

# TECSIS

*Clean Power for the World*

Information on Out-of-Court Reorganization



- On September 29, 2017, Tecsis filed a request for homologation of an extrajudicial reorganization plan. The proceeding is digital and may be accessed with the following number: 10966534820178260100 of the Court of the State of São Paulo (<http://www.tjsp.jus.br/>).
- **What does it mean?** It means that Tecsis negotiated a payment plan and obtained the agreement of over 60% (or 3/5, pursuant to Article 162 of Law No. 11101/2005) of its unsecured creditors (those without guarantees over their credits, including banks and suppliers) and 100% of its secured creditors (those with mortgage and pledge guarantees).
- **What will happen?** Thus, Tecsis requested this plan to be homologated by the judge. If homologated, this plan becomes binding to all Tecsis' unsecured and secured creditors, regardless of signature or agreement. After a judicial confirmation, creditors shall be paid according to one of the options provided for in the plan of their choice.
- **How does the proceeding work?** On October 31, 2017, with the publication of a notice informing creditors about the proceeding and the plan submitted, was initiated the period for creditors to file in court their opposition to the plan, if so they wish. Term also initiated for creditors to select their payment option, as detailed in the next slide. The term for opposition to the plan and elect the option ends on November 30, 2017.
- **Doubts:** Any doubts may be clarified at the Company's website ([www.tecsis.com.br](http://www.tecsis.com.br)), via email [recupera@tecsis.com.br](mailto:recupera@tecsis.com.br) and telephone number (11) 98743-7264 .

Creditors shall elect one out of the four options described below, which shall be paid as per conditions set out in the plan:

▪ **Option 1:**

- **Debentures:** 50% of the credit amount shall be used in the subscription and payment of Debentures;
- **Payment of Installment A:** 20% of the credit amount shall be paid in cash, as per conditions described in the next slides.
- **Payment of Installment B:** 30% of the credit amount shall be paid in cash, as per payment conditions described in the next slides.

▪ **Option 2:**

- **Discount:** At least 30% of the credit amount shall be subject to discount.
- **Payment of Installment C:** 40% of the credit amount shall be paid in cash, as per conditions described in the next slides.
- **ICMS (State Value-Added Tax on Goods and Services):** 30% of the credit amount shall be paid by means of transfer of ICMS credits accumulated by Tecsisis and homologated by the appropriate administrative entity, as described in the Plan and its exhibits.

- **Option 3:**
  - **Discount:** 50% of the credit amount shall be subject to discount.
  - **Payment of Installment C:** 50% of the credit amount shall be paid in cash, as per conditions described in the next slides.
  
- **Option 4:**
  - **Discount:** 68% of the credit amount shall be deducted.
  - **Cash Consideration:** 2% of the credit amount shall be paid in cash within 20 calendar days as of the date of judicial homologation of the Plan.
  - **Installment Payment:** 30% of the credit amount shall be paid in cash, as per conditions described in the next slides.

- **Installment A:**

- **Monetary Adjustment and Interest Rates:** For credits in Brazilian Reais, the monetary adjustment by IPCA shall apply, plus 6% annual interest rates as of the date of request for homologation of the Plan until the actual payment of credits. The LIBOR rate shall apply to credits in foreign currency, plus 3% annual interest rates, restricted to 6% per year as of the judicial homologation of the Plan until the actual payment of the credits.

Note: Credits in foreign currency shall remain in the currency in which they were originally recorded and shall be converted into Brazilian Reais on the date preceding the payment, unless creditor previously opts for conversion.

- **Grace Period:** No amount shall be paid during 24-month period as of the date of request for homologation of the Plan.
- **Payment Conditions:** After the grace period, payment of principal and interest rates shall be made in 120 monthly consecutive installments.
- **Guarantees:** None.

- **Installment B:**

- **Monetary Adjustment and Interest Rates:** For credits in Brazilian Reais, the monetary adjustment by IPCA shall apply as of the date of request for homologation of the Plan until the actual payment of the credits and without interest rates.

Note: Credits in foreign currency shall remain in the currency in which they were originally recorded and shall be converted into Brazilian Reais on the date preceding the payment, unless creditor previously opts for conversion.

- **Grace Period:** No amount shall be paid during 12-year period as of the date of request for homologation of the Plan.
- **Payment Conditions:** After the grace period, payment of principal shall be made in a lump sum.
- **Guarantees:** None.

- **Installment C:**

- **Monetary Adjustment and Interest Rates:** For credits in Brazilian Reais, the monetary adjustment by IPCA shall apply as of the date of request for homologation of the Plan until the actual payment of the credits and without interest rates.

Note: Credits in foreign currency shall remain in the currency in which they were originally recorded and shall be converted into Brazilian Reais on the date preceding the payment, unless creditor previously opts for conversion.

- **Grace Period:** No amount shall be paid during 24-month period as of the date of request for homologation of the Plan.
- **Payment Conditions:** After the grace period, payment of principal and interest rates shall be made in 96 monthly consecutive installments.
- **Guarantees:** None.
- **Exchange Variation:** Credits in foreign currency shall remain in the currency in which they were originally recorded and shall be converted into Brazilian Reais on the date preceding the payment, unless creditor previously opts for conversion.

- **Installment D:**

- **Monetary Adjustment:** For credits in Brazilian Reais, the monetary adjustment by IPCA shall apply, plus 6% annual interest rates as of the date of request for homologation of the Plan until the actual payment of the credits. The LIBOR rate shall apply to credits in foreign currency, plus 3% annual interest rates, restricted to 6% per year as of the judicial confirmation of the Plan until the actual payment of the credits.

Note: Credits in foreign currency shall remain in the currency in which they were originally recorded and shall be converted into Brazilian Reais on the date preceding the payment, unless creditor previously opts for conversion.

- **Grace Period:** No amount shall be paid during 36-month period as of the date of request;
- **Payment Conditions:** After the grace period, payment shall be made in three annual and consecutive installments, the first of which shall be due on the 36th anniversary of the date of request.
- **Guarantees:** None.