is soliciting Consents from Holders of the Notes to authorize the Company to immediately exercise the New Put Option upon the occurrence of the New Put Event. Settlement of the Put Option Exercise will trigger the mandatory redemption of the Notes pursuant to Section 3.1(a)(i) of the Indenture. Once the Put Option Exercise has been settled, the Company will so inform the Uninsured Lenders and the Trustee.

#### ***Required Vote and Other Important Considerations***

Pursuant to Section 5.06 of the Company Intercreditor Agreement, the Company must obtain the consent of both (i) Holders owning at least 56.25% aggregate outstanding principal amount of Notes and (ii) the Uninsured Lenders owning at least 56.25% aggregate outstanding principal amount of debt under the Uninsured Loan Agreement in order to consent to the CELSE Proposed Amendments and Agreements and the Put Option Exercise. Pursuant to Section 9.1(b) of the Indenture, the Company must obtain the consent of Holders of more than 50% of the aggregate principal amount of Notes in order to effectuate the Indenture Amendments. Holders who do not consent to the CELSE Proposed Amendments and Agreements, Indenture Amendments and the Put Option Exercise will nonetheless be subject to the amended Indenture and, indirectly, to the amended Debenture Indenture, Common Terms Agreement and CELSE Accounts Agreement, as modified by the Debenture Amendment and the Omnibus Waiver and Consent Agreement if the Requisite Consents are obtained, the other consents required under the Company Intercreditor Agreement, the Debenture Indenture and the Project Intercreditor Agreement are obtained and the relevant documents are accordingly amended. Holders of Notes should therefore consider the effect that the CELSE Proposed Amendments and Agreements, Indenture Amendments and the Put Option Exercise will have on their positions if they do not provide their consents in the Solicitation.

**The CELSE Proposed Amendments and Agreements, Indenture Amendments and the Put Option Exercise constitute a single proposal and a consenting holder must consent to the CELSE Proposed Amendments and Agreements, the Indenture Amendments and the Put Option Exercise as an entirety and may not consent selectively with respect to certain of the foregoing.**

#### ***Conforming Amendments to the Indenture***

Section 9.2(a)(i) of the Indenture provides that the Company and the Trustee may, **without the consent of any Holder**, enter into supplemental indentures to conform the Indenture to any change, approved in accordance with the Project Intercreditor Agreement and the Company Intercreditor Agreement, to the Common Terms Agreement or the Debenture Indenture (including, for the avoidance of doubt, any changes to the maturity date, payment dates, interest rate and other payment terms). If the Requisite Consents are obtained and the CELSE Proposed Amendments and Agreements and the Indenture Amendments are effected, in order to conform the Indenture to the Debenture Indenture Amendment and to the New Put Option Price, plus accrued and unpaid interest thereon to, but excluding, the date of repurchase, payable to Debenture Holders as of the record date established for such repurchase (which shall be the business day prior to the repurchase date) pursuant to the New Put Option exercise, the Supplemental Indenture will amend Section 3.1 of the Indenture to provide that the redemption price following exercise of the New Put Option will be the New Redemption Price, plus accrued and unpaid interest thereon to, but excluding, the Redemption Date to Holders of the Notes as of the record date established for such redemption (which shall be the business day prior to the Redemption Date).

**If the Requisite Consents are obtained and the foregoing documents are amended, Holders who do not consent to the CELSE Proposed Amendments and Agreements, Indenture Amendments and the Put Option Exercise will nonetheless be subject to the amended Indenture and will receive the New Redemption Price following trigger and exercise of the New Put Option.**

The descriptions of the Proposed CELSE Amendments and Agreements, the Indenture Amendments and the Put Option Exercise set forth above are a summary and do not purport to be complete.

#### ***Effective Time and Supplemental Indenture***

Upon receipt of the Requisite Consents and after the Revocation Deadline, the Company will instruct the Fiduciary Agent to consent to and do any other acts necessary to give effect to the CELSE Proposed Amendments and Agreements and the Put Option Exercise, and upon receipt of all other consents required under the Company Intercreditor Agreement, the Debenture Indenture and the Project Intercreditor Agreement (such time, the “**Effective Time**”), the Omnibus Waiver and Consent Agreement and the Debenture Indenture Amendment will be executed by the parties thereto. Simultaneously with the execution of the foregoing documents, the Company, CELSE and the Trustee will execute the Supplemental Indenture. The Supplemental Indenture will be effective as to all Holders as of the Effective Time. On the Initial Settlement Date, the consent to the CELSE Proposed Amendments and Agreements, the Put Option Exercise and the Indenture Amendments will be operative as to all Holders, whether or not such Holders delivered Consents or otherwise affirmatively objected to the consent to the CELSE Proposed Amendments and Agreements, the Put Option Exercise and the Indenture Amendments.

Non-consenting Holders will not be entitled to any rights of appraisal or similar rights of dissenters (whether pursuant to the Indenture, the Company Intercreditor Agreement or otherwise) with respect to the approval of the CELSE Proposed Amendments and Agreements, the Put Option Exercise and the Indenture Amendments.

#### **The Conditions to the Solicitation**

The Solicitation is subject to the satisfaction or waiver of the following conditions:

- the receipt of the Requisite Consents;
- the receipt of all consents required under the Debenture Indenture, the Company Intercreditor Agreement and the Project Intercreditor Agreement necessary to effectuate the CELSE Proposed Amendments and Agreements;
- the absence of any laws, regulations, injunctions or actions or other proceedings, pending or threatened, which, in the case of any action or proceeding, if adversely determined, would make unlawful or invalid or enjoin the implementation of the Solicitation; and
- the Trustee and the Fiduciary Agent shall not have objected in any respect to, or taken any action that could, in the Company’s reasonable judgment, adversely affect the consummation of the Solicitation, as applicable, nor shall the Trustee or the Fiduciary Agent have taken any action that challenges the validity or effectiveness of the procedures used by the Company in making the Solicitation, as applicable.

The foregoing conditions are for the Company's benefit and may be waived by the Company, in whole or in part, in its absolute discretion. Any determination made by the Company concerning an event, development or circumstance described or referred to above will be conclusive and binding. The Company will not accept any Consents or pay the Consent Consideration in respect of any Notes until all of the conditions set forth above are satisfied or waived.

## CERTAIN SIGNIFICANT CONSEQUENCES TO HOLDERS

*In deciding whether to participate in the Solicitation, each Holder should consider carefully, in addition to the information contained in this Statement, the matters discussed below.*

### **Adverse Effect of the CELSE Proposed Amendments and Agreements, the Put Option Exercise and the Indenture Amendments on the Notes**

If the CELSE Proposed Amendments and Agreements, the Put Option Exercise and the Indenture Amendments become effective, Holders of Notes will be bound by the Indenture Amendments, which include certain amendments to the restrictive covenants contained therein, and will be indirectly subject to additional risks associated with the amendments to the other relevant documents. The effect of the CELSE Proposed Amendments and Agreements, the Put Option Exercise and the Indenture Amendments on the market price of the Notes is impossible to predict and there can be no assurance that the CELSE Proposed Amendments and Agreements, the Put Option Exercise and the Indenture Amendments would not adversely affect the market price of such Notes or otherwise be adverse to the interests of the Holders of such remaining Notes.

In addition, the Indenture permits the Company to effect fundamental changes to the terms of the Notes without the consent of all Holders. CELSE and the Company expect to make such fundamental changes should the CELSE Proposed Amendments and Agreements, the Put Option Exercise and the Indenture Amendments become effective. Section 9.2(a)(i) of the Indenture provides that the Company and the Trustee may, **without the consent of any Holder**, enter into supplemental indentures to conform the Indenture to any change, approved in accordance with the Project Intercreditor Agreement and the Company Intercreditor Agreement, to the Common Terms Agreement or the Debenture Indenture (including, for the avoidance of doubt, any changes to the maturity date, payment dates, interest rate and other payment terms). If the Requisite Consents are obtained and the CELSE Proposed Amendments and Agreements and the Indenture Amendments are effected, in order to conform the Indenture to the Debenture Indenture Amendment and to the New Put Option Price, plus accrued and unpaid interest thereon to, but excluding, the date of repurchase, payable to Debenture Holders as of the record date established for such repurchase (which shall be the business day prior to the repurchase date) pursuant to the New Put Option exercise, the Supplemental Indenture will amend Section 3.1 of the Indenture to provide that the redemption price following exercise of the New Put Option will be the New Redemption Price, plus accrued and unpaid interest thereon to, but excluding, the Redemption Date to Holders of the Notes as of the record date established for such redemption (which shall be the business day prior to the Redemption Date).

**If the Requisite Consents are obtained and the foregoing documents are amended, Holders who do not consent to the CELSE Proposed Amendments and Agreements, Indenture Amendments and the Put Option Exercise will nonetheless be subject to the amended Indenture and will receive the New Redemption Price following trigger and exercise of the New Put Option.**

### **The Consummation of the Solicitation is Subject to Satisfaction or Waiver of Certain Conditions**

The consummation of the Solicitation is subject to satisfaction or waiver by the Company of the Conditions to the Solicitation. These conditions are described in more detail in this Statement under “*Principal Terms of the Solicitation—Conditions to the Solicitation*.” There can be no assurance that such conditions will be satisfied or waived with respect to the Solicitation.

### **There is Limited Ability to Revoke Delivered Consents**

Delivery of Consents made before the Revocation Deadline may be validly revoked at any time before the Revocation Deadline, but not thereafter, unless required by applicable law. In addition, the Company may, in its sole discretion subject to applicable law, extend the Revocation Deadline or the Expiration Time or, at any time prior to the Expiration Time, terminate the Solicitation. The Company may also extend the Expiration Time without extending the Revocation Deadline. Payment of the Consent Effectiveness Payment and the Additional Consent Consideration will not be made prior to the Initial Settlement Date and Final Settlement Date, respectively, the occurrence of which is dependent upon the satisfaction or waiver of the conditions to the Solicitation. Therefore, Holders that deliver their Consents before the Revocation Deadline could be forced to wait for an extended period of time before receiving payment, if at all, and will not have the ability to revoke their Consents during that time unless the Company extends the Revocation Deadline. Unless required by applicable law, Consents delivered after the Revocation Deadline may not be revoked, except as required by law, and Holders that deliver such Consents could be forced to wait for an extended period of time before receiving payment for their Notes, if at all.

### **Delivering Consents Will Have Tax Consequences to Consenting and Non-Consenting Holders**

See “*Certain U.S. Federal Income Tax Considerations*” and “*Certain Luxembourg Tax Consequences*” for a discussion of U.S. federal income tax and Luxembourg tax considerations, respectively, generally applicable to the Solicitation.

### **Consents from Other Lenders**

Concurrently with the Solicitation, CELSE and the Company, as applicable, are separately seeking consents for the CELSE Proposed Amendments and Agreements, and the Put Option Exercise, as applicable, from SERV, the Uninsured Lenders, and applicable Senior Creditors (as defined in the Company Intercreditor Agreement). CELSE and the Company might be required to pay fees or commissions to these parties in connection with the Solicitation.

**Holders should consult their own tax, accounting, financial and legal advisors before participating in the Solicitation.**

#### **EXPIRATION; EXTENSION; AMENDMENT; TERMINATION**

The Solicitation will expire at 5:00 p.m. (New York City time) on September 20, 2023 unless extended or earlier terminated by the Company. The Company expressly reserves the right to extend the Expiration Time for such period or periods as it may determine, in its sole discretion, from time to time, by the Company giving written or oral notice to DTC and by making a public announcement by press release by 9:00 a.m. (New York City time) on the next business day following the previously scheduled Expiration Time. There can be no assurance that the Company will exercise its right to extend the Solicitation. During any extension of the Solicitation, all Notes for which a Consent was previously delivered and not validly revoked will remain subject to the Solicitation and may be accepted for payment at the expiration of the Solicitation, subject to the right, if any, of a Holder to revoke its Consent. See “*Revocation of Consents*.”

The Company reserves the right, subject to applicable law, in its sole discretion to, at any time and from time to time, waive any unsatisfied conditions to the Solicitation, in whole or in part, and accept all such Consents validly delivered and not previously validly revoked, in accordance with the terms set forth in this Statement. In addition, the Company also reserves the right, subject to applicable law, in its sole discretion: (1) to terminate or withdraw the Solicitation at any time at or prior to the Expiration Time and not accept for payment any Consents not theretofore accepted for payment, as applicable; (2) delay the acceptance for payment of Consents or, regardless of whether such Consents were theretofore accepted for payment to delay the payment of any Consents pursuant to the Solicitation, by the Company giving oral or written notice of such delay to the Information Agent; or (3) modify, extend or otherwise amend the Solicitation and retain all properly delivered Consents until the Expiration Time, as extended, subject, however, to the revocation rights of Holders. The Company may extend the Expiration Time without extending the Revocation Deadline.

Except as otherwise provided herein or otherwise required by law, revocation rights with respect to Consents delivered pursuant to the Solicitation will not be extended or reinstated as a result of an extension or amendment of the Solicitation. If the Company makes a material change to the terms of the Solicitation, the Company will disseminate additional materials or, if appropriate, issue a press release setting forth such changes, and will extend the Solicitation to the extent required by law. See “*Revocation of Consents*.”

If the Company terminates the Solicitation, it will give prompt notice to DTC.



## PROCEDURES FOR DELIVERING CONSENTS

The Solicitation is being conducted in a manner eligible for use of the Automated Tender Offer Program (“**ATOP**”) of DTC. At the date of this Statement, all of the Notes held through DTC are registered in the name of the nominee of DTC. In turn, the Notes are recorded on DTC’s books in the names of DTC Participants who hold Notes either for themselves or for the ultimate beneficial owners. In order to cause Consents to be delivered, DTC Participants must electronically deliver a Consent by causing DTC to transfer and surrender their Notes to the Information Agent in accordance with DTC’s ATOP procedures. By making such transfer, DTC Participants will be deemed to have delivered a Consent with respect to any such Notes so transferred and surrendered. DTC will verify each transfer and surrender of Notes and confirm the electronic delivery of a Consent by sending an Agent’s Message (as defined below) to the Information Agent.

The term “**Agent’s Message**” means a message transmitted by DTC, received by the Information Agent and forming part of the Book-Entry Confirmation (as defined below), which states that DTC has received an express acknowledgment from the DTC Participant delivering Consents that are the subject of such Book-Entry Confirmation that such DTC Participant (i) has received and agrees to be bound by the terms of the Solicitation as set forth in this Statement and that the Company may enforce such agreement against such participant; and (ii) consents to the CELSE Proposed Amendments and Agreements, the Put Option Exercise and the Indenture Amendments and the execution and delivery of the Supplemental Indenture as described in this Statement.

Holders desiring to deliver their Consents at or prior to the Expiration Time should note that they must allow sufficient time for completion of the ATOP procedures during the normal business hours of DTC on such date. Consents not received by the Information Agent prior to the Expiration Time will be disregarded and of no effect.

The Information Agent will establish and maintain one or more accounts with respect to the Notes at DTC (the “**Book-Entry Transfer Facility**”) promptly after the date of this Statement (to the extent such arrangements have not been made previously by the Information Agent), and any financial institution who is a DTC Participant and whose name appears on a security position listing as the owner of the Notes may make book-entry delivery and surrender of the Notes into one of the Information Agent’s accounts in accordance with the Book-Entry Transfer Facility’s procedures for such transfer. The confirmation of a book-entry transfer of Notes into one of the Information Agent’s accounts at DTC as described above is referred to herein as a “**Book-Entry Confirmation**.”

The Notes transferred to the Information Agent as part of the Solicitation prior to the Expiration Time will be held under one or more temporary CUSIP numbers established with the assistance of the Information Agent and DTC during the period beginning at the time the DTC Participant electronically delivers a Consent and ending on the earlier of (i) the Expiration Time, (ii) the date on which the DTC Participant delivers a properly formatted and transmitted revocation request to the Information Agent, revoking a Consent delivered at or prior to the Revocation Date, and (iii) the date on which the Solicitation is terminated.

No consent form or letter of transmittal needs to be executed in relation to the Solicitation or the Consents delivered through DTC. The valid electronic delivery of Consents through the temporary transfer and surrender of existing Notes in accordance with DTC’s ATOP procedures shall constitute a written consent to the Solicitation.

The delivery of a Consent will not affect a Holder’s right to sell or transfer the Notes. The transfer of Notes after the Record Date will not have the effect of revoking any Consent theretofore validly given by a Holder, and each Consent validly given will be counted notwithstanding any transfer of the Notes to which such Consent relates, unless the procedures for revoking Consents described herein have been complied with.

The Company has the right to extend or terminate the Solicitation in its sole discretion, subject to applicable law, at any time and for any reason, including for failure to satisfy any condition to the Solicitation. The Expiration Time may not occur on the schedule described in this Statement, if at all. Accordingly, Holders that deliver and surrender their Notes and thereby deliver an electronic Consent, to the extent not validly revoked prior to the Revocation Deadline, may have to wait longer than expected for the Expiration Time, during which time such Holders will not be able to effect transfers or sales of their Notes to third parties until the Information Agent returns the Notes following the Expiration Time.

A defective delivery of Consents (which defect is not waived by the Company) will not constitute valid delivery of a Consent to the CELSE Proposed Amendments and Agreements, the Put Option Exercise and the Indenture Amendments and will not be counted for purposes of determining whether the Requisite Consents have been obtained and will not entitle the Holder thereof to the Consent Consideration unless the relevant defect is waived by the Company. Any beneficial owner whose Notes are registered in the name of a custodian or held through DTC and who wishes to deliver a Consent should contact such custodian promptly and instruct such custodian to deliver Consents on such beneficial owner’s behalf.

The registered ownership of a Note as of the Record Date shall be proved by the Trustee, as registrar of the Notes. The ownership of Notes held through DTC by DTC Participants shall be established by a DTC security position listing provided by DTC as of the Record Date. The Company will resolve, in its sole discretion, all questions as to the validity, form, eligibility (including time of receipt) and acceptance and revocation of Consents, and those determinations will be binding. The Company reserves the right, in its sole discretion, to reject any or all Consents and revocations not validly given or any Consents the Company’s acceptance of which could, in the opinion of the Company’s counsel, be unlawful. The Company also reserves the right, in its sole discretion, to waive any defects or irregularities in connection with deliveries or to require a cure of such irregularities within such time as the Company determines. None of the Company, CELSE, the Solicitation Agents, the Information Agent, the Trustee, the Fiduciary Agent, or any of their respective affiliates, or any other person shall have any duty to give notification of any such waiver, defects or irregularities, nor shall any of them incur any liability for failure to give such notification. Deliveries of Consents or notices of revocation will be deemed not to have been made until such irregularities have been cured or waived.

## REPRESENTATIONS, WARRANTIES AND AGREEMENTS BY THE HOLDERS

Upon delivery a Consent, each Holder or the beneficial owner of Notes on behalf of which the Holder has consented will be deemed to represent, warrant and agree that:

- (a) the Holder has received, reviewed and accepted the terms of this Statement and understands a delivery of Consents pursuant to any of the procedures set forth in the Statement will constitute its acceptance of the terms and conditions of the Solicitation;
- (b) the Holder acknowledges that it consents to the CELSE Proposed Amendments and Agreements, the Put Option Exercise and the Indenture Amendments and to modifying the end of the decision period and the date of the General Meeting to be the date that is as early as one (1) business day following the Expiration Time, in each case, as described in this Statement;
- (c) the Holder acknowledges that the submission of a Consent to the Information Agent constitutes the Holder's written consent to the CELSE Proposed Amendments and Agreements, the Put Option Exercise and the Indenture Amendments;
- (d) the Holder understands that the Company acceptance for payment of Consents delivered pursuant to any of the procedures described in this Statement will constitute a binding agreement between such Holder and the Company enforceable in accordance with the terms and subject to the conditions of the Solicitation;
- (e) the Holder acknowledges that all authority conferred or agreed to be conferred pursuant to these representations, warranties and undertakings and every obligation of the Holder and the acceptance of a Consent delivered by the Holder shall be binding upon the successors, assigns, heirs, executors, administrators, trustees in bankruptcy and legal representatives of the Holder and shall not be affected by, and shall survive, the death or incapacity of the Holder;
- (f) the Holder acknowledges that the Holder reviewed the restrictions set forth in this Statement and that such Holder's participation in the Solicitation does not conflict with such restrictions;
- (g) the Holder authorizes, directs and requests that, upon receipt of the Requisite Consents, the Company will instruct the Fiduciary Agent in the General Meeting to enter into any and all required documentation and to do any other required acts under the Common Terms Agreement, the Debenture Indenture, the Company Intercreditor Agreement, the Project Intercreditor Agreement, the CELSE Accounts Agreement, the Senior Loans, the Uninsured Loan Agreement and the Indenture to give effect to the CELSE Proposed Amendments and Agreements, the Put Option Exercise and the Indenture Amendments (including providing any consent or instruction as may be requested by the Project Intercreditor Agent or any other agent in connection with the foregoing);
- (h) no information has been provided to the Holder by the Solicitation Agents, the Information Agent, the Trustee or the Fiduciary Agent with regard to the tax consequences to Holders arising from the CELSE Proposed Amendments and Agreements, the Put Option Exercise and the Indenture Amendments, the Consent Consideration or the Holder's participation in the Solicitation and the Holder acknowledges that the Holder is solely liable for any taxes and similar or related payments imposed on the Holder under the laws of any applicable jurisdiction as a result of the Holder's participation in the Solicitation and agrees that the Holder will not and does not have any right of recourse (whether by way of reimbursements, indemnity or otherwise) against the Company, CELSE, the Solicitation Agents, the Information Agent, the Trustee, the Fiduciary Agent or any other person in respect of such taxes and payments;
- (i) the Holder does hereby release and forever discharge the Company, CELSE, the Trustee, the Fiduciary Agent, the Solicitation Agents, the Information Agent and their respective employees, officers, directors, affiliates, and agents, predecessors and successors, of and from any and all manner of actions, causes of actions, suits, debts, dues, accounts, bonds, covenants, contracts, agreements, judgments, claims and demands whatsoever in law or in equity arising from the CELSE Proposed Amendments and Agreements, the Put Option Exercise and the Indenture Amendments, and any transactions contemplated in connection with the delivery of Consents, and the acceptance of Solicitation and this Statement;
- (j) the Holder empowers, authorizes and requests that the Company instruct the Fiduciary Agent to do all such other things as may be necessary or expedient to carry out and give effect to a delivered Consent or this Statement;
- (k) the Holder declares and acknowledges that each of the Solicitation Agents, the Information Agent, the Trustee and the Fiduciary Agent will not be held responsible for any liabilities or consequences arising as a result of acts taken by it or pursuant to the terms of delivered Consent or this Statement and the Holders further declare that the Solicitation Agents, the Information Agent, the Trustee and the Fiduciary Agent have no responsibility for the terms of a delivered Consent or this Statement nor the payment of the Consent Consideration;
- (l) in submitting its Consent to the Information Agent, such Holder has consulted with its own agents and professionals to the extent that it considers necessary;
- (m) the Holder understands that the Notes have not been registered under the Securities Act or any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except as set forth below;
- (n) the Holder understands that any Notes may not be re-offered, resold, pledged or otherwise transferred except (i) to the Company or its subsidiaries, (ii) inside the United States to a person who it reasonably believes is a "qualified institutional buyer" (as defined in Rule 144A under the Securities Act) in a transaction exempt from registration under the U.S. securities laws, (iii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S, (iv) pursuant to the exemption from registration provided by Rule 144 under the Securities Act (if available) or (v) pursuant to an effective registration statement under the Securities Act; and
- (o) the Holder hereby acknowledges that this Statement and the transactions contemplated hereby shall not be deemed to be investment advice or a recommendation as to a course of conduct by the Solicitation Agents, the Information Agent, the Trustee, the Fiduciary Agent or any of their respective officers, directors, employees or agents.

The custodian or nominee of each Holder who delivers a Consent to the Information Agent is representing and warranting that such Holder, as owner of the Notes, has represented, warranted and agreed to each of the above.

All questions as to the form and validity (including time of receipt) of any delivery of a Consent or revocation of a delivery of a Consent will be determined by the Company, in its sole discretion, which determination shall be final and binding on the Holder.

## ACCEPTANCE OF CONSENTS; CONSENT CONSIDERATION

Upon the terms and subject to the conditions set forth in this Statement (including if the Solicitation is extended or amended, the terms and conditions of any such extension or amendment), the Company will accept all Consents validly delivered (and not validly revoked) upon satisfaction or waiver of the conditions to the Solicitation specified herein.

Holders who validly have delivered (and have not validly revoked) their Consents at or prior to the Expiration Time and whose delivered Consents have been accepted by the Company will be eligible to receive the Consent Consideration, multiplied by the Scaling Factor. Any Holder who does not timely deliver or who revokes a valid Consent for any Notes will not be entitled to receive the Consent Consideration, multiplied by the Scaling Factor in respect thereof. The Consent Consideration will be payable by CELSE on behalf of the Company (directly or through an agent) on each Settlement Date in consideration for and in respect of Consents that are validly delivered (and not revoked) at or prior to the Expiration Time.

If, for any reason whatsoever, acceptance for payment of any Consents delivered pursuant to the Solicitation is delayed, or the Company is unable to accept Consents delivered pursuant to the Solicitation, then, without prejudice to the Company's rights set forth herein, the Information Agent may nevertheless, on behalf of the Company, and subject to rules promulgated under the Exchange Act, retain previously delivered Consents, and such Consents may not be revoked except to the extent that the Holder is entitled to revocation rights as required by law or described herein. See "*Revocation of Consents*."

For purposes of the Solicitation, the Company will be deemed to have accepted validly delivered (and not validly revoked) Consents when, as and if the Company gives oral or written notice thereof to the Information Agent. Payment for Consents accepted for payment will be made by CELSE depositing such payment with DTC, which will act as agent for the consenting Holders for the purpose of receiving the Consent Consideration, multiplied by the Scaling Factor and transmitting such Consent Consideration, multiplied by the Scaling Factor to such Holders. Under no circumstances will any additional amount be paid by CELSE, the Company or the Information Agent by reason of any delay in making such payment.

The Consent Consideration is denominated in Brazilian Reais but will be settled in U.S. dollars as converted based on the selling rate for Brazilian Reais into U.S. dollars reported by the Brazilian Central Bank on the "PTAX VENDA800" screen at 5:00 p.m. (São Paulo time) on the business day immediately following the Expiration Time (provided that if such selling rate is not available on the Brazilian Central Bank's "PTAX VENDA800" screen, then such other source as mutually agreed by the Company and the Sole Structuring and Lead Solicitation Agent shall be used).

On the Initial Settlement Date or Final Settlement Date (and, in each case, upon satisfaction or waiver of the conditions to the Solicitation), CELSE shall notify the Trustee that the Consent Effectiveness Payment and the Additional Consent Consideration, in each case multiplied by the Scaling Factor, have been paid. The Trustee does not hold any responsibility or liability to ensure that eligible Holders receive the Consent Consideration and the Trustee has no duty to determine the sufficiency of the Consent Consideration, multiplied by the Scaling Factor, to any eligible Holder.

No alternative, conditional or contingent deliveries of Consents will be accepted. A consenting Holder, by electronically transmitting its acceptance through ATOP waives all rights to receive notice of acceptance of such Holder's Consent for payment.

**THE CELSE PROPOSED AMENDMENTS, THE PUT OPTION EXERCISE AND THE INDENTURE AMENDMENTS CONSTITUTE A SINGLE PROPOSAL AND A CONSENTING HOLDER MUST CONSENT TO THE ADOPTION OF THE CELSE PROPOSED AMENDMENTS AND AGREEMENTS, THE PUT OPTION EXERCISE AND THE INDENTURE AMENDMENTS AS AN ENTIRETY AND MAY NOT CONSENT SELECTIVELY WITH RESPECT TO CERTAIN CELSE PROPOSED AMENDMENTS, PUT OPTION EXERCISE, AND INDENTURE AMENDMENTS. ACCORDINGLY, A CONSENT PURPORTING TO CONSENT ONLY TO SOME OF THE CELSE PROPOSED AMENDMENTS, THE PUT OPTION EXERCISE AND THE INDENTURE AMENDMENTS WILL NOT BE VALID AND SUCH HOLDER WILL BE DEEMED NOT TO HAVE DELIVERED A CONSENT, AND WILL NOT BE ENTITLED TO THE CONSENT CONSIDERATION, MULTIPLIED BY THE SCALING FACTOR, WITH RESPECT TO SUCH NOTES.**

## REVOCATION OF CONSENTS

A Holder may exercise its right to exercise its right to revoke its Consent at any time prior to but not after the Revocation Deadline.

All Consents delivered at or prior to the Expiration Time will be counted, unless, at any time prior to the Revocation Deadline, a notice of revocation is delivered in accordance with the procedures of DTC. Any notice of revocation received after the Revocation Deadline will not be effective, even if received prior to the Expiration Time. Following the Effective Time, a Consent by a Holder of the Notes will bind the Holder and every subsequent holder of such Notes or portion of such Notes, even if notation of the Consent is not made on such Notes.

DTC Participants who wish to exercise their right of revocation with respect to the Solicitation must deliver a properly formatted and transmitted revocation request (“**Request Message**”) to the Information Agent for return to DTC prior to the Revocation Deadline or at such other permissible times as are described herein. In order to be valid, a Request Message must specify the name of the person as to which the Consent is to be revoked (the “**Depositor**”), the name of the DTC Participant whose name appears on the security position listing as the owner of such Notes, if different from that of the Depositor, and a description of the Notes to which the revocation relates (including the principal amount of Notes to which the revocation relates). If certificates have been identified through confirmation of book-entry transfer of such Notes to the Information Agent, the name of the Holder and the certificate number or numbers relating to such Consents revoked must also be furnished to the Information Agent as aforesaid prior to the name and number of the account at DTC to be credited with revoked Consents for the Notes previously transferred by book-entry.

To be effective, a notice of revocation must be in a format customarily used by DTC, and for the revocation of delivered Consents, should (i) specify the name of the Holder who delivered the Consents to be revoked, and (ii) contain the aggregate principal amount represented by such Notes.

Any permitted revocation of Consents may not be rescinded, and any Consents revoked will be deemed not validly delivered for purposes of the Solicitation; provided, however, that revoked Consents may be redelivered by again following one of the appropriate procedures described herein at any time at or prior to the Expiration Time.

**The Company reserves the right to extend the Expiration Time without extending the Revocation Deadline for delivered Consents (except under certain limited circumstances as otherwise required by law). As a result, if the Company extends the Expiration Time without extending the Revocation Deadline, Holders that validly deliver Consents will be entitled to the Consent Consideration, multiplied by the Scaling Factor, if such Consents are accepted for payment by the Company but will not be able to revoke their Consent. A Holder who has delivered its Consents after the Revocation Deadline but prior to the Expiration Time may not revoke such Consents (except under certain limited circumstances as otherwise required by law) and will be eligible to receive the Consent Consideration, multiplied by the Scaling Factor, in respect of such delivered Consents that have been accepted for payment by the Company.**

A purported notice of revocation that is not received by the Information Agent in a timely fashion and accepted by the Company as a valid revocation will not be effective to revoke a Consent previously delivered. If the Consents to be revoked have been delivered or otherwise identified to the Information Agent, a signed notice of revocation will be effective immediately upon written or facsimile notice of that revocation even if physical release is not effected.

Revocations of Consents may not be rescinded, and any Consents properly revoked will thereafter be deemed not validly delivered for purposes of the Solicitation. Upon any permitted revocation of delivered Consents by a Holder, such Holder will cease to be a party to the Solicitation and shall have no further rights or obligations under the Solicitation and the Company shall not have any further obligation to such Holder under the terms of the Solicitation. Properly revoked Consents may, however, be resubmitted, by again following one of the appropriate procedures described in “*Procedures for Delivering Consents*,” at any time at or prior to the Expiration Time.

Only a Holder is entitled to revoke a Consent previously given. A beneficial owner of the Notes must arrange with its broker, dealer, commercial bank, trust company or other nominee company to execute and deliver on its behalf a revocation of any Consent already given with respect to such Notes.

## CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES

The following is a description of the principal U.S. federal income tax consequences that may be relevant to a U.S. Holder (as defined below) as a result of the Company obtaining the Requisite Consents, the CELSE Proposed Amendments and Agreements and the Indenture Amendments becoming effective, and the Consent Consideration being paid. This description only applies to Notes held as capital assets and does not address, except as set forth below, aspects of U.S. federal income taxation that may be applicable to beneficial owners that are subject to special tax rules, such as:

- certain financial institutions;
- insurance companies;
- real estate investment trusts;
- regulated investment companies;
- certain former citizens and long-term residents of the United States;
- entities or arrangements classified as partnerships or other pass-through entities and persons that own Notes through partnerships or other pass-through entities;
- grantor trusts;
- tax-exempt organizations;
- certain taxpayers who file applicable financial statements and are required to recognize income when the associated revenue is reflected on such financial statements;
- dealers or traders in securities or currencies or other persons who mark-to-market their holdings;
- persons that hold a Note as part of a straddle, hedging, conversion, constructive sale or other integrated or other risk reduction transaction for U.S. federal income tax purposes;
- U.S. Holders (as defined below) that have a functional currency other than the U.S. dollar; or
- persons subject to special tax accounting rules as a result of any item of gross income with respect to the Notes being taken into account in an applicable financial statement.

This description does not address the U.S. federal estate and gift tax, alternative minimum tax or Medicare tax or net investment income tax consequences of the Company obtaining the Requisite Consents, the CELSE Proposed Amendments and Agreements and the Indenture Amendments becoming effective, and the Consent Consideration being paid. Each beneficial owner should consult its tax advisor with respect to the U.S. federal, state, local and non-U.S. tax consequences of the Company obtaining the Requisite Consents, the CELSE Proposed Amendments and Agreements and the Indenture Amendments becoming effective, and the Consent Consideration being paid.

This description is based on the Internal Revenue Code of 1986, as amended (the “**Code**”), existing U.S. Treasury Regulations (the “**Regulations**”), administrative pronouncements and judicial decisions, each as available and in effect on the date hereof. All of the foregoing is subject to change, possibly with retroactive effect, or differing interpretations which could affect the tax consequences described herein.

For purposes of this description, a “**U.S. Holder**” is a beneficial owner of Notes that, for U.S. federal income tax purposes, is:

- an individual who is a citizen or resident of the United States;
- a corporation created or organized in or under the laws of the United States, any state thereof, or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust subject to the control of one or more U.S. persons and the primary supervision of a U.S. court or that has validly elected to be treated as a U.S. person.

If any entity treated as a partnership for U.S. federal income tax purposes holds Notes, the tax treatment of a partner in such partnership will generally depend on the status of the partner and the activities of the partnership. Such a partner or partnership should consult its own tax advisor as to its tax consequences.

The U.S. federal income tax consequences to a beneficial owner of Notes as a result of the Company obtaining the Requisite Consents, and the Indenture Amendments becoming effective, and the Consent Consideration being paid are complex and not entirely clear. No ruling has been or will be sought from the U.S. Internal Revenue Service (“**IRS**”) regarding the matters discussed below and there can therefore be no assurance that the IRS will not assert contrary positions to those described below or adopted by the Company. Beneficial owners should consult their own tax advisors concerning the U.S. federal income and other state, local and non-U.S. tax consequences of the Company obtaining the Requisite Consents, the CELSE Proposed Amendments and Agreements and the Indenture Amendments becoming effective, and the Consent Consideration being paid in light of their particular situations.

### **U.S. Federal Tax Consequences for Consenting and Non-Consenting U.S. Holders**

#### *Deemed Exchange of the Notes*

Whether or not Notes are actually exchanged for new notes, the modification of a debt instrument is treated as a “deemed” exchange of an old debt instrument (*i.e.*, the “**Existing Notes**”) for a new debt instrument (*i.e.*, the “**New Notes**”) if such modification is “significant” within the meaning of the applicable Regulations. Under the Regulations, the modification of a debt instrument generally is a significant modification if, based on all of the facts and circumstances and taking into account all modifications of the debt instrument collectively, the legal rights or obligations that are altered and the degree to which they are altered are “economically significant.”

Under the Regulations, certain types of modifications are not significant modifications. For example, the Regulations provide that a modification of a debt instrument that adds, deletes or alters customary accounting or financial covenants relating to a debt instrument is not a significant modification. However, the Regulations do not define “customary accounting or financial covenants” and do not otherwise directly address all of the exact types of modifications of the Notes that would occur

upon adoption of the CELSE Proposed Amendments and Agreements, the Put Option Exercise and the Indenture Amendments. Other types of modifications are not significant if they do not result in a “change of payment expectations” (from primarily speculative to adequate or vice versa). The Regulations also provide that a change in the yield of a debt instrument is not a significant modification unless the yield of the modified instrument (determined by taking into account any payments made by the issuer to the U.S. Holder as consideration for the modification) varies from the yield on the unmodified instrument (determined as of the date of the modification) by more than the greater of 25 basis points or 5 percent of the annual yield of the unmodified instrument (a “**Significant Change in Yield**”). A significant modification would result if the adoption of the New Put Option Price and the receipt of the Consent Consideration cause a Significant Change in Yield.

Although not entirely clear, based on the Amendments pursuant to the Solicitation and expectations with respect to the Put Option Exercise, the Company expects that the change in yield on the Notes due to the adoption of the New Put Option Price and the receipt of the Consent Consideration will be Significant Change in Yield and, accordingly, will cause a significant modification of the Notes under the applicable Regulations. The application of the above rules to an instrument like the Notes and to the CELSE Proposed Amendments and Agreements, the Put Option Exercise and the Indenture Amendments is not clear. Accordingly, there can be no assurance that a U.S. Holder should properly be treated as exchanging its Existing Notes for New Notes in connection with the CELSE Proposed Amendments and Agreements, the Put Option Exercise and the Indenture Amendments.

If, consistent with the expectation of the Company, a deemed exchange is deemed to occur, then unless the deemed exchange qualifies as a “recapitalization” for U.S. federal income tax purposes, a U.S. Holder will generally recognize gain or (subject to the wash sale rules) loss in a deemed exchange equal to the difference between the amount realized in the exchange (less any accrued and unpaid interest, which will be taxable as described below) and such U.S. Holder’s adjusted tax basis in an Existing Note. Subject to the discussion below regarding amounts attributable to accrued and unpaid interest and the application of the foreign currency rules to the Consent Consideration, such gain or loss generally would be capital gain or loss and would be long-term capital gain or loss if the U.S. Holder held the Existing Notes for more than one year. In general, a U.S. Holder will have an adjusted tax basis in an Existing Note equal to the U.S. dollar value of the cost of such Note (based on the Reais-to-U.S. dollar spot exchange rate on the date the Note was acquired, or the settlement date for the purchase of the Note if the Note is treated under applicable U.S. Treasury Regulations as a security traded on an established securities market, which the Company expects to be the case, and the U.S. Holder either uses the cash method of accounting or uses the accrual method of accounting and has so elected (which election must be applied consistently from year to year), increased by any market discount previously accrued (determined under the market discount rules discussed below), reduced by any amortizable bond premium previously amortized, and reduced by the U.S. dollar value of any payments of principal on such Note (based on the Reais-to-U.S. dollar spot exchange rate on the date any such payments were received).

For these purposes, the amount realized would be the “issue price” of the New Notes that are treated as issued in the deemed exchange plus the amount of Consent Consideration received but would not include any amount attributable to accrued interest (each as discussed below) If the Notes are treated as traded on an established securities market, which we expect would be the case, the “issue price” of the New Notes would be the fair market value of the New Notes on the date the Effective Date occurs. Any capital gain or loss recognized on the deemed exchange of a Note would generally be U.S.-source gain or loss for purposes of computing the U.S. Holder’s foreign tax credit limitation. In addition, the U.S. Holder’s adjusted tax basis in the New Notes would equal its issue price, and the U.S. Holder would have a new holding period in the New Notes commencing on the day after the date the Effective Time occurs.

The U.S. dollar value of the portion of the amount realized attributable to cash received in the deemed exchange (including the Consent Consideration, as discussed below) generally is based on the Reais-to-U.S. dollar spot exchange rate on the date the Effective Time occurs. U.S. Holders that use the accrual method of accounting also may elect to use the settlement date valuation, provided that they apply this election consistently from year to year. Any such gain or loss will be foreign currency exchange gain or loss to the extent that the U.S. dollar value of the principal amount of the Note on the date the Effective Time occurs (based on the Reais-to-U.S. dollar spot exchange rate on the date of disposition or settlement, as determined above) differs from the U.S. dollar value of the equivalent principal amount of the Note (based on the Reais-to-U.S. dollar spot exchange rate on the date the Effective Time occurs). Any such foreign currency exchange gain or loss generally will be treated as ordinary income or loss. Subject to the market discount rules discussed below, any gain or loss in excess of foreign currency exchange gain or loss will be capital gain or loss, and generally will be treated as long-term capital gain or loss if the U.S. Holder held the Note for more than one year at the time of disposition. In certain circumstances, U.S. Holders who are individuals may be entitled to preferential tax rates for net long-term capital gains; however, the ability of U.S. Holders to offset capital losses against ordinary income is limited. Any capital gain or loss recognized on the deemed exchange of a Note would generally be U.S.-source gain or loss for purposes of computing the U.S. Holder’s foreign tax credit limitation.

With respect to amounts attributable to accrued but unpaid interest in the deemed exchange, in general, U.S. Holders that use the accrual method of accounting or that otherwise are required to accrue stated interest before receipt will calculate the U.S. dollar value of accrued interest based on the average Reais-to-U.S. dollar spot exchange rate during the applicable accrual period (or, with respect to an accrual period that spans two taxable years, at the Reais-to-U.S. dollar spot exchange rate on the last day of the U.S. Holder’s taxable year). Alternatively, a U.S. Holder can elect to calculate the U.S. dollar value of accrued interest based on the Reais-to-U.S. dollar spot exchange rate on the last day of the applicable accrual period (or, with respect to an accrual period that spans two taxable years, at the Reais-to-U.S. dollar spot exchange rate on the last day of the U.S. Holder’s taxable year) or, if the last day of the accrual period is within five business days of the U.S. Holder’s receipt of the payment, the spot exchange rate on the date of receipt. Any such election must be applied to all debt instruments held by the U.S. Holder and is irrevocable without the consent of the IRS. U.S. Holders on an accrual method of accounting also will recognize foreign currency exchange gain or loss with respect to amounts attributable to accrued but unpaid interest payments on their Notes to the extent that the U.S. dollar value of such payments (based on the Reais-to-U.S. dollar spot exchange rate on the date such payments are received) differs from the U.S. dollar value of such payments when they were accrued (as determined above). The foreign currency exchange gain or loss generally will be treated as ordinary income or loss.

Whether a deemed exchange constitutes a recapitalization depends on, among other things, whether the Existing Notes and the New Notes constitute “securities” within the meaning of the relevant provisions of the Code. The term “security” is not defined in the Code or the Regulations. Under applicable administrative pronouncements and judicial decisions, debt instruments with a maturity of less than five years from the date of issuance generally do not constitute securities, whereas debt instruments with a maturity of 10 years or more generally do constitute securities. The treatment of a debt instrument with an original term of five years or more from the date of issuance but less than 10 years is not clear. In addition, it is unclear how the likelihood of any redemptions of the Notes following the New Put Option Exercise would affect the characterization of the Notes as “securities” under these rules. U.S. Holders should consult their own tax advisors with respect to whether a deemed exchange of the Notes constitutes a recapitalization for U.S. federal income tax purposes.

If a deemed exchange is deemed to occur and qualifies as a “recapitalization,” U.S. Holders treated as exchanging their Existing Notes for New Notes generally would (i) recognize capital gain to the extent of cash received (as described below, the Company intends to take the position that any Consent Consideration should be treated as additional consideration for the Notes, in which case the Consent Consideration would be treated as cash received), but not loss, as a result of the deemed exchange (other than the amount attributable to the right to receive accrued but unpaid interest, which generally will be subject to tax as ordinary income to the extent not previously included in income), (ii) have a “tax basis” in the New Notes equal to the adjusted tax basis in the Existing Notes deemed surrendered in exchange therefor, decreased by the amount of cash received and increased by the amount of gain, if any, recognized by the U.S. Holder in respect of the exchange, and (iii) have a holding period for the New Notes that includes their holding period for the Existing Notes (other than the portion of the New Notes received that is attributable to the right to receive accrued but unpaid interest).

Whether or not any such deemed exchange qualifies as a recapitalization, the New Notes may be treated as issued with original issue discount (“OID”) if the issue price of the New Notes (as determined above) is less than their principal amount by more than a statutorily determined de minimis amount. A U.S. Holder would be required to include any original issue discount in income as ordinary income as it accrues (regardless of the U.S. Holder’s method of tax accounting) on a constant

yield basis, in advance of the receipt of cash payments on the New Notes. U.S. Holders would generally be required determine the amount of OID for any accrual period in the same manner as an accrual basis U.S. Holder with respect to accrued but unpaid interest as discussed above.

If the deemed exchange does not qualify as a recapitalization, subject to the rules above concerning OID, U.S. Holders should generally be subject to U.S. federal income taxation on the New Notes in a manner similar to their taxation as Holders of the Notes.

Each U.S. Holder should consult its own tax advisor about whether the Consent Solicitation of the CELSE Proposed Amendments and Agreements, the Put Option Exercise, and the Indenture Amendments becoming effective and operative are a significant modification and, if so, what the consequences would be to such U.S. Holder in connection with a deemed exchange of Existing Notes for New Notes.

#### *Consent Consideration*

The U.S. federal income tax treatment of the receipt of the Consent Consideration to consenting U.S. Holders is unclear. The Company intends to take the position that any Consent Consideration should be treated as additional consideration for the Notes in the deemed exchange, in which case the Consent Consideration would be treated as part of the amount paid to the U.S. Holder in respect of such Notes, as provided above under “*Deemed Exchange of the Notes*.” Under this treatment, a U.S. Holder is required to include the Consent Consideration in income prior to the time it is actually received. Alternatively, the Consent Consideration may be treated as interest or a separate fee that would be subject to tax as ordinary income. There can be no assurance that the IRS will not successfully challenge the position that the Company intends to take. U.S. Holders should consult their tax advisors about the U.S. federal income tax treatment of the receipt of the Consent Consideration.

U.S. Holders will have a tax basis in any Reais received as Consent Consideration equal to the U.S. dollar value of the Reais received, determined at the time of receipt. Any gain or loss realized on a sale or other taxable disposition of foreign currency will be ordinary income or loss.

#### *Market Discount and Bond Premium*

The market discount provisions of the Code may apply to U.S. Holders of Notes that acquired Notes in the secondary market. In general, a Note that was acquired by a U.S. Holder in the secondary market will be treated as having been acquired with market discount if the Note’s principal amount exceeds the tax basis of the Note in the U.S. Holder’s hands immediately after its acquisition, unless such excess was less than a statutorily defined de minimis amount. Any gain recognized by a U.S. Holder in a deemed exchange with respect to a Note that was acquired with market discount will be subject to tax as ordinary income to the extent of the market discount accrued during the period the Note was held by such U.S. Holder, unless the U.S. Holder previously elected to include market discount in income as it accrued for U.S. federal income tax purposes. In general, the amount of market discount on the Notes included in income will be determined by translating Reais received pursuant to Solicitation into U.S. dollars at the spot rate on the date the Effective Time occurs. Where a U.S. Holder has elected to include market discount in income currently, the accrual of market discount is determined in units of Reais then translated into U.S. dollars on the basis of the average exchange rate in effect during the accrual period. Foreign currency exchange gain or loss realized with respect to accrued market discount will generally be determined in accordance with the rules relating to accrued interest described above.

The amortizable bond premium provisions of the Code may also apply to U.S. Holders of Notes that acquired Notes in the secondary market. In general, a Note that was acquired by a U.S. Holder in the secondary market for an amount in excess of the sum of all amounts payable on the Note after the purchase date (other than interest) will be treated as having been acquired with amortizable bond premium equal to the amount of such excess. A U.S. Holder that acquired a Note with amortizable bond premium was generally permitted to elect to amortize bond premium using a constant yield method over the remaining term of the Note at the time the Note was acquired, with bond premium amortization generally offsetting interest required to be included by the U.S. Holder. Any amortizable bond premium on the Notes is generally computed in Reais. If a U.S. Holder has not elected to amortize bond premium, such bond premium will decrease the amount of gain or increase the amount of loss otherwise recognized on the deemed exchange of a Note as a result of the Company obtaining the Requisite Consents. Where a U.S. Holder has elected to amortize bond premium, any amortization of bond premium for the U.S. Holder’s taxable year that includes the Company obtaining the Requisite Consent should reduce the amount of consideration received in the deemed exchange that is attributable to accrued but unpaid interest on the Notes. Any bond premium that is amortized is treated as a return of principal, requiring the U.S. Holder to recognize foreign currency gain or loss based on the difference between the Reais-U.S. dollar spot exchange rate on the date the holder acquired the Note and the date the Note is deemed to be exchanged. Any such exchange gain or loss will be ordinary income or loss as described above.

#### *Reportable Transactions*

A U.S. Holder that participates in a “reportable transaction” will be required to disclose its participation to the IRS. A U.S. Holder that recognizes a loss with respect to the Notes that is characterized as an ordinary loss due to changes in currency exchange rates (under any of the rules discussed above) would be required to report the loss on IRS Form 8886 (Reportable Transaction Statement) if the loss exceeds the thresholds. For individuals and trusts, this loss threshold is US\$50,000 in any single taxable year. For other types of taxpayers and other types of losses, the thresholds are higher. U.S. Holders should consult with their own tax advisors regarding any tax filing and reporting obligations that may apply in connection with the Company obtaining the Requisite Consents.

#### *U.S. Backup Withholding Tax and Information Reporting*

Backup withholding tax and information reporting requirements may apply to certain U.S. Holders as a result of the Company obtaining the Requisite Consents, the CELSE Proposed Amendments and Agreements and the Indenture Amendments becoming effective, and the Consent Consideration being paid. The payor will be required to withhold backup withholding tax on such payments made within the United States, or by a U.S. payor or U.S. middleman, on a Note to a U.S. Holder, other than an exempt recipient, if the Holder fails to furnish its correct taxpayer identification number or otherwise fails to comply with, or establish an exemption from, the backup withholding requirements. The backup withholding tax rate is currently 24 percent.

Backup withholding is not an additional tax. A Holder generally will be entitled to credit any amounts withheld under the backup withholding rules against its U.S. federal income tax liability or a refund of the amounts withheld provided the required information is furnished to the IRS in a timely manner.

THE ABOVE DESCRIPTION IS A GENERAL SUMMARY AND IS NOT INTENDED TO CONSTITUTE A COMPLETE ANALYSIS OF ALL TAX CONSEQUENCES RELATING TO COMPANY OBTAINING THE REQUISITE CONSENTS, THE CELSE PROPOSED AMENDMENTS AND AGREEMENTS AND THE INDENTURE AMENDMENTS BECOMING EFFECTIVE, AND THE CONSENT CONSIDERATION BEING PAID. HOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS CONCERNING THE TAX CONSEQUENCES OF THEIR PARTICULAR SITUATIONS.



## CERTAIN LUXEMBOURG TAX CONSEQUENCES

This summary solely addresses the principal Luxembourg tax consequences of the Solicitation and does not purport to describe every aspect of taxation that may be relevant to a particular Holder. Tax matters are complex, and the tax consequences of the Solicitation for a particular Holder will depend in part on such Holder's circumstances. Accordingly, a Holder is urged to consult his own tax advisor for a full understanding of the tax consequences of the Solicitation to him, including the applicability and effect of Luxembourg tax law.

Where in this summary English terms and expressions are used to refer to Luxembourg concepts, the meaning to be attributed to such terms and expressions shall be the meaning to be attributed to the equivalent Luxembourg concepts under Luxembourg tax law.

This summary is based on the tax law of Luxembourg (unpublished case law not included) as it stands at the date of this Solicitation. The tax law upon which this summary is based, is subject to changes, possibly with retroactive effect. Any such change may invalidate the contents of this summary, which will not be updated to reflect such change.

This overview assumes that the Notes are debt obligations of the Issuers for Luxembourg tax purposes and that each transaction with respect to the Notes and the Solicitation as further described herein is at arm's length.

- (i) The summary in this Luxembourg taxation paragraph does not address the Luxembourg tax consequences for a Holder of Notes who is an investor as defined in a specific law (such as the law on family wealth management companies of 11 May 2007, as amended, the law on undertakings for collective investment of 17 December 2010, as amended, the law on specialized investment funds of 13 February 2007, as amended, the law on reserved alternative investment funds of 23 July 2016, as amended, the law on securitization of 22 March 2004, as amended, the law on venture capital vehicles of 15 June 2004, as amended and the law on pension saving companies and associations of 13 July 2005, as amended);
- (ii) is in whole or in part, specifically exempt from tax;
- (iii) acquires, owns or disposes of Notes in connection with a membership of a management board or a supervisory board, an employment relationship, a deemed employment relationship or a management role; or
- (iv) has a substantial interest in the issuer or a deemed substantial interest in the issuer for Luxembourg tax purposes. Generally, a person holds a substantial interest if such person owns or is deemed to own, directly or indirectly, more than 10% of the shares or interest in an entity.

### ***Withholding Tax***

#### *Non-resident Noteholders*

Consideration paid for the purchase of Notes pursuant to the Solicitation to non-residents of Luxembourg may be made free from withholding or deduction of or for any taxes of whatever nature imposed, levied, withheld or assessed by Luxembourg or any political subdivision or taxing authority of or in Luxembourg.

#### *Individual Noteholders*

To the extent payments under the Solicitation comprise accrued interest or similar income, a withholding tax of 20% may be levied under the law of 23 December 2005 as amended (the "Relibi Law"), if such payment is made or deemed to be made to an individual who is resident in Luxembourg.

### ***Taxes on Income and Capital Gains***

#### *Non-resident Noteholders*

Non-resident Holders that do not have a permanent establishment or a permanent representative in Luxembourg to which the Notes or income thereon are attributable are not subject to Luxembourg income taxes in respect of any benefits derived or deemed to be derived in connection with consideration paid for the purchase of Notes pursuant to the Solicitation.

#### *Resident Noteholders Individuals*

Any benefits derived or deemed to be derived from consideration paid for the purchase of Notes pursuant to the Solicitation that are attributable to an enterprise from which an individual derives profits, whether as an entrepreneur or pursuant to a co-entitlement to the net value of an enterprise, are generally subject to Luxembourg income tax.

A resident individual Holder who invests in the Notes as part of such person's private wealth management is subject to Luxembourg income tax in respect of interest and similar income (such as premiums or issue discounts) derived from the Notes, except if tax is levied on such income in accordance with the Relibi Law. A gain realized by a resident individual, acting in the course of the management of that person's private wealth, upon the sale or disposal, in any form whatsoever, of Notes (including consideration paid for the purchase of Notes pursuant to the Solicitation) is not subject to Luxembourg income tax, provided this sale or disposal takes place more than six months after the Notes are acquired. However, any payment corresponding to accrued but unpaid interest is subject to Luxembourg income tax, except if tax is levied

on such interest in accordance with the Relibi Law. Any benefit derived by a resident individual from the disposal of Notes prior to their acquisition is subject to income tax as well.

#### *Resident Corporations*

A corporate resident Holder of the Notes must include any benefits derived or deemed to be derived from or in connection with consideration paid for the purchase of Notes pursuant to the Solicitation, such as interest accrued or received, any redemption premium or issue discount, as well as any gain realized on the sale or disposal in any form whatsoever (including consideration paid for the purchase of Notes pursuant to the Solicitation), in its taxable income for Luxembourg income tax purposes.

#### *Other Taxes and Duties*

It is not compulsory under the Solicitation that the Notes be filed, recorded, or enrolled with any court or other authority in Luxembourg. No registration tax, stamp duty or any other similar documentary tax or duty is due in respect of or in connection with the issue of Notes, the performance by the Company of its obligations under the Solicitation.

A fixed or ad valorem registration duty in Luxembourg may however apply (i) upon registration of the Notes before the Registration and Estates Department (*Administration de l'enregistrement, des domaines et de la TVA*) in Luxembourg where this registration is not required by law (*présentation à l'enregistrement*), or (ii) if the Notes are (a) enclosed with a compulsory registrable deed under Luxembourg law, (*acte obligatoirement enregistrable*) or (b) deposited with the official records of a notary (*déposé au rang des minutes d'un notaire*).

## SOLICITATION AGENTS

The Company has retained Citigroup Global Markets Inc. as Sole Structuring and Lead Solicitation Agent, and Banco Bradesco BBI S.A., Banco BTG Pactual S.A. – Cayman Branch, Itaú BBA USA Securities, Inc. and Santander US Capital Markets LLC, as co-solicitation agents. The Solicitation Agents will receive a customary fee for such services and reimbursement of out-of-pocket expenses. The Company has agreed to indemnify the Solicitation Agents and certain related persons against certain liabilities in connection with the Solicitation.

To the extent that Banco Bradesco BBI S.A. intends to solicit Consents in the United States, it will do so only through Bradesco Securities Inc. or one or more U.S. registered broker-dealers, or otherwise as permitted by applicable U.S. law. To the extent that Banco BTG Pactual S.A. – Cayman Branch intends to solicit Consents in the United States, it will do so only through BTG Pactual US Capital, LLC or one or more U.S. registered broker-dealers, or otherwise as permitted by applicable U.S. law.

At any time, the Solicitation Agents may trade the Notes for their own account or for the accounts of customers and, accordingly, may hold a long or short position in the Notes. In addition, the Solicitation Agents or their respective affiliates may contact Holders regarding the Solicitation and may request brokers, dealers, commercial banks, trust companies and other nominees to forward this Statement and related materials to beneficial owners of Notes.

The Solicitation Agents and their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with the Company, CELSE and/or their respective affiliates, including the fact that affiliates of Citigroup Global Markets Inc. are acting as Trustee under the Indenture, as Project Intercreditor Agent under the Common Terms Agreement, the Fiduciary Assignment of Equipment Agreement and Other Covenants, dated March 21, 2018, among CELSE, the Onshore Collateral Agent and the Fiduciary Agent, as amended, the Fiduciary Assignment of Real Estate Agreement and Other Covenants, dated April 9, 2018, among CELSE, the Onshore Collateral Agent and the Fiduciary Agent, as amended, the Conditional and Fiduciary Assignment Agreement and Other Covenants, dated March 21, 2018, among CELSE, CELSEPAR, the Onshore Collateral Agent and the Fiduciary Agent as amended and the Fiduciary Assignment and Conditional Usufruct of Shares Agreement and Other Covenants, dated March 21, 2018, among CELSE, CELSEPAR, the Onshore Collateral Agent, Eneva and the Fiduciary Agent, as amended, administrative agent under the Uninsured Loan Agreement, and intercreditor agent under the Company Intercreditor Agreement. Such affiliates have received and will receive customary fees and commissions for these transactions and may in the future receive customary fees and commissions for any other transactions in which they are engaged. In addition, in the ordinary course of their business activities, the Solicitation Agents and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) of the Company and/or CELSE for their own accounts and for the accounts of their respective customers. Such investments and securities activities may involve securities and/or instruments of the Company, CELSE and/or their respective affiliates. In particular, at any time, the Solicitation Agents and their respective affiliates may trade the Notes for their own accounts, or for the accounts of their customers, and accordingly may hold long or short positions in the Notes. Certain of the Solicitation Agents' respective affiliates that have a lending relationship with the Company and/or CELSE routinely hedge their respective credit exposure to them consistent with their customary risk management policies. Typically, such affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in the securities of the Company and/or CELSE. The Solicitation Agents and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments. The Solicitation Agents in the ordinary course of their business purchase and/or sell securities of the Company, including the Notes, and its affiliates, for their own account and for the account of their customers. As a result, the Solicitation Agents at any time may own certain of the Company's equity or debt securities, including the Notes.

The Solicitation Agents assume no responsibility for the accuracy or completeness of the information contained in this Statement or for any failure by the Company to disclose events that may affect the significance or accuracy of that information and undertake no duty to update any information contained in this Statement.

### **INFORMATION AGENT**

The Company has retained D.F. King & Co., Inc. as Information Agent. All deliveries and correspondence in relation to the Solicitation should be delivered to the Information Agent.

The Company has not authorized the Information Agent to give any information or make any representations in connection with the Solicitation other than those contained in this Statement and, if given or made, such information or representations must not be relied upon as having been authorized.

Requests for additional copies of documentation may be directed to the Information Agent at the address or email address set forth on the back cover page of this Statement.

## **FEES AND EXPENSES**

CELSE agreed to pay the Solicitation Agents and the Information Agent customary fees and expenses for their services in connection with the Solicitation. CELSE has agreed to pay the Trustee, the Fiduciary Agent, the Project Intercreditor Agent and their respective counsel all fees and expenses incurred in connection with the Solicitation. CELSE has agreed to reimburse the Solicitation Agents and the Information Agent for certain of their out-of-pocket expenses and to indemnify each of them against certain liabilities, including liabilities under federal securities laws. Except for the Consent Consideration and amounts paid by CELSE to the Solicitation Agents, the Information Agent, the Trustee, the Fiduciary Agent and the Project Intercreditor Agent, neither CELSE nor the Company will pay any fees or commissions to any broker, dealer or other person in connection with the Solicitation.

**THE COMPANY**

Swiss Insured Brazil Power Finance S.à r.l.

16, rue Eugène Ruppert

L – 2453 Luxembourg

Attention: Lux Business Management S.à r.l.

Telephone: +352 422 229

Facsimile: +352 426443

E-mail: SIBPF.lux@vistra.com

*Questions or requests for assistance concerning the terms of the Solicitation should be directed to:*

**SOLE STRUCTURING AND LEAD SOLICITATION AGENT**

Citigroup Global Markets Inc.

388 Greenwich Street, Trading 4<sup>th</sup> Floor

New York, New York 10013

Attention: Liability Management Group

U.S. Toll-Free: +1 (800) 558-3745

Collect: +1 (212) 723-6106

Email: ny.liabilitymanagement@citi.com

**CO-SOLICITATION AGENTS**

**Banco Bradesco BBI S.A.**

Av. Presidente Juscelino Kubitschek,

1309, 10th floor,

São Paulo, SP, Brazil, 04543-011

Collect: +55 (11) 3847-5610

**Banco BTG Pactual S.A. – Cayman  
Branch**

601 Lexington Avenue, 57th Floor

New York, New York 10022

Collect: +1 (212) 293-4600

E-mail: ol-dcm@btgpactual.com

**Itau BBA USA Securities, Inc.**

540 Madison Avenue, Floor 24

New York, New York 10022

Attention: Debt Capital Markets

Collect: +1 (212) 824 5083

**Santander US Capital Markets  
LLC**

437 Madison Avenue, 7th Floor

New York, New York 10022

United States of America

Attn: Liability Management Group

Toll Free: +1 (855) 404-3636

Collect: +1 (212) 940-1442

*Requests for additional copies of this Statement and assistance relating to the procedures for delivering Consents should be directed to:*

**THE INFORMATION AGENT**

D.F. King & Co., Inc.

48 Wall Street, 22<sup>nd</sup> Floor

New York, New York 10005

Email: celse@dfking.com

Toll-Free: +1 (800) 290-6427

Collect: +1 (212) 269-5550

Attn: Michael Horthman

Beneficial owners may also contact their broker, dealer, commercial bank, trust company or other nominee for assistance regarding the Solicitation.