

## NOTICE AND EXTRAORDINARY RESOLUTION OF THE 2019 NOTES

**THIS NOTICE IS IMPORTANT AND REQUIRES THE IMMEDIATE ATTENTION OF NOTEHOLDERS. IF NOTEHOLDERS ARE IN ANY DOUBT AS TO THE ACTION THEY SHOULD TAKE, THEY SHOULD IMMEDIATELY CONSULT THEIR OWN INDEPENDENT PROFESSIONAL ADVISERS AUTHORISED UNDER THE APPLICABLE LAW, RULE OR REGULATION.**

**Portugal Telecom International Finance B.V. (Under Judicial Reorganisation)**

(the “**Issuer**”)

### NOTICE OF A MEETING

of the holders (the “**Noteholders**”) of those of the outstanding

**€750,000,000 5.00 per cent. Notes due 2019 (ISIN XS0462994343)**

(the “**2019 Notes**”)

of the Issuer and guaranteed by **Oi S.A. (Under Judicial Reorganisation)** (the “**Guarantor**”)

**NOTICE IS HEREBY GIVEN** that a Meeting of the Noteholders of the 2019 Notes (a “**Meeting**”) convened by the Guarantor will be held at the offices of White & Case LLP, 5 Old Broad Street, London EC2N 1DW, United Kingdom at 10.00 a.m. (London time) on 2 May 2018, for the purpose of considering and, if thought fit, passing the following resolution which will be proposed at the Meeting as an Extraordinary Resolution in accordance with the provisions of the trust deed dated 17 December 1998, supplemented, as amended and/or restated from time to time (the “**Trust Deed**”), made between the Issuer, the Guarantor and Citicorp Trustee Company Limited as trustee for the Noteholders (the “**Trustee**”) and constituting the 2019 Notes. Unless the context otherwise requires, capitalised terms used but not defined in this Notice shall have the meaning given in the Trust Deed, the terms and conditions of the 2019 Notes (the “**Conditions**”) or the Consent Solicitation Memorandum (as defined below), as applicable.

Full details of the background to, and the reasons for, the Proposal and the Extraordinary Resolutions (each as defined in the Consent Solicitation Memorandum) are contained in the Consent Solicitation Memorandum, copies of which are available upon request from the Information and Tabulation Agent.

The attention of Noteholders is particularly drawn to the quorum required for the Meeting and for an adjourned Meeting which is set out in “*Voting and Quorum*” below.

In accordance with normal practice, the Trustee expresses no opinion as to the merits of the Consent Solicitation or the Proposal (which it was not involved in negotiating). It has, however, authorised it to be stated that, on the basis of the information set out in the Consent Solicitation Memorandum (which it recommends Noteholders to read carefully) and in this Notice, it has no objection to the Extraordinary Resolution referred to above being submitted to the Noteholders for their consideration. The Trustee has, however, not been involved in formulating the Consent Solicitation, the Extraordinary Resolution or the Proposal and makes no representation that all relevant information has been disclosed to Noteholders in the Consent Solicitation Memorandum and this Notice. Accordingly, the Trustee urges Noteholders who are in any doubt as to the impact of the implementation of the Extraordinary Resolution or the Proposal to seek their own independent financial and/or legal advice.

The terms and conditions of the Consent Solicitation Memorandum are without prejudice to the right of a Noteholder to attend and vote at the Meeting as set out in this Notice and in the Trust Deed.

## EXTRAORDINARY RESOLUTION IN RESPECT OF THE 2019 NOTES

“THAT this Meeting of the holders (the “**Noteholders**”) of €750,000,000 5.00 per cent. Notes due 2019 (ISIN XS0462994343) (the “**2019 Notes**”) of Portugal Telecom International Finance B.V. (Under Judicial Reorganisation) presently outstanding constituted by the trust deed dated 17 December 1998, as supplemented, amended and/or restated from time to time (the “**Trust Deed**”), made between the Issuer, PT Portugal SGPS, S.A., the Guarantor and Citicorp Trustee Company Limited (the “**Trustee**”) as trustee for holders of the 2019 Notes hereby:

(a) *Directions to the Trustee in relation to the PTIF Composition Plan*

- (i) approves and declares that the Trustee is the sole and exclusive creditor in relation to the 2019 Notes, to the exclusion of all Noteholders, in the bankruptcy of PTIF for purposes of Dutch bankruptcy law and has all powers of a creditor under Dutch bankruptcy law;
- (ii) authorises, directs, requests and empowers the Trustee to instruct the PTIF Bankruptcy Trustee to withdraw claims in relation to 2019 Notes that have been filed by Noteholders in the Dutch bankruptcy proceedings of the Issuer prior to the date of this Extraordinary Resolution;
- (iii) authorises, directs, requests and empowers the Trustee to exclusively (and to the exclusion of all Noteholders): (A) file a claim with the PTIF Bankruptcy Trustee as creditor in respect of all amounts due under the 2019 Notes in the PTIF Composition Plan, (B) vote by way of a single vote at the PTIF Creditors Meeting in relation to all 2019 Notes in favour of the PTIF Composition Plan and issue a declaration that no individual holder of the 2019 Notes shall be entitled to vote separately on the PTIF Composition Plan, and (C) vote by way of a single vote at the Article 84 Creditors Meeting in relation to all 2019 Notes, in support of a direction for exercise by the PTIF Bankruptcy Trustee of a vote on behalf of PTIF in favour of the Coop Composition Plan,

*provided that* the resolutions in paragraphs (a)(i) to (a)(iii) above shall not be adopted, even if duly authorised and passed at this Meeting, unless all the Extraordinary Resolutions in respect of each Series of Notes (each as defined in the Consent Solicitation Memorandum) have been authorised and passed at Meetings (as defined in the Consent Solicitation Memorandum), or as the case may be, at any adjourned Meetings, by the holders of each Series of Notes issued by the Issuer and which are outstanding;

- (b) *Release of the Guarantor:* resolves that, upon the occurrence of the Guarantee Release Effective Date, the Guarantor shall be irrevocably and unconditionally discharged and released from all its obligations and liabilities under the Trust Deed and the other Notes Documentation in respect of the 2019 Notes, and (i) approves and assents to the modification of the Trust Deed including the terms and conditions of the 2019 Notes (as set out in the Trust Deed and as completed by the relevant Final Terms) and the entry into of any other documentation required to effect and/or evidence such irrevocable release and discharge of the Guarantor from all of its obligations and liabilities under the Trust Deed and the other Notes Documents in respect of the 2019 Notes as of the Guarantee Release Effective Date and (ii) authorises, directs, requests and empowers the Trustee without undue delay to execute the Deed of Release;
- (c) *Supplemental directions to the Trustee:* authorises, directs, requests and empowers the Trustee to concur in, and to execute and do, all such other deeds, instruments, acts and things as may be necessary or appropriate to carry out and give effect to this

Extraordinary Resolution (including all of the separate resolutions set out herein) and the implementation of the Proposal;

- (d) *Exoneration of Trustee*: discharges and exonerates the Trustee from all liability for which it may have become or may become responsible under the Trust Deed or the 2019 Notes in respect of any act or omission in connection with the implementation of the Proposal, the Deed of Release or this Extraordinary Resolution;
- (e) *Approval of further supporting actions*: sanctions and assents to every abrogation, amendment, modification, compromise or arrangement in respect of the rights of the Noteholders against the Issuer, Guarantor or any other person whether such rights shall arise under the Trust Deed or otherwise involved in or resulting from or to be effected by this Extraordinary Resolution, the Proposal and/or their implementation;
- (f) *Acknowledgement of Guarantor's discretion*: acknowledges that the Guarantor may choose not to implement the Proposal notwithstanding the fact that this Extraordinary Resolution is passed; and
- (g) *Definitions*: acknowledges that capitalised terms used but not otherwise defined in this Extraordinary Resolution have the meanings given to them in the consent solicitation memorandum dated 10 April 2018 from the Guarantor addressed to (among others) the Noteholders (the “**Consent Solicitation Memorandum**”).

#### **APPOINTMENT OF PROXYHOLDER AND PROXY**

If each of the Extraordinary Resolutions in respect of all Series of Notes (each as defined in the Consent Solicitation Memorandum) are not approved at each relevant Meeting (as defined in the Consent Solicitation Memorandum) or at any adjourned such Meeting, then resolutions (a)(i) to (a)(iii) of the Extraordinary Resolutions in respect of each Series of Notes shall not be adopted and the Trustee shall not file any claim nor cast any vote in respect of the 2019 Notes at the PTIF Creditors' Meeting or Article 84 Creditors Meeting, whether requested by Noteholders or otherwise.

In such event, each Noteholder who has cast a vote in an Extraordinary Resolution at a Meeting (whether by proxy or in person) or submitted a Voting Instruction or arranged for a Voting Instruction to be submitted on its behalf, shall be deemed to have appointed, authorised, empowered and directed the Information and Tabulation Agent as proxy holder pursuant to a Proxy (such Proxy being accepted by the Information and Tabulation Agent in accordance with the terms of this Consent Solicitation Memorandum), and pursuant to such Proxy with the powers of a creditor under Dutch Bankruptcy law the Information and Tabulation Agent is authorised, empowered and directed in respect of each vote and in accordance with such vote to:

- (h) submit a claim with the PTIF Bankruptcy Trustee in respect of the PTIF Composition Plan;
- (i) cast a vote in accordance with the Voting Instructions on the Noteholder's behalf in respect of the relevant outstanding principal amount of the relevant Series of Notes held by the respective Noteholders in the PTIF Creditors Meeting;
- (j) cast a vote at the Article 84 Creditors Meeting in accordance with the Voting Instructions on the Noteholder's behalf to direct the PTIF Bankruptcy Trustee to exercise a vote on behalf of PTIF in respect of the Coop Composition Plan;
- (k) disclose to the Dutch Supervisory Judge and the PTIF Bankruptcy Trustee, the identity of the Noteholders voting; and
- (l) perform any legal or other acts as the Proxy considers necessary in connection with the conclusion or performance of those acts above.

Noteholders should note that, where all of the Extraordinary Resolutions in respect of all Series of Notes (each as defined in the Consent Solicitation Memorandum) are not passed at each relevant Meeting or any adjourned such Meeting and accordingly, resolutions (a)(i) to (a)(iii) of the Extraordinary Resolutions shall not be adopted in respect of any Series of Notes, the process by which votes are cast in respect of the PTIF Composition Plan (resulting in a proxy given to the Information and Tabulation Agent authorising it to submit a claim and cast a vote on their behalf in the PTIF Composition Plan) is not governed by the provisions of the Trust Deed or the 2019 Notes.

## VOTING AND QUORUM

1. The provisions governing the convocation and holding of the Meeting are set out in Schedule 3 to the Trust Deed, a copy of which is available for inspection by Noteholders during normal business hours at the specified offices of the Information and Tabulation Agent set out below.
2. All of the 2019 Notes are represented by a global note held by a common depositary for Clearstream, Luxembourg and Euroclear. For the purposes of the Meeting, a “**Noteholder**” shall mean each person who is for the time being shown in the records of Euroclear and Clearstream, Luxembourg as the holder of a particular principal amount outstanding of the 2019 Notes as at the Record Date.
3. A Noteholder wishing to attend and vote at the Meeting in person must submit or arrange for the submission on its behalf of an appropriate Voting Instruction with details of supporting identification documentation (Passport or Identity Card number) through the relevant Clearing Systems to the Information and Tabulation Agent containing the information required in the Consent Solicitation Memorandum.
4. A Noteholder not wishing to attend and vote at a Meeting in person may give a voting instruction by submitting or arranging the submission of a Voting Instruction (as applicable) through the relevant Clearing Systems to the Information and Tabulation Agent instructing the Principal Paying Agent to appoint a proxy to attend and vote at the Meeting in accordance with its instructions.
5. The Consent Solicitation is not extended to any Noteholder whose participation in the Consent Solicitation would violate the laws of its jurisdiction of residence or domicile or require registration of the Consent Solicitation with any applicable governmental or regulatory authority in that jurisdiction.
6. Only Direct Participants may submit a Voting Instruction. If you are not a Direct Participant, you must arrange for the Direct Participant through which you hold the relevant 2019 Notes to submit a Voting Instruction on your behalf to the Information and Tabulation Agent through the relevant Clearing Systems.
7. The quorum required at a Meeting is one or more persons present holding or being proxies or representatives and holding or representing in the aggregate more than two thirds in nominal amount of the 2019 Notes for the time being outstanding. In the event that such quorum is not obtained at a Meeting, such Meeting will be adjourned for not less than 14 clear days nor more than 42 clear days, and to such place as may be appointed by the chairman either at or subsequent to such meeting and approved by the Trustee. At any adjourned Meeting one or more persons present holding or being proxies or representatives one-third of the nominal amount of the outstanding 2019 Notes held or represented by them shall form a quorum.
8. Voting Instructions given in respect of a Meeting (unless revoked prior to the Revocation Deadline) shall remain valid for such adjourned Meeting.
9. All questions as to the form of documents and validity, eligibility (including time of receipt) and acceptance of Voting Instructions will be determined by the Guarantor in its sole discretion, and such determination will be final and binding. The Guarantor reserves the absolute right to reject any or all Voting Instructions which it determines are not in proper

form or which may, upon the advice of the Guarantor's legal counsel, be unlawful, including, without limitation, if it is determined that a Noteholder's participation in the Consent Solicitation would not be permitted under the laws of its jurisdiction of residence or domicile or require registration of the Consent Solicitation with any applicable governmental or regulatory authority in that jurisdiction.

10. Every question submitted to the Meeting will be decided on a show of hands unless a poll is duly demanded by the chairman of such Meeting, the Issuer, the Guarantor, the Trustee or any person present holding a definitive note or being a proxy or representative (whatever the nominal amount of the 2019 Notes so held or represented by him). On a show of hands, every person who is present in person and produces a definitive note or is a proxy or representative shall have one vote. On a poll, every person who is so present shall have one vote in respect of each €1 in principal amount outstanding of the 2019 Notes so produced or represented.
11. To be passed, the Extraordinary Resolution requires a majority in favour consisting of not less than three-fourths of the persons voting at the Meeting upon a show of hands or, if a poll is duly demanded, by a majority consisting of not less than three-fourths of the votes cast on such poll.

## **PUBLICATION OF NOTICE OF RESULTS**

Notice of the result of the voting on any resolution duly considered by the Noteholders shall be published in accordance with Condition 14 by the Issuer within 14 days of such result being known *provided that* the non-publication of such notice shall not invalidate such result.

## **BINDING EFFECT OF THE EXTRAORDINARY RESOLUTIONS**

An Extraordinary Resolution, if passed, shall be binding on all of the Noteholders, whether or not present at the Meeting and each of them shall be bound to give effect to it accordingly.

## **FURTHER INFORMATION**

The Consent Solicitation Memorandum and all related documentation referred to therein is available at Consent Website: <http://sites.dfkingltd.com/oiconsent>.

Any questions relating to the completion and submission of Voting Instructions should be addressed to the Information and Tabulation Agent as set out on the last page of the Consent Solicitation Memorandum.

## **GOVERNING LAW**

This Notice and any non-contractual obligation arising out of or in connection with it (except for the section entitled "Appointment of Proxyholder and Proxy", the Proxy and any obligations arising out of or in connection with the Proxy) are governed by, and shall be construed in accordance with, English law.

The section of this Notice entitled "Appointment of Proxyholder and Proxy", the Proxy and any obligations arising out of or in connection with the Proxy shall be governed by the laws of The Netherlands.

This Notice is given by the Guarantor. The Information and Tabulation Agent is an agent of the Guarantor and owes no duty to any holder of the 2019 Notes.