

**DRAFT COMPOSITION PLAN**

*(ontwerpakkoord)*

proposed by

**OI BRASIL HOLDINGS COÖPERATIEF U.A.**

***em recuperação judicial*** (subject to Brazilian in-court restructuring proceedings)

a cooperative incorporated in the Netherlands, registered with the Dutch Chamber of Commerce with  
number 52578518 (**Oi Coop**)

in accordance with article 138 of the Dutch Bankruptcy Act (**DBA**)

*to the holders of*

5.75% Senior Notes due 2022

5.625% Senior Notes due 2021

*to*

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

*and to the creditors of*

pre-RJ Unsecured Non-Preferred Claims

*and*

Other Unsecured Non-Preferred Claims

**This Plan becomes effective on the Effective Date**

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## OVERVIEW OF ANNEXES

<b>Annex A</b>	Definitions
<b>Annex B</b>	Corporate chart of the Oi Group
<b>Annex C</b>	Certified translation of the RJ acceptance order of the court of Rio de Janeiro, Brazil dated 29 June 2016
<b>Annex D</b>	The RJ Plan dated 20 December 2017 (English translation)
<b>Annex E</b>	English translation RJ Plan
<b>Annex F</b>	Homologation decision Brazilian court dated 8 January 2018
<b>Annex G</b>	Liquidation analysis prepared by Ernst & Young dated 23 March 2018

**1 INTERPRETATION**

1 In this Plan, unless the context otherwise requires, the provisions in this Clause 1 apply throughout.

2 The Annexes form a binding and integral part of this Plan and any reference to this Plan shall include a reference to the Annexes.

**1.1 Definitions**

3 Capitalised terms, including those used in the preamble of this Plan, shall have the meaning as defined in **Annex A**.

**1.2 References to persons**

4 References to a person include any individual, company or partnership whether or not having separate legal personality and wherever domiciled, incorporated or registered.

**1.3 Headings and references to Clauses, Schedules and Paragraphs**

5 Headings have been inserted for convenience of reference only and do not affect the interpretation of any of the provisions of this Plan.

6 A reference in this Plan to:

(i) a Clause or Annex is to the relevant Clause of or Annex to this Plan; and

(ii) a Paragraph is to the relevant Paragraph of the relevant Clause or Annex.

**1.4 Information**

7 References to books, records or other information include books, records or other information stored in any form including paper, magnetic media, films, microfilms, electronic storage devices and any other data carriers.

**1.5 Amounts**

8 A reference in this Plan to an amount shall be deemed to be followed by the phrase "as at the date of this Plan", unless another indication of time appears.

**1.6 Other references**

9 Whenever used in this Plan, the words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation".

10 Whenever used in this Plan, the words "as of" shall be deemed to include the day or moment in time specified thereafter.

11 Any reference in this Plan to any gender shall include all genders, and words importing the singular shall include the plural and vice versa.

12 Explicit reference is made to the Public Reports that have been published since the bankruptcy date of Oi Coop and that are available on the website of Oi Coop: <http://oibrasilholdingscoop-administration.com/> (the “**Oi Coop Website**”).

## 2 EXPLANATORY STATEMENT

### 2.1 Oi Coop

13 Oi Coop is one of two Dutch-incorporated financing companies of its Brazilian parent company Oi S.A. *em recuperação judicial* (subject to Brazilian in-court restructuring proceedings) (“**Oi**”), and one of Oi’s operating affiliated companies including Oi Móvel S.A. *em recuperação judicial* (subject to Brazilian in-court restructuring proceedings) (“**Oi Móvel**”), and Telemar Norte Leste S.A. *em recuperação judicial* (subject to Brazilian in-court restructuring proceedings), of which the former two are incorporated in Brazil (together: the “**Oi Group**”). The board of Oi Coop is formed by Bryophyta SP Participações S.A. The other Dutch-incorporated financing company of the Oi Group is Portugal Telecom International Finance B.V. *em recuperação judicial* (subject to Brazilian in-court restructuring proceedings) (“**PTIF**”). A corporate structure chart of the Oi Group is attached as **Annex B**.

14 The business of Oi Coop consists of (i) issuing and servicing debt in the international capital markets, primarily in the form of listed notes (the “**Notes**”), (ii) receiving funds from PTIF via a credit agreement entered into between Oi Coop and PTIF on 2 June 2015 (as amended from time to time: the “**Oi Coop Loan**”), and (iii) on-lending amounts received via the Notes or received from PTIF to the Oi Group. The Notes are all unsecured and are guaranteed by Oi.

15 Oi Coop has no real estate and no other operations of its own other than what is described above. Consequently, Oi Coop does not generate any income of its own and as for compliance with its financial obligations it is entirely dependent on the activities of the other (operating) entities within the Oi Group. The (financial) results achieved with these activities determines whether Oi Coop can comply with its obligations under the Notes.

16 On 20 June 2016, when (certain entities within) the Oi Group filed a petition for the commencement of the RJ Proceedings (as defined in paragraph 25), Oi Coop had outstanding Notes in an aggregate nominal amount of EUR 1.95 billion. On 20 June 2016, an amount of approximately EUR 3.81 billion was outstanding under the Oi Coop Loan. Oi Coop has on-lent the proceeds of the Notes and the Oi Coop Loan to (i) Oi and (ii) Oi Móvel in accordance with terms of the credit agreements between those parties. On 20 June 2016, an amount of approximately EUR 5.56 billion was outstanding under such credit agreements.

17 The Notes and the Oi Coop Loan are the most important liabilities of Oi Coop, and the aforementioned intra-group loans to the Oi Group are the only significant assets of Oi Coop.

#### 2.1.1 Conversion of suspension of payments into bankruptcy

18 On 9 August 2016 Oi Coop filed for a suspension of payments (and simultaneously filed a composition plan) in the Netherlands, which was granted on the same day by the District Court of Amsterdam. The District Court subsequently appointed mr. J.R. Berkenbosch (“**Berkenbosch**”) as the administrator of Oi Coop. Oi Coop’s suspension of payments was converted into a bankruptcy on 19 April 2017<sup>1</sup>. As a result of the bankruptcy, the abovementioned composition plan ceased to exist.

## 2.2 **The Oi Group and its operations**

19 The Oi Group is one of the world's largest integrated telecommunications service providers with the vast majority of its operations, management, principal executive officers, customers, assets, and subsidiaries all located in Brazil. Oi’s shares are listed on the Sao Paulo Mercantile and Stock Exchange and in ADR form (American Depositary Receipt) on the New York Stock Exchange.

20 The Oi Group’s Brazilian operations are heavily regulated under concessions and authorizations granted by Brazil’s national telecommunications agency ANATEL (Agência Nacional de Telecomunicações).

21 The Oi Group's services 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 access, Pay-TV, internet and other telecommunications services) for residential customers, corporate customers of various sizes, governmental agencies, banks and in public areas to the community at large. A selections of key facts underscoring the Oi Group's importance include:

- (i) it operates approximately two million Wi-Fi hotspots in Brazil, including in public places such as airports and shopping malls;
- (ii) it provides broadband internet to more than 51,000 Brazilian state schools and serves as the telecom provider to Brazil’s postal services, banks and airports in remote locations which would otherwise be without these services;
- (iii) its mobile network extends to cover residential and/or employment locations for almost 93.0% of the Brazilian population;

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<sup>1</sup> The Court of Appeals appointed Berkenbosch as bankruptcy trustee on the same day.

- (iv) it is one of the largest Brazilian conglomerates in the segment of mobile telephony, with a domestic market share of 17.4% in this sector;
- (v) it operates systems for electronic voting in certain Brazilian states and municipalities, making the democratic process in those areas dependent on the functioning of those systems;
- (vi) it operates the telecommunications system for Brazil's permanent Comandante Ferraz Antarctic Station at the South Pole; and
- (vii) it renders telephone and data communication services on an exclusive basis to 100% of the Brazilian army basis located along Brazil's dryland borders.

22 In addition to the above, Oi has a significant social presence in Brazil. This is reflected in the following figures and activities, as the Oi Group:

- (i) paid (between 2013 and 2016) approximately BRL 34 billion to the public treasure in taxes;
- (ii) currently has approximately 131,000 direct and indirect employees in Brazil;
- (iii) is engaging in social projects and initiatives, such as “*Oi Futuro*”, a social responsibility institute created in 2001 that includes projects in the segments of education, sustainability, sports and culture; and
- (iv) participates in the conduction of Brazilian public policies, such as the National Broadband Plan and Broadband in Schools.

23 In brief, the Oi Group is one of the largest corporate conglomerates in Brazil, and is present in all 5,570 Brazilian cities, servicing more than 63 million clients. Within this context, Oi's uplift and recovery are therefore crucial for Brazil.

24 As of 31 March 2016, Oi publicly disclosed that the Oi Group held assets in the amount of USD 24.6 billion and more than 90% of these assets are held in Brazil.

## 2.3 Background

### 2.3.1 Brazilian RJ Proceedings

25 On 20 June 2016 Oi, and certain other entities in the Oi Group, including Oi Coop (together, the “**Brazilian RJ Debtors**”), jointly filed a petition for the commencement of Brazilian judicial restructuring proceedings (*recuperação judicial*) (the “**RJ Proceedings**”) with the 7<sup>th</sup> Corporate Court of Rio de Janeiro, Brazil (the “**Brazilian Court**”). On 29 June 2016, the Brazilian Court granted opening of the RJ Proceedings for all applicants, including Oi Coop (the “**Acceptance Order**”) (see **Annex C**).

26 The main objective of the RJ Proceedings is the preservation of those Oi Group entities subject to the RJ Proceedings, including Oi Coop, as a going concern. Oi and the Oi Group have continued and will continue operations throughout the duration of the RJ Proceedings and the existing management will continue to make the group's key business decisions. All claims and enforcement actions (save for some exceptions) against the entities under the RJ Proceedings were – in accordance with Brazilian law – stayed for an initial period of 180 business days from the issuance of the Acceptance Order, which has been renewed by the Brazilian Court at the request of the Oi Group – including Oi Coop – on 4 May 2017 to extend the RJ Proceedings by another 180 business days or until the approval of the RJ Plan by the General Meeting (the “**RJ Stay Period**”). This request was granted on 15 May 2017. The RJ Stay Period ended with the approval of the RJ Plan (as described below).

### 2.3.2 US Chapter 15

27 The US Bankruptcy Court (in New York) opened Chapter 15 proceedings and recognized the RJ Proceedings as the foreign main proceeding of Oi Coop, and of several others of the debtors, on 22 July 2016. Consequently, creditors of Oi Coop are also subject to a stay and cannot presently enforce their claims in the United States.

28 On 7 July 2017, Berkenbosch requested the New York Bankruptcy Court to decide that (i) in respect of Oi Coop, not the RJ Proceedings but the Dutch bankruptcy is recognized as the foreign main proceeding under the US Chapter 15 and (ii) he is recognized as the foreign representative for Oi Coop. On 4 December 2017, the New York Bankruptcy Court issued its decision, denying the requests of Berkenbosch. This decision is currently pending motions for appeal by Berkenbosch and a group of creditors of Oi Coop.

### 2.3.3 RJ Plan

29 As part of the RJ Proceedings, the Oi Group filed a joint restructuring plan (the “**RJ Plan**”), that is, a plan which consolidated the assets and liabilities of Brazilian RJ Debtors for purposes of restructuring debt subject to the RJ Proceedings. The RJ Plan was required under Brazilian law to be submitted to the Brazilian Court ultimately by the 60th business day after publication of the issuance of the Acceptance Order. On 5 September 2016 the Oi Group submitted the RJ Plan to the Brazilian Court. Amended versions of the RJ Plan were submitted on 11 October 2017, 27 November 2017 and 12 December 2017. Creditors of the entities subject to the RJ Proceedings had a right to challenge the RJ Plan and if opposition to the RJ Plan were filed with the Brazilian Court, Brazilian law provides that a creditor's meeting shall be convened to discuss and vote on the RJ Plan. Objections to the plan were filed, and accordingly the Brazilian Court set dates for the creditors' meeting on 19 December 2017 (the “**General Meeting**”) and a second date of 2 February 2018 (if necessary). In the first creditors' meeting, the Oi Group and the creditors of the entities subject to the RJ Proceedings

agreed on the terms to be included in the RJ Plan, after which an amended version was presented to the creditors for voting.

30 Under Brazilian law, for purposes of voting on a debtor’s reorganization plan, claims are divided into four classes:

- (i) labor-related claims (“Class I”);
- (ii) secured claims (“Class II”);
- (iii) unsecured claims, statutorily or generally privileged claims, and subordinated claims (“Class III”); and
- (iv) claims held by “small companies” under Brazilian law (“Class IV”).<sup>2</sup>

31 Approval of a plan by creditor vote requires that the proposal be approved by the required majority of each class of claims. Specifically, approval in each of Classes II and III, requires approval from (i) more than 50% of the number of creditors in such class present and voting at the General Meeting, and (ii) creditors holding more than 50% in face value of the total allowed claims in such class held by creditors present and voting at the General Meeting.

32 In the case of the RJ Plan, the debtors voted first on whether the plan should proceed on a consolidated basis with respect to all the RJ debtors, and second on the proposed plan itself. Substantive consolidation of the Brazilian RJ Debtors was approved by holders of claims against the Brazilian RJ Debtors as illustrated by the following table:

<b>RJ Debtor</b>	<b>Approval, by value of claims</b>
Oi	99,5%
Móvel	96,90%
Telemar	99,88%
Coop	97,98%
PTIF	99,89%
Copart 4	100%
Copart 5	100%

Thus, holders of the majority of claims by value present in the meeting easily surpassed the simple majority required to substantively consolidate the Brazilian RJ Debtors.

33 After voting to approve substantive consolidation of the Brazilian RJ Debtors, the creditors proceeded to vote on the RJ Plan on a consolidated basis. The RJ Plan was voted and approved jointly by the creditors, within their respective classes, in

<sup>2</sup> In the RJ Plan, unsecured creditors are defined as being (i) the “ME/EPP Unsecured Creditors” and (ii) the Class III Unsecured Creditors. It should be noted that the Plan Creditors are the equivalent of the Class III Unsecured Creditors.

accordance with the Brazilian Bankruptcy Law (“**BBL**”). The RJ Plan was approved by each class of creditors as illustrated by the following table:

<b>Creditor classes</b>	<b>Approval percentage by number of claims voted at General Meeting</b>	<b>Approval percentage by value of claims voted at General Meeting</b>
Class I	100%	100%
Class II	100%	100%
Class III	99,56%	72,17%
Class IV	99,8%	99,74%

Thus, the RJ Plan was overwhelmingly approved by each class of creditors by count and by value and creditors of Oi Coop have adopted the RJ Plan. The (English translation of the) RJ Plan is attached as **Annex D** and a summary thereof as **Annex E**.

- 34 On 8 January 2018, the Brazilian Court issued an order ratifying and confirming the RJ Plan (the “**Plan Confirmation Order**”), but striking through two provisions from the RJ Plan which the Brazilian Court ruled were not permitted under Brazilian law (see **Annex F**). Subsequently, on 5 February 2018, the Plan Confirmation Order was published in the Official Court Gazette.
- 35 Under Brazilian law, a creditor may within 5 business days of the Plan Confirmation Order file a motion for clarification. Furthermore, creditors may within 15 business days of the decision of the motion for clarification file new motions for clarification or an interlocutory appeal to be considered by the State Court of Appeals and appeals to the Superior Courts. As of the this date, 14 (fourteen) motions for clarification and 14 (fourteen) interlocutory appeals have been filed against the Confirmation Order. To date, the Brazilian Court has not attributed suspensive effect to any of the aforementioned appeals.
- 36 Oi Coop’s ability to repay its debts entirely depends on Oi Group’s continuity, business and revenue. In addition, the majority of Oi Coop’s debt is guaranteed by Oi. Hence, Oi Coop’s financial and economic situation is in essence dependent on, and to a certain extent similar to, that of the Oi Group as a whole. This is also why Oi Coop is subject to the RJ Proceedings, so that a consistent and comprehensive restructuring of the Oi Group’s finances can be achieved, including the finances of Oi Coop. However, the RJ Proceedings and the RJ Plan have not yet been recognized in the Netherlands. Therefore, for the protection of the RJ Proceedings and in order to assure that the (contents of the) RJ Plan, to the extent it regards Oi Coop, will in effect be (automatically) recognized and bind Oi Coop’s creditors in relation to, among others, assets and liabilities of Oi Coop in the Netherlands (and in other European member states that do not recognise the RJ Proceedings and the RJ Plan), Oi Coop has submitted this Plan in the Dutch bankruptcy proceedings.

37 As follows from the above, a restructuring of the Oi Group's finances via the RJ Proceedings and the RJ Plan is required to ensure Oi Coop is able to repay its debts. As set out in paragraph 29, the RJ Plan has been approved by the creditors, including the creditors of Oi Coop. In order to ensure the proper implementation of the RJ Plan in the Netherlands (and in other European member states that do not recognize the RJ Proceedings and the RJ Plan) for Oi Coop this Plan – which mirrors and is consistent in all material respects with the RJ Plan – will need to be offered to the creditors of Oi Coop and put to the vote at the verification meeting (*verificatievergadering*).

38 Therefore, Oi Coop hereby presents this Plan – that mirrors and is consistent in all material respects with the RJ Plan – to its creditors, in order to enable and ensure an orderly restructuring of both Oi Coop's and the Oi Group's finances.

#### 2.3.4 Feasibility of the Plan

39 The feasibility of this Plan is guaranteed. The creditors of Other Unsecured Non-Preferred Claims will be paid in full as soon as practicable after the Effective Date (Clause 3.3) in any case. As regards the Main Creditors, Oi Coop expects that the adoption of both this Plan and the RJ Plan will allow the Oi Group 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 both Oi Coop's own obligations going forward (if any) and the debt obligations of other Oi Group entities towards the Main Creditors (as they will be after implementation of this Plan). Oi Coop believes and has submitted a liquidation analysis to illustrate, that the Main Creditors of Oi Coop will receive a better recovery (or at a minimum a substantially similar recovery) in this scenario than they would receive in case of a liquidation of Oi Coop's assets (see **Annex G**). Accordingly, the Plan provides that the Main Creditors will receive their consideration in accordance with the RJ Plan (as described in more detail in Paragraphs 54 - 57).

40 Given that the RJ Plan has been approved at the General Meeting and confirmed by the Brazilian Court, it is currently not expected that the RJ Proceedings will fail. However, should this occur this will be a Termination Event under this Plan and Paragraphs 58 - 61 of this Plan will apply. Oi Coop shall be bound by this Plan to ensure that all its assets will be liquidated in the interest and for the sole benefit of the Main Creditors and that the proceeds thereof will be distributed to them.

#### **2.4 Purpose of the Plan**

41 This Plan is addressed to, and only binds, the Plan Creditors.

42 The purpose of this Plan and the RJ Plan is to provide Oi Coop and the Oi Group with the ability to avoid a liquidation scenario in the Netherlands, Brazil or any other relevant jurisdiction, and to continue as a going concern and pay their debts (in accordance with this Plan and the RJ Plan).

### 3 GENERAL TERMS

#### 3.1 Plan mirrors RJ Plan if adopted

43 As the RJ Plan has been approved by the creditors and confirmed by the Brazilian Court, the terms of this proposed Plan entail that the Oi Coop creditors are hereby offered through these insolvency proceedings exactly that which is provided for in the RJ Plan as modified and confirmed by the Brazilian Court as applicable to the Oi Coop creditors, under the same terms and conditions as set out in the RJ Plan.

For a complete overview of the terms of the RJ Plan we refer to Annex D.

44 The consideration to the Oi Coop creditors under this Plan will be made in accordance with the RJ Plan (i.e. there will be no double counting and no “separate” consideration under this Plan in addition to what is made available under the RJ Plan). The performance of the obligations of Oi Coop under the Plan will accordingly be fully satisfied by performance of the RJ Plan.

45 In light of the above, it should be noted that, with the exception certain creditors<sup>3</sup>, the Oi Coop creditors who have voted in favor of the RJ Plan in Brazil, have – in accordance with Clause 11.1.1.1 of the RJ Plan – expressly stated that they (amongst others) undertake to approve any other composition plan in another jurisdiction (i.e. this Plan).

#### 3.2 Treatment of Main Creditors Indebtedness

46 The terms of this Clause 3.2 shall apply solely to the Main Creditors Indebtedness and the Main Creditors. All Main Creditors Indebtedness is amended by this Plan as set out in this Clause 3.2 as from the Effective Date and the terms and conditions thereof shall be construed in accordance with this Plan (the “**Main Creditors Indebtedness Amendment**”).

##### 3.2.1 Standstill

47 During the Standstill Period, no Main Creditor shall be entitled to and no Main Creditor shall:

- (i) take any step, initiate any proceedings, make any claims, or vote in favour of any resolution to accelerate, demand repayment or redemption of, or compensation for, or enforce, in any way, any Indebtedness or other claim related to it;
- (ii) take any action or exercise any rights, remedies, powers or discretions or vote in favour of any resolution to do so under or pursuant to the Notes, the Oi Coop Loan or the Main Creditors Documentation in connection with any of the things referred to in 1(i) above;

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<sup>3</sup> This exception refers to creditors that commenced legal proceedings in the Netherlands.

- (iii) take any steps to enforce or make any demand under any guarantee or any right of recourse held by it pursuant to the Main Creditors Documentation;
- (iv) except for those actions taken in Brazil in accordance with their rights under the RJ Plan and RJ Proceedings, submit a petition for or vote in favour of any resolution for or take any other step towards the opening of any bankruptcy proceedings (or other liquidation, insolvency, or analogous proceedings) with respect to the Oi Coop in any jurisdiction;
- (v) save as provided for in this Plan, seek to improve its position (in a manner likely to be detrimental to any other Main Creditor) against Oi Coop or any member of the Oi Group or any assets of Oi Coop or the Oi Group in any jurisdiction,

(the “**Standstill**”).

- 48 No Main Creditors Indebtedness shall be due and payable until the first day after the Standstill Period regardless of whether it may be or become due and payable at any earlier time in accordance with its terms.
- 49 During the Standstill Period, no amount of Main Creditors Indebtedness shall increase or accrue on any account, whether due interest, default interest or otherwise under the Main Creditors Documentation or any law, or otherwise.
- 50 During the Standstill Period, Oi Coop shall refrain from any actions that would adversely affect the position of the Plan Creditors. Specifically, Oi Coop will not perform any acts which are expected to adversely affect the assets of Oi Coop and Oi Coop will refrain from entering into any obligations that are not considered in the interest of and for the purpose of the restructuring of Oi Coop in accordance with this Plan and the RJ Proceedings. Oi Coop will refrain from disposing or encumbering its assets during the Standstill Period, except for (i) payments regarding costs for the implementation of the Plan and the RJ Plan and (ii) disposals and encumbrances necessary for the implementation of the Plan and the RJ Plan. For the avoidance of doubt, actions taken in relation to the completion and implementation of the RJ Plan in any jurisdiction, and any actions to support the Chapter 15 proceedings of Oi Coop in the United States, shall not be considered a breach of this provision.
- 51 Other than as pursuant to this Clause 3.2, all Main Creditors Indebtedness shall continue on the same terms and conditions as applicable to it as at the Effective Date under the Main Creditors Documentation, applicable law, and otherwise.
- 52 Notwithstanding this Clause 3.2, any default or event of default outstanding under the Main Creditors Documentation, applicable law or otherwise shall remain outstanding during the Standstill Period unless such default or event of default is remedied or waived by the applicable Main Creditor in accordance with the Main Creditors Documentation.

53 The Standstill shall terminate automatically on the Standstill Termination Date.

### 3.2.2 Consideration: Oi Coop Undertakings

54 As consideration for the Main Creditors Indebtedness Amendment and the Standstill, in order to provide the Main Creditors with a recognized and enforceable claim in this respect under Dutch law and in the Netherlands, Oi Coop hereby undertakes to each Main Creditor as Oi Coop's own and separate obligation to, upon RJ Plan Confirmation:

- (a) provide, in accordance with and subject to the terms of the RJ Plan, to each Main Creditor such consideration, as that Main Creditor is entitled to receive from Oi Coop pursuant to the terms of the RJ Plan; and/or, as the case may be
- (b) perform all such acts and do all such other things as Oi Coop is obliged to under in accordance with and subject to the terms of the RJ Plan,

(together, the "**Plan Consideration**")

55 The Plan Consideration will be distributed in accordance with the RJ Plan. Accordingly, the obligations of Oi Coop under the Plan, including the Plan Consideration, will be fully satisfied by performance of the RJ Plan in accordance with paragraphs 54 - 57. For the avoidance of doubt, Main Creditors are only entitled to receive consideration once, i.e. the consideration received under the RJ Plan is the Plan Consideration.

56 Upon full performance of the Plan Consideration in accordance with paragraphs 54 – 57, all Main Creditors Indebtedness shall be treated in accordance with the RJ Plan (be it in any way waived, released, assigned, transferred or amended, or otherwise treated, in each case in part or in full). Each Main Creditor shall perform all such (legal and other) acts and do all such things as may be required or desirable (in the sole discretion of Oi Coop) in connection with such treatment.

57 Notwithstanding paragraph 56, Oi Coop shall be entitled to, as an authorised representative of each Main Creditor, and each Main Creditor hereby authorises Oi Coop and grants Oi Coop on and from the Effective Date an unconditional, irrevocable power of attorney to on its behalf, perform any and all such (legal and other) acts, including acts of disposition, and do all such things in respect of the Notes, Oi Coop Loan and the Main Creditors Indebtedness as may be required or desirable (in the sole discretion of Oi Coop) to effect and make fully effective the RJ Plan and the Plan.

### 3.2.3 Consideration in case of Termination Event

58 Upon the occurrence of a Termination Event, Oi Coop is obliged under this Plan towards each Main Creditor, as Oi Coop's own and separate obligations, to take and cooperate with all necessary steps to:

- (a) monetize or have monetized (*te gelde maken*) as soon as possible, with a view to maximizing proceeds, all assets of Oi Coop; and
- (b) distribute or have distributed the net proceeds thereof to the Main Creditors, on a pro rata basis to each Main Creditor in accordance with the amount of Main Creditors Indebtedness held by that Main Creditor and in accordance with the ranking of each Main Creditor's individual claim ("**Distribution**").

59 To the extent such is considered necessary or desirable to achieve the Distribution in accordance with paragraph 58, Oi Coop is obliged under this Plan to implement a structure for the sole benefit of the Main Creditors in accordance with Dutch law (in such manner that the execution of the Plan in accordance with paragraph 58 is safeguarded). Such structure may, by way of example, (i) include the transfer of assets and/or liabilities to an entity controlled by and acting in the sole interest of the Main Creditors or (ii) concern the appointment of an exclusively authorized independent liquidator to perform the obligations of Oi Coop hereunder.

60 As further consideration for the Distribution, the Main Creditors, shall, automatically and immediately upon receipt of the Distribution irrevocably discharge, waive, release, assign, transfer or amend, or otherwise treat any remaining Main Creditors Indebtedness in such a way that Oi Coop shall have no further (debt or other) obligations in connection therewith ("**Final Discharge**").

61 Subject to the occurrence of a Termination Event, each Main Creditor hereby grants Oi Coop an unconditional, irrevocable power of attorney to on its behalf perform any and all such (legal and other) acts, including acts of disposition, and do all such things in respect of the Main Creditors Indebtedness and their claims in connection therewith against Oi Coop as may be required or desirable (in the sole discretion of Oi Coop) to effectuate the Final Discharge.

### **3.3 Treatment of Other Unsecured Non-preferred Claims**

62 The Other Unsecured Non-preferred Claims represent de minimis trade claims that are largely owed to essential service providers to Oi Coop and originate from after the opening of the RJ Proceedings (and are not included as part of the RJ Plan). The services provided by those firms will be required going forward, *inter alia*, for Oi Coop's successful participation in (to the extent still applicable at the Effective Date) the RJ Proceedings and for implementation and performance of this Plan and the RJ Plan by Oi Coop. A failure to pay such Other Unsecured Non-preferred Claims may result in such services being withdrawn. In view of the total amount of claims owed by Oi Coop to the Plan Creditors in relation to the total amount of Other Unsecured Non-preferred Claims it is clear that paying such Other Unsecured Non-preferred Claims in full will only affect the recovery of the Main Creditors very slightly, whereas not paying them could be seriously detrimental, if not fatal to the successful execution and performance of the Plan by Oi Coop.

63 Accordingly, Oi Coop will pay the Other Unsecured Non-preferred Claims in full as soon as practicable after the Effective Date.

### **3.4 Effective Date**

64 This Plan will be effective as of the Effective Date.

### **3.5 Waiver of claims**

65 Notwithstanding the similar provisions under the RJ Plan, which remain entirely valid and applicable, each Plan Creditor hereby irrevocably, unconditionally releases and discharges, to the extent permitted by law, the Released Parties from any and all present, future, prospective or contingent liability or claims under any applicable law or regulation in the Netherlands or in any other jurisdiction, other than with respect to claims or demands regarding which the grounds are fraud or malice or other ground for which a release is not permitted by Dutch law and other than (for the avoidance of doubt) liability of Oi Coop which is Main Creditors Indebtedness or Other Unsecured Non-preferred Claims and other than (for the avoidance of doubt) any liability of Oi towards the Main Creditors under contractual guarantee arrangements to the extent that such liability in the case of RJ Plan Confirmation, is also not released or waived pursuant to the RJ Plan. For the avoidance of doubt, the release set forth in this Clause 3.5 includes any claims creditors may have in connection with (i) the Oi Coop Loan, (ii) Oi Móvel Loan, (iii) Oi 2012 Loan, (iv) Oi 2015 Loan and (v) Oi 2016 Loan.

### **3.6 Modification of the Plan**

66 After the Effective Date, Oi Coop may amend or modify this Plan, or remedy any omission or inconsistency in this Plan, in such a manner that may be considered necessary to carry out the purpose and intent of this Plan, provided that any such amendment, modification or remedy does not materially alter this Plan. Oi Coop will publish any proposed amendment, modification or remedy 15 business days prior to its effect on the Oi Coop Website.

### **3.7 Receipt of consideration**

67 Each Plan Creditor shall be irrevocably bound by the terms and conditions of this Plan, regardless of (i) any of the terms and conditions of this Plan being illegal, invalid or unenforceable in any respect under Dutch insolvency law or any rules of insolvency law of any jurisdiction and (ii) whether or not such Plan Creditor has filed a claim in the bankruptcy of Oi Coop or voted in favour or against this Plan.

68 Paragraph 67 does not apply in case the following occurs:

- (a) this Plan is dissolved on the basis of article 165 DBA; or

- (b) the decision of the court to reject ratification of this Plan becomes final and irrevocable.

### **3.8 Miscellaneous**

- 69 Each Plan Creditor shall provide all cooperation and take all such further actions as may be required to give effect to, execute and implement this Plan and the debt adjustment and other transactions contemplated by it.
- 70 The Plan will not be binding and will not create any rights or obligations and no rights can be derived or inferred from this Plan before the Effective Date.
- 71 The headings used in this Plan are for convenience of reference only and shall not be taken into consideration in interpreting this Plan.
- 72 Any notice or request made to Oi Coop in connection with this Plan must be made in writing and made by courier or certified mail to:

Oi Brasil Holdings Coöperatief U.A.  
Attn. The Board  
Strawinskyiaan 3127  
1077 ZX Amsterdam  
E-mail: [carlos.brandao@oi.net.br](mailto:carlos.brandao@oi.net.br)

in each case with copy to:

**RESOR N.V.**  
Attn. Lucas Kortmann  
Gustav Mahlerplein 27  
1082 MS AMSTERDAM  
E-mail: [lucas.kortmann@resor.nl](mailto:lucas.kortmann@resor.nl)

- 73 This Plan and any non-contractual obligation arising out of or in connection with it shall be governed and construed exclusively in accordance with the laws of the Netherlands. All disputes arising out of or in connection with this Plan, including disputes concerning its existence, its validity and any non-contractual obligation, will be exclusively resolved by the courts in Amsterdam, the Netherlands.

## ANNEX A

### Definitions

Each defined term in the table below shall have the meaning as set out opposite of it.

<b>5.625% Senior Notes</b>	the unsecured 5.625% senior notes issued by Oi Coop and guaranteed by Oi on 22 June 2015 for the aggregate nominal amount of EUR 600,000,000 with maturity date 22 June 2021
<b>5.75% Senior Notes</b>	the unsecured 5.75% senior notes issued by Oi Coop and guaranteed by Oi on 10 February 2012 for the aggregate nominal amount of USD 1,500,000,000 with maturity date 10 February 2022
<b>Acceptance Order</b>	is defined in Paragraph 25 and is attached as Annex C
<b>Annex</b>	means an annex to this Plan
<b>Berkenbosch</b>	the trustee of Oi Coop, appointed by the Court Appeals of Amsterdam
<b>BBL</b>	means the Brazilian Bankruptcy Law
<b>Brazilian Court</b>	is defined in Paragraph 25
<b>Brazilian RJ Debtors</b>	means Oi, Móvel, Telemar, Coop, PTIF, Copart 4 and Copart 5
<b>DBA</b>	means the Dutch Bankruptcy Act ( <i>Failissementswet</i> )
<b>Distribution</b>	is defined in Paragraph 58
<b>Effective Date</b>	the date on which the court decision confirming ( <i>homologatie</i> ) this Plan has become final ( <i>in kracht van gewijsde</i> ) in accordance with article 161 DBA
<b>Final Discharge</b>	means that (as further consideration for the Distribution) the Main Creditors, shall, automatically and immediately upon receipt of the Distribution irrevocably discharge, waive, release, assign, transfer or amend, or otherwise treat any remaining Main Creditors Indebtedness in such a way that Oi Coop shall have no further (debt or other) obligations in connection therewith
<b>Indebtedness</b>	any present, future or contingent indebtedness (whether being principal, premium, interest (including default interest) or other

	amounts) for or in respect of (i) money borrowed, (ii) liabilities under or in respect of any acceptance or acceptance credit or (iii) any notes, bonds, debentures, debenture stock, loan stock or other securities offered, issued or distributed whether by way of public offer, private placing, acquisition consideration or otherwise and whether issued for cash or in whole or in part for a consideration other than cash
<b>Main Creditors</b>	all Noteholders, PTIF and holders of Pre-RJ Unsecured Non-Preferred Claims
<b>Main Creditors Indebtedness</b>	Indebtedness under or pursuant to the Oi Coop Loan, Indebtedness under or pursuant to any of the Notes and the Notes Documentation and the Pre-RJ Unsecured Non-Preferred Claims
<b>Main Creditors Indebtedness Amendment</b>	is defined in Paragraph 46
<b>Main Creditors Documentation</b>	the Oi Coop Loan and the Notes Documentation as well as any documentation relating to Pre-RJ Unsecured Non-Preferred Claims
<b>Noteholder</b>	means any creditor of any Notes Indebtedness
<b>Notes</b>	means the 5.75% Senior Notes and the 5.625% Senior Notes or the relevant one of them, as the context requires
<b>Notes Documentation</b>	<ol style="list-style-type: none"> <li>1. Indenture relating to the USD 1,500,000,000 5.75% Senior Notes due 2022 dated 10 February 2012.</li> <li>2. First Supplemental Indenture relating to the USD 1,500,000,000 5.75% Senior Notes due 2022 dated 27 July 2012.</li> <li>3. Offering Memorandum relating to the USD 1,500,000,000 5.75% Senior Notes due 2022 dated 6 February 2012.</li> <li>4. Indenture relating to the EUR 600,000,000 5.625% Senior Notes due 2021 dated 22 June 2015.</li> <li>5. Offering Memorandum relating to the EUR 600,000,000 5.625% Senior Notes due 2021 dated 11 June 2015.</li> </ol>
<b>Notes Indebtedness</b>	Indebtedness under or pursuant to any of the Notes and the Notes Documentation

<b>Oi</b>	Oi S.A. <i>em recuperação judicial</i> (subject to Brazilian in-court restructuring proceedings)
<b>Oi 2012 Loan</b>	the credit agreement between Oi Coop and Oi dated 29 August 2012
<b>Oi 2015 Loan</b>	the credit agreement between Oi Coop and Oi dated 18 June 2015
<b>Oi 2016 Loan</b>	the credit agreement between Oi Coop and Oi dated 24 February 2016
<b>Oi Coop</b>	Oi Brasil Holdings Coöperatief U.A. <i>em recuperação judicial</i> (subject to Brazilian in-court restructuring proceedings), a cooperative incorporated in the Netherlands, registered with the Dutch Chamber of Commerce with number 52578518
<b>Oi Coop Loan</b>	the credit agreement between Oi Coop and PTIF dated 2 June 2015 (as amended from time to time)
<b>Oi Group</b>	has the meaning given to it in Paragraph 13
<b>Oi Móvel</b>	Oi Móvel S.A. <i>em recuperação judicial</i> (subject to Brazilian in-court restructuring proceedings)
<b>Oi Móvel Loan</b>	the credit agreement between Oi Coop and Oi Móvel dated 3 March 2016
<b>Other Unsecured Non-Preferred Claims</b>	all Indebtedness of Oi Coop other than the Main Creditors Indebtedness and which originates from after the date of the commencement of the RJ Proceedings until the date of commencement of the suspension of payments ( <i>surseance van betaling</i> ) of Oi Coop.
<b>Plan</b>	this draft composition plan ( <i>ontwerpakkoord</i> ) and its Annexes
<b>Plan Consideration</b>	is defined in Paragraph 54
<b>Plan Creditors</b>	all Main Creditors and all creditors of Other Unsecured Non-Preferred Claims or the relevant one of them, as the context requires
<b>PTIF</b>	Portugal Telecom International Finance B.V. <i>em recuperação judicial</i> (subject to Brazilian in-court restructuring proceedings)
<b>Pre-RJ Unsecured Non-</b>	All Indebtedness of Oi Coop that existed at the date of the commencement of the RJ Proceedings, other than (i) Indebtedness

<b>Preferred Claims</b>	under the Notes, (ii) Indebtedness under the Oi Coop Loan, (iii) Indebtedness that according to the RJ Proceedings is not subjected to the RJ Proceedings and (iv) Indebtedness that is to be paid during the RJ Proceedings outside the scope of the RJ Plan, to the extent that it is allowed and accepted according to the RJ Proceedings, with reasonable grounds, in order to ensure Oi Coop's ability to approve the Plan and cooperate with the RJ Plan Confirmation
<b>Released Parties</b>	means Oi Coop and all other companies of the Oi Group in any capacity, the current, former and future directors and officers of any entity in the Oi Group, all direct and indirect shareholders of the Oi Group, Berkenbosch, the firm of Berkenbosch as well as their respective current, former and future directors or principles, partners, officers, employees, agents, counsels, representatives or anyone else acting on their behalf, as well as any advisor, lawyer, accountant, valuation expert, agent or person engaged or hired by any of the aforementioned entities or persons and regardless of whether such engagement has been terminated, is ongoing or shall be entered into, and their respective affiliates, and all advisors, officers, employees retained by such entities or persons
<b>RJ Plan</b>	is defined in Paragraph 29
<b>RJ Plan Confirmation</b>	Adoption of the RJ Plan (including through approval or cram down of the creditors of the RJ Proceedings) and final and definitive ratification by the Brazilian Court
<b>RJ Proceedings</b>	is defined in Paragraph 25
<b>RJ Stay Period</b>	is defined in Paragraph 26
<b>Standstill</b>	is defined in Paragraph 47
<b>Standstill period</b>	the period commencing on the Effective Date and ending on the Standstill Termination Date
<b>Standstill Termination Date</b>	the date on which a Termination Event occurs
<b>Telemar Norte Leste S.A.</b>	Telemar Norte Leste S.A. <i>em recuperação judicial</i> (subject to Brazilian in-court restructuring proceedings)

<b>Termination Event</b>	the day on which, with respect to Oi Coop, the RJ Proceedings are irrevocably terminated and (to the extent applicable) converted into Brazilian bankruptcy proceedings ( <i>falência</i> ) by the Brazilian Court.
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