

REQUEST FOR GRANTING SUSPENSION OF PAYMENT
AND SUBMISSION OF DRAFT COMPOSITION PLAN
(art. 214 DBA)

To the district court of Amsterdam,

This request is made by the private company with limited liability **PORTUGAL TELECOM INTERNATIONAL FINANCE B.V.** *em recuperação judicial* (subject to Brazilian in-court restructuring proceedings), with corporate seat in Amsterdam and having its address at 1043 BW Amsterdam, Naritaweg 165 ("**PTIF**" or the "**Company**"), for whom the lawyers (*advocaten*) mr R.D. Vriesendorp, mr R. van den Sigtenhorst and mr K.M. Sixma, with office at the Claude Debussylaan 80, 1082 MD Amsterdam, file this request.

1. BACKGROUND

PTIF

- 1.1. PTIF serves as one of the two main financing companies of its Brazilian parent company Oi S.A. *em recuperação judicial* (subject to Brazilian in-court restructuring proceedings) ("**Oi**") and Oi's operational affiliated companies, all located in Brazil (together, the "**Oi Group**"). The other main financing vehicle of the Oi Group is Oi Brasil Holdings Coöperatief U.A. *em recuperação judicial* (subject to Brazilian in-court restructuring proceedings) ("**Finco**"), which is also incorporated in the Netherlands. A corporate structure chart of the Oi Group is attached as (**Annex 6**).
- 1.2. On 9 August 2016 your court opened preliminary suspension of payment proceedings in relation to Finco with insolvency number S.13/16/41. PTIF is currently in a situation comparable to the situation Finco was in at the date of its request for suspension of payment (9 August 2016). The background to PTIF's request for suspension of payments and the measures requested from the court, as further set out in this petition, are comparable to those in the request of Finco. Meanwhile, time has passed in the Brazilian RJ Proceedings (as defined below), and except for the filing of an RJ Plan (as defined below), there have been no significant developments that make the position of PTIF different from the position of Finco at the time of the request for the opening of suspension of payment proceedings. For your convenience, the decision of your court dated 9 August 2016 in which suspension of payment was granted to Finco is attached as **Annex 7** (the "**Finco Decision**").
- 1.3. The business of PTIF consists of issuing and servicing debt in the international capital markets, mainly by issuing listed notes (a type of financing) (the "**Notes**") and on-lending the funds raised thereby to the (operational companies within) the Oi Group. Also, the monies raised by PTIF have been on-lent to the members of the Oi Group via Finco. As a consequence thereof, PTIF has intercompany claims on Finco and Finco has in turn intercompany claims on the operational entities of the Oi Group. While unsecured, the Notes issued by PTIF have been guaranteed by Oi.

PTIF has no real estate, no employees apart from one of its directors and no operations of its own. PTIF has not established a supervisory board or a works council. PTIF has one employee, Ms. Mocellin, who is one of PTIF's directors.

- 1.4. As at 31 August 2016, PTIF had an aggregate nominal amount of approximately EUR 3.9 billion outstanding under the Notes. PTIF has on-lent these funds under certain intra-Group loans to:
- (i) Finco, of which as at 31 August 2016 an amount of approximately EUR 3.811 billion was outstanding; and
 - (ii) Timor Telecom S.A., of which as at 31 August 2016 an amount of approximately EUR 19.4 million was outstanding.
- 1.5. As at 31 August 2016, PTIF had worth approximately EUR 4.0 billion. PTIF's assets, in accordance with its function as a financing vehicle, mainly consist of claims on other entities within the Oi Group but also include EUR 137 million ADR (American Depositary Receipt) shares in Oi. An overview of the assets and liabilities of PTIF is attached as **Annex 8**, a creditors list is attached as **Annex 9**, and a debtors list is attached as **Annex 10**.
- 1.6. PTIF was originally part of the Portugal Telecom group, as a subsidiary of Pharol, SGPS S.A. ("Pharol", formerly known as Portugal Telecom, SGPS S.A.). On 5 May 2014, the Oi Group acquired PT Portugal SGPS S.A. ("**PTP**") and all of its subsidiaries, including PTIF. To implement that transaction, Oi made a share offering for which Pharol subscribed and in exchange contributed its assets, including PTIF. As a result of the acquisition, PTIF became a direct 100% subsidiary of Oi and a (key) part of the Oi Group.
- 1.7. On 2 June 2015, Oi sold PTP, to Altice Portugal S.A. This was done on a debt free basis, so that, as part of the divestment, PTIF remained with the Oi Group. Further, as part of the sale, PTIF was substituted as issuer of retail notes, which had been issued by one of the companies within the PTP group divested to Altice Portugal S.A. The substitution was effectuated following a consent solicitation dated 9 April 2015 whereby the relevant noteholders consented to this substitution of issuer.

The Oi Group

- 1.8. The Oi Group comprises one of the world's largest integrated telecommunications service providers with the vast majority of its operations, management, principal executive officers, customers, assets, subsidiaries and approximately 138,000 direct and indirect employees all located in Brazil. Oi's shares are listed on the Sao Paulo Mercantile and Stock Exchange and in ADR format (American Depositary Receipt) on the New York Stock Exchange.
- 1.9. The importance of the Oi Group and its services for Brazil, its society, daily life and its economy can hardly be overstated: they are vital to every aspect of telecommunications in Brazil today. This includes the operation of backbone telecommunications infrastructure (optic fibre links) and internet

services. Throughout the country, the Oi Group provides fixed-line and mobile services, network usage, television, payment and data transmission services (including broadband internet access, Pay-TV, internet and other telecommunications services) for residential customers, corporate customers of various sizes, governmental agencies, and in public areas to the community at large. A selection of key facts underscoring the Oi Group's importance include:

- (i) it operates two million Wi-Fi hotspots, including in public places such as airports and shopping malls;
- (ii) its mobile network extends to cover residential and/or employment locations for almost 93.0% of the Brazilian population;
- (iii) it had 45.3 million mobile subscribers as of 30 June 2016, which represented approximately 18.6% of market share nationally of mobile telecommunications;
- (iv) it operates systems for electronic voting in certain states and municipalities, making the democratic process in those areas dependent on the functioning of those systems;
- (v) it operates the telecommunications system for Brazil's permanent Comandante Ferraz Antarctic Station at the South Pole; and
- (vi) it renders telephone and data communication services on an exclusive basis to 100% of the army basis located along Brazil's dryland borders.

1.10. The Oi Group's Brazilian operations are heavily regulated under concessions and authorisations granted by Brazil's national telecommunications agency ANATEL (*Agência Nacional de Telecomunicações*) ("**ANATEL**").

1.11. The importance of the services provided by the Oi Group - and the uninterrupted continuance thereof - was recognised by the Court of Rio de Janeiro, Brazil (the "**Brazilian Court**") in its judgment dated 29 June 2016 in which it accepted the petition and opened the Brazilian judicial reorganisation proceedings (*recuperação judicial*) (the "**RJ Proceedings**") for all applicants, including for PTIF (as further described below) (the "**RJ Acceptance Order**", a certified translation of which is attached as **Annex 11**). This Brazilian Court stated in the RJ Acceptance Order (p. 89500) that:

"The judiciary is faced with a petition for the court-supervised reorganization of one of the world's largest business conglomerates, with huge operations in all the states in Brazil, and with a strong social impact on all the structures of society.

The OI GROUP has significant net revenues and performs public and private services unequivocally essential for the Brazilian population. In addition, it generates tens of thousands of direct and indirect jobs, and pays the Government billions of reais in taxes.

These specificities create the need for this Court to exercise its constitutional duty of preserving the company as a source of jobs and wealth for all of society. After all, on resorting to the Judiciary at this time of global crisis, the petitioners intend to overcome the difficulties in order to achieve their social objectives."

- 1.12. As of 30 June 2016, Oi disclosed that the Oi Group held assets in the amount of USD 24.0 billion; and more than 90% of these assets were held in Brazil.

2. BACKGROUND – FINANCIAL DIFFICULTIES OF PTIF AND THE OI GROUP

- 2.1. The financial situation of the Oi Group has deteriorated over the last years due to a combination of factors, including, *inter alia*:

- (i) the growth of the Oi Group's debt at three specific moments since its privatisation:
 - in 2000, to finance plans for advance achievement of certain targets;
 - in 2009, with the acquisition of Brasil Telecom and the subsequent identification of specific relevant liabilities; and
 - in 2013, within the context of the Oi Group's international expansion process to Portuguese-speaking countries through the merger with Portugal Telecom;
- (ii) an amount of more than BRL 14 billion being held in judicial deposits, affecting the liquidity of the Oi Group. This resulted from the Oi Group being subject to supervision by various levels of government, giving rise to regulatory, tax, labor-related and civil issues;
- (iii) administrative penalties imposed by ANATEL in an amount of approx. BRL 10.6 billion; and
- (iv) technological developments affecting classical telecom providers globally which caused a large fall in the demand of the general population for landlines, combined with the continued obligations of the Oi Group to invest into the infrastructure on the bases of the concessions granted to it.

PTIF's financial and economic fate depends on the Oi Group

- 2.2. As a financing vehicle, PTIF has no revenue generating capacity or assets (other than intercompany loans and the ADRs) of its own. Additionally, the Notes are guaranteed by Oi. Therefore, PTIF's ability to repay its debts depends entirely on the success of the RJ Proceedings and, consequently, the Oi Group's continuity, business and revenue. In view of these facts, PTIF's

financial and economic situation is inherently linked to that of the Oi Group as a whole. PTIF's debts will only be repaid to the extent the Oi Group is able to do so, which is unlikely to be suitable with a bankruptcy liquidation of the Oi Group.

- 2.3. On 9 March 2016, Oi announced that it had retained PJT Partners as financial advisor to assist the Oi Group in assessing financial and strategic alternatives to optimise the Oi Group's liquidity and debt profile. On 25 April 2016, Oi announced that it entered into a customary non-disclosure agreement with an advisor to a diverse ad hoc group of holders of the debt instruments issued by the Oi Group (the "**Ad Hoc Committee**"), including the Notes, as an initial step toward discussions regarding the terms of a potential restructuring.
- 2.4. Despite discussions and negotiations with certain of its financial creditors and the Ad Hoc Committee, the Oi Group was unable to reach an agreement with creditors for an out-of-court restructuring under the circumstances and in advance of upcoming maturities on its indebtedness. Therefore, in view of its business and financial forecasts, Oi and its advisors determined that the most appropriate course of action for the Oi Group to continue as a going concern was to commence in-court restructuring proceedings for certain entities in the Oi Group. The RJ Proceedings aim at rescuing the Oi Group, including PTIF, as a going concern and avoiding liquidation bankruptcy, an outcome which would be detrimental to creditors of the Oi Group. PTIF determined it to be in its interest and the interests of its creditors to join the RJ Proceedings. Paragraph 3 provides further background on the RJ Proceedings.

3. BACKGROUND – RJ PROCEEDINGS

- 3.1. On 20 June 2016, Oi together with certain other entities in the Oi Group, including PTIF and Finco, jointly filed a petition for the commencement of RJ Proceedings with the Brazilian Court. On 21 June 2016, an interim moratorium staying all actions and executions against the Oi Group (including PTIF) was granted by the Brazilian Court. This was ratified when the Brazilian Court formally accepted the RJ Proceedings on 29 June 2016. This decision was published on 6 July 2016. Under Brazilian law and according to a decision of the Brazilian Court in effect under the RJ Proceedings, all claims and enforcement actions (save for some exceptions) against the entities under the RJ Proceedings, including PTIF, are stayed for 180 business days¹ from the date of the RJ Acceptance Order; therefore until approximately May 2017 (the "RJ Stay Period").
- 3.2. The main objective of the RJ Proceedings is the preservation of those Oi Group entities subject to the RJ Proceedings, including PTIF, as a going concern, by means of the approval of a plan negotiated with creditors (see further below). Oi and the entities in the Oi Group subject to the RJ Proceedings will continue and manage their operations throughout the duration of the RJ

¹ Please note that in accordance with the RJ Acceptance Order, all terms in the RJ Proceedings will be counted in business days. However, this determination is appealable and there is a possible uncertainty about specific terms in the RJ Proceedings, whether they have to be counted in business days or in calendar days, as it is not exactly clear how a recent amendment of the Brazilian procedural law must be interpreted in the RJ Proceedings.

Proceedings and the existing management will continue to take key business decisions, subject to the supervision of judicial administrators appointed by the Brazilian Court: PricewaterhouseCoopers (PwC) and Escritório de Advocacia Arnold Wald (a Brazilian law firm).

3.3. Pursuant to the RJ Proceedings, the debtor companies subject to the RJ Proceedings (including PTIF) must present a composition plan to the creditors of PTIF, as part of a general composition plan (the "**RJ Plan**") for the creditors of the Oi Group, including the creditors of PTIF. The RJ Plan is to be offered to creditors within 60 calendar days² after publication of the decision in which the RJ Proceedings are formally accepted by the Brazilian Court (6 July 2016). On 5 September 2016, Oi and the group entities that are subject to the RJ Proceedings filed the RJ Plan with the Brazilian Court, together with the feasibility analysis, which was prepared by EY (the "**EY Report**"). English translations of the RJ Plan and the EY Report are attached as **Annex 12** and **Annex 13**. Failure to file the RJ Plan within the time frame above could have meant automatic conversion of the RJ Proceedings into *falência*, Brazilian liquidation bankruptcy proceedings, for the Oi Group in accordance with the Brazilian Bankruptcy Act, as this specific term is counted in calendar days.

3.4. The Brazilian Court assumed jurisdiction over PTIF and accepted it into the RJ Proceedings as PTIF is merely a financing vehicle and not an operating company of the Oi Group, whose main place of business is in Rio de Janeiro, Brazil:

*"I hereby DECLARE that the foreign subsidiaries that compose the "OI GROUP" have standing to formulate the petition for court-supervised reorganization in the State where their parent is constituted, this being acknowledged as the Capital of the State of Rio de Janeiro."*³

3.5. Further information on the RJ Proceedings and their potential outcome is provided in the witness statement from Paulo de Moraes Penalva Santos of Brazilian law firm Rosman, Penalva, Souza Leao, Franco e Advogados (**Annex 14**).

4. FINANCIAL OBLIGATIONS OF PTIF TOWARDS CREDITORS

4.1. The main financial obligations of PTIF are those towards the holders of Notes (the "**Noteholders**"). PTIF's assets mainly consist of claims against Finco and ADRs in Oi (by way of a reminder, both Finco and Oi are also subject to the RJ Proceedings).

4.2. An overview of the outstanding Notes is attached hereto as **Annex 15**.

4.3. Pursuant to the terms of the Note documentation, an event of default occurred in relation to the Notes upon the filing for the RJ Proceedings. On 22 June 2016, the trustee in relation to the Notes

² The Brazilian *Public Prosecutor's Office* has appealed against the counting of the 60 day term with regards to the filing of the RJ Plan in business days, as originally assumed, partly on the basis of the RJ Acceptance Order. After filing of the appeal the Brazilian Court has decided that this term must be counted in calendar days. For the sake of caution the RJ Plan was therefore filed within 60 days after publication of the RJ Acceptance Order.

³ See annex 2, page 89507.

declared that such filing was materially prejudicial to the interests of the holders of the Notes; and on 5 August 2016, the trustee in relation to the Notes notified PTIF that all amounts outstanding under the Notes were immediately due and payable. This amount is equal to the early redemption amount, increased by any interest due, in accordance with the Note documentation. Consequently, on 22 August 2016 the trustee, acting on the instruction of holders of at least 25% in principal amount of the EUR 2.5 billion [*sic*] 5.242% notes due 2017 (thus a relatively limited number of noteholders), filed a petition for the bankruptcy of PTIF in the Netherlands (the "**Bankruptcy Petition**"). This Court has summoned PTIF for the oral hearing of the Bankruptcy Petition on 4 October 2016 at 11:00 hours.

- 4.4. Given the financially distressed situation of the Oi Group and (thus) PTIF and the ongoing RJ Proceedings, PTIF foresees that it cannot continue to pay its due and payable debts.

5. DISRUPTION OF NEGOTIATIONS

- 5.1. PTIF deems that it is in the interests of its creditors that the Oi Group (including PTIF) is able to negotiate and reach agreement on the RJ Plan with its creditors without any disruptive actions being taken against PTIF in the Netherlands. Generally, the negotiation of an RJ Plan will last for approximately six to twelve months, mainly depending on the complexity of the negotiations with creditors.
- 5.2. It cannot be excluded, and is expected, that the RJ Plan that was filed on 5 September 2016 will be subject to further negotiations with creditors and may be amended to a certain extent before it is put up for a vote by the creditors of the Oi Group. In case of the Oi Group, holding the meeting of creditors for the purpose of negotiating and amending the RJ Plan and eventually putting it to a vote of the creditors is likely to take place approximately 150 business days after the RJ Acceptance Order. As the moratorium for the Brazilian RJ is in principle granted for a maximum of 180 (business) days, a vote by these creditors on the RJ Plan should take place within these 180 business days. According to current expectations the latest voting date will therefore be in May 2017.
- 5.3. It should also be noted that on 8 September 2016, the Brazilian Court issued a notice regarding the filing of the RJ Plan, explaining that in case of any dissensions, all creditors will have the opportunity to formally object to the RJ Plan during a 30-business day term starting only after the list of creditors reviewed by the RJ administrators – who have been appointed on 22 July 2016 by the Brazilian Court – is published. This list of creditors is expected to be published in mid-December 2016.
- 5.4. In Brazil – and all jurisdictions recognising the RJ Proceedings – the necessary time to negotiate the RJ Plan is safeguarded by the RJ Stay Period.
- 5.5. Certain recognition proceedings have been effected in other jurisdictions in relation to certain members of the Oi Group. In the United States, an interim order granting injunctive relief to prevent

any lawsuits in the United States against the debtors subject to the RJ Proceedings, including Oi and Finco, was granted on 22 June 2016. At a hearing on 21 July 2016, the U.S. Bankruptcy Court recognised the RJ Proceedings as a “foreign main proceeding” with respect to each of the chapter 15 debtors, including Finco. Similarly, on 23 June 2016, the RJ Proceedings were recognised in respect of Oi and two of its Brazilian subsidiaries as a “foreign main proceeding” in Great Britain in accordance with the UNCITRAL Model Law on Cross-Border Insolvency as set out in Schedule 1 to the Cross-Border Insolvency Regulations 2006 (S.I. 2006 No 1030).

- 5.6. PTIF and its business are not linked with the United States or any other foreign jurisdiction in a manner that has, to date, required the initiation of recognition proceedings in any such foreign jurisdiction. Due to PTIF's apparent link with the Netherlands, recognition of the RJ Proceedings in the Netherlands would be relevant. In the Netherlands, however, there is a risk that the RJ Proceedings would not be directly recognised, e.g. on the basis of any treaty or regulation.
- 5.7. It would be highly detrimental to the creditors of PTIF and the Oi Group, as well as to the other stakeholders of the Oi Group (among others customers, employees and the Brazilian society at large), if the negotiation process in the RJ Proceedings would be disrupted by actions (against PTIF) in the Netherlands.
- 5.8. At the same time, as explained above, the outcome of the restructuring for the creditors of PTIF is entirely dependent on the RJ Proceedings and RJ Plan. The assets and value of the Oi Group can only be realised for the benefit of the creditors of PTIF through the RJ Proceedings. PTIF has no reason to believe that the RJ Proceedings will not have a positive outcome, which would enable PTIF to pay its debts in accordance with that outcome and the terms of the restructuring implemented thereby. However, as noted above, a crucial element to the success of the RJ Proceedings is the ability for the Oi Group to continue to manage its day-to-day operations without disruption and in accordance with the RJ Proceedings.
- 5.9. It is therefore imperative to limit, to the largest extent possible, any disruptive effects of the Dutch suspension of payment proceedings in relation to PTIF or the RJ Proceedings. Therefore, PTIF requests the court to take certain measures to safeguard the interests of its creditors, as further set out below.

6. DRAFT COMPOSITION PLAN

- 6.1. As mentioned above, PTIF is already subject to the RJ Proceedings, so that a consistent and comprehensive restructuring of the Oi Group's indebtedness, including a restructuring of PTIF's indebtedness, can be achieved. In order to ensure that the restructuring of the indebtedness as contemplated by the RJ Plan, to the extent it regards PTIF, will in effect be recognised and bind creditors in relation to the assets and liabilities of PTIF in the Netherlands (and in other European Union member states), PTIF has submitted together with this petition, a draft composition plan (*ontwerpakkoord*) (the ***"Dutch Plan"***), attached as ***Annex 16*** to this petition.

6.2. The terms of the Dutch Plan entail that:

- (i) PTIF shall be (contractually) bound to provide the creditors, exactly what is offered to them in the RJ Plan. The Dutch Plan entails that the consideration to the creditors under the Dutch Plan will be fully satisfied by performance of the RJ Plan;
- (ii) to the extent the RJ Plan is confirmed prior to the date on which the creditors of PTIF are to vote on the Dutch Plan, the Dutch Plan can be effected immediately, since the content of the confirmed RJ Plan in so far as it concerns the creditors of PTIF is then already known;
- (iii) to ensure that the Dutch Plan can also be executed in the event that voting on the RJ Plan will take place at a later date than voting on the Dutch Plan, the creditors of PTIF also agree (as part of the Dutch Plan) that they will not enforce on their claims for a period of two years following court confirmation of the Dutch Plan (considering that they will still be given the opportunity to vote on the RJ Plan during that period of time); and
- (iv) in the unforeseen event that the RJ Proceedings will fail or after expiry of the aforementioned two year period, PTIF will be bound to liquidate or have liquidated its assets for the benefit of its creditors and distribute the net proceeds thereof pro rata to the creditors in accordance with their ranking.

6.3. PTIF emphasises that the Dutch Plan is inherently linked to the RJ Plan that will eventually be approved by the creditors and ratified by the Brazilian Court. As said, the RJ Plan that was filed on 5 September 2016 is not necessarily, and is not expected to be, in the form that will be put to a vote in the RJ Proceedings.

6.4. The feasibility of the Dutch Plan is, in light of the foregoing, inherently dependent on the adoption and implementation of the RJ Plan. PTIF expects that the adoption of both the Dutch Plan and the RJ Plan will allow the Oi Group and PTIF to continue as a going concern and, as such, to continue to generate revenues which can be applied to meet the Oi Group's debt obligations, including PTIF's. PTIF believes that the creditors of PTIF will be much better off in this scenario than they would be in case of a liquidation of PTIF's assets. This is also the objective of the RJ. The adverse consequences to creditors in a liquidation scenario are explained in more detail in the aforementioned witness statement (attached as Annex 14) regarding the RJ Proceedings.

6.5. PTIF is confident that, upon implementation of the Dutch Plan and the RJ Plan, the long term viability of the Oi Group will be secured, providing the best opportunity for PTIF to settle its liabilities with its creditors in accordance with the terms of the Dutch Plan.

7. VOTING ON COMPOSITION PLAN

- 7.1. In relation to the voting on the Dutch Plan, PTIF requests the court (akin to the prior request from Finco that was granted by the Court) to determine a date for voting on the Dutch Plan without determining a date for voting on the granting of the definitive suspension of payment (article 255 j° 218 DBA) and;
- (i) set the voting record date at 4 May 2017; and
 - (ii) set the date for voting on the Dutch Plan at 18 May 2017.
- 7.2. The background to this request is that any voting that takes place in the suspension of payment proceedings related to PTIF (and Finco) prior to the voting on the RJ Plan in the RJ Proceedings is likely to disrupt the negotiation process in the RJ Proceedings. At the same time, the content of the Dutch Plan and the economic reality of any consideration for the creditors of PTIF will need to be paid by the Brazilian operating group and is dependent on the success of the RJ Plan. This implies that any vote in the suspension of payments before the voting in the RJ Proceedings is not likely to have any practical effect. These issues can be avoided if the request in paragraph 7.1 is granted. Furthermore, it is in the interests of the creditors of PTIF that they can vote on the Dutch Plan at a moment in time that they are best informed as to the consequences of their vote, which is when the RJ Plan has already been voted on.
- 7.3. It is important to note that there is established case law in the Netherlands, and specifically, in the Amsterdam court, that in suspension of payment proceedings with an international context, voting procedures are put in place that take into due consideration the international aspects and interests of the restructuring. Having Dutch composition plans aligned with foreign composition plans is an established practice for many years (e.g. UPC (Supreme Court 26 August 2003, ECLI:NL:HR:2003:AI0369) and GTS (District Court of Amsterdam 21 February 2002, ECLI:RBAMS:2002:AD9668)). Additionally, several cases with similar cross-border interests and alignment and implementation issues (such as Oi Brasil Holdings Coöperatief U.A. (Finco), Grupo Isolux Corsán Finance B.V., OSX 3 Leasing B.V. and Plaza Centers N.V.) have been brought before the District Court of Amsterdam. The debtors in these cases requested suspension of payments proceedings whilst also being, either directly or indirectly, involved in insolvency proceedings outside of the Netherlands (and in most cases outside of Europe). In each case, a composition plan was offered to the creditors together with the request for suspension of payments. In these cases, the successful implementation of the proposed composition plan was dependent on elements and events that were taking place outside the Netherlands (be it a parallel composition plan in foreign insolvency proceedings; the sale of assets located abroad; or the publication of a prospectus in a foreign jurisdiction).
- 7.4. In each case, it was considered in the best interest of the joint creditors that in order to successfully restructure the Dutch debtors by means of the proposed composition plan, the voting date on the applicable composition plan was to be aligned with the relevant dates of the events taking place in the foreign jurisdictions outside of the Netherlands. In each of these cases, the date on which the creditors were (or are) to vote on the proposed composition plan has been set at a date that is

indeed aligned with the relevant event outside the Netherlands, even if it means that voting on the composition plan takes place approximately 9-12 months after the commencement of suspension of payments proceedings.

- 7.5. An important element in this regard is that during the period that voting has not yet taken place, the position of the creditors should not be adversely affected and the costs of the suspension of payment must be provided for.
- 7.6. As set out above, PTIF is of the view that in the case at hand, it is also in the best interest of the creditors to set the date for voting on the Dutch Plan such that it is aligned with the voting date on the RJ Plan in the RJ Proceedings. It is PTIF's view that this is essential for a successful restructuring in the Netherlands. Furthermore, given that PTIF is not an operating company but merely a financing vehicle of the Oi Group and given that the Oi Group is trading as a going concern in the RJ Proceedings, PTIF is of the view that the position of PTIF's creditors will not be adversely affected by aligning the date for voting on the Dutch Plan with the RJ Proceedings. PTIF has sufficient funds at its disposal, to ensure that the costs of the suspension of payment proceedings until the requested voting date can be covered.
- 7.7. As to the requested date for voting on the Dutch Plan, the request seeks to put the date for voting on the Dutch Plan after the date of voting by the creditors in the RJ Proceedings on the RJ Plan, to ensure as much as possible that the timeline in the suspension of payment is aligned with the timeline in the RJ Proceedings. The Brazilian Court will, in practice, set any meeting of creditors to vote on the RJ Plan once the final RJ Plan has been submitted to court, in principle ultimately around the 150th business day of the RJ Proceedings. In the underlying case and under the current scenario, potentially the latest voting date on the RJ Plan will be in May 2017, which means that if the voting date for the Dutch Plan is set for 18 May 2017, there is sufficient time for the vote on the RJ Plan to take place prior to a vote on the Dutch Plan.
- 7.8. Therefore, PTIF requests the court to determine the date for voting on the Dutch Plan to be 18 May 2017, without determining a date for voting on the granting of the definitive suspension of payment (article 255 jo 218 DBA).
- 7.9. The above requests in relation to voting on the composition plan are similar to the requests made by Finco in its petition for suspension of payment in this respect, which requests were granted by your court on the same date in the Finco Decision. As mentioned in paragraph 1.2 the requests of Finco were made under circumstances similar to those at hand. This justifies a similar decision in the case at hand. This would also prevent the RJ Proceedings from being disrupted by any unnecessary complications as a result of involuntary bankruptcy proceedings in the Netherlands. It is clearly in the best interests of the creditors and other stakeholders of PTIF and the Oi Group that the negotiations with the creditors are not affected or disrupted by such developments to preserve value and ensure a successful outcome of the RJ Proceedings.

8. JURISDICTION

8.1. With reference to article 214 subsection 2 of the DBA as to the court's jurisdiction to open insolvency proceedings against PTIF, we hereby provide the court with the following information on PTIF:

- PTIF's statutory seat is located in Amsterdam;
- one board member of PTIF resides in Amsterdam, the Netherlands and one in Brazil;
- the administration of PTIF is kept in Amsterdam.

9. OVERVIEW OF ANNEXES

Annex 1	Copy of the passport of Mr. Brandão
Annex 2	Copy of the passport of Ms. Mocellin
Annex 3	Original abstract of PTIF from the Chamber of Commerce
Annex 4	Certified copy of PTIF's articles of association
Annex 5	Management board resolution of PTIF regarding PTIF's request for suspension of payment.
Annex 6	Corporate structure chart of the Oi Group
Annex 7	Copy of Finco Decision dated 9 August 2016
Annex 8	Balance sheet of PTIF (i.e. an overview of PTIF's assets and liabilities)
Annex 9	List of creditors of PTIF
Annex 10	List of debtors of PTIF
Annex 11	Certified translation of the RJ Acceptance Order
Annex 12	Translation of RJ Plan
Annex 13	Translation of EY Rapport
Annex 14	Witness Statement Penalva on RJ Proceedings
Annex 15	Overview of outstanding Notes
Annex 16	Dutch Plan

ON THESE GROUNDS PTIF RESPECTFULLY REQUESTS THE COURT TO:

1. grant PTIF suspension of payments;
2. determine the voting record date to be 4 May 2017; and
3. determine the date for voting on the Dutch Plan to be 18 May 2017.

Amsterdam, 30 September 2016

Portugal Telecom International Finance B.V. *em recuperação judicial* (subject to Brazilian in-court restructuring proceedings)

Name: Carlos Augusto Machado Pereira de
Almeida Brandão
Function: Director À
By: Cristina Guerra Mocellin
Duly authorised representative

Name: Cristina Guerra Mocellin
Function: Director B

Lawyer

This case is handled by mr R.D. Vriesendorp, mr R. van den Sigtenhorst and mr K.M. Sixma, De Brauw
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