



April 8, 2021

031/2021-PRE

CIRCULAR LETTER

To: Listed Participants

Re: **Treatment of Forward, Securities Lending and Securities Deposited as Collateral Positions resulting from the Share Conversion and Creation of Units Program of Companhia Paranaense de Energia – Copel.**

On March 17, 2021, Companhia Paranaense de Energia – Copel published a Notice of Material Event regarding the Conversion of Shares and Creation of Units Program (Units Program).

As announced, investors that opt to adhere to the Units Program, with the conversion of shares and/or issuance of units, must express their interest during the period of **March 22, 2021 to April 20, 2021** (Expression of Interest Period).

In the scope of the Units Program, each unit will be comprised of one ordinary share and four preferred B shares issued by the Company.

Exclusively to allow the creation of units, shareholders in the Company will be allowed voluntary conversion of (i) preferred A shares (PNA) into preferred B shares (PNB); (ii) ordinary shares (ON) into PNB shares, and (iii) PNB shares into ON shares, while complying with the conditions described below.

This Circular Letter produces effects as of the date of its publication. Any specified time limits for validity shall apply.

This free translation is not legally binding. Any questions arising from the text should be clarified by consulting the original in Portuguese. In the event of any discrepancy, the original in Portuguese shall prevail.

INFORMAÇÃO PÚBLICA – PUBLIC INFORMATION



031/2021-PRE

- Shareholders of each group of five PNA shares issued by the Company will have the right to convert (i) five PNA shares into five PNB shares and (ii) immediately after this conversion, for each group of five PNB shares issued by the Company, one PNB share into one ON share.
- Shareholders of each group of five PNB shares issued by the Company will have the right to convert one PNB share into one ON share.
- Shareholders of each group of five ON shares issued by the Company will have the right to convert four ON shares into four PNB shares.

Due to the conversion possibility that the Company mentions in the B3 Units Program, B3 hereby informs you of the treatment for forward, securities lending and securities deposited as collateral positions.

1. Equity forward

Investors with appropriately covered long forward positions in preferred A shares (CPLE5), preferred B shares (PNB) or ordinary shares (CPLE3) may request conversion of the forward contract and of its coverage deposited at the Central Depository by 12:00 noon of April 20, 2021.

Buying participants must email conversion requests to liquidacao.posicoes@b3.com.br via a form that the B3 Service Center will disclose in an External Communication in due course.

This Circular Letter produces effects as of the date of its publication. Any specified time limits for validity shall apply.

This free translation is not legally binding. Any questions arising from the text should be clarified by consulting the original in Portuguese. In the event of any discrepancy, the original in Portuguese shall prevail.



031/2021-PRE

Positions will be converted T+1 from when the Company announces approval, in other words on the same date as conversion of the shares at the Central Depository.

Contracts eligible for conversion:

- expire after the business day that follows the positions' conversion date;
- have a conversion request received from the buying participant;
- are fully covered;
- have more than five units.

Conversion requests must be equivalent to the full quantity of the contract.

Contracts that have a conversion request cannot be early settled as of April 20, 2021.

According how the unit is comprised and given the possibility of share conversion, contracts for preferred shares or ordinary shares will have their quantity converted by a proportion of five shares to one unit, and will not encompass odd lots.

The original volumes of the contracts will be preserved, with the price adjusted in order to adapt the volume ratio to the new quantity of the contract.

Any ordinary shares or preferred shares left outstanding due to the contract not being a multiple of five units will be delivered to the buyer by transfer at the Central Depository.

This Circular Letter produces effects as of the date of its publication. Any specified time limits for validity shall apply.

This free translation is not legally binding. Any questions arising from the text should be clarified by consulting the original in Portuguese. In the event of any discrepancy, the original in Portuguese shall prevail.



031/2021-PRE

2. Securities Lending

Investors with securities lending positions in preferred A shares (CPLE5), preferred B shares (CPLE6) or ordinary shares (CPLE3) may request conversion of the securities lending agreement by 12:00 noon of April 20, 2021.

Lending participants must email conversion requests to liquidacao.posicoes@b3.com.br via a form that the B3 Service Center will disclose in an External Communication in due course.

In the case of agreements that have a conversion request and are subsequently renewed, B3 will consider the renewed agreement for conversion purposes.

Positions will be converted T+1 from when the Company announces approval, on the same date as conversion of the shares at the Central Depository.

Agreements eligible for conversion:

- are active at the end of the conversion date, at a quantity higher than zero;
- have a conversion request received from the lender;
- expire after the business day that follows the position conversion date;
- do not have an early settlement request from the lender with a settlement date that is the same as or later than the position conversion date. The lender may make the early settlement request after position conversion;
- do not have early settlement by the borrower with a settlement date between April 20, 2021 and effective conversion of the positions;

This Circular Letter produces effects as of the date of its publication. Any specified time limits for validity shall apply.

This free translation is not legally binding. Any questions arising from the text should be clarified by consulting the original in Portuguese. In the event of any discrepancy, the original in Portuguese shall prevail.



031/2021-PRE

- number more than five units.

Borrowing participants will be informed by email of agreements that have a conversion request.

After conversion into units, the lending agreements' underlying asset, price and quantity will change, with all the other characteristics of the agreements remaining unchanged. The quantity of the agreements will be converted by a proportion of five shares to one unit and will not encompass odd lots.

If there are any ordinary shares or preferred shares left outstanding due to the agreement not being a multiple of five units, a sub-agreement will be created that will admit the shares that could not be converted. This agreement will maintain the reference price of the original agreement and all the other characteristics. The sum of financial volumes of the agreement converted into units and of the sub-agreement created to process the amount outstanding from the conversion must be the same as the financial volume of the original agreement.

The participants responsible for borrowers in CPLE5, CPLE6 and CPLE3 securities lending positions, with assets in the coverage subaccount (2201-2), that wish to take part in the voluntary conversion must communicate by email by 12:00 noon of April 20, 2021, via liquidacao.posicoes@b3.com.br, the custody agent, the custody subaccount and the amount to be converted. The units will remain in the aforementioned coverage subaccount if the conversion is executed.

Originally covered borrower agreements that become uncovered due to conversion of the agreements or of the shares deposited in the coverage

This Circular Letter produces effects as of the date of its publication. Any specified time limits for validity shall apply.

This free translation is not legally binding. Any questions arising from the text should be clarified by consulting the original in Portuguese. In the event of any discrepancy, the original in Portuguese shall prevail.



031/2021-PRE

subaccount will be subject to the collateral charge, in accordance with the prevailing risk calculation methodology of the B3 Clearinghouse Risk Management Manual.

3. Shares deposited as collateral

The participants responsible for investors that hold CPLE5, CPLE6 and CPLE3 shares, deposited in the collateral subaccount (2390-6), that wish to take part in the voluntary conversion, must communicate by 12:00 noon of April 20, 2021, by email at liquidacao.posicoes@b3.com.br, the code of the clearing member, full trading participant or settlement participant; the code of the client, custody agent, code of the client at the custody agent, and the quantity of shares to be converted. These shares will be blocked from transfer until the conversion date. After conversion, the units will be credited to the 2390-6 subaccount of their respective owners.

4. General provisions

Treatment of the forward, securities lending and securities deposited as collateral positions will only occur following approval by the Company.

Early settlement requests that are made or settled to allow participation in the conversion via Central Depository will be maintained if the Company does not implement the Units Program.

This Circular Letter produces effects as of the date of its publication. Any specified time limits for validity shall apply.

This free translation is not legally binding. Any questions arising from the text should be clarified by consulting the original in Portuguese. In the event of any discrepancy, the original in Portuguese shall prevail.



031/2021-PRE

Further information can be obtained from Processes and Settlement Services Support by telephone on +55 11 2565-5013, option 2 or by email at liquidacao.posicoes@b3.com.br.

Gilson Finkelsztain
Chief Executive Officer

Cícero Augusto Vieira Neto
Chief Operating Officer

This Circular Letter produces effects as of the date of its publication. Any specified time limits for validity shall apply.

This free translation is not legally binding. Any questions arising from the text should be clarified by consulting the original in Portuguese. In the event of any discrepancy, the original in Portuguese shall prevail.

INFORMAÇÃO PÚBLICA – PUBLIC INFORMATION