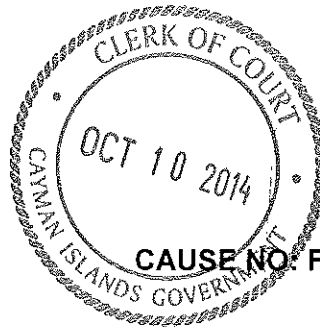


IN THE GRAND COURT OF THE CAYMAN ISLANDS
FINANCIAL SERVICES DIVISION



IN THE MATTER OF THE COMPANIES LAW (2013 REVISION)

AND IN THE MATTER OF THE REDUCTION OF SHARE CAPITAL OF ALFAPAR SECURITIES II INC.



PETITION

TO THE GRAND COURT

THE HUMBLE PETITION OF Alfapar Securities II Inc., whose registered office is at Caledonian Trust (Cayman) Limited, PO Box 1043, 69 Dr Roy's Drive, George Town, Grand Cayman, KY1-1102, Cayman Islands **SHOWS THAT:**

Background

1. Your Petitioner, Alfapar Securities II Inc. (hereinafter called the "Company") was incorporated on 22 October 1998 as an exempted company limited by shares under the Companies Law of the Cayman Islands (as amended) (the "Companies Law").
2. The Company is principally a cash holding company. The objects for which the Company was formed are unrestricted, and the Company has full power and authority to carry out any object not prohibited by the Companies Law.

Share Capital and Shareholders of the Company

3. The current shareholders of the Company are:
 - (a) Alfa Participações Internacionais Ltda., whose registered office is at Alameda Santos, 466, 01418-000, Sao Paulo, SP, Brazil;
 - (b) RIHC Europa SGPS Lda, whose registered office is at Av. Arriaga, n. 77 – Ed. Marina Forum, 6. Andar, sala 605, 9000-060, Funchal, Ilha da Madeira, Portugal;and

(c) Cayman Investment Company (Alfa), whose registered office is at the offices of Caledonian Trust (Cayman) Limited, PO Box 1043, 69 Dr Roy's Drive, George Town, Grand Cayman, KY1-1102, Cayman Islands,

(together, the "**Shareholders**").

4. The authorised share capital of the Company at the date of its incorporation was US\$50,000.00 consisting of 50,000 shares of US\$1.00 each.

5. Since the incorporation of the Company, the authorised and issued share capital has been changed as follows:

(a) on 14 June 1999, the Company increased its authorised share capital from US\$50,000.00 consisting of 50,000 shares of US\$1.00 each, to US\$63,651.00 consisting of 63,651 shares of US\$1.00 each. Its issued share capital as at 14 June 1999 was US\$63,651.00 consisting of 63,651 shares of US\$1.00 each;

(b) on 5 April 2011, the Company completed a merger with:

(i) Itapar Securities Inc., an exempted company incorporated under the laws of the Cayman Islands having its registered office at the offices of Caledonian Trust (Cayman) Limited, PO Box 1043, 69 Dr Roy's Drive, George Town, Grand Cayman, KY1-1102, Cayman Islands; and

(ii) Alfa International Holding Company, an exempted company incorporated under the laws of the Cayman Islands having its registered office at the offices of Caledonian Trust (Cayman) Limited, PO Box 1043, 69 Dr Roy's Drive, George Town, Grand Cayman, KY1-1102, Cayman Islands,

(the "**2011 Merger**").

The Company was the surviving company under the 2011 Merger and as result, its authorised share capital increased from US\$63,651.00 consisting of 63,651 shares of US\$1.00 each, to US\$44,830,077.00 consisting of 44,830,077 shares of US\$1.00 each. Its issued share capital remained unchanged;

(c) on 13 September 2011, the Company issued an additional 44,772,722 shares as follows:

ALLOTTEE	Number of shares allotted
RIHC Europa SGPS Lda.	44,228,980
Alfa Participações Internacionais Ltda.	535,673
Cayman Investment Company (Alfa)	8,069
TOTAL	44,772,722

which brought the issued share capital of the Company to US\$44,836,373.00 consisting of 44,836,373 shares of US\$1.00 each. However, simultaneously with such increase, 6,296 shares of US\$1.00 each, which were then held by Alfa International Holding Company, were cancelled. As a net result, the Company's issued share capital as at 13 September 2011 was US\$44,830,077.00 consisting of 44,830,077 shares of US\$1.00 each;

- (d) on 21 November 2011, the Shareholders surrendered certain of their shares to the Company for no consideration pursuant to section 37B(1) of the Companies Law (as amended) and the Company accepted the surrender (the "Surrender"). Following the Surrender, the Shareholder passed written shareholder resolutions to reduce the authorised share capital of the Company from US\$44,830,077.00 divided into 44,830,077 shares of US\$1.00 each to US\$50,000.00 divided into 50,000 shares of US\$1.00 each. Sums arising from the Surrender were applied to the Company's reserves. Immediately following the Surrender, the issued share capital of the Company was US\$50,000.00 divided into 50,000 shares of US\$1.00 each;
- (e) on or about 26 August 2014, the Company capitalised an amount standing to the credit of its reserves and appropriated it to the Shareholders. The sums were applied to the Shareholders in proportion to the nominal amount of shares held by them at that time respectively and used on their behalf in or towards paying up in full the unissued shares in the Company in the same proportion, thereby increasing the Shareholders' shareholdings in proportion to the increase in share capital of the Company. As a result of this transaction, the Company's share

capital increased from US\$50,000.00 consisting of 50,000 shares of US\$1.00 each, to US\$9,106,000.00 consisting of 9,106,000 shares of US\$1.00 each.

6. As at the date of this Petition, the authorised share capital of the Company is 9,106,000 shares of US\$1.00 each. The issued and fully paid-up share capital of the Company is 9,106,000 shares of US\$1.00 each.

Company's Financial Position

7. The Company is predominately a cash-holding company: its sole operational activities concern the performance of its obligations under a New York law guarantee dated 22 August 2013 and entered into between the Company and Bank of America, N.A. ("BoA"), in respect of the liabilities of another group company, Metro Taxi Aereo Ltda., a limited liability company existing and organised under the laws of Brazil ("**Metro Taxi**") to BoA (the "**Guaranty**").
8. The Guaranty guarantees the liabilities of Metro Taxi to BoA arising in connection with an aircraft operating lease dated 23 August 2013 granted by BoA as Lessor in favour of Metro Taxi as lessee. The Guaranty is secured by a pledge agreement also dated 23 August 2013 and entered into between BoA as secured party and the Company as pledgor (the "**Pledge Agreement**").
9. The maximum liability of the Company under the Guaranty and the Pledge Agreement is US\$15,267,573.32 (the "**Pledged Amount**").
10. Pursuant to its obligations under the Pledge Agreement, the Company initially deposited a sum equal to US\$30,535,146.64 (the "**Initial Amount**") (being exactly double the value of the Pledged Amount) in an account (the "**Pledged Account**"), held with Merrill Lynch, Pierce, Fenner and Smith.
11. BoA exercises control over the Pledged Account and the Company's ability to deal with the assets in it are subject to the consent of BoA.
12. The Company is required, pursuant to the Guaranty, to deliver compliance certificates to BoA demonstrating, amongst other matters:

- (a) that the unencumbered liquidity of the Company exceeds the *Casualty Value* of the aircraft: an amount calculated bi-annually by reference to a sliding scale that reflects the depreciation of the value of aircraft;
 - (b) whether the Company has incurred any additional indebtedness since the date of the previous compliance certificate; and
 - (c) the minimum tangible net worth of the Company.
- 13. A copy of the most recent compliance certificate, dated 14 May 2014 shows that as of the period ending 31 December 2013:
 - (a) the unencumbered liquidity of the Company was US\$122,739,781.06;
 - (b) the company had no additional indebtedness; and
 - (c) the minimum tangible net worth of the Company was US\$152,706,241.13.
- 14. The Company's balance sheet as at 31 December 2013 showed a net asset position of US\$152,706,241.13.
- 15. The Company's interim accounts for the period of 1 June 2014 to 30 June 2014 showed a net asset position of US\$153,566,070.96.
- 16. Other than its obligations in connection with Guaranty and the Pledge Agreement, the Company has no creditors other than its legal advisors to whom fees are owed in connection with the preparation of this application. The Company's legal advisors have confirmed that they do not object to the proposed capital reduction.
- 17. In the event that the capital reduction, which is described in detail below, is approved by the Court, the assets of the Company would reduce by US\$9,056,000.00. Taking this hypothetical reduction into account, there would still be more than sufficient headroom in the Company's financials to ensure the Company's ongoing ability to meet its obligations under the Guaranty and the Pledge Agreement.
- 18. Accordingly, the Company is a solvent entity and has sufficient assets to meet its liabilities. The Company considers that the proposed capital reduction will not affect or prejudice any creditors of the Company.

Purpose of the Capital Reduction

19. The capital requirements of the Company are significantly in excess of its needs following the 2011 Merger. In order to bring them down to an acceptable operating level, a significant capital restructuring is required and as part of such capital restructuring the Company is required to return a portion of its capital to the Shareholders.
20. A further purpose is to enable the economically efficient return of capital to Shareholders (taking into account the circumstances of the Shareholders). The Company has received advice that its Shareholders may benefit more, by comparison to other capital return mechanisms, if the Company returns capital to them by effecting a reduction in its share capital and paying the credits which arise as a result to the Shareholders.
21. The sole director of the Company is of the view that in order to achieve this, the Company should pay off the paid-up share capital which is in excess of the needs of the Company.

Form of the Capital Reduction

22. The proposed capital restructuring requires the cancellation of 9,056,000 shares of US\$1.00 each, such that the issued share capital of the Company shall be reduced from US\$9,106,000.00 consisting of 9,106,000.00 shares of US\$1.00 each, to US\$50,000.00 consisting of 50,000 shares of US\$1.00 each, and the authorised share capital be reduced from US\$9,106,000.00 consisting of 9,106,000 shares of US\$1.00 each to US\$50,000.00 consisting of 50,000 shares of US\$1.00 each (the “**Capital Reduction**”).
23. Upon the completion of the Capital Reduction:
 - (a) the credit which arises shall be paid to the Shareholders in proportion to the amount of shares held by each of them, or in a manner otherwise permitted by the Companies Law of the Cayman Islands; and
 - (b) the shares held by each of the Shareholders shall reduce proportionately, such that their respective shareholdings will be as set out in the table below:

NAME OF SHAREHOLDER	Total number of shares held immediately prior to the Capital Reduction	Total number of shares held immediately following the Capital Reduction
Alfa Participações Internacionais Ltda.	109,089.88	599
RIHC Europa SGPS Lda.	8,995,271.04	49,392
Cayman Investment Company (Alfa)	1,639.08	9
TOTAL	9,106,000.00	50,000

Directors and Shareholder Resolutions

24. Article 43 of the articles of association of the Company adopted pursuant to a special resolution passed on 5 April 2011 (the "**Articles of Association**") states that:

"The Company may by Special Resolution reduce its share capital and any capital redemption reserve in any manner authorized by law."

25. Further, Article 1 of the Articles of Association provides that:

"Special Resolution" means a special resolution of the Company passed in accordance with the Law, being a resolution:

- (a) *passed by a majority of not less than two-thirds of such Shareholders as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting of the Company of which notice specifying the intention to propose the resolution as a special resolution has been duly given and where a poll is taken regard shall be had in computing a majority to the number of votes to which each Shareholder is entitled; or*
- (b) *approved in writing by all of the Shareholders entitled to vote at a general meeting of the Company in one or more instruments each signed by one or more of the Shareholders and the effective date of the special resolution so adopted shall be the date on which the instrument or the last of such instruments, if more than one, is executed."*

26. On 27 August 2014, the sole director of the Company passed resolutions to recommend to the Shareholders that conditional upon (i) approval of the Capital Reduction by the Grand Court of the Cayman Islands (the “**Cayman Islands Court**”); (ii) registration by the Registrar of Companies of the Cayman Islands of the order of the Cayman Islands Court confirming the Capital Reduction and the minute approved by the Cayman Islands Court containing the particulars required under the Companies Law of the Cayman Islands in respect of the Capital Reduction; and (iii) compliance with any condition as may be imposed by the Cayman Islands Court in relation to the Capital Reduction:

(a) the Capital Reduction be effected by the cancellation of 9,056,000 shares of US\$1.00 each, such that the issued share capital of the Company be reduced from US\$9,106,000.00 consisting of 9,106,000 shares of US\$1.00 each, to US\$50,000 consisting of 50,000 shares of US\$1.00 each, and the authorised share capital be reduced from US\$9,106,000.00 consisting of 9,106,000 shares of US\$1.00 each to US\$50,000.00 consisting of 50,000 shares of US\$1.00 each;

(b) upon the completion of the Capital Reduction:

(i) the credit which arises as a result of the Capital Reduction shall be paid to the Shareholders in proportion to the amount of shares held by each of them, or in a manner otherwise permitted by the Companies Law of the Cayman Islands; and

(ii) the shares held by each of the Shareholders shall reduce proportionately, such that their respective shareholdings will be as set out in the table below:

NAME OF SHAREHOLDER	Total number of shares held immediately prior to the Capital Reduction	Total number of shares held immediately following the Capital Reduction
Alfa Participações Internacionais Ltda.	109,089.88	599
RIHC Europa SGPS Lda.	8,995,271.04	49,392
Cayman Investment Company (Alfa)	1,639.08	9

TOTAL	9,106,000.00	50,000
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(c) that the necessary shareholder resolutions be passed to this end.

27. By special resolutions passed as written resolutions dated 27 August 2014, the Shareholders resolved (inter alia) that conditional upon (i) approval of the Capital Reduction by the Grand Court of the Cayman Islands (the “**Cayman Islands Court**”); (ii) registration by the Registrar of Companies of the Cayman Islands of the order of the Cayman Islands Court confirming the Capital Reduction and the minute approved by the Cayman Islands Court containing the particulars required under the Companies Law of the Cayman Islands in respect of the Capital Reduction; and (iii) compliance with any condition as may be imposed by the Cayman Islands Court in relation to the Capital Reduction:

(a) the Capital Reduction be effected by the cancellation of 9,056,000 shares of US\$1.00 each, such that the issued share capital of the Company be reduced from US\$9,106,000.00 consisting of 9,106,000 shares of US\$1.00 each, to US\$50,000.00 consisting of 50,000 shares of US\$1.00 each, and the authorised share capital be reduced from US\$9,106,000.00 consisting of 9,106,000 shares of US\$1.00 each to US\$50,000.00 consisting of 50,000 shares of US\$1.00 each;

(b) upon the completion of the Capital Reduction:

(i) the credit which arises as a result of the Capital Reduction shall be paid to the Shareholders in proportion to the amount of shares held by each of them, or in a manner otherwise permitted by the Companies Law of the Cayman Islands; and

(ii) the shares held by each of the Shareholders shall reduce proportionately, such that their respective shareholdings will be as set out in the table below:

NAME OF SHAREHOLDER	Total number of shares held immediately prior to the Capital Reduction	Total number of shares held immediately following the Capital Reduction
Alfa Participações Internacionais Ltda.	109,089.88	599
RIHC Europa SGPS Lda.	8,995,271.04	49,392
Cayman Investment Company (Alfa)	1,639.08	9
TOTAL	9,106,000.00	50,000

("Resolution 1");

- (c) subject to the Capital Reduction being effected as set out in Resolution 1 above, clause 7 of the memorandum of association of the Company be amended by deleting it entirely and replacing it with the following provision:

"7. The capital of the Company is US\$50,000.00 divided in 50,000 shares of a nominal or par value of US\$1.00 each provided always that subject to the Law and Articles of Association the Company shall have the power to redeem or purchase any of its shares and to sub-divide or consolidate the said shares or any of them and to issue all or any part of its capital whether original, redeemed, increased, or reduced with or without any preference, priority, special privilege or other rights or subject to any postponement of rights or to any conditions or restrictions whatsoever and so that unless the conditions of issue shall otherwise expressly provide every issue of shares whether stated to be ordinary, preference or otherwise shall be subject to the powers on the part of the Company hereinbefore provided"

("Resolution 2"); and

28. The following resolution was then passed as an ordinary resolution:

"IT IS RESOLVED that the Director be and is hereby authorised generally to do all acts, deeds and things, to take all necessary steps, and to approve, sign and

execute all documents (including the affixation of the common seal of the Company where execution under seal is required) which may be necessary, desirable or expedient for the purpose of carrying into effect, giving effect to or implementing any of the foregoing."

("Resolution 3").

29. The Capital Reduction in the form proposed does not involve (i) an alteration or variation to the rights attached to the Company's shares; or (ii) a diminution of the liability of any shareholder in respect of amounts unpaid on issued share capital.
30. There is only one class of shares affected by the Capital Reduction and accordingly all of the Shareholders will effectively be treated equally and on the same terms.
31. The Company has granted a charge over part of its property as evidenced in the Register of Mortgages and Charges. The Court is respectfully referred to paragraphs 7 – 18 above for further detail in respect of that charge, and an explanation as to why the charge-holder will not be prejudiced by the proposed Capital Reduction.
32. The form of the Minute proposed to be registered is as follows:

"The authorised share capital of Alfapar Securities II Inc. was by virtue of a special resolution passed unanimously by all its shareholders, and with the sanction of an order of the Grand Court of the Cayman Islands dated [], reduced from US\$9,106,000.00 consisting of 9,106,000.00 shares of US\$1.00 each, to US\$50,000.00 consisting of 50,000 shares of US\$1.00 each. As at the date of registration of this minute, 50,000 of the said shares have been issued and fully paid up."*

Your Petitioner therefore humbly prays as follows:

33. That the Capital Reduction of the Company proposed to be effected by the special resolution set forth in paragraph 27 of this Petition may be confirmed and the Minute set forth in paragraph 32 of this Petition be approved by the Court;
34. that to this end all necessary inquiries and directions may be made and given; and/or
35. that such other order may be made in the premises as the Court shall deem fit.

AND your Petitioner will ever pray etc.

DATED the 10th day of October 2014



WALKERS

Attorneys at Law for the Company

NOTE: It is not intended to serve this Petition on any person.

This Petition is filed by Walkers, Attorneys-at-Law, 190 Elgin Avenue, George Town, Grand Cayman KY1-9001, Cayman Islands, for the Petitioner whose address for service is care of their said Attorneys-at-Law.

ENDORSEMENT

This petition, having been presented to the Grand Court of the Cayman Islands on the _____ day of _____ 2014 will be heard at the Grand Court of the Cayman Islands on:

Date:

Time:

(or as soon thereafter as the petition can be heard).

This Petition is filed by Walkers, Attorneys-at-Law, 190 Elgin Avenue, George Town, Grand Cayman KY1-9001, Cayman Islands, for the Petitioner whose address for service is care of their said Attorneys-at-Law.