



Q&A – Eligibility of Bondholders to Make Recovery Election in the Judicial Reorganization – March 2, 2018

For information purposes only. All creditors should seek their own independent legal, financial, tax and business advice. This Q&A is intended solely to give Bondholders guidance on whether they are, or how they may become eligible, under the Debtors’ plan of reorganization (the “RJ Plan”) to elect the form of their recovery (each, a “Recovery Election”) thereunder. This Q&A does not provide information beyond this scope. The procedures under which Bondholders may make a Recovery Election by delivering a Payment Option Notice as provided in the RJ Plan are contained in the Amended and Restatement Information and Election Solicitation Statement (“Information Statement”) published by the Company on February 14, 2018 in its Investor Relations website <http://ri.oi.com.br> (the “Election Procedures”). These Election Procedures provide the definitive procedures for Bondholders to make their Recovery Elections. The information contained in this Q&A is derived from the Information Statement and capitalized terms used in this Q&A and not otherwise defined in this Q&A have the meanings set forth in the Information Statement. The Company strongly urges all Bondholders to review carefully the Information Statement.

ATTENTION:

- *On January 8, 2018, the RJ Plan was confirmed in decision rendered by the Judicial Reorganization Court. This decision was published in the Official Gazette, on February 5, 2018.*
- *On December 19 and 20, 2017, the requisite majorities of creditor classes at a general assembly of creditors (the “GCM”) approved the RJ Plan, and on December 22, 2017, Escritório de Advocacia Arnold Wald, as the judicial administrator in the RJ proceedings (the “**Judicial Administrator**”) disclosed in its website (<http://www.recuperacaojudicialoi.com.br/pecas-processuais/>) the signed version of the approved RJ Plan and the minutes of the relevant GCM. The above mentioned documentation is available for consultation and download on the RJ website at www.recjud.com.br and on the Company’s website (<http://ri.oi.com.br>).*
- *On February 26, 2018, the Judicial Reorganization Court rendered a decision which, among other things, required Oi to extend the Election Deadline until 11:59 p.m., Brasilia time, on March 8, 2018. To preserve the time allotted for Verified Holders to submit their Verified Holder Proofs of Holdings - which should evidence the principal amount of each series of Bonds beneficially owned by the Verified Holder on March 8, 2018 -, Oi extended the Verified Holder Proof of Holdings Deadline until 5:00 p.m., New York City time, on March 15, 2018.*



1. Has the RJ Plan been approved?

Yes. In the General Creditors' Meeting held on December 19 and 20, 2017, the requisite majorities of creditors approved the RJ Plan.

2. Has the RJ Plan been confirmed by the Judicial Reorganization Court?

On January 8, 2018, the 7th Corporate Court of Rio de Janeiro (the "Judicial Reorganization Court") entered an order (the "**Confirmation Order**") which, among other things, ratified the RJ Plan. This decision was published in the Official Gazette on February 5, 2018 (the "**Confirmation Date**").

3. What will be the effect of the confirmation of the RJ Plan?

By operation of the RJ Plan and the Confirmation Order (provided that no stay or appeal of the Confirmation Order results in a change of the Confirmation Date), the Unsecured Credits evidenced by the Bonds (the "**Bondholder Credits**") have been renewed (*novado*) and discharged under Brazilian law and Bondholders are entitled to receive the recoveries set forth in the RJ Plan in exchange for their Bondholder Credits in accordance with the terms and conditions of the RJ Plan.

4. When can I make a Recovery Election?

In accordance with the RJ Plan, Bondholders are entitled to make a Recovery Election with respect to the form of recovery in respect of the Bondholder Credits evidenced by the Bonds they beneficially hold during a period commencing on the business day following the Confirmation Date (i.e., February 6, 2018) and expiring at 11:59 p.m., Brasilia time, on March 8, 2018, (the "**Election Deadline**"), which date has been extended in compliance with the decision rendered by the Judicial Reorganization Court on February 26, 2018.

The Company has disseminated the Information Statement to Bondholders which includes the Election Procedures through which Bondholders may make a Recovery Election. You may obtain a copy of the Information Statement and the forms necessary to make a valid Recovery Election on the website established for this purpose at <https://www.dfkingltdevents.com> (the "**Election Website**").

5. Must I individualize my Bondholder Credits evidenced by Bonds in order to make a Recovery Election?

Yes.



If you are the beneficial owner of an aggregate amount of Bondholder Credits of R\$50,000 or less and did not participate in the Small Creditor Program, you are permitted under the Election Procedures to individualize your Bondholder Credits by providing a Small Bondholder Proof of Holdings directly to Oi at P.O. Box No. 532, CEP 20.010-974, Rio de Janeiro-RJ, Brazil, together with your Small Bondholder Payment Option Notice on or prior to the Election Deadline in accordance with the Election Procedures.

A Small Bondholder Proof of Holdings must be in the form of:

- a screen shot;
- a brokerage or custodian account statement; or
- similar documentary evidence acceptable to Oi in its sole discretion.

in each case, evidencing the principal amount of each series of Bonds beneficially owned by such Bondholder on the date of its Small Bondholder Payment Option Notice.

If you are the beneficial owner of Bondholder Credits in excess of R\$50,000 (including Bondholder Credits for which you have received your recovery under the Small Creditor Program), you will be deemed to have individualized all of your Bondholder Credits if (1) you successfully individualized Bonds before the Judicial Reorganization Court in accordance with the procedure established by the Judicial Reorganization Court in its decision regarding the procedure and documentation required to be submitted for the purposes of individualized exercise of the right of petition, voice and vote at the General Creditors' Meeting held on December 19 and 20, 2017 (the “**Bondholder Decision**”), or (2) you individualized Bonds before Oi or the Judicial Administrator in accordance with the Small Creditor Program Procedures (and you appear on the JA Bondholder List – available on the website <http://www.recuperacaojudicialoi.com.br/pecas-processuais/> under “**Lista Final de Credores Bondholders que Individualizaram sua Participação na AGC**” –or a list maintained by Oi of Bondholders that have individualized Bonds in accordance with the Small Creditor Program Procedures and that do not appear on the JA Bondholder Lists), you will be permitted under the Election Procedures to make a Recovery Election through the Election Website which is accessible at <https://www.dfkingtdevents.com>.

6. If I am the beneficial owner of an aggregate amount of Bondholder Credits of more than R\$50,000 and have neither individualized my Bondholder Credits pursuant to the Bondholder Decision nor participated in the Small Creditor Program, can I individualize my Bondholder Credits now?

If you are the beneficial owner of an aggregate amount of Bondholder Credits of more than R\$50,000 and did not (1) successfully individualize your Bondholders Credit before the Judicial Reorganization Court in accordance with the procedure established in the Bondholder Decision, or (2) individualize your Bondholders Credit before Oi or the Judicial Administrator in accordance with the Small Creditor Program Procedures



(i.e., you do not appear on the JA Bondholder List or a list maintained by Oi of Bondholders that have individualized Bonds in accordance with the Small Creditor Program Procedures and that do not appear on the JA Bondholder Lists), you are not eligible to make a Recovery Election, unless you petition the Judicial Reorganization Court to individualize your Bondholder Credits at or before the Election Deadline in sufficient time to be able to submit a valid Recovery Election. If you successfully petitioned the Judicial Reorganization Court to individualize your Bondholder Credits prior to the Election Deadline, you will be deemed to be a Verified Bondholder for purposes of the Election Procedures and will be eligible to make a Recovery Election.

This procedure may require you to retain counsel in Brazil and may be time-consuming. Bondholders are advised to undertake this procedure on a timely basis. The Debtors can provide no assurances that the Judicial Reorganization Court will grant any petitions presented to the Judicial Reorganization Court with respect to the individualization of Bondholder Credits after the deadline contained in the Bondholder Decision, which has terminated on December 11, 2017.

7. If I individualized my Bondholder Credits pursuant to the Bondholder Decision prior to the date of the GCM and I acquired additional Bondholder Credits prior to the Election Deadline from a Bondholder that individualized its Bondholder Credits pursuant to the Bondholder Decision prior to the date of the GCM, will I be eligible to make a Recovery Election with respect to such additional acquired Bondholder Credits?

Yes, provided that you provide a proof of holdings demonstrating that you own the acquired Bonds as of the Recovery Election Deadline. The form of such proof of holdings and the method of delivery will depend on whether you are a Small Bondholder or a Verified Bondholder and are described in detail in the Information Statement.

8. If I individualized my Bondholder Credits pursuant to the Bondholder Decision prior to the date of the GCM or through the procedures described in the answer to Question 6 above, and I acquire Bondholder Credits prior to the Recovery Election Deadline from a Bondholder that has not individualized its Bondholder Credits, will there be any restrictions on my ability to make a Recovery Election with respect to such acquired Bondholder Credits?

No, provided that you provide a proof of holdings demonstrating that you own the acquired Bonds as of the Election Deadline. The form of such proof of holdings and the method of delivery will depend on whether you are a Small Bondholder or a Verified Bondholder and are described in detail in the Information Statement.



9. If I individualized my Bondholder Credits prior to the Election Deadline and I acquire Bondholder Credits after the Election Deadline, will my Recovery Election apply to such additional acquired Bondholder Credits?

No. The Recovery Election of any Bondholder will apply **ONLY** to the Bondholder Credits held by such Bondholder on the Election Deadline, i.e., March 8, 2018, which date has been extended in compliance with the decision rendered by the Judicial Reorganization Court on February 26, 2018.

10. If I individualized my Bondholder Credits pursuant to the Bondholder Decision prior to the date of the GCM or pursuant to the Small Creditor Program Procedures, and I acquired additional Bondholder Credits through an entity that I control that has not individualized its Bondholder Credits pursuant to the Bondholder Decision prior to the date of the GCM or pursuant to the Small Creditor Program Procedures, will I be able to make a Recovery Election with respect to such acquired Bondholder Credits?

No. Under Section 4.5.5 of the RJ Plan, only (1) Bondholders with Bondholder Credits of equal to or less than R\$50,000, or (2) Bondholders with Bondholder Credits in excess of R\$50,000 that have individualized their Bondholder Credits pursuant to the Bondholder Decision prior to the Recovery Election Deadline or pursuant to the Small Creditor Program procedures (i.e., Bondholders that appear on the JA Bondholder List or a list maintained by Oi of Bondholders that have individualized Bonds in accordance with the Small Creditor Program Procedures and that do not appear on the JA Bondholder Lists) will be entitled to make a Recovery Election.

11. If I am a Bondholder Unsecured Creditor that took part in the Small Creditor Program, can I make a Recovery Election?

If you are the beneficial owner of Bondholder Credits of R\$50,000 or less (equivalent to US\$15,223.02 or €12,905.22), you cannot make a Recovery Election because your Bondholder Credits will be discharged as per the terms of the settlement entered into within the Small Creditor Program, as the second installment of the amount settled will be paid in 10 business days following the Confirmation Date.

If you are the beneficial owner of Bondholder Credits of more than R\$50,000 and you successfully individualized your Bondholder Credits before Oi or the Judicial Administrator in accordance with the Small Creditor Program Procedures (i.e., you appear on the JA Bondholder List or a list maintained by Oi of Bondholders that have individualized Bonds in accordance with the Small Creditor Program Procedures and that do not appear on the JA Bondholder Lists), you are eligible to make a Recovery Election in accordance with the Election Procedures set forth in the Information Statement.



12. What should I fill out in the field “Protocol Number” on my “Small Bondholder Payment Option Notice” or “Verified Bondholder Payment Option Notice”?

You must fill out this field with the identification number given by the Judicial Administrator to the bondholders who have already individualized their Bondholder Credits before the Judicial Reorganization Court, or who have participated in the Small Creditor Program. You must confirm if your name appears in either (1) the JA Bondholder List or in the list made available by the RJ Debtors on the website www.recjud.com.br, or (2) the complementary list of bondholders who participated in the Small Creditor Program, also made available by the RJ Debtors in the website www.recjud.com.br.

The beneficial owners of Bondholder Credits in an aggregate amount of more than R\$50,000 who have not individualized Bonds (1) before the Judicial Reorganization Court in accordance with the procedure established in the Bondholder Decision, or (2) before Oi or the Judicial Administrator in accordance with the Small Creditor Program Procedures, must file a petition before the Judicial Reorganization Court requesting the individualization of their Bondholder Credits at or prior to the Election Deadline. If the Judicial Reorganization Court renders a decision granting the individualization, such beneficial owners will receive a “Protocol Number” and will become eligible to make a Recovery Election prior to the Election Deadline.

13. How do I fill out the fields “Clearing System Participant Name” and “Clearing System Participant Account Number” in my “Small Bondholder Payment Option Notice” or “Verified Bondholder Payment Option Notice”?

In the field “Clearing System Participant Name” you must indicate the name of the Custodian Bank of the Bondholder Credits to which a Recovery Election is being made.

In the field “Clearing System Participant Account Number” you must indicate the account number of the Custodian Bank of the Bondholder Credits with the applicable Clearing System – usually 5 digits for accounts with Euroclear/Clearstream and 3 digits for those with DTC.