

## **Buyback Election Procedures Q&A<sup>1</sup>**

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### **1. Why did I receive this notice and what does it mean?**

You are receiving the notice because you filed a claim (or a claim was filed on your behalf) against Caesars Entertainment Operating Company, Inc. or one of its applicable debtor subsidiaries (collectively, “CEOC”) that, if undisputed or allowed by the United States Bankruptcy Court for the Northern District of Illinois, is entitled to receive a combination of cash, equity in Caesars Entertainment Corporation (“CEC”), and convertible notes in CEC. In accordance with CEOC’s Plan of Reorganization, the buyback election form gives you an opportunity to increase the amount of cash you will receive in exchange for a reduced amount of equity in CEC. The purchase price for CEC equity will be \$6.84 per share. This set purchase price may be nominally adjusted at an amount to be determined by CEOC, CEC, and CEOC’s creditor advisors following the finalization of certain other share count numbers.

Under CEOC’s Plan of Reorganization, CEC will spend at least \$1 billion to buy back some portion of the CEC equity notwithstanding whether parties elect to sell back \$1 billion of equity. If you do not participate in the buyback process and parties do not elect to sell back \$1 billion of equity to CEC, certain equity will be purchased back from you pro rata with other claimholders in the buyback process at the set purchase price until CEC has spent \$1 billion on the CEC equity buyback.

This notice discusses the steps you may follow as part of the buyback process.

### **2. Which creditors are eligible to participate in the buyback process?**

The first \$1 billion of the buyback process, including the mandatory buyback process, is open to the holders of (1) Second Lien Notes Claims, (2) Senior Unsecured Notes Claims, and (3) General Unsecured Claims (composed of undisputed, disputed, and insurance covered unsecured claims under CEOC’s Plan of Reorganization). An additional \$200 million to buy back CEC equity is available to the extent that CEOC and CEC can use such cash in compliance with certain tax obligations under CEOC’s Plan of Reorganization. If such amounts are available to CEC, up to \$200 million will first be open to the previous list of holders (assuming that they seek to sell back more than \$1 billion of CEC equity) and then to the holders of (1) Subsidiary Guaranteed Notes Claims, (2) First Lien Notes Claims, and (3) Prepetition Credit Agreement Claims, solely to the extent such parties elect to sell back the CEC equity they are entitled to under CEOC’s Plan of Reorganization.

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<sup>1</sup> Notices and attached Election Forms concerning the CEC Equity Buyback Rights were mailed to holders of: (1) Second Lien Notes Claims; (2) Senior Unsecured Notes Claims; (3) General Unsecured Claims (composed of undisputed, disputed, and insurance covered unsecured claims); (4) Subsidiary Guaranteed Note Claims; (5) First Lien Notes Claims; and (6) Prepetition Credit Agreement Claims.

**3. How was the buyback purchase price determined?**

The purchase price is based on the agreed upon CEOC Plan value of CEC following the merger of Caesars Acquisition Company with and into CEC and CEC's repurchase of 100% of the equity in CEOC under CEOC's Plan of Reorganization. This price was agreed upon by the Debtors, their advisors, and the creditors' advisors.

**4. What is my proportionate share and how was it calculated?**

Because the proportionate share will be calculated once the Debtors and CEC know who has made the election to sell back CEC equity under the buyback process, neither the Debtors, CEC, nor any of the creditor groups or their advisors can provide you with your proportionate share at this time.

**5. How much of my proportionate share should I sell?**

You are urged to consult with your own advisors before completing an Election Form.

In addition, before deciding whether to exercise your Buyback Rights, you should carefully read CEOC's Plan of Reorganization and the Disclosure Statement, including the description of certain risk factors in Article IX of the Disclosure Statement, which can be found on CEOC's restructuring website, available at <https://cases.primeclerk.com/CEOC/>.

**6. Why would I sell more than my proportionate share?**

You are urged to consult with your own advisors before completing an Election Form.

**7. How do I exercise my right / execute a sale of shares back to New CEC?**

If you wish to exercise your Buyback Rights, you must properly complete the Election Form attached to the notice you received and, if you are a holder of Second Lien Notes Claims, Senior Unsecured Notes Claims, or Subsidiary Guaranteed Note Claims, instruct your Nominee to tender the notes giving rise to such claims into ATOP through DTC.<sup>2</sup>

The completed Election Form should be sent to Prime Clerk in a timely fashion by first class mail, overnight courier, personal delivery, or email so that it is received ahead of the Election Expiration Deadline at **4:00 p.m. CT on September 15, 2017**. The address for submitting Election Forms can be found in the notice you received, and is as follows:

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<sup>2</sup> All notes tendered into ATOP will be restricted from further trading or transfer. If the Effective Date has not occurred by a date that is 18 days following the Election Expiration Deadline (which date may be extended by the Debtors with the reasonable consent of the Second Priority Noteholders Committee and in consultation with the Buyback Certification Parties), such notes may be withdrawn from ATOP.

**CEOC Ballot Processing, c/o Prime Clerk LLC**  
**830 Third Avenue, 3rd Floor**  
**New York, New York 10022**

**[ceocballots@primeclerk.com](mailto:ceocballots@primeclerk.com)**

You should only send one completed form per claim – if more than one form is received for a specific claim from a claimholder, the last properly completed Election Form will be used. If you do not complete and submit an Election Form by the Election Expiration Deadline, you will forfeit your ability to exercise your Buyback Rights.

After the Election Expiration Deadline, no Election Form may be withdrawn or modified without the prior written consent of CEOC or by an order of the Bankruptcy Court.

**8. What if I don't want to sell more than my proportionate share of New CEC Common Equity?**

If you do not wish to sell more than your proportionate share of New CEC Common Equity for cash, and instead retain your shares of New CEC Common Equity, then you do not need to take any action. You will then sell back only those shares, if any, necessary for CEC to spend \$1 billion on the buyback among all creditors that are participating in the buyback process.

To be clear, you do not need to return the Election Form if you do not want to sell more than your proportionate share of New CEC Common Equity.

**9. What if I have additional questions about this procedure?**

All questions relating to these Election Procedures, other documents associated with the Buyback Rights, or the requirements for exercising the Buyback Rights should be directed to Prime Clerk. Contact information for Prime Clerk can be found in the notice you received, and Prime Clerk can be reached by phone at:

**Within the United States or Canada: (855) 842-4123**  
**Outside of the United States or Canada: +1 (646) 795-6969**

**10. When can we expect CEOC's restructuring process to be completed?**

The Debtors expect CEOC's emergence from Chapter 11 to happen at the start of Q4 2017.

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