

## CONSENT SOLICITATION STATEMENT



### **Oi S.A. – In Judicial Reorganization**

(a corporation organized under the laws of the Federal Republic of Brazil)

#### **Solicitation of Consents to Proposed Amendments to the Indenture Related to the**

**U.S.\$1,653,557,000 10.000/12.000% Senior PIK Toggle Notes due 2025**

(CUSIP No. P7354P AA2;

ISIN No. USP7354PAA23)

**Consent Payment: U.S.\$5.00 per U.S.\$1,000 principal amount of the Notes**

**THE CONSENT SOLICITATION (AS DEFINED HEREIN) WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON MARCH 4, 2021 UNLESS EXTENDED OR EARLIER TERMINATED BY US IN OUR SOLE DISCRETION (SUCH DATE AND TIME, AS THE SAME MAY BE EXTENDED OR EARLIER TERMINATED, THE “EXPIRATION DATE”). IN THE EVENT THAT THE REQUIRED CONSENTS (AS DEFINED HEREIN) ARE RECEIVED ON OR PRIOR TO THE EXPIRATION DATE, HOLDERS (AS DEFINED HEREIN) WILL BE ENTITLED TO RECEIVE THE CONSENT PAYMENT (AS DEFINED HEREIN) FOR THEIR NOTES (AS DEFINED HEREIN) ONLY IF THEY VALIDLY DELIVER CONSENTS (AS DEFINED HEREIN) BY THE EXPIRATION DATE AND DO NOT VALIDLY REVOKE SUCH CONSENTS PRIOR TO THE REVOCATION DEADLINE (AS DEFINED HEREIN). HOLDERS WHO DELIVER THEIR CONSENTS AFTER THE EXPIRATION DATE WILL NOT RECEIVE ANY CONSENT PAYMENT. THE CONSENT SOLICITATION IS BEING MADE UPON THE TERMS AND SUBJECT TO THE CONDITIONS SET FORTH IN THIS CONSENT SOLICITATION STATEMENT (AS IT MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME, THIS “STATEMENT”).**

Oi S.A. – In Judicial Reorganization, a corporation (*sociedade anônima*) organized under the laws of the Federal Republic of Brazil (“we,” “us,” “our” or the “Company”), hereby solicits (the “Consent Solicitation”) consents (the “Consents”) from all registered holders (individually, a “Holder,” and collectively, the “Holders”) of its outstanding 10.000/12.000% Senior PIK Toggle Notes due 2025 (the “Notes”) to the Proposed Amendments (as defined herein) to the indenture, dated as of July 27, 2018, (the “Indenture”), among the Company, the guarantors from time to time party thereto (the “Guarantors”) and The Bank of New York Mellon, a banking company incorporated under the laws of the State of New York, as trustee, paying agent, registrar and transfer agent (the “Trustee”). The Consent Solicitation may be amended, extended or terminated prior to the Expiration Date, subject to applicable law.

The proposed amendments seek to align certain provisions of the Indenture with the terms of the amendment to the Original Reorganization Plan, as defined herein (the “Plan Amendment”), approved by the Company’s creditors on September 8, 2020 and ratified by the 7<sup>th</sup> Corporate Court of the Judicial District of the State Capital of Rio de Janeiro (the “RJ Court”) on October 5, 2020, which we believe will ensure the operational viability, greater financial flexibility and efficiency and the sustainability of our business by implementing our strategic plan and creating value for all of our stakeholders (the “Proposed Amendments”), in connection with Section 6.18 of the Reorganization Plan (as defined herein). For the actual text of the Proposed Amendments, see “The Proposed Amendments—Proposed Amendments to the Indenture.”

**This Statement has not been filed with or reviewed or approved by the U.S. Securities and Exchange Commission (the “SEC”) or any other securities commission or regulator, nor has the SEC or any other commission or regulator passed upon the accuracy or adequacy of this Statement. Any representation to the contrary is unlawful and may be a criminal offense.**

**In making a decision with respect to the delivery of Consents, all Holders must rely on their own review and examination of the Company and the terms of the Consent Solicitation, including the merits and risks involved.**

*The Solicitation Agent for the Consent Solicitation is:*

**BofA Securities**

The date of this Statement is February 18, 2021

*(Cover page continued)*

In the event that the Required Consents (as defined herein) for the Notes are received on or prior to the Expiration Date, the Company will pay in cash, on the Settlement Date (as defined herein), an amount equal to U.S.\$5.00 per U.S.\$1,000 principal amount of the Notes for which Consents to the Proposed Amendments are validly delivered on or prior to the Expiration Date and not validly revoked prior to the Revocation Deadline (as defined herein) (the “**Consent Payment**”). If the Required Consents with respect to the Notes are not delivered, no Holder of such Notes will be eligible to receive the Consent Payment. The Consent Payment will be made by the Company to The Depository Trust Company (“**DTC**”) or the Solicitation Paying Agent (as defined herein) for the benefit of the Holders who delivered such valid Consents to the Proposed Amendments if the Required Consents are obtained. Holders of Notes for which no Consent is delivered (or that validly delivers a Consent but validly revokes such Consent prior to the Revocation Deadline) will not receive the Consent Payment, even though the Proposed Amendments, once operative with respect to the Notes, will bind all Holders of Notes and their transferees. See “The Consent Solicitation—Consent Payment.”

If the Holders of at least a majority in aggregate principal amount outstanding of the Notes validly deliver Consents (in minimum denominations of U.S.\$1,000 and integral multiples of U.S.\$1,000 in excess thereof) to the Proposed Amendments on or prior to the Expiration Date and do not validly revoke such Consents prior to the Revocation Deadline (the “**Required Consents**”), it is expected that the Company, the Guarantors and the Trustee will execute a supplemental indenture (the “**Supplemental Indenture**”) to the Indenture effecting the Proposed Amendments with respect to the Notes. In accordance with the Indenture, Notes owned by the Company and its affiliates will not be deemed outstanding, and the Company and such affiliates will not be able to vote for the purposes of the Required Consents needed to effect the Proposed Amendments. As of the date of this Statement, the Company and its affiliates did not own any Notes. The Supplemental Indenture will be effective immediately upon execution thereof but will not become operative until the Consent Payment is paid with respect to the Notes to Holders who validly delivered Consents on or prior to the Expiration Date and did not validly revoke such Consents prior to the Revocation Deadline. Once the Revocation Deadline has occurred, any Consents given with respect to the Proposed Amendments may not be revoked.

Subject to applicable law, the Company expressly reserves the right to amend, extend or terminate the Consent Solicitation or waive any unsatisfied conditions to the Consent Solicitation, in each case, in accordance with the terms set forth in this Statement.

As of the date of this Statement, the outstanding principal amount of the Notes was U.S.\$1,653,557,000.

The record date of the Consent Solicitation (the “**Record Date**”) is 5:00 p.m., New York City time, on March 4, 2021. Such date has been fixed by the Company as the date for the determination of Holders entitled to give Consents pursuant to the Consent Solicitation. We reserve the right to establish, from time to time but in all cases prior to receipt of the Required Consents, any new date as such Record Date, and thereupon, any such new date will be deemed to be the Record Date for purposes of the Consent Solicitation.

Any questions or requests for assistance concerning the Consent Solicitation may be directed to BofA Securities, Inc., the solicitation agent in connection with the Consent Solicitation (the “**Solicitation Agent**”), at its address and telephone number set forth on the last page of this Statement. Requests for additional copies of this Statement may be directed to D.F. King & Co., Inc. (the “**Information Agent**”) at the address and telephone numbers set forth on the last page of this Statement.

**None of the Company or any of its affiliates, the Guarantors, the Solicitation Agent, the Information Agent, the Trustee or any of their respective affiliates makes (x) any recommendation as to whether Holders should deliver Consents in response to the Consent Solicitation or (y) any representations or warranties in connection with the Proposed Amendments and the transactions contemplated hereby. Each Holder must make its own decision (and consult its own investment and tax advisors) as to whether to deliver Consents.**

## IMPORTANT INFORMATION REGARDING THE CONSENT SOLICITATION

**This Statement contains important information. You should read this Statement in its entirety before you make any decision with respect to the Consent Solicitation.**

**Recipients of this Statement should not construe the contents hereof as legal, business or tax advice. Each recipient should consult its own attorney, business advisor and tax advisor as to legal, business, tax and related matters concerning the Consent Solicitation, the Proposed Amendments and the transactions contemplated hereby.**

The principal purpose of the Consent Solicitation is to obtain Consents to authorize the Proposed Amendments. The Consent of the Holders of at least a majority in principal amount outstanding of the Notes held by persons other than the Company and its affiliates is required to authorize the Proposed Amendments in respect of the Notes. If we receive the Required Consents and subject to the conditions of this Consent Solicitation, the Company, the Guarantors and the Trustee will execute the Supplemental Indenture effecting the Proposed Amendments with respect to the Notes promptly following the Expiration Date. Consents to the Proposed Amendments may be revoked at any time prior to 5:00 p.m., New York City time, on March 4, 2021 (the “**Revocation Deadline**”), but not thereafter. Although the Supplemental Indenture will become effective immediately upon execution, the Proposed Amendments will become operative only upon the payment of the aggregate Consent Payment to the Holders who validly delivered a Consent to the Proposed Amendments with respect to the Notes on or prior to the Expiration Date and did not validly revoke such Consent prior to the Revocation Deadline.

The Consent Solicitation is being conducted in a manner eligible for use of the Automated Tender Offer Program (“**ATOP**”) of DTC. The Tabulation Agent (as defined herein) will establish ATOP accounts (i.e. Contra CUSIP) on behalf of the Company with respect to the securities held in DTC promptly after the date of this Statement. The Tabulation Agent and DTC will confirm that the Consent Solicitation is eligible for ATOP, whereby participants in DTC (“**DTC Participants**”) may make book-entry delivery of Consents by causing DTC to transfer Notes into the Contra CUSIP or electronically deliver the Consents. Deliveries of Consents are effected through the ATOP procedures by delivery of an Agent’s Message (as defined below) by DTC to the Tabulation Agent. The confirmation of a book-entry transfer into the ATOP account at DTC is referred to as a “**Book-Entry Confirmation.**” Delivery of required documents to DTC does not constitute delivery to the Tabulation Agent.

The term “**Agent’s Message**” means a message transmitted by DTC and received by the Tabulation Agent, which states that DTC has received an express acknowledgment from the DTC Participant delivering Consents that such DTC Participant (i) has received and agrees to be bound by the terms of the Consent Solicitations as set forth in this Statement and that the Company may enforce such agreement against such participant, and (ii) consents to the Proposed Amendments and the execution and delivery of the Supplemental Indenture as described in this Statement.

Assuming the Company receives the Required Consents for the Notes by the Expiration Date and all other conditions have been satisfied or waived, the Company will pay the Consent Payment on a date promptly following the Expiration Date, expected to be no later than two business days following the Expiration Date (the “**Settlement Date**”). **Beneficial owners should be aware that their broker, dealer, commercial bank, trust company or other nominee may establish its own earlier deadline for participation in the Consent Solicitation. Accordingly, beneficial owners wishing to participate in the Consent Solicitation should contact their broker, dealer, commercial bank, trust company or other nominee as soon as possible in order to determine the time by which such owner must take action in order to participate.** See “The Consent Solicitation—Procedures for Delivering Consents.”

Holders of Notes that do not deliver valid Consents to the Proposed Amendments on or prior to the Expiration Date (or that validly deliver a Consent but validly revokes such Consent prior to the Revocation Deadline) will not receive the Consent Payment. Only Holders of record as of the Record Date, or their duly designated proxies, including, for the purposes of the Consent Solicitations, DTC Participants, may submit a Consent. A duly delivered and not validly revoked Consent shall bind the Holders executing the same and any subsequent registered holder or transferee of the Notes to which such Consent relates. If the Record Date is changed, only Holders as of the revised Record Date will be entitled to deliver Consents.

As of the date hereof, all of the Notes were held through DTC by DTC Participants. DTC is expected to grant the assignment of Consents authorizing DTC Participants to deliver an Agent’s Message.

The distribution of this Statement in certain jurisdictions may be restricted by law, and holders residing outside the United States who wish to deliver a Consent must satisfy themselves as to their full observance of the laws of the relevant jurisdiction in connection therewith. If the Company becomes aware of any state or foreign jurisdiction where the making of the Consent Solicitation is prohibited, the Company will make a good faith effort to comply with the requirements of any such state or foreign jurisdiction. If, after such effort, the Company cannot comply with the requirements of any such state or foreign jurisdiction, the Consent Solicitation will not be made to (and Consents will not be accepted from or on behalf of) Holders in such state or foreign jurisdiction.

We reserve the right, subject to applicable law and prior to the Expiration Date, in our sole discretion, to (1) extend, terminate or withdraw the Consent Solicitation at any time or (2) otherwise amend the Consent Solicitation in any respect.

**CONSENTS MUST BE ELECTRONICALLY DELIVERED IN ACCORDANCE WITH DTC'S ATOP PROCEDURES.**

**THIS STATEMENT DOES NOT CONSTITUTE A SOLICITATION OF CONSENTS IN ANY JURISDICTION IN WHICH, OR TO OR FROM ANY PERSON TO OR FROM WHOM, IT IS UNLAWFUL TO MAKE SUCH SOLICITATION UNDER APPLICABLE FEDERAL SECURITIES OR BLUE SKY LAWS.**

**WE ARE RESPONSIBLE FOR THE INFORMATION CONTAINED IN THIS STATEMENT. NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS STATEMENT AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY. THE DELIVERY OF THIS STATEMENT AT ANY TIME DOES NOT IMPLY THAT THE INFORMATION HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO ITS DATE.**

**THIS STATEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY OF THE SECURITIES DESCRIBED OR OTHERWISE REFERRED TO IN THIS STATEMENT.**

## IMPORTANT DATES AND TIMES

Holders of Notes should take note of the following dates in connection with the Consent Solicitation. The descriptions below under “Event” do not describe all of the details of the Consent Solicitation, and Holders are urged to read the more detailed information contained in this Statement.

Date	Calendar Date and Time	Event
Launch Date.....	February 18, 2021.	Commencement of the Consent Solicitation upon the terms and subject to the conditions set forth in this Statement. Commencement will be announced by the issuance of a press release through a widely disseminated news or wire service.
Record Date.....	5:00 p.m., New York City time, on March 4, 2021, unless modified by the Company in its sole discretion, subject to applicable law.	The date and time for the determination of Holders entitled to give Consents pursuant to the Consent Solicitation.
Revocation Deadline.....	5:00 p.m., New York City time, on March 4, 2021, unless modified by the Company in its sole discretion, subject to applicable law.	The last date and time for Holders to validly revoke Consents that have been previously delivered.
Expiration Date.....	5:00 p.m., New York City time, on March 4, 2021, as such time and date may be extended or earlier terminated by the Company in its sole discretion, subject to applicable law.	The date and time by which Holders must deliver their Consents.
Settlement Date .....	A date promptly following the Expiration Date, expected to be no later than two business days following the Expiration Date.	The date we will pay the Consent Payment to each Holder whose Consents were accepted.

## TABLE OF CONTENTS

IMPORTANT INFORMATION REGARDING THE CONSENT SOLICITATION .....	iii
IMPORTANT DATES AND TIMES.....	v
SUMMARY .....	1
WHERE YOU CAN FIND MORE INFORMATION .....	4
FORWARD-LOOKING STATEMENTS.....	5
SOLICITATION CONSIDERATIONS .....	6
THE COMPANY .....	8
THE CONSENT SOLICITATION .....	9
THE PROPOSED AMENDMENTS.....	18
FEES AND EXPENSES .....	20
CERTAIN U.S. AND BRAZILIAN TAX CONSIDERATIONS .....	21
SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES .....	25
MISCELLANEOUS.....	27

## SUMMARY

**This Statement contains important information that should be read carefully before any decision is made with respect to the Consent Solicitation.**

*The following summary is provided solely for the convenience of the Holders of the Notes. This summary is not intended to be complete and is qualified in its entirety by reference to, and should be read in conjunction with, the information appearing elsewhere in this Statement. Capitalized terms used in this summary and not defined herein have the meaning given to them elsewhere in this Statement.*

The Notes..... 10.000%/12.000% Senior PIK Toggle Notes due 2025 (CUSIP No. P7354P AA2; ISIN No. USP7354PAA23). U.S.\$1,653,557,000 aggregate principal amount of Notes is outstanding as of the date of this Statement.

The Consent Solicitation ..... The Proposed Amendments seek to align certain provisions of the Indenture with the terms of the Plan Amendment, which we believe will ensure the operational viability, greater financial flexibility and efficiency and the sustainability of our business by implementing our strategic plan and creating value for all of our stakeholders (in connection with Section 6.18 of the Reorganization Plan). For the actual text of the Proposed Amendments, see “The Proposed Amendments—Proposed Amendments to the Indenture.”

If we receive the Required Consents and subject to the conditions of this Consent Solicitation, the Company, the Guarantors and the Trustee will execute the Supplemental Indenture effecting the Proposed Amendments with respect to the Notes promptly following the Expiration Date.

The Supplemental Indenture will be effective immediately upon execution thereof but will not become operative until the Consent Payment is paid with respect to the Notes to Holders who validly delivered Consents on or prior to the Expiration Date and did not validly revoke such Consents prior to the Revocation Deadline. Once the Revocation Deadline has occurred, any Consents given with respect to the Proposed Amendments may not be revoked.

Conditions..... The Company’s obligation to accept Consents to the Proposed Amendments and pay Holders the Consent Payment for valid and unrevoked Consents to the Proposed Amendments with respect to the Notes is subject to and conditioned upon the satisfaction of the Required Consents Condition (as defined herein) and the General Conditions (as defined herein) for the Notes on or prior to the Expiration Date. The Company may waive, at its sole discretion, the conditions with respect to the Consents.

Record Date ..... The Record Date of the Consent Solicitation is 5:00 p.m., New York City time, on March 4, 2021. Such date has been fixed by us as the date for the determination of Holders entitled to give Consents pursuant to the Consent Solicitation. We reserve the right to establish, from time to time but in all cases prior to receipt of the Required Consents, any new date as such Record Date, and thereupon, any such new date will be deemed to be the Record Date for purposes of the Consent Solicitation.

Expiration Date..... The Expiration Date for the Consent Solicitation will be 5:00 p.m., New York City time, on March 4, 2021, as such time and date may be extended or earlier terminated by us in our sole discretion. See “The Consent Solicitation—Expiration Date; Extensions; Termination.”

Required Consents..... The Consent of the Holders of at least a majority in aggregate principal amount outstanding of such Notes is required to effect the Proposed

Amendments. In accordance with the Indenture, Notes owned by the Company and its affiliates will not be deemed outstanding, and the Company and such affiliates will not be able to vote for the purposes of the Required Consents needed to effect the Proposed Amendments. As of the date of this Statement, the Company and its affiliates did not own any Notes.

Termination of and Amendments to the Consent Solicitation.....

We expressly reserve the right, in our sole discretion and prior to the Expiration Date, subject to applicable law, to terminate or withdraw the Consent Solicitation, and otherwise to amend the terms of the Consent Solicitation in any respect. Any amendment or termination of the Consent Solicitation will be followed as promptly as practicable by announcement thereof. If we make a material change in the terms of the Consent Solicitation or the information concerning the Consent Solicitation or waive a material condition of the Consent Solicitation, we will, to the extent required by applicable law, disseminate additional Consent Solicitation materials and extend the Expiration Date.

Consent Payment.....

In the event that the Required Consents for the Notes are received on or prior to the Expiration Date, the Company will pay in cash, on the Settlement Date, an amount equal to U.S.\$5.00 per U.S.\$1,000 principal amount of the Notes for which Consents to the Proposed Amendments are validly delivered on or prior to the Expiration Date and not validly revoked prior to the Revocation Deadline. See “The Consent Solicitation—Consent Payment.”

Eligibility for Consent Payment .....

In the event that the Company receives the Required Consents for the Notes on or prior to the Expiration Date, the Company will pay the aggregate Consent Payment directly to DTC or to the Solicitation Paying Agent for the benefit of the Holders who validly delivered Consents to the Proposed Amendments with respect to the Notes on or prior to the Expiration Date and did not validly revoke such Consents prior to the Revocation Deadline.

Procedures for Delivery of Consents.....

Consents must be electronically delivered in accordance with DTC’s ATOP procedures. DTC is expected to grant the assignment of Consents authorizing the DTC Participants to deliver an Agent’s Message. Only Holders of record as of the Record Date, or their duly designated proxies, including, for the purposes of the Consent Solicitation, DTC Participants, may submit a Consent. Therefore, a beneficial owner of an interest in Notes held in an account of a DTC Participant who wishes a Consent to be delivered must properly instruct such DTC Participant to cause a Consent to be given in respect of such Notes.

Consents will be accepted in minimum denominations of U.S.\$1,000 and integral multiples of U.S.\$1,000 in excess thereof.

See “The Consent Solicitation—Procedures for Delivering Consents.”

Revocation of Consents.....

Revocation of Consents to the Proposed Amendments may be made at any time prior to the Revocation Deadline, but not thereafter, in accordance with DTC’s ATOP procedures. See “The Consent Solicitation—Revocation of Consents.”

Certain U.S. and Brazilian Tax Considerations .....

For a discussion of certain U.S. and Brazilian tax considerations of the Consent Solicitations, see “Certain U.S. and Brazilian Tax Considerations.”



Solicitation Considerations.....	For a discussion of certain consequences in deciding whether to participate in the Consent Solicitation, see “Solicitation Considerations.”
Consequences to Non-Consenting Holders .....	Holders of Notes for which no Consent is delivered (or for which Consent is validly delivered but validly revoked prior to the Revocation Deadline) will not receive the Consent Payment, even though the Proposed Amendments, once operative with respect to the Notes, will bind all Holders of Notes and their transferees.
Solicitation Agent.....	BofA Securities, Inc.  You may contact the Solicitation Agent with any questions about the Consent Solicitation at its address and telephone number set forth on the last page of this Statement.
Information Agent, Tabulation Agent and Solicitation Paying Agent .....	D.F. King & Co., Inc. is serving as information agent (in such capacity, the “ <b>Information Agent</b> ”), tabulation agent (in such capacity, the “ <b>Tabulation Agent</b> ”) and solicitation paying agent (in such capacity, the “ <b>Solicitation Paying Agent</b> ”) in connection with the Consent Solicitation.  You may contact the Information Agent with any questions regarding the procedures for delivering Consents at its address and telephone number set forth on the last page of this Statement.
Trustee .....	The Bank of New York Mellon.

## WHERE YOU CAN FIND MORE INFORMATION

We are currently subject to the information requirements of the U.S. Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), and are required to regularly file reports and other information with the U.S. Securities and Exchange Commission (the “**SEC**”). Our filings with the SEC are available to the public through the SEC’s website at [www.sec.gov](http://www.sec.gov).

The Company also maintains an Internet website at <https://www.oi.com.br/>, which provides additional information about the Company through which you can also access the Company’s SEC filings, including copies of its financial statements, the Original Reorganization Plan and the Plan Amendment. Any information contained in, or accessible through, our website is not incorporated by reference, and does not constitute part of, this Statement.

## FORWARD-LOOKING STATEMENTS

This Statement contains “forward-looking statements” within the meaning of the U.S. Securities Act of 1933, as amended, or the Exchange Act.

Statements that are predictive in nature, that depend upon or refer to future events or conditions or that include words such as “expects,” “anticipates,” “intends,” “plans,” “believes,” “estimates” and similar expressions are forward-looking statements. Although we believe that these forward-looking statements are based upon reasonable assumptions, these statements are subject to several risks and uncertainties and are made in light of information currently available to us.

Many important factors could cause our actual results to differ substantially from those anticipated in our forward-looking statements, including, among other things:

- material adverse changes in economic conditions in Brazil or the other countries in which we have operations and investments;
- the Brazilian government’s telecommunications policies that affect the telecommunications industry and our business in Brazil in general, including issues relating to the remuneration for the use of our network in Brazil, and changes in or developments of ANATEL (as defined below) regulations applicable to us;
- the cost and availability of financing;
- any judicial action that overturns or modifies the Brazilian confirmation order or declares the Debtors (defined below) bankrupt under Brazilian law and requires their liquidation;
- the effects of intense competition in Brazil and the other countries in which we have operations and investments;
- the general level of demand for, and changes in the market prices of, our services;
- our ability to implement our corporate strategies in order to expand our customer base and increase our average revenue per user;
- political, regulatory and economic conditions in Brazil, notably with respect to inflation, exchange rate fluctuation of the real, interest rates fluctuation and the political environment in Brazil;
- the adverse effects of COVID-19, and public health measures adopted to combat the pandemic in Brazil and internationally, on our employees, our business operations (including our retail operations, our network operations, our network maintenance programs and our expansion programs), our third-party vendors and the ability of our customers to pay for services on a timely basis;
- the outcomes of legal and administrative proceedings to which we are or become a party;
- changes in telecommunications technology that could require substantial or unexpected investments in infrastructure or that could lead to changes in our customers’ behavior; and
- other factors identified in this Statement.

Our forward-looking statements are not guarantees of future performance, and our actual results or other developments may differ materially from the expectations expressed in the forward-looking statements. As for forward-looking statements that relate to future financial results and other projections, actual results will be different due to the inherent uncertainty of estimates, forecasts and projections. Because of these uncertainties, you should not rely on these forward-looking statements.

We undertake no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.

## **SOLICITATION CONSIDERATIONS**

Prior to delivering a Consent, Holders of the Notes should carefully consider the factors set forth below in addition to the other information described elsewhere in this Statement.

### **Adverse Effect of the Proposed Amendments on Non-Consenting Holders**

If the Holders of at least a majority in aggregate principal amount outstanding of the Notes validly deliver Consents to the Proposed Amendments on or prior to the Expiration Date and do not validly revoke such Consents prior to the Revocation Deadline, it is expected that the Company, the Guarantors and the Trustee will execute the Supplemental Indenture effecting the Proposed Amendments with respect to the Notes. In accordance with the Indenture, Notes owned by the Company and its affiliates will not be deemed outstanding, and the Company and such affiliates will not be able to vote for the purposes of the Required Consents needed to effect the Proposed Amendments. As of the date of this Statement, the Company and its affiliates did not own any Notes.

The Supplemental Indenture will be effective immediately upon execution thereof but will not become operative until the Consent Payment is paid with respect to the Notes to Holders who validly delivered Consents on or prior to the Expiration Date and did not validly revoke such Consents prior to the Revocation Deadline. Once the Revocation Deadline has occurred, any Consents given with respect to the Proposed Amendments may not be revoked.

Holders of Notes for which no Consent is delivered (or that validly delivers a Consent but validly revokes such Consent prior to the Revocation Deadline) will not receive the Consent Payment, even though the Proposed Amendments, once operative with respect to the Notes, will bind all Holders of such Notes and their transferees.

### **The Consummation of the Consent Solicitation is Conditional**

The Company's obligation to accept and pay Holders the Consent Payment for Consents to the Proposed Amendments validly delivered and not validly revoked with respect to the Notes is subject to and conditioned upon the Required Consents Condition (as defined herein) and the General Conditions (as defined herein). We cannot assure Holders that such conditions will be satisfied and that Holders who have validly delivered and not validly revoked Consents will receive the Consent Payment. The Company may waive the conditions with respect to the Notes.

### **Holders are Responsible for Assessing the Merits and Risks of the Consent Solicitation**

Each Holder is responsible for assessing the merits and risks of the Consent Solicitation, including, but not limited to, the risks associated with any of the transactions contemplated under "The Consent Solicitation—Purpose and Effects of the Consent Solicitation." None of the Company or any of its affiliates, the Guarantors, the Solicitation Agent, the Information Agent, the Tabulation Agent, the Solicitation Paying Agent, the Trustee or any of their respective directors, officers, employees, agents or affiliates has made or will make any assessment of the merits and risks of the Consent Solicitation or of the impact of the Consent Solicitation on the interests of the Holders either as a class or as individuals, or makes any recommendation as to whether a Holder should deliver a Consent to the Proposed Amendments.

### **Holders are Responsible for Complying with the Procedures of the Consent Solicitation**

Holders are responsible for complying with all of the procedures for submitting Consents. None of the Company or any of its affiliates, the Guarantors, the Solicitation Agent, the Information Agent, the Tabulation Agent, the Trustee or any of their respective directors, officers, employees, agents or affiliates assumes any responsibility for informing Holders of irregularities with respect to any Consent. All Consents delivered and not validly revoked by the Revocation Deadline will be irrevocable thereafter.

The Notes for which a Consent has been delivered through ATOP as part of the Consent Solicitation prior to the Expiration Date will be held under one or more temporary CUSIP numbers (i.e., Contra CUSIP) during the period beginning at the time the DTC Participant electronically delivers a Consent and ending on the earliest of (i) the Expiration Date, (ii) the date on which the DTC Participant validly revokes its Consent or (iii) the date on which the Consent Solicitation is terminated. During the period that Notes are held under a temporary CUSIP number or numbers, such Notes will not be freely transferable to third parties and will be blocked. The Tabulation Agent will instruct DTC to release the positions as soon as practicable but no later than two business days after either the

Expiration Date or subsequent date following the Expiration Date and not exceeding 45 calendar days from the date hereof.

## THE COMPANY

### Overview

We are one of the principal integrated telecommunications service providers in Brazil with approximately 52.2 million revenue generating units, as of September 30, 2020. We operate throughout Brazil and offer a range of integrated telecommunications services that include fixed-line and mobile telecommunication services, network usage (interconnection), data transmission services (including broadband access services), Pay-TV (including as part of double-play, triple-play and quadruple-play packages), internet services and other telecommunications services for residential customers, small, medium and large companies and governmental agencies. We own the largest fiber optic network in Brazil, with more than 388,000 kilometers of installed fiber optic cable, distributed throughout Brazil. Our mobile network covers areas in which approximately 94% of the Brazilian population lives and works. According to the Brazilian National Telecommunications Agency, created by Law No. 9,472, dated July 16, 1997 (“**Agência Nacional de Telecomunicações**” or “**ANATEL**”), as of September 30, 2020, we had a 16% market share of the Brazilian mobile telecommunications market and a 31.7% market share of the Brazilian fixed-line market. We are currently in judicial reorganization in Brazil. On July 22, 2016, the U.S. Bankruptcy Court (as defined below) entered an order recognizing the Brazilian RJ Proceeding (as defined below) as a foreign main proceeding. See “The Consent Solicitation—Purpose and Effects of the Consent Solicitation.”

### Executive Offices and Website

Our principal executive office is located at Rua Humberto de Campos No. 425, 8th floor–Leblon, 22430-190 Rio de Janeiro, RJ, Brazil. Our telephone number is +55 (21) 3131-2918. Our web site address is <https://www.oi.com.br/>. The information that is included in or linked to our website is not a part of this Statement.

## THE CONSENT SOLICITATION

### Purpose and Effects of the Consent Solicitation

Due to a series of economic and financial factors that affected the Company's business and contributed to the worsening of its financial situation, in June 2016, the Company, along with certain subsidiaries of the Company (collectively, the "**Debtors**"), filed a joint voluntary petition for judicial reorganization pursuant to the Brazilian Bankruptcy Law (the "**Brazilian RJ Proceeding**") before the RJ Court. On June 21, 2016, the Company's representative commenced ancillary cases under Chapter 15 of the Bankruptcy Code (the "**Chapter 15 Cases**") in the United States Bankruptcy Court for the Southern District of New York (the "**U.S. Bankruptcy Court**"), and on July 22, 2016, the U.S. Bankruptcy Court entered an order recognizing the Brazilian RJ Proceeding as a foreign main proceeding. On December 19 and 20, 2017, a general creditors meeting was held to consider approval of the proposed reorganization plan (the "**Original Reorganization Plan**"). This general creditors meeting ultimately approved, on December 20, 2017, the Original Reorganization Plan. On January 8, 2018, the RJ Court issued the Brazilian confirmation order, ratifying and confirming the Original Reorganization Plan, which was published on February 5, 2018. On June 14, 2018, the U.S. Bankruptcy Court entered an order in the Chapter 15 Cases that, among other things, gave full force and effect to the Original Reorganization Plan in the United States. Under the Original Reorganization Plan, certain groups of creditors chose the form of recovery of the credit they held against the Debtors. As part of this recovery, on July 27, 2018, the Company issued to qualified holders U.S.\$1,653,557,000 in aggregate principal amount of Notes. The Notes were distributed in exchange for bondholders surrender and cancellation of their previously existing notes.

Since the approval of the Original Reorganization Plan, the Company has been working together with external legal and financial advisors, in Brazil and abroad, to comply with all the measures provided therein to complete the restructuring set forth in the Original Reorganization Plan and pay its creditors on a timely basis. However, due to external and unpredictable factors, the Company sought an amendment to the Original Reorganization Plan in order to maximize the liquidity of assets, increase the Company's investment capacity, and enable the implementation of its strategic plan for the transformation of its operations and eventual payment of its debts.

On February 27, 2020, the Company filed a petition with the RJ Court requesting that it be permitted to submit to its creditors for their consideration and deliberation at a new general creditors' meeting a proposed amendment to the Original Reorganization Plan designed to achieve greater operational and financial flexibility for the Company to continue investing on and pursuing its strategic plan. On March 6, 2020, the RJ Court issued a decision granting the Company's request to hold a new general creditors' meeting to deliberate on the proposed amendment to the Original Reorganization Plan. Section 11.8 of the Original Reorganization Plan provided that only creditors that held credits and had voting rights at the time of the original general creditors meeting and who continued to hold an interest in the debt obligations or equity securities of the Company on February 27, 2020 were entitled to vote at the new general creditors' meeting, held on September 8, 2020.

On September 8, 2020, the Company's creditors, in a general creditors' meeting, approved an amendment to the Original Reorganization Plan (the "**Plan Amendment**," and the Original Reorganization Plan, as amended by the Plan Amendment, the "**Reorganization Plan**"). The RJ Court ratified the Plan Amendment on October 5, 2020, which ratification order was published on October 8, 2020. Among other things, the Plan Amendment approved: (A) the constitution and sale of certain isolated production units, including in respect of mobile assets ("**UPI Mobile**") and infrastructure assets ("**UPI InfraCo**") (of which a 51% sale was approved by the Plan Amendment), and (B) the ability of (i) InfraCo to raise financing secured by its assets and convertible into up to 51% of its capital stock, which InfraCo expects to incur in the form of convertible Debentures (the "**Convertible Debentures**"), (ii) the Debtors to incur a secured bridge loan in an amount up to BRL\$5,000 million, which Oi Móvel S.A. – in Judicial Reorganization ("**Oi Mobile**") expects to incur in the form of a secured loan prior to the sale of UPI Mobile (the "**Oi Mobile Bridge**") and (iii) the Debtors to refinance the first issuance of Oi Mobile's private debentures (the "**DIP Loan**"), incurred in 2020. Although upon request of the Company's representatives in the Chapter 15 Cases, the U.S. Bankruptcy Court has the power to enter an order granting full force and effect to the Plan Amendment in the United States, as of the date of this Consent Solicitation Statement, the Company's representative has not sought such an order. The Company and its representative, however, reserve the right to seek such an order from the U.S. Bankruptcy Court at any time in the future regardless of the outcome of this Consent Solicitation if the Company deems it prudent or necessary.

The Proposed Amendments seek to align certain provisions of the Indenture with the terms of the Plan Amendment, which the Company believes will ensure the operational viability, greater financial flexibility and

efficiency and the sustainability of the Company's business by implementing its strategic plan and creating value for all of its stakeholders (in connection with Section 6.18 of the Reorganization Plan). The Company believes the Proposed Amendments will allow the Company to implement its strategic business plan under the Reorganization Plan, focused on the modernization and expansion of the Company's fiber network and digitalization of services, and to timely and fully implement the Company's currently contemplated transactions in accordance with the Plan Amendment.

To enable the Company to implement the Plan Amendment, the Proposed Amendments would:

- (1) in accordance with Section 5 of the Plan Amendment, increase the existing BRL2.0 billion debt basket for Reorganization Plan Additional Indebtedness (as defined in the Indenture) to BRL\$2.5 billion, to permit UPI InfraCo to incur the Convertible Debentures and permit the conversion thereof into up to 51% of UPI InfraCo's equity interests (which 51% is later expected to be sold pursuant to Section 5.1 of the Reorganization Plan);
- (2) in accordance with Section 5.5.3 of the Reorganization Plan, add a specific debt basket of BRL\$2.5 billion for Reorganization Plan Additional Indebtedness to permit Oi Mobile to incur the Oi Mobile Bridge; and
- (3) in accordance with Section 5.5.4 of the Reorganization Plan, provide that amounts incurred as Reorganization Plan Additional Indebtedness (including pursuant to the existing BRL\$2.5 billion debt basket) may be refinanced as Refinancing Indebtedness (as defined in the Indenture), to permit the Company to refinance the DIP Loan previously incurred pursuant thereto.

For the avoidance of doubt, none of the Proposed Amendments will have any effect on or modify the guarantees made by the Guarantors on the Notes pursuant to the Indenture.

The foregoing description is qualified in its entirety by reference to the actual text of the Proposed Amendments, the Indenture and the Supplemental Indenture. For the actual text of the Proposed Amendments, see "The Proposed Amendments—Proposed Amendments to the Indenture."

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If we receive the Required Consents and subject to the conditions of this Consent Solicitation, the Company, the Guarantors and the Trustee will execute the Supplemental Indenture effecting the Proposed Amendments with respect to the Notes promptly following the Expiration Date.

The Supplemental Indenture will be effective immediately upon execution thereof but will not become operative until the Consent Payment is paid to Holders who validly delivered Consents on or prior to the Expiration Date and did not validly revoke such Consents prior to the Revocation Deadline. Once the Revocation Deadline has occurred, any Consents given with respect to the Proposed Amendments may not be revoked.

Subject to the satisfaction or waiver of the conditions of the Consent Solicitation, the Company expects to pay the Consent Payment on the Settlement Date.

The Company has retained the Solicitation Agent to aid in the solicitation of Consents.

Before, during or after the Consent Solicitation, the Company and any of its affiliates may purchase Notes in the open market, in privately negotiated transactions, through tender or exchange offers or otherwise. Any future purchases will depend on various factors at that time.

The Consent Solicitation is being made to all Holders in whose name a Note was registered at the Record Date and to their duly designated proxies.

Regardless of whether the Proposed Amendments become operative, the Notes will continue to be outstanding in accordance with all other terms of the Notes and the Indenture. The changes included in the Proposed Amendments will not alter the Company's obligations to pay the principal of or interest on the Notes or the stated interest rate or maturity date of the Notes.



## **Position Regarding the Consent Solicitation**

Neither we nor any of our affiliates, the Guarantors, the Solicitation Agent, the Information Agent, the Tabulation Agent, the Solicitation Paying Agent or the Trustee makes any recommendation to any Holder whether to deliver or refrain from delivering any Consents with respect to the Notes. Neither we nor any of our affiliates, the Guarantors, the Solicitation Agent, the Information Agent, the Tabulation Agent, the Solicitation Paying Agent or the Trustee has authorized any person to make any such recommendation.  **Holders are urged to consult their own investment and tax advisors and make their own decisions about whether to deliver Consents.**

## **Required Consents**

The Consent of the Holders of at least a majority in aggregate principal amount outstanding of the Notes is required to effect the Proposed Amendments. In accordance with the Indenture, Notes owned by the Company and its affiliates will not be deemed outstanding, and the Company and such affiliates will not be able to vote for the purposes of the Required Consents needed to effect the Proposed Amendments. As of the date of this Statement, the Company and its affiliates did not own any Notes.

## **Consent Payment**

In the event that the Required Consents for the Notes are received on or prior to the Expiration Date, the Company will pay in cash, on the Settlement Date, an amount equal to U.S.\$5.00 per U.S.\$1,000 principal amount of the Notes for which Consents to the Proposed Amendments are validly delivered on or prior to the Expiration Date and not validly revoked prior to the Revocation Deadline.

The Consent Payment will be made by the Company to DTC or the Solicitation Paying Agent for the benefit of the Holders who delivered such valid Consents to the Proposed Amendments (and did not validly revoke such Consents prior to the Revocation Deadline) if the Required Consents are obtained.

**Holders of Notes for which no Consent is delivered (or that validly delivers a Consent but validly revokes such Consent prior to the Revocation Deadline) will not receive the Consent Payment, even though the Proposed Amendments, once operative with respect to the Notes, will bind all Holders of Notes and their transferees.**

The Company will be deemed to have accepted valid and unrevoked Consents if and when the Company gives oral or written notice to the Tabulation Agent of the Company's acceptance of such Consents pursuant to the Consent Solicitation. The Solicitation Paying Agent will act as agent for consenting Holders for the purpose of receiving the Consent Payment from the Company and transmitting such Consent Payment to consenting Holders. Upon the deposit of funds directly with DTC or with the Solicitation Paying Agent for the purpose of making payments of the Consent Payment to consenting Holders, the Company's obligation to make such payments of the Consent Payment shall be satisfied, and consenting Holders must thereafter look solely to DTC or the Solicitation Paying Agent, as applicable, for payments of amounts owed to them by reason of acceptance of Consents pursuant to the Consent Solicitation.

If the Consent Solicitation is abandoned or terminated for any reason, the Consents will be voided and the Consent Payment will not be paid.

## **Expiration Date; Extensions; Termination**

The Consent Solicitation will expire at 5:00 p.m., New York City time, on March 4, 2021. The Company reserves the right, in its sole discretion, subject to applicable law, to terminate or extend the Consent Solicitation at any time from time to time, whether or not the Required Consents have been received, by giving oral or written notice to the Tabulation Agent. Any such extension will be followed as promptly as practicable by notice thereof by press release or other public announcement (or by written notice to the Holders). Such announcement or notice may state that the Company is extending the Consent Solicitation for a specified period of time or on a daily basis. The failure of any Holder or beneficial owner of the Notes to receive such notice will not affect the termination or extension of the Consent Solicitation.

The Company expressly reserves the right for any reason, subject to applicable law, (i) to abandon, terminate or amend the Consent Solicitation at any time prior to the Expiration Date by giving oral or written notice thereof to

the Tabulation Agent and (ii) not to extend the Consent Solicitation beyond the latest previously announced Expiration Date. Any such action by the Company will be followed as promptly as practicable by notice thereof by press release or by other public announcement (or by written notice to the Holders).

If any amendments or modifications to the terms of the Consent Solicitation are made that the Company determines are not materially adverse to the Holders, then any Consents given prior to the time of any such amendment or modification will remain valid and these Consents will be deemed to continue to be effective with respect to the Consent Solicitation as so amended or modified. If any such modification or amendment is materially adverse to the Holders, the Company will disclose promptly any such modification or amendment in a public announcement or notice to Holders and extend the Expiration Date for a period the Company deems, in its sole discretion, to be sufficient for Holders to deliver or revoke consents. If the Company makes a material change in the terms of, or information concerning, the Consent Solicitation, the Proposed Amendments or any of the transactions described herein or waives any condition related thereto that results in a material change to the circumstances of the Consent Solicitation, then the Company will disseminate additional solicitation materials for a period necessary and will extend the applicable Consent Solicitation to the extent the Company deems, in its sole discretion, to be sufficient for Holders to review such materials.

### **Record Date**

The Record Date of the Consent Solicitation is 5:00 p.m., New York City time, on March 4, 2021. Such date has been fixed by us as the date for the determination of Holders entitled to give Consents pursuant to the Consent Solicitation. We reserve the right to establish, from time to time but in all cases prior to receipt of the Required Consents, any new date as such Record Date, and thereupon, any such new date will be deemed to be the Record Date for purposes of the Consent Solicitation. If the Record Date is changed, only Holders as of the revised Record Date will be entitled to deliver Consents.

### **Conditions to the Consent Solicitation**

Notwithstanding any other provision of the Consent Solicitation, and in addition to, and not in limitation of, the Company's rights to extend or amend the Consent Solicitation, the Consent Solicitation is subject to the satisfaction of the following conditions:

- (1) The valid delivery (without valid revocation) of the Required Consents in the Consent Solicitation at or prior to the Expiration Date and the execution and delivery of the Supplemental Indenture by the parties thereto (the "**Required Consents Condition**"); and
- (2) the General Conditions having been satisfied.

The "General Conditions" with respect to the Consent Solicitation will not be considered satisfied if any of the following conditions occurs (and, to the extent any such condition has occurred, has not been waived by us):

- there has been threatened or instituted or there is pending any action, suit or proceeding by any government or governmental, regulatory or administrative agency, authority or tribunal or by any other person, domestic, foreign or supranational, before any court, authority, agency or other tribunal that directly or indirectly:
  - challenges or seeks to make illegal, or to delay or otherwise directly or indirectly to restrain, prohibit or otherwise affect the making of the Consent Solicitation, or otherwise relates in any manner to the Consent Solicitation; or
  - in the sole judgment of the Company, could materially and adversely affect the business, condition (financial or otherwise), assets, income, operations or prospects of the Company and its subsidiaries, taken as a whole, or otherwise materially impair in any way the contemplated future conduct of the business of the Company or any of its subsidiaries;
- there has occurred any of the following:

- any general suspension of trading in, or limitation on prices for, securities on any U.S. or Brazilian securities or financial markets, on any national securities exchange, or in any over-the-counter market;
- any significant adverse change in the price of securities of the Company (including, without limitation, the Notes) in the U.S. or Brazilian securities or financial markets;
- a material impairment in the U.S. or Brazilian trading markets for debt securities;
- the declaration of a banking moratorium or any suspension of payments in respect of banks in the United States, whether or not mandatory;
- the commencement or escalation of a war, armed hostilities or other international or national calamity or crisis, including, but not limited to, an act of terrorism, directly or indirectly, involving the United States or Brazilian;
- any limitation, whether or not mandatory, by any governmental, regulatory or administrative agency or authority on, or any event that, in the Company's reasonable judgment, could materially affect the extension of credit by banks or other lending institutions in the United States or Brazil; or
- any change or changes, or threatened change or changes, in the Company's or its subsidiaries' business, condition (financial or otherwise), assets, income, operations, prospects or share ownership that, in the Company's reasonable judgment, has or is reasonably expected to have a material adverse effect on the Company and its subsidiaries, taken as a whole, or on the benefits of the Consent Solicitation to the Company.

The foregoing conditions are for our sole benefit and may be asserted by us regardless of the circumstances giving rise to any such conditions, including any action or inaction by us. Our failure at any time to assert any of the foregoing conditions will not be considered a waiver of our right to assert such conditions, and our right to assert a condition is an ongoing right that we may assert at any time and from time to time. Our determination concerning any of the events described above will be final and binding upon all persons. We reserve the right, subject to applicable law, in our sole discretion, to waive any of the conditions, in whole or in part, at any time and from time to time.

#### **Failure to Obtain the Required Consents**

If the Required Consents with respect to the Notes are not delivered, no Holder of such Notes will be eligible to receive the Consent Payment and no Supplemental Indenture with respect to such Notes will be executed.

#### **Procedures for Delivering Consents**

In order to provide a Consent, each person who is shown in the records of the clearing and settlement systems of DTC as a Holder of the Notes must submit, at or prior to the Expiration Date, a Consent in the applicable manner described below. The Company will accept Consents given in accordance with the customary procedures of DTC's ATOP (as defined below).

A beneficial owner of an interest in Notes held in an account of a DTC Participant who wishes a Consent to be delivered must properly instruct such DTC Participant to cause a Consent to be given in respect of such Notes.

Holders of Notes who do not deliver valid and unrevoked Consents to the Proposed Amendments on or prior to the Expiration Date will not receive the Consent Payment.

As of the date hereof, all of the Notes were held through DTC by DTC Participants.

**CONSENTS MUST BE ELECTRONICALLY DELIVERED IN ACCORDANCE WITH DTC'S ATOP PROCEDURES.**

The registered ownership of a Note as of the Record Date shall be proved by the Trustee, as registrar of the Notes. The ownership of Notes held through DTC as of the Record Date by DTC Participants shall be established by a DTC security position listing provided by DTC as of the Record Date. All questions as to the validity, form and

eligibility (including time of receipt) regarding the Consent procedures will be determined by the Company in its sole discretion, which determination will be conclusive and binding. The Company reserves the right to reject any or all Consents that are not in proper form or the acceptance of which could, in the reasonable opinion of the Company, or its counsel, be unlawful. The Company also reserves the right to waive any defects or irregularities in connection with deliveries of particular Consents. Unless waived, any defects or irregularities in connection with deliveries of Consents must be cured within such time as the Company determines. None of the Company or any of its affiliates, the Guarantors, the Solicitation Agent, the Tabulation Agent, the Trustee or any other person shall be under any duty to give any notification of any such defects or irregularities or waiver, nor shall any of them incur any liability for failure to give such notification. Deliveries of Consents will not be deemed to have been made until any irregularities or defects therein have been cured or waived. The Company's interpretations of the terms and conditions of the Consent Solicitation shall be conclusive and binding.

Consents will be accepted in minimum denominations of U.S.\$1,000 and integral multiples of U.S.\$1,000 in excess thereof.

### ***How to Consent***

The Consent Solicitation is being conducted in a manner eligible for use of DTC's ATOP. At the date of this Statement, all of the Notes are registered in the name of the nominee of DTC. In turn, the Notes are recorded on DTC's books in the names of DTC Participants who hold Notes either for themselves or for the ultimate beneficial owners. In order to cause Consents to be delivered, DTC Participants must electronically deliver a Consent by causing DTC to temporarily transfer and surrender their Notes to the Tabulation Agent in accordance with DTC's ATOP procedures. By making such transfer, DTC Participants will be deemed to have delivered a Consent with respect to any Notes so transferred and surrendered. DTC will verify each temporary transfer and surrender of Notes and confirm the electronic delivery of a Consent by sending an Agent's Message to the Tabulation Agent.

**Holders desiring to deliver their Consents prior to the Expiration Date should note that they must allow sufficient time for completion of the ATOP procedures during the normal business hours of DTC on such respective date. Consents not delivered prior to the Expiration Date will be disregarded and of no effect.**

### ***Representations, Warranties and Undertakings***

By delivering a Consent in accordance with DTC's ATOP procedures, the Holder is deemed to represent, warrant and undertake to the Company, the Solicitation Agent, the Information Agent, the Tabulation Agent, the Solicitation Paying Agent and the Trustee that:

- the Holder has received and reviewed this Statement and understands that the Holder is consenting to the Proposed Amendments with respect to such Notes upon the terms and subject to the conditions set forth in this Statement;
- the Holder authorizes, directs and requests the execution and delivery of the Supplemental Indenture; and the Holder acknowledges that the delivery of a Consent in accordance with DTC's ATOP procedures constitutes the Holder's written consent to the Proposed Amendments;
- the Holder acknowledges that the Holder has reviewed the restrictions set forth in this Statement, and that such Holder's participation does not conflict with such restrictions;
- the Holder acknowledges that all authority conferred or agreed to be conferred pursuant to these representations, warranties and undertakings and every obligation of the Holder and the Consents given by the Holder in respect of such Notes will be binding upon the successors, assigns, heirs, executors, administrators, trustees in bankruptcy and legal representatives of the Holder and will not be affected by, and shall survive, the death or incapacity of the Holder;
- the Holder acknowledges that the Holder is solely liable for any taxes and similar or related payments imposed on the Holder under the laws of any applicable jurisdiction as a result of the Holder's participation in the Consent Solicitation and agrees that the Holder will not and does not have any right of recourse (whether by way of reimbursements, indemnity or otherwise) against the Company, the Solicitation Agent, the Information Agent, the Tabulation Agent, the Solicitation Paying Agent or the Trustee or any other person in respect of such taxes;

- the Holder does hereby release and forever discharge the Trustee, its employees, officers, directors, and affiliates, and agents, predecessors and successors, of and from any and all manner of actions, causes of actions, suits, debts, dues, accounts, bonds, covenants, contracts, agreements, judgments, claims and demands whatsoever in law or in equity arising from and relating to the execution of the Supplemental Indenture to give effect to the Proposed Amendments and any transactions contemplated in connection with the Consents and the Consent Solicitation;
- the Holder authorizes, directs and requests that the Trustee enter into the Supplemental Indenture to give effect to the Proposed Amendments;
- the Holder empowers, authorizes, and requests the Trustee to do all such other things as may be necessary or expedient to carry out and give effect to the Consents or the Consent Solicitation;
- the Holder declares and acknowledges that none of the Company, the Solicitation Agent, the Information Agent, the Tabulation Agent, the Solicitation Paying Agent or the Trustee will be held responsible for any liabilities or consequences arising as a result of acts taken by any of them pursuant to the terms of the Consent Solicitation or this Statement;
- the Holder declares and acknowledges that none of the Company or any of its affiliates, the Guarantors, the Solicitation Agent, the Information Agent, the Tabulation Agent, the Solicitation Paying Agent or the Trustee or any of their respective directors, officers, employees, agents or affiliates makes any recommendation as to whether a Holder of the Notes should consent to the Proposed Amendments;
- this Statement and the transactions contemplated hereby will not be deemed to be investment advice or a recommendation as to a course of conduct by any of the Company, the Solicitation Agent, the Information Agent, the Tabulation Agent, the Solicitation Paying Agent and the Trustee or any of their respective officers, directors, employees or agents; and
- in delivering a Consent in accordance with DTC's ATOP procedures, the Holder has made an independent investment decision in consultation with its own agents and professionals.

***No Letter of Transmittal or Consent Form***

No consent form or letter of transmittal needs to be executed in relation to a Consent Solicitation or the Consents delivered through DTC. The valid electronic delivery of Consents through the temporary transfer and surrender of existing Notes in accordance with DTC's ATOP procedures shall constitute a written consent to the Consent Solicitation.

**Book-Entry Transfer**

The Tabulation Agent will establish ATOP accounts (i.e., Contra CUSIP) on behalf of the Company with respect to the securities held in DTC promptly after the date of this Statement. The Tabulation Agent and DTC will confirm that the Consent Solicitation is eligible for ATOP, whereby DTC Participants may make book-entry delivery of Consents by causing DTC to transfer Notes into the Contra CUSIP to electronically deliver the Consents. Deliveries of Consents are effected through the ATOP procedures by delivery of an Agent's Message by DTC to the Tabulation Agent.

The Notes for which a Consent has been delivered through ATOP as part of the Consent Solicitation prior to the Expiration Date will be held under one or more temporary CUSIP numbers (i.e., Contra CUSIP) during the period beginning at the time the DTC Participant electronically delivers a Consent and ending on the earliest of (i) the Expiration Date, (ii) the date on which the DTC Participant validly revokes its Consent or (iii) the date on which the Consent Solicitation is terminated. During such period, the DTC Participant's position will be blocked, and cannot be transferred or sold.

Following the Expiration Date, or the date on which the DTC Participant validly revokes its Consent, or the date on which the Consent Solicitation is terminated, the Notes will be transferred back to the relevant DTC Participant(s) and will trade under their original CUSIP numbers. The Tabulation Agent will instruct DTC to release the positions as soon as practicable but no later than two business days after either the Expiration Date or subsequent date following the Expiration Date and not exceeding 45 calendar days from the date hereof.

## **Revocation of Consents**

Each Holder who delivers a Consent pursuant to the Consent Solicitation will agree that until the Revocation Deadline, it will not revoke its Consent except in accordance with the conditions and procedures for revocation of Consents provided below. Each properly delivered Consent will be counted, notwithstanding any transfer of the Notes to which such Consent relates, unless the procedure for revocation of Consents provided below has been followed.

Prior to the Revocation Deadline, but not thereafter, any Holder may revoke any Consent given as to its Notes or any portion of such Notes (in minimum denominations of U.S.\$1,000 and integral multiples of U.S.\$1,000 in excess thereof). A Holder desiring to revoke a Consent must deliver a revocation of such Consent in the form described below, indicating such Holder's revocation of Consent and the total principal amount of Notes that such Holder holds to which the revocation relates. A revocation of a Consent may only be rescinded by the delivery of a new Consent, in accordance with the procedures herein described by the Holder who delivered such revocation.

A Holder may revoke a Consent only if such revocation complies with the provisions of this Statement. A beneficial owner of Notes who is not the Holder as of the Record Date of such Notes must instruct such Holder to revoke any Consent already given with respect to such Notes.

The Company reserves the right to contest the validity of any revocation and all questions as to the validity (including time of receipt) of any revocation will be determined by the Company in its sole discretion, which determination will be conclusive and binding.

All revocations of Consents must be delivered in accordance with the customary procedures of DTC's ATOP. None of the Company, any of its affiliates, the Guarantors, the Solicitation Agent, the Tabulation Agent, the Trustee or any other person will be under any duty to give notification of any defects or irregularities with respect to any revocation nor shall any of them incur any liability for failure to give such notification.

Once the Revocation Deadline has occurred, any Consents given with respect to the Proposed Amendments may not be revoked.

## **Solicitation Agent**

The Company has retained BofA Securities, Inc. as solicitation agent. The Solicitation Agent will solicit Consents and will receive a customary fee for such services and reimbursement of its reasonable out-of-pocket expenses. The Company has agreed to indemnify the Solicitation Agent and certain related persons against certain liabilities in connection with the Consent Solicitation.

The Solicitation Agent and its affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with the Company or its affiliates. They have received, or may in the future receive, customary fees and commissions for these transactions. In addition, in the ordinary course of their business activities, the Solicitation Agent and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) of the Company for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Company or of its affiliates. In particular, at any time, the Solicitation Agent and their affiliates may trade the Notes for their own accounts, or for the accounts of their customers, and accordingly may hold long or short positions in the Notes. Certain of the Solicitation Agent's affiliates that have a lending relationship with the Company routinely hedge their credit exposure to the Company consistent with their customary risk management policies. Typically, such affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in the securities of the Company. The Solicitation Agent and its affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

The Solicitation Agent assumes no responsibility for the accuracy or completeness of the information contained in this Statement or for any failure by the Company to disclose events that may affect the significance or accuracy of that information.

### **Information Agent, Tabulation Agent and Solicitation Paying Agent**

The Company has retained D.F. King & Co., Inc. as the Information Agent, Tabulation Agent and Solicitation Paying Agent in connection with the Consent Solicitation. As Information Agent, D.F. King & Co., Inc. will be responsible for answering questions concerning the terms of the Consent Solicitation and providing additional copies of this Statement. As Tabulation Agent, D.F. King & Co., Inc. will be responsible for collecting Consents. As Solicitation Paying Agent, D.F. King & Co., Inc. will be responsible for receiving instructions from the Company to accept Consents, receiving payments of the Consent Payment from the Company and, upon receipt of payments of the Consent Payment, bearing sole responsibility for making such payments of the Consent Payment to consenting Holders whose Consents have been accepted by the Company. D.F. King & Co., Inc. will receive a customary fee for such services and reimbursement of its reasonable out-of-pocket expenses.

None of the Company or any of its affiliates, the Guarantors, the Information Agent, the Tabulation Agent, the Solicitation Paying Agent, the Solicitation Agent or the Trustee makes (x) any recommendation as to whether or not Holders should deliver any Consent or (y) except as expressly set forth herein, any representations or warranties in connection with the Proposed Amendments.

None of the Solicitation Agent, the Information Agent or the Trustee assumes any responsibility for the accuracy or completeness of the information concerning the Company, its affiliates or the Notes contained in this Statement or for any failure by the Company to disclose events that may have occurred and may affect the significance or accuracy of that information.

## THE PROPOSED AMENDMENTS

Set forth below is a summary description of the proposed modifications to the Indenture for which the Consents of the Holders are being solicited by this Statement. This description does not purport to be comprehensive or definitive and is qualified by reference to the full provisions of the Indenture and Supplemental Indenture, a copy of which may be obtained from the Information Agent.

The Proposed Amendments, which consist of the following, constitute a single proposal, and a consenting Holder may only consent to the Proposed Amendments in their entirety. Capitalized terms appearing below but not defined in this section of the Statement have the meanings assigned to such terms in the Indenture.

### Proposed Amendments to the Indenture

The Proposed Amendments to the Indenture will:

- (a) add the following clause to the definition of “Asset Sale” in Section 1.01 of the Indenture:

“(23) any issuance or other disposition of up to 51% of the Capital Stock of InfraCo (the “***InfraCo Conversion***”) in connection with the conversion of Indebtedness incurred pursuant to Section 4.02(2)(b)(II)(y) hereof.”;

- (b) amend clause (1) of the definition of “Refinancing Indebtedness” in Section 1.01 of the Indenture as follows:

“(1) the aggregate principal amount (or initial accreted value, if applicable) of such new Indebtedness as of the date of such proposed Refinancing does not exceed the aggregate principal amount (or initial accreted value, if applicable) of the Indebtedness being Refinanced (plus the amount of any premium required to be paid under the terms of the instrument governing such Indebtedness (including, for the avoidance of doubt, accrued and/or capitalized interest) and the amount of reasonable expenses incurred by the Company in connection with such Refinancing);”;

- (c) add the following definitions to Section 1.01 of the Indenture:

““***InfraCo***” means Brasil Telecom Comunicação Multimídia S.A., a corporation (*sociedade por ações*) organized under the laws of the Federative Republic of Brazil (or any successor thereto); *provided* that, for the avoidance of doubt, following the InfraCo Conversion, InfraCo will not be a Subsidiary of the Company hereunder.

“***Plan Amendment***” means that certain amendment to the Reorganization Plan that was approved by the requisite majorities of creditors in the general Creditors’ Meeting held in Brazil on September 8, 2020 and confirmed by the 7th Corporate Court of the Judicial District of the State Capital of Rio de Janeiro effective on October 5, 2020 upon publication in the official gazette, as may be amended or modified from time to time pursuant to its terms.”;

- (d) amend Section 4.02(2)(b)(II) as follows:

“(II) (x) Indebtedness in the form of credit facilities or other debt or financial instruments raised in the capital markets not to exceed BRL\$2,500.0 million (or the equivalent in other currencies) in accordance with Section ~~5.3-15.5.4~~ of the Reorganization Plan, ~~and~~ (y) Indebtedness in the form of credit facilities or other debt or financial instruments ~~the purposes of which is to facilitate or finance (in whole or in part) the import of equipment~~ not to exceed BRL\$~~2,000.02~~ 2,500.0 million (or the equivalent in other currencies) in accordance with Section ~~5.3-25~~ of the Plan Amendment, and (z) Indebtedness in the form of credit facilities or other debt or financial instruments not to exceed BRL\$2,500.0 million (or the equivalent in other currencies) in accordance with Section 5.5.3 of the Reorganization Plan, and in each case of clauses (x), (y) and (z), Refinancing Indebtedness with respect thereto (clauses (x), ~~and~~ (y), and (z) and any such Refinancing Indebtedness, together, “***Reorganization Plan Additional Indebtedness***”), in each case of (x), ~~or~~ (y) or (z) whether or not Incurred within the timeframes referred to in the Reorganization Plan.”; and



(e) amend Section 4.02(3)(d) as follows:

“(d) the accrual of interest, the accretion or amortization of original issue discount, the payment of interest on any Indebtedness in the form of additional Indebtedness with the same terms, the payment of fees or premium on any Indebtedness (including in the form of additional Indebtedness with the same terms), the reclassification of Preferred Stock as Indebtedness due to a change in accounting principles, the reclassification of accounts payable as Indebtedness and the payment of dividends on Preferred Stock of Restricted Subsidiaries in the form of additional shares of the same class of Preferred Stock of Restricted Subsidiaries shall not be deemed to be an Incurrence of Indebtedness for purposes of this covenant; *provided*, in each such case, that the amount of any such accrual, accretion or payment is included in Consolidated Interest Expense of the Company as accrued.”

### **Certain Authorizations and Conforming Changes**

The Supplemental Indenture will provide that, by delivery of their Consents, Holders of the Notes will (i) authorize and direct the Trustee to amend any and all other provisions of the Indenture and the Notes that would prohibit the consummation of any of the transactions contemplated by the Proposed Amendments and authorize such amendments notwithstanding any other provision of the Indenture and (ii) authorize and direct the Trustee to enter into any and all amendments to the Indenture to permit and facilitate the Proposed Amendments, in each case, to the extent such amendment is necessary or advisable to give effect to and/or reflect the Proposed Amendments (including with respect to supplementing, modifying and amending the terms of the Notes in such a manner as necessary to make the Notes consistent with the Indenture). Holders, by delivery of their Consents, will also authorize the making of any and all changes to the Indenture and the Notes necessary to give effect to the Proposed Amendments. In addition, Holders, by delivery of their Consents, will permit and approve any and all conforming changes (as determined in good faith by the Company), including conforming amendments to the Notes and any related documents and any documents appended thereto that may be required by, or as a result of, the Supplemental Indenture.

**By delivering a Consent, a Holder of the Notes authorizes, directs and requests that the Trustee, upon receipt of all required documentation in the Indenture in form reasonably satisfactory to the Trustee, enter into a Supplemental Indenture to give effect to the Proposed Amendments.**

## **FEES AND EXPENSES**

The Company will bear all the costs of the Consent Solicitation, including the fees and expenses of the Solicitation Agent, the Information Agent, the Tabulation Agent and the Solicitation Paying Agent. The Company will pay the Trustee under the Indenture reasonable and customary compensation for its services in connection with the Consent Solicitation, plus reimbursement for documented and reasonable out-of-pocket expenses. The Company will pay all other fees and documented and reasonable out-of-pocket expenses attributable to the Consent Solicitation, other than expenses incurred by Holders or beneficial owners of Notes.

## CERTAIN U.S. AND BRAZILIAN TAX CONSIDERATIONS

### Certain Brazilian Tax Considerations

The following discussion is a summary of the Brazilian tax considerations with respect to the adoption of the Proposed Amendments and the receipt of the Consent Payment that may be relevant to an investor resident or domiciled outside of Brazil (“Non-Brazilian holder”). The discussion is based on the tax laws of Brazil as in effect on the date hereof and is subject to any change in the Brazilian law that may come into effect after such date as well as to the possibility that the effect of such change in the Brazilian law may retroact to reach rights created on or before the date hereof.

The information set forth below is intended to be a general discussion only and does not address all possible tax consequences relating to a to the adoption of the Proposed Amendments and the receipt of the Consent Payment relating to the Notes. Holders should consult their own tax advisers as to the consequences of the adoption of the Amendments and the receipt of the Consent Payment.

#### Consequences of the Proposed Amendments and Payment of the Consent Payment

##### *Modification of the Notes*

Despite the Brazilian tax consequences connected to the Consent Payment, the adoption of the Proposed Amendments per se should not entail any tax implications in Brazil, considering the Proposed Amendments are not economically significant and, therefore, shall not change the legal nature of the Notes, or require the execution of simultaneous foreign exchange transactions.

##### *Consent Payment*

Under Brazilian tax regulations, payments from Brazilian sources to offshore entities or individuals (including the Non-Resident holders) are generally subject to the Brazilian withholding tax at the rate of 15%, except in the case of a Non-Resident holder that is domiciled or resident in a Favorable Tax Jurisdiction, in which case the withholding tax is levied at a rate of 25%. Therefore, considering the Consent Payment would be treated as a fee paid by the Company as consideration for the Consent, those payments would be subject to the Brazilian withholding income tax at a 15% rate, or 25% when the Non-Resident holder is resident or domiciled in a Favorable Tax Jurisdiction (See “—Discussion on Favorable Tax Jurisdictions”).

##### *Discussion on Favorable Tax Jurisdiction and Privileged Tax Regime*

Under Brazilian tax law, a Favorable Tax Jurisdiction is defined as a country or a location that: (i) does not impose any tax on income; (ii) imposes income tax at a maximum rate lower than 20% or 17% in certain cases as detailed below; or (iii) imposes restrictions on the disclosure of ownership composition or securities ownership or does not allow for the identification of the beneficial owners of the earnings that are attributed to non-residents. A lower income tax rate may be applicable by a tax treaty between Brazil and the other country where the recipient of the payment has its domicile.

Brazilian Law No. 11,727 introduced the concept of a Privileged Tax Regime (“PTR”), which encompasses the countries and jurisdictions that (i) do not tax income or tax it at a maximum rate lower than 20% or 17% in certain cases as detailed below; (ii) grant tax advantages to a non-resident entity or individual (a) without the need to carry out a substantial economic activity in the country or a said territory or (b) conditioned upon the non-exercise of a substantial economic activity in the country or a said territory; (iii) do not tax or tax proceeds generated abroad at a maximum rate lower than 20% or 17% in certain cases as detailed below or (iv) do not allow access to information related to the shareholding composition, ownership of assets and ownership rights or restricts disclosure about economic transactions carried out within its territory. Normative Ruling No. 1,037, as amended, for its turn, also provided a list of the PTRs.

On November 28, 2014, the Ministry of Finance issued Ordinance No. 488 narrowing the concept of Favorable Tax Jurisdictions and Privileged Tax Regimes to the countries, locations and tax regimes that impose income tax at a maximum rate lower than 17%, provided that the relevant jurisdiction is committed to adopt international standards on tax transparency. Under Brazilian law, the aforementioned commitment is present if the relevant jurisdiction (1) has entered into (or concluded the negotiation of) an agreement or convention authorizing the exchange of information for tax purposes with Brazil and (2) is committed to the actions discussed in international forums on tax evasion in which Brazil has been participating, such as the Global Forum on Transparency and Exchange

of Information. Nevertheless, until now, there has been no amendment to Normative Ruling No. 1,037 to reflect such threshold modification.

Although we believe that the best interpretation of the current tax legislation is that the above mentioned PTR concept should apply exclusively for purposes of Brazilian transfer pricing, thin capitalization rules, and taxation of profits of foreign affiliates and controlled entities, there is no assurance that Brazilian tax authorities will not attempt to apply the concept of PTR to other types of transactions. Notwithstanding, in December 2017, the Brazilian Federal Revenue Service (“RFB”) published Answer to Tax Ruling Cosit No. 575/2017, stating that only payments to countries deemed as Favorable Tax Jurisdictions by Normative Ruling No. 1,037 would be subject to withholding tax at a 25% rate. Nevertheless, we cannot assure you that subsequent legislation or interpretations by the Brazilian tax authorities regarding the definition of PTR, provided by Law No. 9,430, of December 27, 1996, altered by Law No. 11,727, will also apply to a Non-Brazilian Holder on payments of interest on shareholders’ equity.

We recommend prospective investors consult their own tax advisors from time to time to verify any possible tax consequences arising of Normative Ruling No. 1,037, as amended, and Law No. 11,727.

### **Non-Consenting Non-Brazilian Holders**

There should be no tax impacts in Brazil in connection with Non-Consenting Non-Brazilian Holders.

### **Certain U.S. Federal Income Tax Considerations**

The following discussion summarizes certain U.S. federal income tax considerations with respect to the adoption of the Proposed Amendments and the receipt of the Consent Payment that may be relevant to U.S. Holders (as defined below). This discussion is based upon the U.S. Internal Revenue Code of 1986, as amended (the “Code”), U.S. Treasury Regulations (the “Regulations”) and judicial decisions and administrative interpretations thereunder, as of the date hereof, all of which are subject to change, possibly with retroactive effect, or are subject to different interpretations. There can be no assurance that the U.S. Internal Revenue Service (the “IRS”) will not challenge the analysis or conclusions reached in this summary, and no ruling from the IRS has been or is expected to be sought on the transaction described herein or on any of the issues discussed below.

This discussion does not address all tax considerations that may be important to a particular U.S. Holder in light of the U.S. Holder’s circumstances, including the alternative minimum tax and Medicare contribution tax consequences, or to certain categories of investors (such as financial institutions, insurance companies, tax-exempt organizations, dealers in securities or currencies, regulated investment companies, accrual method taxpayers that are required to include certain amounts in gross income no later than the date such amounts are included in an applicable financial statement, U.S. Holders whose functional currency is not the U.S. dollar, non-resident alien individuals present in the United States for 183 days or more during the taxable year, U.S. expatriates or persons who hold the Notes as part of a hedge, conversion transaction, straddle or other risk reduction transaction) that may be subject to special rules. This discussion also does not address U.S. federal estate and gift tax considerations or the tax considerations arising under the laws of any non-U.S. or U.S. state or local jurisdiction. This summary assumes that U.S. Holders hold their Notes as “capital assets” within the meaning of Section 1221 of the Code (generally, property held for investment).

For purposes of this discussion, a U.S. Holder is a beneficial owner of Notes that is:

- an individual who is a citizen or resident of the United States for U.S. federal income tax purposes;
- a corporation, or other entity treated as a corporation for U.S. federal income tax purposes, created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust that either is subject to the supervision of a court within the United States and that has one or more U.S. persons with authority to control all of its substantial decisions or has a valid election in effect under applicable Regulations to be treated as a U.S. person.

If a partnership (including any entity treated as a partnership for U.S. federal income tax purposes) holds Notes, the tax treatment of a partner generally will depend upon the status of the partner and upon the activities of the partnership. Partnerships that hold Notes, and partners in such partnerships, are urged to consult their own tax advisors

regarding the U.S. federal, state, local and non-U.S. tax consequences to them of the Consent Solicitation and the adoption of the Proposed Amendments.

**This summary is for general purposes only. This summary is not intended to be, and should not be construed to be, legal or tax advice to any particular U.S. Holder. Each Holder (including any Holder that does not Consent pursuant to the Consent Solicitation) should consult its own tax advisor regarding the U.S. federal, state, local and non-U.S. income and other tax consequences of the Consent Solicitation and the adoption of the Proposed Amendments.**

### **Consequences of the Proposed Amendments and Payment of the Consent Payment**

#### *Modification of the Notes*

Generally, the modification of a debt instrument will be treated as a “deemed” exchange of the unmodified, or “old,” debt instrument for a modified, or “new,” debt instrument (“Deemed Exchange”) if such modification is “significant” within the meaning of the applicable Regulations. Under the Regulations, the modification of a debt instrument is generally a significant modification if, based on all of the facts and circumstances and taking into account all modifications of the debt instrument collectively, the legal rights or obligations that are altered and the degree to which they are altered is “economically significant.” Certain types of modifications, however, are not significant modifications under the Regulations. The Regulations provide that a modification of a debt instrument that adds, deletes or alters customary accounting or financial covenants is not a significant modification. The Regulations, however, do not define “customary accounting or financial covenants” and do not otherwise directly address the exact types of modifications of the Notes that would occur upon adoption of the Proposed Amendments. The Regulations also provide that a change in yield of a debt instrument is a significant modification if the yield on the modified obligation, computed in the manner described in the Regulations, varies from the annual yield on the unmodified instrument (determined on the date of the modification) by more than the greater of (i) 1/4 of 1% or (ii) 5% of the annual yield of the unmodified instrument. For purposes of determining the yield of the modified debt instrument, payments (such as the Consent Payment) paid to the Beneficial Owners as consideration for the modification are taken into account. A modification of a debt instrument that is not a significant modification does not result in a Deemed Exchange of the debt instrument.

The Company believes and, therefore, intends to take the position that the adoption of the Proposed Amendments is not economically significant and, therefore, is not a significant modification. The determination of the “issue price” of the Notes for U.S. federal income tax purposes is unclear. Although the matter is not free from doubt, assuming that the “issue price” of the Notes (as determined for U.S. federal income tax purposes) did not differ from the stated principal amount of the Notes, each as of the issue date of the Notes, then the Company believes that the payment of Consent Payment should not result in a significant change in yield, and thus, U.S. Holders that receive the Consent Payment as consideration for providing a Consent should not experience a Deemed Exchange. Accordingly, U.S. Holders should not recognize any income, gain or loss in connection with the Consent Solicitation except with respect to any Consent Payment received, and should have the same adjusted tax basis (subject to the discussion below under the heading “—Consent Payment”) and holding period in the Notes after the adoption of the Proposed Amendments. U.S. Holders should consult their tax advisors regarding the determination of the “issue price” of the Notes for U.S. federal income tax purposes and the U.S. federal income tax consequences of holding Notes if a Deemed Exchange occurs.

If the adoption of the Proposed Amendments and/or the payment of the Consent Payment were to constitute a significant modification of the Notes, and therefore resulted in a Deemed Exchange of the Notes, such Deemed Exchange could affect the character and timing of income, gain or loss recognized with respect to the Notes. In particular, a Deemed Exchange would be a taxable exchange unless the Deemed Exchange qualified as a recapitalization for U.S. federal income tax purposes. Whether the Deemed Exchange would constitute a recapitalization depends on whether the “old” Notes and the “new” Notes constitute “securities” within the meaning of the relevant provisions of the Code. The term “security” is not defined in the Code or the Regulations. Under applicable administrative pronouncements and judicial decisions, debt instruments with a maturity of less than five years from the date of issuance generally do not constitute securities, whereas debt instruments with a maturity of ten years or more generally do constitute securities. Although the matter is not free from doubt, because the initial term of the Notes is approximately seven years, if the adoption of the Proposed Amendments and/or the payment of the Consent Payment were to constitute a significant modification of the Notes (notwithstanding the Company’s intended treatment) and therefore resulted in a Deemed Exchange, the Company believes that the Notes would constitute “securities” and, therefore, such Deemed Exchange of the Notes would qualify as a recapitalization for U.S. federal income tax purposes.

U.S. Holders should consult their tax advisors regarding the U.S. federal income tax consequences of holding Notes after the adoption of the Proposed Amendments and receipt of the Consent Payment.

#### *Consent Payment*

The tax treatment of the receipt of the Consent Payment by a U.S. Holder is uncertain. Based on the position that the adoption of the Proposed Amendments and the receipt of the Consent Payment do not result in a significant modification of the Notes, the Company intends to treat, for U.S. federal income tax purposes, the Consent Payment as a fee paid as consideration for the Consent. If such treatment is respected, a consenting U.S. Holder would recognize ordinary income for U.S. federal income tax purposes in the amount of the Consent Payment at the time the Consent Payment accrues or is received, in accordance with the U.S. Holder's regular method of accounting for U.S. federal income tax purposes.

It is possible, however, that a Consent Payment could be treated, first as a payment of accrued interest, to the extent of accrued and unpaid interest, and then as a payment of principal on the Notes. The portion of the Consent Payment treated as interest would be taxable to a consenting U.S. Holder as ordinary interest income to the extent not previously included in gross income under such U.S. Holder's regular method of accounting. The portion of the Consent Payment treated as a payment of principal on the Notes would decrease such U.S. Holder's adjusted tax basis in such Notes and a U.S. Holder would recognize gain in the amount of such portion when its Notes are retired, or would realize additional gain or a reduced loss upon a sale or disposition of such Notes.

If the adoption of the Proposed Amendments or the payment of the Consent Payment were a significant modification and thus the Deemed Exchange treatment described above were to apply, it is possible that the Consent Payment would be treated as received in connection with the Deemed Exchange (and not as a separate fee), although the matter is uncertain.

#### **Information Reporting and Backup Withholding**

Information returns will be filed with the IRS in connection with the Consent Payment to certain U.S. Holders. To prevent backup U.S. federal income tax withholding, each U.S. Holder receiving a Consent Payment must provide the U.S. Holder's correct taxpayer identification number and provide certain other information by properly completing an IRS Form W-9. Certain U.S. Holders are not subject to these backup withholding and reporting requirements. IRS forms can be obtained from the IRS's website ([www.irs.gov](http://www.irs.gov)). The amount of any backup withholding from a Consent Payment will be allowed as a credit against the U.S. Holder's federal income tax liability and may entitle the U.S. Holder to a refund; provided, that the required information is timely furnished to the IRS.

#### **Non-Consenting U.S. Holders**

As discussed above, although the issue is not free from doubt, the Company believes that the adoption of the Proposed Amendments will not cause a significant modification. Under such treatment, a non-consenting U.S. Holder of Notes would not recognize any gain or loss with respect to such Notes as a result of the adoption of the Proposed Amendments and such U.S. Holder would continue to have the same adjusted tax basis and holding period with respect to such Notes as such U.S. Holder had immediately prior to the adoption of the Proposed Amendments.

**The discussion set forth above is included for general information purposes only. All Holders are encouraged to consult their tax advisors to determine the U.S. federal, state and local, non-U.S. and other tax consequences of the Consent Solicitation and the transactions contemplated hereby, including the adoption of the Proposed Amendments and the receipt of the applicable Consent Payment.**

## SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES

We are a corporation (*sociedade anônima*) organized under the laws of Brazil. All of our directors and officers reside outside the United States. As a result, it may not be possible for you to effect service of process upon us or these other persons within the United States or other jurisdictions outside Brazil or to enforce judgments obtained in United States courts against us or them, including those predicated upon the civil liability provisions of the federal securities laws of the United States.

We have been advised by our Brazilian counsel, Barbosa, Müssnich, Aragão Advogados (“**BMA**”), that a certain, final and conclusive judgment of a United States court for civil liabilities predicated upon the federal securities laws of the United States may be enforced in Brazil, subject to certain requirements described below. Such counsel has advised that a judgment against us, the directors and officers or certain advisors named herein obtained in the United States would be enforceable in Brazil (to the extent that Brazilian courts may have jurisdiction), without reconsideration of the merits, upon confirmation of that judgment by the Brazilian Superior Court (Superior Tribunal de Justiça or the “STJ”). That confirmation, generally, will occur if the foreign judgment:

- complies with all formalities necessary for its enforcement under the laws of the place where it was issued;
- is issued by a competent court after proper service of process on the relevant party (and, if the relevant party is located in Brazil, service of process has been made in accordance with Brazilian law) or the absence of the relevant party is duly certified;
- is final and therefore not be subject to appeal (*res judicata*) in the jurisdiction where it was awarded;
- is in effect in the jurisdiction where it was issued;
- is not contrary to Brazilian national sovereignty or public policy or morality or violate human dignity (as provided in article 17 of the Law of Introduction to the Brazilian Law in article 963, VI, of the Brazilian Civil of Civil Procedure and in article 216-F of the Brazilian Superior Court of Justice’s Regiment);
- does not violate a final and unappealable decision issued by a Brazilian court on the same matter concerning the same parties, cause of action and claim;
- does not violate the exclusive jurisdiction of Brazilian courts (as provided in article 964 of the Brazilian Code of Civil Procedure); and
- is duly authenticated by a competent Brazilian consulate or, if the place of signing is a contracting state to the Convention Abolishing the Requirement of Legalization for Foreign Public Documents dated October 5, 1961, apostilled, and be accompanied by a sworn translation thereof into Portuguese, unless an exemption is provided by an international treaty to which Brazil is a signatory.

The judicial recognition process may be time-consuming and may also give rise to difficulties in enforcing the foreign decision in Brazil. There can be no assurance that recognition will be obtained in a timely manner or that Brazilian courts will enforce a monetary judgment for violation of the federal securities laws of the United States or other jurisdictions outside Brazil with respect to the common shares.

Decisions on interlocutory measures may likewise be enforced in Brazil in accordance with applicable laws.

We have also been advised that:

- civil actions may be brought before Brazilian courts based on the federal securities laws of the United States or other jurisdiction outside Brazil and that, subject to applicable law, Brazilian courts may enforce liability arising from such actions against us or our directors and officers (provided that provisions of the federal securities laws of the United States or other jurisdiction outside Brazil do not contravene Brazilian public policy, good morals or national sovereignty and provided further that Brazilian courts can assert jurisdiction over the particular action);
- the ability of a judgment creditor to satisfy a judgment by attaching certain assets of the defendant in Brazil is governed and limited by provisions of Brazilian law to the extent that assets are located in Brazil; and

- enforcement may be limited by bankruptcy, insolvency, fraudulent transfer, moratorium, liquidation, reorganization, *recuperação judicial* or extrajudicial and other laws of general application relating to or affecting the rights of creditors generally (claims for salaries, wages, social security and taxes, among others, will have preference over any claims).

In addition, a plaintiff, whether Brazilian or non-Brazilian, who resides outside Brazil during the course of litigation in Brazil will be required to place a bond as security for court costs and for third party attorney's fees if it does not possess any real property in Brazil, in accordance with Article 83 of the Brazilian Civil Procedure Code (Law No. 13.105, of March 16, 2015, as amended), except in case of collection claims based on an instrument (which do not include the notes issued hereunder) that may be enforced in Brazilian courts without the review of its merit (*título executivo extrajudicial*) or counterclaims as established under Article 83, §1º, II, of the Brazilian Civil Procedure Code. Notwithstanding the foregoing, we cannot assure you that confirmation of any judgment will be obtained, or that the process described above can be conducted in a timely manner.

If proceedings are brought before the Brazilian courts seeking to enforce obligations against us, payment shall be made in *reais*. Any judgment rendered in Brazilian courts in respect of any payment obligations would be expressed in *reais*.

We have appointed Cogency Global Inc., with offices currently at 122 E 42nd Street, 18th FL, New York, NY 10168, as our authorized agent upon whom process may be served in connection with any action instituted in any United States federal or state court having subject matter jurisdiction in the Borough of Manhattan in New York arising out of or based upon the Indenture governing the Notes.



## MISCELLANEOUS

We are not aware of any jurisdiction where the making of the Consent Solicitation is not in compliance with applicable law. If we become aware of any such jurisdiction, we will make a good faith effort to comply with applicable law or seek to have such law declared inapplicable to the Consent Solicitation. If, after such good faith effort, we cannot comply with any such law, the Consent Solicitation will not be made to Holders residing in such jurisdiction.

No person has been authorized to give any information or make any representation with respect to the Consent Solicitation on our behalf that is not contained in this Statement, and, if given or made, such information or representation should not be relied upon.

None of the Company or any of its affiliates, the Guarantors, the Solicitation Agent, the Information Agent, the Tabulation Agent and Solicitation Paying Agent, the Trustee or any of our or their respective affiliates makes any recommendation to any Holder as to whether to deliver Consents. Holders must make their own decision as to whether to deliver Consents.

Any question regarding procedures for delivering Consents or request for additional copies of this Statement should be directed to the Information Agent:

*The Information Agent, Tabulation Agent and Solicitation Paying Agent for the Consent Solicitation is:*

**D.F. King & Co., Inc.**

48 Wall Street, 22nd Floor  
New York, New York 10005  
Attention: Michael Horthman

Banks and Brokers call: (212) 269-5550

Toll-free: (800) 761-6521

Email: oi@dfking.com

Any question regarding the terms of the Consent Solicitation should be directed to the Solicitation Agent.

*The Solicitation Agent for the Consent Solicitation is:*

**BofA Securities, Inc.**

One Bryant Park, 9th Floor  
New York, New York 10036  
Collect: + 1 646 855 8988  
Toll Free: +1 888 292 0070