

TERM SHEET

This instrument ("Term Sheet") has the objective of confidentially submitting the main terms and conditions for the payment in installments of party of the Purchase Price.¹ of 100% of the shares of DRAMMEN RJ INFRAESTRUTURA E REDES DE TELECOMUNICAÇÕES S.A., to be sold as an isolated production unit, under Law No. 11,101, of February 9, 2005 ("SPE Data Center"), by Oi S.A. - Under Judicial Reorganization ("Oi") and/or any of its controlled companies (jointly referred to as "Seller") to a specific purpose enterprise directly or indirectly controlled by Titan Venture Capital e Investimentos Ltda. ("Buyer").

The terms of this Term Sheet are subject to, among other conditions, (i) no significant change in the terms and conditions of the binding offer dated June 14, 2020 ("Binding Offer"), to which this Term Sheet is attached as Exhibit III; (ii) the negotiation and execution of the disposal agreement of 100% of the shares of SPE Data Center ("SPA"); (iii) the conclusion of the competitive bidding procedure for the disposal of SPE Data Center, to be submitted on the records of the Judicial Reorganization, with the success of the Purchase Price bid submitted by the Buyer; and (iv) the conditions listed below in a non-exhaustive manner.

This Term Sheet does not intend to describe or exhaust all terms and conditions of the payment in installments, nor does it suggest the exact wording of the clauses to the definitive documentation to be signed ("SPA"), which must be negotiated and approved by the parties.

- 1. Settlement:** Payment in installments of up to 23% of the Purchase Price contracted by the Buyer under the SPA for SPE Data Center ("Transaction"). The date of compliance with the conditions precedent set forth in the SPA shall be considered the closing date ("Closing"), for the purposes of this Term Sheet.
- 2. Transaction Amount:** Up to seventy-five million reais (BRL 75,000,000.00) ("Payment in Installments"), to be adjusted as of the Closing according to the Consideration set forth in item 8 below. The amount of the Payment in Installments shall be added by the Consideration, composing the Purchase Price ("Final Purchase Price").

¹ As defined in the Binding Offer.

- 3. Purchase Price:** Three hundred and twenty-five million reais (BRL 325,000,000.00) for the acquisition of one hundred percent (100%) of the shares of *SPE Data Center to be paid: (i) BRL 250,000,000.00 upon proportional payment to the account of Seller on the Closing date; and (ii) BRL 75,000,000.00 in installments, under the Payment in Installments set forth in this Term Sheet.*
- 4. Minimum additional investment** Buyer or the Joint and Several Debtor undertake to carry out a minimum additional investment of forty-two million reais (BRL 42,000,000.00) in SPE Data Center in the two (2) years after Closing.
- 5. Main Debtor:** Buyer
- 6. Creditor:** Seller
- 7. Joint and Several Debtors:** DRAMMEN RJ INFRAESTRUTURA E REDES DE TELECOMUNICAÇÕES S.A. ("SPE Data Center") and Titan Venture Capital e Investimentos Ltda. ("Titan")
- 8. Interest:** Variable interest equal to the inflation (IGP-DI) plus five percent per year (5% p.a.) shall incur on the Payment in Installments, paid every six months, from the Closing Date to the Maturity Date ("Consideration").
- 9. Amortization of the Payment in Installments:** The Payment in Installments shall be owed in full within sixty (60) months as of the Closing ("Maturity Date"). The Payment in Installments shall be amortized in:
- 6 equal biannual installments in the amount of eight million, three hundred and thirty-three thousand reais (BRL 8,333,000.00) each, the first installment to be paid on the 24th after Closing;-
 - 1 installment in the 60th month in the amount of twenty-five million, two thousand Reais (BRL 25,002,000.00).
- Notwithstanding the Maturity Date, the Payment in Installments must be amortized early in the events of:
- (i) distribution of dividends, profits distributed at a

sum higher than the mandatory minimum dividend set forth in article 202 of the Law No. 6,404, of December 15, 1976, payment of interest on net equity, in any case by or to Buyer when directly related to SPE Data Center; or (ii) in the occurrence of a Liquidity Event or (iii) end of the agreements mentioned in item (a) of item -10 below caused by SPE Data Center or by Buyer, except if caused by the default of monetary obligations by Seller in the Colocation Agreement (as defined in item 10(a) below); or (iv) default by Buyer of any of the obligations set forth in item 11 below; or (v) default by SPE Data Center of any of the obligations set forth in item 11 below, provided that not caused by Seller or by any act occurring before the Closing; or (vi) default of an obligation set forth in any of the Guarantee Agreements or termination of any of the Guarantee Agreements caused by Buyer and/or SPE Data Center; or (vii) filing for bankruptcy or judicial reorganization of Buyer and/or SPE Data Center.

The term "Liquidity Event" shall be defined in the SPA, however, it must include the public or private disposal, in whole or in part, in a primary and/or secondary operation, directly or indirectly, of more than fifty percent (50%) of the shares issued by SPE Data Center or Titan, and the disposal or any other form of monetary transfer of any of the assets of SPE Data Center in an amount higher than five percent (5%) of its total consolidated assets, in the aggregate, during the term of effectiveness of the Payment in Installments.

The Payment in Installments may be amortized early at any time by Buyer.

10. Guarantees:

The Payment in Installments shall rely on the following guarantees (jointly, "Guarantees"):

(a) Fiduciary assignment of future credit rights held by SPE Data Center arising from the provision of services to Oi and its directly or indirectly controlled companies, based on two agreements, as defined in the Binding Offer ("Colocation Agreements"), to be proportionally disassociated to the amortization of the

Payment in Installments.

(b) Personal guarantee, in a joint and several manner, without any benefit of order, of Titan; and

(c) Fiduciary assignment of up to twenty-three percent (23%) of the shares of SPE Data Center. The shares will be proportionally disassociated to the amortization of the Payment in Installments.

11. Covenants:

Buyer and the Joint and Several Debtors must undertake, in the SPA, without prejudice to other documents that may be agreed between the parties, to not carry out the following transactions, except with prior consent from Oi (which cannot be unreasonably denied): (i) to not dispose, encumber or promise to dispose or encumber operating assets or items held thereby with an aggregate amount higher than, in the aggregate, five percent (5%) of its total consolidated assets until the full amortization of the Transaction; (ii) to not contract capitalization transactions, including loans, fund-raising in capitals market and capital increase until the 12th month after Closing, except: (a) to refinance the Payment in Installments; and (b) the capital increases carried out by Buyer and/or Titan in SPE Data Center; (iii) to not carry out transactions, individually or cumulatively in each fiscal term, with related parties, in an aggregate amount higher than four million reais (BRL 4,000,000.00), except for the OPEX and CAPEX transactions, provided that they are carried out at market value; (iv) to not grant loans or financing of any nature to third parties; and (v) SPE Data Center to not provide guarantees in favor of any third parties. In the same manner, Buyer and the Joint and Several Debtors must undertake: (i) to not carry out any types of corporate reorganizations, including a spin-off, merger, incorporation, transformation or winding up of Buyer or SPE Data Center, except that SPE Data Center may carry out a reverse merger of Buyer by SPE Data Center for fiscal optimization. For the purposes of clarification, any type of corporate restructuring that results in the direct or indirect change of control of Titan over SPE Data Center is forbidden; (ii) to not terminate or give rise to the termination, by itself or by the Joint and Several Debtor, of the Colocation

Agreements, except if caused by any default by Seller in any of the Colocation Agreements; and (iii) to not file for bankruptcy or judicial or extrajudicial reorganization of SPE Data Center, or to dissolve, wind up or extinguish SPE Data Center.

12. Financial Covenants

SPE Data Center undertakes to maintain, after 12 months of the Closing Date and during the term of effectiveness of the Payment in Installments, the financial indexes according to the amounts set forth below, appraised on a quarterly basis (pro-forma), based on the twelve (12) months immediately prior, covered by its financial statements. The annual financial statement must be audited by external auditors registered with the Brazilian Securities Exchange Commission.

- Debt Service Coverage Index: greater than or equal to 1.25x;
- Net Financial Debt/EBITDA: lower than or equal to 3.00x

For the purposes of this clause, the following criteria and definition must be adopted:

- Debt Service Coverage Index (“ICSD”), calculated as $(\text{Amortization} + \text{Interest}) / (\text{EBITDA} - \text{Income Tax} - \text{Social Contribution})$
- Net Financial Debt: Total Financial Debt minus the sum of Availabilities;
- Total Financial Debt: sum of the bookkeeping value of the consolidated monetary debts of SPE Data Center with individuals and/or legal entities, including loans and financing with third parties; issue of Debentures, Commercial papers, in the local and/or international capitals market (Bonds, Eurobonds, and others); ‘aval’ guarantees, sureties, pledges or guarantees made; and the sale or assignment of future accounts receivable, if they are counted as obligations in the consolidated financial statements.
- EBITDA: means, based on the financial statements of SPE Data Center, regarding the

four (4) quarters of the calendar year immediately prior, the Net Profits, (a) plus, provided that deducted in the calculation of such Net Profits, without duplicity, the sum of (i) expenses with taxes on the Net Profit; (ii) Financial Expenses; (iii) expenses with amortization and depreciation; and (b) decreased of the Financial Revenues, provided that included in the calculation of such Net Profits, without duplicity;

- Availabilities: funds deposited in Cash and in financial applications, registered in the current assets;
 - Financial Revenues correspond to, based on the financial statements of SPE Data Center, regarding the four (4) quarters of the calendar year immediately prior, the sum of the amount listed in the item “Financial Revenues”;
 - Financial Expenses correspond to, based on the financial statements of SPE Data Center, regarding the four (4) quarters of the calendar year immediately prior, the sum of the amount listed in the item “Financial Expenses”
- Net Profits correspond to, based on the financial statements of SPE Data Center, regarding the four (4) quarters of the calendar year immediately prior, the sum of the amount listed in the item “Net Profits” (or losses).

13. Set off:

In the event of default of any obligation of the SPA that is not remedied within the contractual term set forth, including the default of the Covenants and Financial Covenants set forth in items 11 and 12 of this instrument that are not remedied within fifteen (15) days of the respective non-compliance, Oi and its direct or indirect controlled companies may, at their exclusive discretion, withhold the payment flow regarding the provision of services by SPE Data Center based on the Colocation Agreements to set off the amounts owed and not paid of the Final Purchase Price. On the other hand, in the event of any default by Oi or its direct or indirect controlled companies based on the Colocation Agreements, that is not remedied within the contractual term, or in the case

of any indemnification that may be owed within the scope of the SPA, Buyer and/or the Joint and Several Debtor may, at their exclusive discretion, withhold the corresponding part of the Payment in Installments, so as to set off the amounts owed and not paid within the scope of the Collocation Agreements or the SPA, as set forth in the Binding Offer.

14. Compliance with Anti-Corruption Laws:

The Parties hereby represent to be aware and to understand the terms of the Brazilian anti-corruption laws or of any other laws applicable to the purpose hereof, particularly the Foreign Corrupt Practices Act, - Act, 15 U.S.C. Paragraphs 78dd-1 et seq. - ("FCPA") of the United States of America ("Anti-Corruption Rules"), and undertake to abstain from any activity that may constitute a violation of the provisions of such Anti-Corruption Rules.

15. Jurisdiction:

The parties hereby elect, irrevocably and irreversibly, the courts of the Judicial District of the Capital City of Rio de Janeiro to solve any and all questions or disputes arising or related to this Term Sheet, including its existence, validity, applicability, interpretation, performance and/or termination.

Rio de Janeiro, June 14, 2020.

Oi S.A. – UNDER JUDICIAL REORGANIZATION

By:

By:

TITAN VENTURE CAPITAL E INVESTIMENTOS LTDA.

By:

By:

Witnesses:

Name:

ID:

Individual Taxpayer's Register of the Ministry of Economy (CPF/ME):

Name:

ID:

Individual Taxpayer's Register of the Ministry of Economy (CPF/ME):