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MATERIAL ECONOMIC TERMS OF AGREEMENT IN PRINCIPLE REGARDING A POTENTIAL TRANSACTION – SUBJECT TO DEFINITIVE DOCUMENTATION AND FURTHER REVIEW BY PARTIES

Class III Creditors	<ul style="list-style-type: none"> • Mechanics related to treatment of creditors to the extent there are oversubscriptions in excess of the caps to be determined shall be subject to further discussion and agreement of the Supporting Creditors. • All illiquid claims related to any action or omission that occurred prior to the RJ shall be subject to the plan. 										
Banks and ECAs	<ul style="list-style-type: none"> • Obligors: same as restructured bond debt • 17 tenor (5-year grace period and non-linear amortization between years 6 and 17) • No call option • Interest rate: 75% of CDI for banks (R\$) and 1.75% p.a. for ECAs (US\$); first 5-year PIK period, cash payment afterwards • Alternative option for ECAs: 17-year tenor (amortization as provided in Table below) 1.25% p.a. in US\$ <ul style="list-style-type: none"> • During grace period (first 5 years), 10% cash payment and 90% PIK; cash payment from year 6 onwards <table border="1" data-bbox="1066 889 1749 1118"> <thead> <tr> <th>Semester</th> <th>% amortized per semester</th> </tr> </thead> <tbody> <tr> <td>1st to 10th</td> <td>0.0%</td> </tr> <tr> <td>11th to 20th</td> <td>2.0%</td> </tr> <tr> <td>21st to 33rd</td> <td>5.7%</td> </tr> <tr> <td>34th</td> <td>5.9%</td> </tr> </tbody> </table>	Semester	% amortized per semester	1st to 10th	0.0%	11th to 20th	2.0%	21st to 33rd	5.7%	34th	5.9%
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Bondholders	<ul style="list-style-type: none"> • US\$/€ equivalent of R\$ 6.3 bn take-back bonds issued in USD <ul style="list-style-type: none"> - Amortization: 7-year bullet - Coupon: 8% cash + 4% PIK or 10% cash during the first 3 years; then 10% cash - Not callable - Guaranteed by any entities that guarantee any bank or ECA debt • Equity conversion: <ul style="list-style-type: none"> - Distribution to bondholders of Oi shares held by PTIF 										

	<p>(up to 5% on fully-diluted basis): to include rights to subscribe in rights offering and on a pro rata basis prior to equity conversion</p> <ul style="list-style-type: none"> - Portion of existing bond debt will convert into up to 65% of equity¹ - Penny warrants give the rights to converting into additional up to 5% of equity;¹ to include rights to subscribe in rights offering; exercisable upon the earlier of (i) the capital increase and (ii) one year - Total of forgoing equates to 75% of equity on a fully-diluted basis pre-new money <ul style="list-style-type: none"> • Consideration to bondholders reduced proportionally to extent not all bondholders elect the bondholder treatment
Default Option	<ul style="list-style-type: none"> • 25 year tenor (20-year grace period and linear amortization in years 21 to 25) • Interest rate: TR flat for R\$ denominated claims • Callable at 15% • Applicable to any Class III creditor that does not timely elect among the treatment options or elects the default option
Capital Increase	<ul style="list-style-type: none"> • Total amount: R\$ 4.0 bn capital raise • Price per share: based on a R\$ 3.0 bn pre-money equity valuation • Backstop structure <ul style="list-style-type: none"> - Fees: 8% backstop fee in cash or 10% in shares, at the creditors option, unless share price is above R\$ 10 / share, in which case the Company has the choice - On the capital increase, the second round of unsubscribed shares will be allocated to backstoppers • Rights allocated to all shareholders at time of rights offering (including bondholders on an as-converted basis) • Rights freely transferable

¹ Participation in a fully diluted basis.

Suppliers	<ul style="list-style-type: none"> Suppliers with claims of up to R\$ 150k will receive 100% of their claim Suppliers with claims greater than R\$ 150k will receive 100% of their claim up to R\$ 150k. A 10% discount will be applied to the remaining balance and the resulting value will be amortized linearly over 4 years adjusted by TR + 0.5% p.a
BNDES	<ul style="list-style-type: none"> Borrowers and Guarantors: Same as existing Principal Amount: R\$[3,327] million, denominated and payable in R\$ Term: 15 years Amortization: Years 1-6: grace period, Years 7-11: 20%, with straight line amortizations of 4% per year, Years 12-15: 80%, with straight line amortizations of 20% per year Interest: weighted average of existing contractual interest rates across various BNDES facilities; grace period: years 1-4
ANATEL	<ul style="list-style-type: none"> Claims of Anatel and AGU (including administrative fines, registered fines, tax claims and interest) to be addressed within the RJ process and paid according to the terms and conditions provided in the plan, provided that expected net present value of negative cash flows from Anatel treatment of R\$4 billion²
LABOR	<ul style="list-style-type: none"> Same treatment as November 27 plan
Additional Future Financing	<ul style="list-style-type: none"> To the extent necessary, the Company may pursue through 2020, as determined by the board of the Company at the time, up to R\$2.5 billion of capital markets financing

² Cash flow discounted at CDI + 4.0% p.a.