

### Anexo 4.3.3.1 – Reestruturação Sem Conversão I

#### TERM SHEET FOR U.S. DOLLAR DENOMINATED UNSECURED LOAN FACILITY

This Term Sheet reflects the main commercial terms and conditions incorporated in an updated version of the judicial reorganization plan of the Oi Group (“**Amended RJ Plan**”), which was originally filed with the 7<sup>th</sup> Business Court of the Judicial District of the Capital of Rio de Janeiro, Brazil on September 5<sup>th</sup>, 2016 (“**Bankruptcy Court**”), within the Oi Group’s judicial reorganization proceeding pending before the Bankruptcy Court under No 0203711-65.2016.8.19.0001.

#### PARTIES

<b>Borrower:</b>	Oi S.A. – In judicial reorganization (“ <b>Oi</b> ”) or Telemar Norte Leste S.A. – In judicial reorganization (“ <b>Telemar</b> ”)
<b>Subsidiary Guarantors</b>	Oi Móvel S.A. – Em Recuperação Judicial (“ <b>Oi Móvel</b> ”); Telemar Norte Leste S.A. – Em Recuperação Judicial (“ <b>Telemar</b> ”); Copart 4 Participações S.A. – Em Recuperação Judicial (“ <b>Copart4</b> ”); Copart 5 Participações S.A. – Em Recuperação Judicial (“ <b>Copart5</b> ”); Portugal Telecom International Finance BV – Em Recuperação Judicial (“ <b>PTIF</b> ”) and Oi Brasil Holdings Coöperatief U.A. – Em Recuperação Judicial (“ <b>Oi Coop</b> ”)
<b>Lenders:</b>	<i>[List of bondholders that will become lenders under the loan facility to be inserted]</i>
<b>Administrative Agent:</b>	<i>[TBD]</i> (together with the Lenders, the “ <b>Finance Parties</b> ” and each a “ <b>Finance Party</b> ”)
<b>Group:</b>	The Borrower and all its Subsidiaries
<b>Restricted Subsidiaries:</b>	All the direct and indirect subsidiaries of which the Borrower holds more than 50% of the equity or more than 50% of the voting power.

#### UNSECURED TERM LOAN FACILITY

<b>Facility:</b>	Single-tranche term loan facility
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**Amount:** Principal amount of up to USD 500,000,000.00

**Final Maturity Date:** The 15th day of the month falling on the 12<sup>th</sup> anniversary of the date of the facility agreement.

**Purpose:** The refinancing of certain outstanding amounts due under the Existing Bonds, in accordance with the approval and confirmation (*homologação judicial*) (the “**Reorganization Plan Confirmation**”) of the Borrower’s judicial reorganization plan (*plano de recuperação judicial*) (the “**Reorganization Plan**”) filed within the 7th Corporate Court of the Judicial District of the State Capital of Rio de Janeiro, Brazil (the “**RJ**”) on September 27, 2017 to be approved in the creditors general meeting and confirmed by the RJ Court.

**Repayment:** 6-year grace period for principal repayment, followed by repayment *pro rata* across all tranches in 12 semi-annual installments. The first amortization instalment is due on the 15th day of the month that is the 78<sup>th</sup> month following ratification of the Amended RJ Plan by the Bankruptcy Court and the remaining installments are due as follows:

1st to the 12 <sup>th</sup> semi-annual period	0% amortized per semi-annual period
13 <sup>th</sup> semi-annual period to 18 <sup>th</sup> semi-annual period	4% amortized per semi-annual period
19 <sup>th</sup> semi-annual period to 23 <sup>rd</sup> semi-annual period	12.66% amortized per semi-annual period
24 <sup>th</sup> semi-annual period	12,70% amortized per semi-annual period

Provided that if any scheduled interest or principal payment date is not a business day, the payment will be made on the next succeeding business day. No interest will accrue as a result of this delay in payment.

**Voluntary Prepayment:** Loan may be prepaid in whole or in part on 30 days’ prior notice. Any prepayment shall be made with accrued interest on the amount prepaid and without premium or penalty whatsoever.

Any amount prepaid may not be redrawn and shall be applied against scheduled repayments in inverse chronological order.

**Guarantee:**

Loan will be fully, jointly and severally guaranteed (the “**Subsidiary Guarantee**”), on a senior unsecured basis, by the Subsidiary Guarantors. Upon a Subsidiary Guarantor ceasing to be a member of the Group, it will be released at that time from its Subsidiary Guarantee.

## **PRICING**

<b>Administrative Agent Fee:</b>	As set out in an agency fee letter.
<b>Margin/Interest on Loans:</b>	6%
<b>Interest Period for Loans:</b>	6 months or any other period agreed between the Borrower and the Lenders.
<b>Payment of Interest on Loans:</b>	<p>During the 6-year grace period interest shall accrue annually and be capitalized so as to form part of the principal outstanding at the end of each year.</p> <p>After the end of the 78th month following the ratification of the Amended RJ Plan by the Bankruptcy Court, interest shall accrue on the new principal outstanding amount and shall be paid on a semi-annual basis. Such cash-pay interest shall be payable on the 15th day of the month of each Interest Period.</p>

## OTHER TERMS

### **Documentation:**

The Facility will be made available under a facility agreement (the “**Agreement**”) based on the current recommended form of single currency unsecured syndicated facility agreement of the LMA.

### **Prepayment and Cancellation:**

#### (a) **Illegality**

If, at any time, it is or will become unlawful for any Lender to make or obtain funding for any part of an advance or for any Finance Party to perform its obligations under the Agreement, the affected party shall, promptly after becoming aware of the same, deliver to the Borrower through the Administrative Agent a notice to that effect and its commitment shall be immediately cancelled and the Borrower shall repay all Loans of such Lender on the next repayment date.

For the avoidance of doubt, the term “**unlawful**” shall include, without limitation, non-compliance with any rule or regulation imposed by a relevant governmental or regulatory authority in relation to applicable “know your customer” requirements, where such non-compliance is in respect of the Borrower or any permitted successor, transferee or assign thereof and is due to the Borrower’s failure to provide the documentation or other evidence required to satisfy such applicable “know your customer” requirements promptly following a request from the Administrative Agent under Clause [●] (“*Know Your Customer*” Checks)

#### (b) **Increased Costs, Tax Gross Up and Tax Indemnity**

The Borrower may (at its discretion) give the Administrative Agent not less than 10 Business Days’ prior notice and cancel a Loan and prepay that relevant Lender that makes a claim under these provisions.

#### (c) **Excess Cashflow**

Within 150 days following the end of each financial year of the Borrower, commencing with the financial year ending on the 31 December following the date of the Agreement, the Borrower shall be required (i) to calculate the Cash Sweep Amount for such financial year based on the

Borrower's annual audited consolidated financial statements for such financial year and (ii) to use the Cash Sweep Amount to redeem a portion of the Loan and to redeem, repurchase or repay, as applicable, a portion of the Indebtedness of all of the Borrower's other creditors (together with the Loans, the "**Reorganized Debt**") that was issued in connection with the approval and confirmation (*homologação judicial*) of the Borrower's Reorganization Plan (*plano de recuperação judicial*), which redemption, repurchase or repayment shall be made *pro rata* across the Reorganized Debt based on the outstanding principal amount of all such Reorganized Debt outstanding as of the end of the applicable financial year for which such Cash Sweep Amount has been calculated (each such redemption, repurchase or repayment, a "**Cash Flow Sweep**").

Reorganized Debt subject to a Cash Flow Sweep shall be redeemed, repurchased or repaid, as applicable, at a price in cash equal to 100% of the principal amount of such Reorganized Debt, plus accrued and unpaid interest, if any, to the date of such redemption, repurchase or repayment and additional amounts, if any.

"**Asset Sale**" means any sale, conveyance, lease, transfer or other disposition (or series of related sales, leases, transfers or dispositions) by the Borrower or any Restricted Subsidiary, including any disposition by means of a merger, spin-off, consolidation or similar transaction (each referred to for the purposes of this definition as a "**disposition**"), of:

- (i) any shares of Capital Stock of the Borrower or any Restricted Subsidiary (other than directors' qualifying shares or shares required by applicable law to be held by a Person other than the Borrower or a Restricted Subsidiary);
- (ii) all or substantially all of the assets of any division or business operation of the Borrower or any Restricted Subsidiary; or
- (iii) any other property or assets of the Borrower or any Restricted

Subsidiary outside of the ordinary course of business of the Borrower or such member of the Group.

Notwithstanding the foregoing, the following shall not be deemed to be Asset Sales:

- (iv) the disposal of any of the assets listed in Appendix 2;
- (v) a disposition by a member of the Group to the Borrower or by the Borrower to a member of the Group or between members of the Group;
- (vi) the sale of property or equipment that, in the reasonable determination of the Borrower, has become worn out, obsolete, uneconomic or damaged or otherwise unsuitable for use in connection with the business of the Borrower or any member of the Group;
- (vii) the disposition of all or substantially all of the assets of the Borrower in a manner permitted pursuant to the Clause [●] (*Merger*);
- (viii) (i) dispositions of property to the extent that such property is exchanged for credit against the purchase price of similar replacement property that is promptly purchased, (ii) dispositions of property to the extent that the proceeds of such disposition are promptly applied to the purchase price of such replacement property (which replacement property is actually promptly purchased) and (iii) to the extent allowable under Section 1031 of the IRS Code, or any comparable or successor provision, any exchange of like property for use in a Permitted Business;
- (ix) an issuance of equity interests by a

member of the Group to the Borrower or by the Borrower to a member of the Group;

- (x) sales, leases, sub-leases or other dispositions of products, services, equipment, inventory, accounts receivable or other assets in the ordinary course of business;
- (xi) a Dividend Payment that does not violate the covenant described under Clause [●] (*Restriction on Dividends*);
- (xii) a disposition to the Borrower or a member of the Group (other than a Receivables Subsidiary), including a Person that is or shall become a member of the Group immediately after the disposition;
- (xiii) sales of accounts receivable and related assets or an interest therein of the type specified in the definition of “**Qualified Receivables Transaction**” to a member of the Group;
- (xiv) dispositions in connection with a Lien permitted under the Clause 1.9 (*Negative pledge*);
- (xv) dispositions of receivables and related assets or interests in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings and exclusive of factoring or similar arrangements;
- (xvi) foreclosures on assets, transfers of condemned property as a result of the exercise of eminent domain or similar policies (whether by deed in lieu of condemnation or otherwise) and transfers of properties that have been subject to a casualty to the respective insurer of such property as part of an insurance settlement;



- (xvii) any surrender or waiver of contractual rights or the settlement, release, surrender or waiver of contractual, tort, litigation or other claims of any kind;
- (xviii) the unwinding of any Hedging Obligations pursuant to its terms;
- (xix) the sale, transfer or other disposition of “non-core” assets acquired pursuant to an investment or acquisition permitted under the Agreement; provided that such assets are sold, transferred or otherwise disposed of within 6 months after the consummation of such acquisition or investment;
- (xx) any financing transaction with respect to property built or acquired by the Borrower or any member of the Group after the date of the Agreement, including sale and leaseback transactions and asset securitizations permitted by the Agreement;
- (xxi) sales, transfers and other dispositions of investments in joint ventures to the extent required by, or made pursuant to, customary buy/sell arrangements between the joint venture parties set forth in the joint venture agreements and similar binding arrangements;
- (xxii) sales or other dispositions of capacity or indefeasible rights of use in the Borrower’s or in any member of the Group’s telecommunications network in the ordinary course of business;
- (xxiii) a sale and leaseback transaction within one year of the acquisition of the relevant asset in the ordinary course of business;
- (xxiv) exchanges of telecommunications assets for other telecommunications assets where the fair market value of the

telecommunications assets received is at least equal to the fair market value of the telecommunications assets disposed of or, if less, the difference is received in cash;

- (xxv) the licensing, sublicensing or grants of licenses to use the Borrower's or any member of the Group's trade secrets, know-how and other technology or intellectual property in the ordinary course of business to the extent that such license does not prohibit the licensor from using the patent, trade secret, know-how or technology any single transaction or series of related transactions that involves;
- (xxvi) any transaction or series of related transactions made in accordance with the Reorganization Plan; or
- (xxvii) any transaction or series of related transactions involving property or assets with a fair market value not in excess of 5% of the Consolidated Total Assets as of the end of the most recently completed full-year period for which the Oi's published financial statements are available).

**“Cash Balance”** means the sum of the following accounts from the consolidated balance sheet of the Borrower: (i) 1.01.01 Cash and Cash Equivalents (*Caixa e Equivalentes de Caixa*); (ii) 1.01.02 Cash Investments (*Aplicações Financeiras*); and (iii) 1.02.01.01 Cash Investments at Fair Market Value (*Aplicações Financeiras a Valor Justo*), as of the end of the most recently completed fiscal quarter or full-year period for which the Borrower's published financial statements are available.

**“Cash Sweep Amount”** means, in the first five fiscal years from the date of approval of the Reorganization Plan, provided that the Minimum Cash Requirement is reached, an amount equal to 70% of the Net Proceeds of any Asset Sale over US\$200.0 million received by the Borrower or its Subsidiaries during such financial year. For any

fiscal year commencing after the sixth anniversary of the date of the Reorganization Plan Confirmation, “Cash Sweep Amount” means an amount equal to 70% of the Cash Balance that exceeds the Minimum Cash Requirement.

“**Minimum Cash Requirement**,” with respect to each financial year, means the greater of: (1) 25% of the sum of operating expenditures and capital expenditures of the Borrower and its Subsidiaries for the relevant financial year; or (2) R\$5.0 billion, plus any proceeds from the Capital Increase (to be defined based on final structure of such capital increase in connection with the approval of the Reorganization Plan)..

“**Net Proceeds of any Asset Sale**” means the aggregate cash proceeds from any Asset Sale net of the direct costs relating to such Asset Sale (including legal, accounting and investment banking fees and sales commissions) and any relocation expenses incurred as a result thereof, taxes paid or payable as a result thereof.

**(d) Voluntary Cancellation**

The Borrower may, by giving the Administrative Agent not less than 30 Business Days’ prior notice, cancel without any additional costs the whole or any part (and if in part being a minimum of USD 5,000,000 and in multiples of USD 500,000) of the Facility.

<b>Representations:</b>	See Appendix 3 Part 1 ( <i>Representations &amp; Warranties</i> ).
<b>Information Undertakings:</b>	See Appendix 3 Part 2 ( <i>Information Undertakings</i> ).
<b>General Undertakings:</b>	See Appendix 3 Part 3 ( <i>General Undertakings &amp; Covenants</i> ).
<b>Events of Default:</b>	See Appendix 3 Part 4 ( <i>Events of Default</i> ).
<b>Majority Lenders:</b>	66 2/3% of Total Commitments.
<b>Assignments and Transfers by Lenders:</b>	Absent prior consent in writing from the Borrower and all Lenders, the Agreement, any claims thereunder and any legal, equitable or other economic interest therein shall not be transferred, assigned, contributed, conveyed, or otherwise alienated (in whole or in part), including but not limited to by way of sub-participation or discounting of such Agreement in a manner that would alter the ultimate

beneficiary thereof, and no encumbrance or lien on, or other interest or right in, such Agreement may be granted or conveyed by any of the Lenders.

**Conditions Precedent:**

- (a) Creditors approval of the RJ Plan and confirmation by the RJ Court.
- (b) Corporate authorizations customary for an Agreement of this nature.

**Miscellaneous Provisions:**

The Agreement will contain provisions relating to, among other things, default interest, market disruption, breakage costs, tax gross up and indemnities, increased costs, set-off and administration.

**Costs and Expenses:**

All reasonable and duly documented costs and expenses incurred by the Administrative Agent in connection with the preparation, negotiation, printing and execution of the Agreement and any other document referred to in it shall be paid by the Borrower following the date of the Agreement.

**Confidentiality:**

The Term Sheet and its content are intended for the exclusive use of the Lenders and shall not be disclosed by any Lender to any person other than the Lender's legal and financial advisors for the purposes of the proposed transaction unless the prior written consent of the Borrower is obtained.

**Governing Law:**

English

**Governing Language:**

English

**Enforcement:**

English courts

**Definitions:**

Terms defined in the current recommended form of single currency unsecured syndicated facility agreement of the LMA have the same meaning in this Term Sheet unless given a different meaning in this Term Sheet

## **Appendix 1**

### **Existing Bonds**

1. [TO COME]

## **Appendix 2**

### **Permitted Assets**

Direct or indirect disposal of the following assets:

UNITEL S.A., an Angolan company with tax identification number 5410003144, registered before the Commercial Registry of Luanda under number 44/199, headquartered in Talatona, Sector 22, via C3, Edifício UNITEL, Luanda Sul, Angola.

BRASIL TELECOM CALL CENTER S.A., a corporation enrolled in the CNPJ/MF under No. 04.014.081/0001-30, registered before the Commercial Registry of the State of Goiás under NIRE 53 3 0000758-6, headquartered at Rodovia BR 153, Km 06, S/N, Bloco 03, Vila Redenção, in the City of Goiânia, State of Goiás, CEP74.845-090;

TIMOR TELECOM, S.A., corporation, collective entity No. 1014630, registered with the National Administration of Domestic Trade under No. 01847/MTCI/XI/2012, with its principal place of business at Rua Presidente Nicolau Lobato, Timor Plaza, 4º andar, in Dili, Timor Leste.

The formalization of the disposal of assets located at the addresses listed below is subject to prior verification regarding the lack of impediment or prohibition of an administrative or judicial nature:

BR 101 KM 205 (Barreiros/Almoxarifado), in the State of Santa Catarina and registered under enrollment No. 40564;

Av Madre Benvenuta, in the State of Santa Catarina and registered under enrollment No. 48391;

Rua Cel Genuino, in the State of Rio Grande do Sul and registered under enrollment Nos. 8.247, 24.697, 24.698, 24.699, 11.046, 11.047;

Av. Joaquim de Oliveira, in the State of Rio Grande do Sul and registered under enrollment No. 114.947;

Avenida Lauro Sodre nº 3290, in the State of Rondônia and registered under enrollment No. 24743;

Rua Gabriel de Lara, in the State of Paraná and registered under enrollment No. 16059;

Rua Neo Alves Martins nº 2263, in the State of Paraná and registered under enrollment No. 58948;

Travessa Teixeira de Freitas nº 75 (Complexo Mercedes F), in the State of Paraná and registered under enrollment Nos. 36731, 36732, 36733, 36734, 36735, 36736, 36737, 36738, 36739, 36740 and 36741;

Avenida Teixeira de Freitas nº 141 (Complexo Mercedes G), in the State of Paraná and registered under enrollment No. 15049;

Rua Visconde Nacar nº 234 (Complexo Mercedes B), in the State of Paraná and registered under enrollment No. 26912;

Rua Visconde do Rio Branco nº 397 (Complexo Mercedes A), in the State of Paraná and registered under enrollment No. 13940;

Avenida Goias, in the State of Goiás and registered under enrollment Nos. 42.041 and 42.042;

Avenida Getulio Vargas S/N, in the State of Roraima and registered under enrollment Nos. 46.241, 46.242, 46.243 and 46.244;

Rua Sabino Vieira / Rua Chaves De Faria nº 85/ R.S.L. Gonzaga nº 275, in the State of Rio de Janeiro and registered under enrollment No. 55316;

Rua Dr. Miguel Vieira Ferreira (Rua Uranos 1139), in the State of Rio de Janeiro and registered under enrollment No. 51186;

Estr. Pau da Fome nº 2716, in the State of Rio de Janeiro and registered under enrollment No. 105885;

Avenida Nossa Senhora de Copacabana nº 462 A, lj e, s/lj, in the State of Rio de Janeiro and registered under enrollment No. 67704;

Rua dos Limoeiros nº 200, in the State of Rio de Janeiro and registered under enrollment No. 10409;

Camaragibe - Estrada de Aldeia - Km-125, in the State of Pernambuco and registered under enrollment No. 2503;

Rua do Principe nº 156 e nº 120, in the State of Pernambuco and registered under enrollment No. 24857;

Rua Itambe nº 200, in the State of Minas Gerais and registered under enrollment No. 38227;

Rua Vitorio Nunes Da Motta nº 220, Enseada do Suá in the State of Espírito Santo and registered under enrollment No. 52265;

Rua Silveira Martins, Cabula, nº 355 in the State of Bahia and registered under enrollment No. 76908;

Rua Prof. Anfrisia Santiago nº 212, in the State of Bahia and registered under enrollment No. 12798;

Avenida Getulio Vargas - BL. A, nº 950, in the State of Amazonas and registered under enrollment No. 14610;

Rua Goias, S/N, Farol, in the State of Alagoas and registered under enrollment No. 75071.

Rua Zacarias da Silva, Lote 2 , Barra da Tijuca (Alvorada), in the City and State of Rio de Janeiro and registered under enrollment No. 381171;

Rua Senador Pompeu,119 - 5º andar, Centro, in the City and State of Rio de Janeiro and registered under enrollment No. 106766;

Rua Alexandre Mackenzie, nº 75, Centro, in the City and State of Rio de Janeiro and registered under enrollment Nos. 274011, 274012, 274013, 274014, 274015, 274039, 274040, 274041, 274042;

Rua do Lavradio, nº 71, Centro (Arcos), in the City and State of Rio de Janeiro and registered under enrollment No. 70149;

Rua Araribóia, nº 140, São Francisco, in City of Niterói, State of Rio de Janeiro and registered under enrollment No. 10770;

Rua Assai, s/n, Jardim Pindorama, in City of São Félix do Araguaia, State of Mato Grosso and registered under enrollment No. 3825;

Rua Sena Madureira, 1070, in City of Fortaleza, State of Ceará and registered under enrollment No. 1409;

Rua Manoel P. da Silva (Cap. Pereirinha, S/N), in City of Corumbá, State of Mato Grosso do Sul and registered under enrollment Nos. 24.969, 24.970, 24.971, 24.972 and 24.973;

Av Nicanor de Carvalho, nº 10, in City of Corumbá, State of Mato Grosso do Sul and registered under enrollment No. 12295;

Pq. Triunfo de Cotegipe, S/N – João Dantas, in City of Alagoinhas, Estado da Bahia and registered under enrollment No. 775;

Estrada Velha do Amparo, KM 4, in City of Friburgo, State of Rio de Janeiro and registered under enrollment No. 5283;

Av. Prudente de Moraes, nº 757 B, Bairro Tirol, in City of Natal, State of Rio Grande do Norte and registered under enrollment No. 28639;

Av. Afonso Pena, nº 583, in City of Manaus, State of Amazonas and registered under enrollment No. 7496;

Rua Leitão da Silva, nº 2.159, Itararé (CONJED), in City of Vitória, State of Espírito Santos and registered under enrollment Nos. 46.977 and 46.978;

BLOCO C, QUADRA 02, SETOR COMERCIAL CENTRAL, Planaltina, in City of Brasília, Distrito Federal and registered under enrollment No. 801;

Rua Padre Pedro Pinto nº1460, Venda Nova (ISFAP), in City of Belo Horizonte, State of Minas Gerais and registered under enrollment No. 4187;

Rua 2 De Setembro, nº 733, Campo De Futebol, in City of Blumenau, State of Santa Catarina and registered under enrollment No. 598;

BR 116, KM 159 , Rua Cel Antônio Cordeiro, 3950, Altamira, in City of Russas, State of Ceará and registered under enrollment No. 180;

Rua Correa Vasques,69, Cidade Nova, in the City and State of Rio de Janeiro and registered under enrollment Nos. 40962, 40963, 40964, 40965, 40966, 40967, 40968, 40969, 40970, 40971, 40972, 41190; and

Rua Walter Ianni, Anel Rodoviário, KM 23,5 - Bairro Aarão Reis/São Gabriel (PUC MINAS), in City of Belo Horizonte, State of Minas Gerais and registered under enrollment No. 27601.



## **Appendix 3**

### **Part 1**

#### **Representations & Warranties**

Capitalized terms used below and not otherwise defined herein shall have the meanings ascribed to them in the current recommended form of single currency unsecured syndicated facility agreement of the LMA.

The Borrower will make each of the following representations on the date of the Agreement and of each Disbursement Date:

##### **1.1 Status**

- (a) It is a corporation, duly incorporated and validly existing under the law of its jurisdiction of incorporation.
- (b) It has the power to own its assets and carry on its business as it is being conducted.
- (c) It is not a FATCA FFI or a US Tax Obligor.

##### **1.2 Binding obligations**

The obligations expressed to be assumed by it under the Agreement are legal, valid and binding obligations of it, enforceable against it in accordance with the terms hereof, provided that such enforceability may be limited by insolvency laws or similar laws applicable to companies generally.

##### **1.3 Power and authority**

- (a) It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, the Agreement and the transactions contemplated by the Agreement.
- (b) No limit on its powers will be exceeded as a result of the borrowing or giving of guarantees or indemnities contemplated by the Agreement.

##### **1.4 Good title to assets**

It has a good, valid and marketable title to, or valid leases or licences of, and all appropriate authorisations to use, the assets necessary to carry on its business as presently conducted.

##### **1.5 Government Approvals**

- (a) All consents, licences, approvals and authorisations of, or registrations, recordations or filings with any agency necessary for:
  - (i) the execution and delivery of the Agreement by it,
  - (ii) the performance of its obligations thereunder, and
  - (iii) the observation by it of the terms and conditions thereof,

have been duly effected, completed and/or obtained and are in full force and effect, including the electronic registration of the financial terms of the Agreement with the Central Bank of Brazil;

except for:

- (A) the registration of the schedules of payment within the Electronic Declaratory Registry – Module Registry of Financial Transactions (*Registro Declaratório Eletrônico – Modulo Registro de Operações Financeiras*) of the Data System of the Central Bank of Brazil – SISBACEN (the “**ROF**”) with the Central Bank of Brazil which will enable the Borrower to make remittances from Brazil in order to effect payment of scheduled principal and interest with respect to the Agreement and the fees, expenses, commissions and payments of any finance charge referred to in the Agreement that will not be paid on the date of the entrance of the funds into Brazil (the “**Schedule of Payments**”) (which the Borrower shall promptly effect after the entrance of the funds into Brazil),
- (B) the registration of any payment provided for in such ROF earlier than the due date thereof, and
- (C) any further special authorization from the Central Bank of Brazil, which will enable the Borrower to make remittances from Brazil to make payments contemplated in the Agreement not specifically covered by the ROF and the Schedule of Payments.

#### 1.6 **Execution of the Agreement**

No provision, law, ordinance, decree, instruction or regulation of its country of incorporation, or any agency, department or instrumentality thereof, no provision of any charter, by-law or similar instrument of it and no provision of any mortgage, deed, contract, bond, undertaking or any agreement or other instrument binding on it or to which it or its assets are subject is or might be contravened by the execution, delivery, performance or observance of the terms and conditions of the Agreement which would be reasonably likely to have a material adverse effect.

#### 1.7 **Proper legal form**

The Agreement is in proper legal form, and contains no provision which is contrary to Brazilian law, public policy, good morals, or the national sovereignty of, Brazil.

#### 1.8 **Non conflict with other obligations**

The entry into and performance by it of, and the transactions contemplated by, the Agreement do not and will not conflict with:

- (a) any law or regulation applicable to it;
- (b) its constitutional documents; or
- (c) any agreement or instrument binding upon it or any of its assets.

#### 1.9 **Governing law and enforcement**

- (a) In any proceedings taken in its country of incorporation in relation to the Agreement, the choice of English law as the governing law hereof will be recognised and enforced in such country after compliance with such applicable procedural rules and other legal requirements in its country of incorporation to the extent that it does not contravene national sovereignty, good morals or public policy in Brazil.

- (b) Any arbitral award obtained in relation to the Agreement will be recognised and be enforceable by the courts of its jurisdiction of incorporation.

#### 1.10 **No immunity**

In any proceedings taken in its country of incorporation or England, it will not be entitled to claim for itself or any of its asset immunity from set-off, suit, execution, attachment or other legal process except for the immunity provided under Brazilian law to property of the Borrower that is considered essential for the rendering of public services under any concession or authorization agreements or licenses (*bens vinculados à concessão* or *bens reversíveis*).

#### 1.11 **Admissibility in evidence**

All acts, conditions and things required to be done to make the Agreement legal, valid, enforceable and admissible in evidence in its country of incorporation have been done, fulfilled and performed, provided that for the enforceability or admission in evidence of the Agreement before Brazilian courts:

- (a) the Agreement must be translated into Portuguese by a sworn translator; and
- (b) the following will apply:
  - (i) the signatures of the parties signing the Agreement outside Brazil must be notarized by a notary public qualified as such under the laws of the place of signing and the signature of such notary public must be authenticated by a Brazilian consular officer at the competent Brazilian consulate in the timeframe set forth in the Agreement; and
  - (ii) the Agreement must be registered with the Registry of Deeds and Documents (*Registro de Títulos e Documentos*) of the City of Rio de Janeiro, State of Rio de Janeiro, Federative Republic of Brazil.

#### 1.12 ***Pari passu* ranking**

Its payment obligations under the Agreement will rank at least *pari passu* in right of payment with all other unsecured and unsubordinated obligations of it, save those claims which are preferred by any bankruptcy, insolvency, liquidation or other similar laws of general application and save to the extent any such other Indebtedness is effectively senior by reason of any Security permitted under Clause 1.4 (*Negative pledge*).

#### 1.13 **No filing of stamp taxes**

Under the laws of the Borrower's country of incorporation in force at the date thereof, it is not necessary that the Agreement be filed, recorded or enrolled with any court or other authority in such country or that any stamp, registration or similar tax be paid on or in relation to the Agreement other than payments in connection with (i) Brazilian agencies and the notarization and consularisation of the signatures of persons signing the Agreement outside Brazil, (ii) the registration of the Agreement before the Registry of Deeds and Documents (*Registro de Títulos e Documentos*) of the City of Rio de Janeiro, State of Rio de Janeiro, Federative Republic of Brazil and, and (iii) the registration of the financial terms and conditions in respect of the Facility with the Central Bank of Brazil under the ROF.

**1.14 Compliance with laws**

It is conducting its business and operations in compliance with all relevant laws and regulations and all directives of any agency having the force of law applicable or relevant to it, the failure to be in compliance with which would be reasonably likely to have a material adverse effect.

**1.15 Private and commercial acts**

Its execution of the Agreement constitutes, and its exercise of its rights and performance of its obligations hereunder will constitute, private and commercial acts done and performed for private and commercial purposes.

**1.16 No tax liabilities or disputes**

Save as specifically disclosed to the Administrative Agent in writing, the Borrower has no unpaid tax liabilities which would be reasonably likely to have a material adverse effect save for those which it is contesting in good faith by appropriate proceedings and in respect of which adequate reserves have been established.

**1.17 No misleading information**

All written information supplied by the Borrower to any Lender in connection with the Agreement is true, complete and accurate in all material respects as at the date it was supplied and is not misleading in any material respect. The Borrower makes no representation or warranty as to any expectations, projections or other forward-looking statements furnished to any Lender or the Administrative Agent or to the premises on which these expectations, projections or other forward-looking statements were based. The Borrower undertakes no obligation to update any such information, unless required pursuant to the terms of the Agreement.

**1.19 Environmental laws**

- (a) It is in compliance with Clause 1.13 (*Environmental compliance*) and no circumstances have occurred which could be reasonably expected to have a material adverse effect in the future.
- (b) No Environmental Claim has been commenced or, to the best of its knowledge, is threatened against it where that claim has or is reasonably likely, if determined against it, to have a material adverse effect.

**1.20 Taxation**

- (a) It has filed or caused to be filed all Tax returns that are required to be filed by it and has paid or caused to be paid all Taxes shown to be due and payable by it on such returns or on any assessment received by it, except to the extent that any such Taxes are being diligently contested in good faith and by proper proceedings and as to which adequate reserves or provisions have been provided. There is no action, suit, proceeding, investigation, audit, or claim now pending or, to the best knowledge of the Borrower, threatened by any authority regarding any Taxes relating to the Borrower, except to the extent that (i) any such Taxes, which could reasonably be expected to have a material adverse effect, are fully disclosed to the Lender in writing, (ii) any such Taxes are being diligently contested in good faith and by proper proceedings, (iii) adequate reserves or provisions have been provided for any such Taxes, and (iv) if adversely decided, any such Taxes could not reasonably be expected to have a material adverse effect.

(b) It is resident for Tax purposes only in Brazil.

**1.21 Deduction of tax**

[Other than in connection with [●], it]/[It] is not required to make any Tax Deduction (as defined in Clause [●] (*Definitions*)) from any payment it may make under any Finance Document, except for withholding tax as may be imposed on the remittance of payment of interest, fees, commissions and other expenses from Brazil under Brazilian law.

**1.22 Application of FATCA**

The Borrower shall ensure that the Borrower will not become a FATCA FFI or a US Tax Obligor.

**1.23 Corrupt practices**

The Borrower has not and none of its directors, officers, employees or agents has:

- (a) paid or received (or entered into any agreement under which it may be paid or receive) any unlawful commission, bribe, pay off or kickback, directly or indirectly, in connection with the Agreement; or
- (b) taken action to influence a procurement process or execution of an agreement, including engaging in collusive practices among bidders designed to establish bid prices at artificial, non-competitive levels,

or has otherwise engaged in Corrupt Practices.

**1.24 No money laundering**

The Borrower and all its branches and subsidiaries, in its home country and abroad, has the means and the internal procedures in place to detect and to intercept money-laundering channels or chains (involving the proceeds of terrorist activities, drug-trafficking, organized crime or others).

**1.25 Foreign Assets Control Regulation**

None of the execution, delivery and performance of the Agreement, nor its use of the proceeds thereunder, will violate the Trading with the Enemy Act, as amended, or any of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) or any enabling legislation or executive order relating thereto.

**Part 2**  
**Information Undertakings**

Capitalized terms used below and not otherwise defined herein shall have the meanings ascribed to them in the current recommended form of single currency unsecured syndicated facility agreement of the LMA.

**Annual Statements:** The Borrower shall, no more than 30 days after such statements become publically available, but in any event within 150 days after the end of each of its financial years, deliver to the Administrative Agent in sufficient copies for the Finance Parties its financial statements (both consolidated and unconsolidated) for such financial year, prepared in accordance with Brazilian GAAP or IFRS and audited by recognized public auditors in Brazil.

**Quarterly Statements:** The Borrower shall, no more than 30 days after such statements become publically available, but in any event within 60 days after the end of each of the Borrower's first three financial quarters, deliver to the Administrative Agent in sufficient copies for the Finance Parties its unaudited financial statements (both consolidated and unconsolidated) for such financial quarter, prepared in accordance with Brazilian GAAP or IFRS.

**Requirements as to Financial Statements:** The Borrower shall ensure that each set of financial statements delivered by it:

- (a) unless otherwise stated, is prepared in accordance with IFRS and consistently applied, and for the annual statements includes the auditors' report;
- (b) discloses all the liabilities (contingent or otherwise) and all the unrealized or anticipated losses of the companies concerned, in accordance with IFRS; and
- (c) is certified by an Authorized Signatory as giving a true and fair view of its financial condition as at the end of the period to which those financial statements relate and of the results of its operations during such period.

**Compliance Certificate:**

- (a) The Borrower must supply to the Administrative Agent a Compliance Certificate:
  - (i) with each of the audited annual financial statements delivered under the Agreement; and
  - (ii) with each of the quarterly financial statements relating to the first nine months of a financial year delivered under the

Agreement.

- (b) A Compliance Certificate must be signed by the Borrower's treasurer (and/or one or two other Authorized Signatories acceptable to the Administrative Agent, as appropriate).

**Other Financial Information:**

The Borrower shall from time to time on the reasonable request of the Administrative Agent furnish the Administrative Agent with such information about it and/or its business, management or financial condition as the Administrative Agent may reasonably require and which is materially relevant to the performance by the Borrower of any or all of its obligations under the Agreement, save to the extent such disclosure is not permitted by law.

**“Know Your Customer” Checks:**

In the event that a Finance Party is obliged to comply with “know your customer” or similar identification procedures the Borrower shall, in circumstances where the necessary information is not already publicly available, promptly upon the request of any Finance Party supply such documentation and other evidence as is reasonably requested.

**Information – Miscellaneous:**

- (a) If, at any time, the Borrower ceases to be a listed company, the Borrower shall, to the extent that it is not prevented from doing so by any applicable legal restrictions (including any judicial or administrative order, regulation or rule), supply to the Administrative Agent, promptly upon becoming aware of them, the details of any litigation, arbitration or administrative proceedings which are current, threatened or pending against it, and which might, if adversely determined, have a material adverse effect.
- (b) The Borrower shall promptly inform the Administrative Agent of the occurrence of any Default (and the steps, if any, being taken to remedy it). The Borrower shall promptly inform the Administrative Agent when any such Default has been remedied, if applicable. Upon receipt of a written request to that effect from the Administrative Agent, the Borrower shall confirm to the Administrative Agent that, save as previously notified to the Administrative Agent or as notified in such confirmation, no Default has occurred.
- (c) The Borrower must promptly submit to any Finance Party on demand such information and documents as such Finance Party may reasonably request in order to comply with its obligations to prevent

money laundering and to conduct on-going monitoring of the business relationship with the Borrower as it relates to the prevention of money laundering.

**Notification of Default:**

The Borrower shall notify the Administrative Agent of any Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence.

**Brazilian GAAP:**

As elected from time to time by the Borrower, the accounting principles prescribed by Brazilian Corporate Law, the rules and regulations issued by applicable regulators, including the Brazilian Securities Exchange Commission (*Comissão de Valores Mobiliários*), as well as the technical releases issued by the Brazilian Institute of Accountants (*Instituto Brasileiro de Contadores*), in accordance with IFRS as issued by the International Accounting Standards Board, in each case, as in effect from time to time.



## **Part 3**

### **General Undertakings & Covenants**

Capitalized terms used below and not otherwise defined herein shall have the meanings ascribed to them in the current recommended form of single currency unsecured syndicated facility agreement of the LMA.

The following undertakings will be included in the Agreement in respect of the Borrower:

#### **1.1 Maintenance of Corporate Existence**

The Borrower will, and will cause each of its Restricted Subsidiaries to, maintain in effect its corporate existence and all registrations necessary therefor and take all actions to maintain all rights, privileges, titles to property, franchises and the like necessary or desirable in the normal conduct of its businesses, activities or operations; provided that this covenant shall not require the Borrower or any of its Restricted Subsidiaries to maintain any such right, privilege, title to property, franchise or the like or require the Borrower to preserve the corporate existence of any of its Restricted Subsidiaries, if the failure to do so would not have a material adverse effect on the Group taken as a whole or have a material adverse effect on the rights of the Lenders or is not otherwise prohibited by the Agreement.

#### **1.2 Authorizations**

The Borrower will, and will cause each member of the Group to, duly obtain and maintain in full force and effect all consents, concessions, authorizations, approvals or licenses of any government or governmental agency or authority under the laws of Brazil or any other jurisdiction having jurisdiction over the Borrower or any member of the Group, as the case may be, necessary in all cases for the Borrower or any member of the Group, as the case may be, to operate its business and to comply with the Agreement and make payments under the Loans, save where the failure to do so would not have a material adverse effect on the Group taken as a whole. To the extent any consents, concessions, authorizations, approvals or licenses of any government or governmental agency or authority under the laws of Brazil or any other jurisdiction having jurisdiction over the Borrower or any member of the Group, as the case may be, are no longer deemed to be essential for the Borrower or any member of the Group to continue rendering telecommunications services, the Borrower will be allowed, pursuant to the applicable legislation, to waive, replace and/or change any of such consents, concessions, authorizations, approvals or licenses.

#### **1.3 Chief place of business**

- (a) The Borrower shall maintain its chief place of business at Rua Humberto de Campos, 425, 8<sup>th</sup> Floor, Leblon, Rio de Janeiro, RJ 22430-190, Brazil, or Rua do Lavradio, 71, Centro, 2nd floor, Rio de Janeiro, RJ 20230-070, Brazil, and maintain the office where it keeps its records concerning the Finance Documents at either address.
- (b) The Borrower shall not change its name, unless, in any such case, the Borrower shall have given to the Lender at least 45 days' prior written notice, and all action requested by the Lender necessary or advisable in the Lender's opinion to preserve the interests of the Lender under the Finance Documents shall have been taken.

#### **1.4 Compliance with laws**

The Borrower shall comply in all respects with all laws to which it may be subject, if failure so to comply would materially impair its ability to perform its obligations under the Agreement.

### 1.5 ***Pari passu* ranking**

The Borrower shall ensure that at all times the claims of the Finance Parties against it under the Agreement rank at least *pari passu* in right of payment with all other unsecured and unsubordinated Indebtedness, save those whose claims are by any bankruptcy, insolvency, liquidation or other similar laws of general application and save to the extent any such other Indebtedness is effectively senior by reason of any Security permitted under Clause 1.4 (*Negative pledge*).

### 1.6 **Notification of default**

The Borrower shall give written notice to the Administrative Agent, as soon as is practicable and in any event within ten Business Days after the Borrower becomes aware, or should reasonably become aware, of the occurrence of any Event of Default or Default (and the steps, if any, being taken to remedy it). The Borrower shall promptly inform the Administrative Agent when any such Event of Default or Default has been remedied, if applicable. Upon receipt of a written request to that effect from the Administrative Agent, the Borrower shall confirm to the Administrative Agent that, save as previously notified to the Administrative Agent or as notified in such confirmation, no Event of Default or Default has occurred.

### 1.7 **Restriction on dividends**

The Borrower shall not, and shall not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, declare or pay any dividend or return of capital or make any other payment or distribution on or in respect of shares of Capital Stock of the Borrower or any member of the Group (including any payment in connection with any merger or consolidation involving the Borrower or any member of the Group) to holders of such Capital Stock (a “**Dividend Payment**”), other than:

- (a) dividends or distributions payable solely in the form of Capital Stock of the Borrower;
- (b) dividends or distributions payable solely to the Borrower and/or a member of the Group;
- (c) dividends, distributions or returns of capital made on a pro rata basis to the Borrower and any of its Restricted Subsidiaries, on the one hand, and minority holders of Capital Stock of a Restricted Subsidiary, on the other hand (or on a less than pro rata basis to any minority holder),
- (d) payments or distributions by the Borrower or any of its Restricted Subsidiaries to dissenting stockholders pursuant to applicable law in connection with any merger, amalgamation or acquisition consummated on or after the date of the Agreement and not prohibited by the terms of the Finance Documents; or
- (e) any Dividend Payments made in accordance with the Reorganization Plan or any mandatory dividends paid as determined in the applicable law,

The Borrower and its Restricted Subsidiaries shall only declare or pay any dividend, in compliance with the following: (i) at any time prior to the sixth anniversary of the date of the Reorganization Plan Confirmation will not pay any dividend and (ii) on or after the sixth anniversary of the date of the Reorganization Plan Confirmation, if at the time of the Dividend Payment and immediately after giving pro forma effect thereto, the Borrower’s Net Debt to Consolidated EBITDA Ratio would be equal or less than 2.0:1.0.

### 1.8 **Incurrence of Indebtedness**

- (a) The Borrower shall not, and shall not permit any of its Restricted Subsidiaries to Incur, directly or indirectly, any Indebtedness (including Acquired Indebtedness); provided, however, that, notwithstanding the foregoing, the Borrower any of its Restricted Subsidiaries may Incur Indebtedness (including Acquired Indebtedness) if, on the date of such Incurrence and after giving effect to such Incurrence thereof and the application of the net proceeds therefrom on a pro forma basis, the Borrower's Consolidated Interest Coverage Ratio is greater than or equal to 1.75 to 1.0.
- (b) Notwithstanding clause (a) above, the Borrower or any member of the Group may, at any time, Incur any or all of the following Indebtedness ("**Permitted Indebtedness**"):
- (1) Indebtedness in respect of the Loans and the Subsidiary Guarantees;
  - (2) other Indebtedness of the Borrower and any of its Restricted Subsidiaries outstanding on the date of the Agreement or issued in accordance with the terms of the Reorganization Plan;
  - (3) Guarantees by the Borrower or any of its Restricted Subsidiaries of Indebtedness of the Borrower or any member of the Group, in each case permitted under this Clause 1.8 (*Incurrence of Indebtedness*);
  - (4) Hedging Obligations entered into by the Borrower or any member of the Group in the ordinary course of business;
  - (5) intercompany Indebtedness between the Borrower and any member of the Group or among members of the Group;
  - (6) Indebtedness of the Borrower or any member of the Group arising from the honoring by a bank or other financial institution of a check, draft or similar instrument (including daylight overdrafts paid in full by the close of business on the day such overdraft was Incurred) drawn against insufficient funds in the ordinary course of business; provided that such Indebtedness is extinguished within ten Business Days of Incurrence;
  - (7) Indebtedness of the Borrower or any member of the Group constituting reimbursement obligations with respect to letters of credit issued for the account of the Borrower or any member of the Group in order to provide security for workers' compensation claims, payment obligations in connection with self-insurance or similar requirements in the ordinary course of business;
  - (8) Indebtedness consisting of performance, bid, surety and other similar bonds, completion guarantees and reimbursement obligations Incurred by the Borrower or any member of the Group in the ordinary course of business securing the performance of contractual, franchise, concession or license obligations of the Borrower or any member of the Group (in each case, other than for an obligation for borrowed money);
  - (9) Indebtedness of the Borrower or any member of the Group to the extent the net proceeds thereof are promptly used solely to redeem or prepay a portion of the Loan or deposited to defease or discharge the Loan, in each case in accordance with the Agreement;
  - (10) Refinancing Indebtedness in respect of:

- (A) Indebtedness (other than Indebtedness owed to the Borrower or any member of the Group) Incurred pursuant to clause (a) above (it being understood that no Indebtedness outstanding on the date of the Agreement is Incurred pursuant to clause (a) above); or
  - (B) Indebtedness Incurred pursuant to subclauses (1), (2) or (12) or this subclause (10) (in each case, excluding Indebtedness owed to the Borrower or any member of the Group);
- (11) Indebtedness arising from agreements of the Borrower or any member of the Group providing for indemnification, adjustment of purchase price or similar obligations, in each case, incurred in connection with the disposition of any business, assets or subsidiary, other than Guarantees of Indebtedness incurred by any Person acquiring all or any portion of such business, assets or subsidiary for the purpose of financing such acquisition; provided that the maximum aggregate liability in respect of all such Indebtedness shall at no time exceed the gross proceeds actually received by the Borrower and its Restricted Subsidiaries in connection with such disposition;
- (12) Indebtedness of (x) the Borrower or any of its Restricted Subsidiaries incurred to finance an acquisition or (y) Persons that are acquired by the Borrower or any of its Restricted Subsidiaries or merged into the Borrower or any of its Restricted Subsidiaries in accordance with the terms of the Agreement; and provided that after giving effect to such acquisition and the Incurrence of such Indebtedness either:
- (A) the Borrower would be able to Incur at least US\$1.00 of additional Indebtedness pursuant to clause (a); or
  - (B) the Borrower's Consolidated Interest Coverage Ratio would be greater than or equal to the Borrower's Consolidated Interest Coverage Ratio immediately prior to such acquisition;
- (13) (A) Indebtedness of the Borrower in connection with any Qualified Receivables Transaction or (B) obligations pursuant to receivables or factoring arrangements or facilities in the ordinary course of business, in each case in a true sale transaction without recourse to the Borrower or any of its Restricted Subsidiaries that would not be required to be classified and accounted for as debt under Brazilian GAAP;
- (14) Capitalized Lease Obligations and Purchase Money Indebtedness of the Borrower or any member of the Group not to exceed the greater of (A) US\$1,000.0 million and (B) and 5.0% of Consolidated Total Assets, at any one time outstanding;
- (15) Attributable Debt with respect to a Sale and Leaseback Transaction to the extent such Sale and Leaseback Transaction complies with Clause 1.11 (*Sale and Leaseback Transactions*);
- (16) Indebtedness consisting of (A) the financing of insurance premiums, (B) take or pay obligations in supply agreements, or (C) self-insurance obligations or workers' compensation claims, in each case in the ordinary course of business;

- (17) Guarantees in respect of obligations to suppliers, advertisers, licensors, licensees, artists, franchisees or similar Persons (other than guarantees of Indebtedness) in the ordinary course of business;
  - (18) Indebtedness arising in connection with endorsement of instruments for collection or deposit in the ordinary course of business;
  - (19) Indebtedness owed on a short-term basis of no longer than 30 days to banks and other financial institutions incurred in the ordinary course of business of the Borrower and any of its Restricted Subsidiaries with such banks or financial institutions that arises in connection with ordinary banking arrangements to manage cash balances of the Borrower and any of its Restricted Subsidiaries;
  - (20) Indebtedness under one or more lines of credit or working capital facilities not to exceed the greater of (A) US\$1,000.0 million (or the equivalent in other currencies) and (B) and 5.0% of Consolidated Total Assets, at any one time outstanding; and
  - (21) in addition to Indebtedness referred to in subclauses (1) through (20) above and Indebtedness Incurred under clause (a), Indebtedness of the Borrower or any member of the Group in an aggregate principal amount not to exceed the greater of (A) US\$1,000.0 million (or the equivalent in other currencies) and (B) and 5.0% of Consolidated Total Assets, at any one time outstanding.
- (c) For purposes of determining compliance with, and the outstanding principal amount of, any particular Indebtedness Incurred pursuant to and in compliance with this covenant:
- (1) the outstanding principal amount of any item of Indebtedness shall be counted only once, and any obligation arising under any Guarantee, Lien, letter of credit or similar instrument supporting such Indebtedness incurred in compliance with this covenant shall be disregarded;
  - (2) in the event that an item of Indebtedness meets the criteria of more than one of the categories of Permitted Indebtedness described above or is entitled to be incurred pursuant to (a) and also meets criteria of one or more of the categories described in subclauses (b)(1) through (21), inclusive, the Borrower may, in its sole discretion, divide and classify such item of Indebtedness in any manner that complies with this covenant. and may from time to time redivide and reclassify such item of Indebtedness in any manner in which such item could be incurred at the time of such reclassification;
  - (3) Indebtedness permitted by this covenant need not be permitted solely by reference to one provision permitting such Indebtedness, but may be permitted in part by such provision and in part by one or more other provisions of this covenant permitting such Indebtedness;
  - (4) the amount of Indebtedness issued at a price that is less than the principal amount thereof shall be equal to the amount of the liability in respect thereof determined in accordance with Brazilian GAAP or IFRS;
  - (5) Guarantees of, or obligations in respect of letters of credit or similar instruments relating to, Indebtedness which is otherwise included in the determination of any particular amount of Indebtedness shall not be included; and

- (6) the accrual of interest, the accretion or amortization of original issue discount, the payment of interest on any Indebtedness in the form of additional Indebtedness with the same terms, the reclassification of preferred stock as Indebtedness due to a change in accounting principles, the reclassification of accounts payable as Indebtedness and the payment of dividends on preferred stock of Restricted Subsidiaries in the form of additional shares of the same class of preferred stock of Restricted Subsidiaries shall not be deemed to be an Incurrence of Indebtedness for purposes of this covenant; provided, in each such case, that the amount of any such accrual, accretion or payment is included in Consolidated Interest Expense of the Borrower as accrued.
- (d) For purposes of determining compliance with any U.S. dollar-denominated restriction on the Incurrence of Indebtedness, the U.S. dollar-equivalent principal amount of Indebtedness denominated in a non-U.S. currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was Incurred or, in the case of revolving credit Indebtedness, first committed; provided that if such Indebtedness is Incurred to refinance other Indebtedness denominated in a non-U.S. currency, and such refinancing would cause the applicable U.S. dollar-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such U.S. dollar-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such Refinancing Indebtedness does not exceed the principal amount of such Indebtedness being refinanced. The principal amount of any Indebtedness Incurred to Refinance other Indebtedness, if Incurred in a different currency from the Indebtedness being Refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such Refinancing Indebtedness is denominated that is in effect on the date of such refinancing.
- (e) Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that the Borrower or any member of the Group may incur pursuant to this covenant shall not be deemed to be exceeded solely as a result of fluctuations in exchange rates or currency values.
- (f) A change in Brazilian GAAP or IFRS that results in an obligation existing at the time of such change, not previously classified as Indebtedness, becoming Indebtedness will not be deemed to be an incurrence of Indebtedness for purposes of determining compliance with this covenant.
- (g) The amount of any Indebtedness outstanding as of any date will be:
- (1) the accreted value of the Indebtedness, in the case of any Indebtedness issued with original issue discount;
  - (2) the principal amount of the Indebtedness, in the case of any other Indebtedness; and
  - (3) in respect of Indebtedness of another Person secured by a Lien on the assets of the specified Person, the lesser of:
    - (A) the Fair Market Value of such assets at the date of determination; and
    - (B) the amount of the Indebtedness of the other Person.

## 1.9 Negative pledge

The Borrower will not, and will not permit any Restricted Subsidiary to, issue, be liable in respect of, assume or guarantee any Indebtedness, if that Indebtedness is secured by a Lien upon any property of any such Person now owned or hereafter acquired, unless, together with the issuance, assumption or guarantee of such Indebtedness, the Loan and the Subsidiary Guarantees shall be secured, or with respect to any such Restricted Subsidiary, such Restricted Subsidiary shall provide a guarantee in respect of the Loan and the Subsidiary Guarantees, which guarantee shall (i) rank *pari passu* in right of payment with such Indebtedness and (ii) such guarantee shall be secured, equally and ratably with (or prior to) such Indebtedness for so long as such Indebtedness is so secured.

This restriction does not apply to:

- (a) any Lien in existence on the date of the Agreement, any Lien which secures the Loan, the Subsidiary Guarantees or any other Lien incurred in accordance with the terms of the Reorganization Plan;
- (b) any Lien on any property or assets (including capital stock of any person) acquired, constructed or improved by the Borrower or any of its Restricted Subsidiaries after the date of the Agreement, which is created, incurred or assumed contemporaneously with, or within 12 months after, that acquisition (or in the case of any such property constructed or improved, after the completion or commencement of commercial operation of such property, whichever is later) to secure or provide for the payment of any part of the purchase price of such property or the costs of that construction or improvement (including costs such as escalation, interest during construction and finance costs); provided that in the case of any such construction or improvement the Lien shall not apply to any other property owned by the Borrower or any of its Restricted Subsidiaries, other than any unimproved real property on which the property so constructed, or the improvement, is located, including, for the avoidance of doubt, any Indebtedness Incurred under paragraph (14) of Clause 1.4 (*Incurrence of Indebtedness*);
- (c) any Lien on any property or assets which secures Indebtedness owing to an Official Lender;
- (d) easements, rights-of-way and other encumbrances (“**real property encumbrances**”) on title to real property that do not render title to the property encumbered thereby unmarketable, materially reduce the value thereof or materially adversely affect the use of such property for its intended purposes either individually or in the aggregate when taken together with all such real property encumbrances in existence at such time;
- (e) any Lien on any property or assets existing at the time of its acquisition and which is not created as a result of or in connection with or in anticipation of that acquisition (unless such Lien was created to secure or provide for the payment of any part of the purchase price of such property);
- (f) any Lien on any property or assets acquired from a corporation or any other Person which is merged with or into the Borrower or any Restricted Subsidiaries, or any Lien existing on property of a corporation or any other Person which existed at the time such corporation becomes a Restricted Subsidiaries and, in either case, which is not created as a result of or in connection with or in anticipation of any such transaction (unless such Lien was created to secure or provide for the payment of any part of the purchase price of such corporation);

- (g) any Lien which secures only Indebtedness owing by any Restricted Subsidiaries, to one or more Restricted Subsidiaries or to the Borrower and one or more Restricted Subsidiaries;
- (h) any extension, renewal or replacement (or successive extensions, renewals or replacements), in whole or in part, of any Lien referred to in the foregoing paragraphs (a) through (g) inclusive; provided that the principal amount of Indebtedness secured thereby shall not exceed the principal amount of Indebtedness so secured plus any premiums, fees and expenses in connection with such extension, renewal or replacement, and that such extension, renewal or replacement shall be limited to all or a part of the property which secured the Lien so extended, renewed or replaced (plus improvements on such property);
- (i) any Lien arising by operation of law (including a decision by a court) in the ordinary course of business;
- (j) any Lien securing Hedging Obligations or other similar transactions;
- (k) any Lien on Receivables transferred to a Receivables Entity or on assets of a Receivables Entity, in each case, Incurred in connection with a Qualified Receivables Transaction;
- (l) any Lien securing Indebtedness in an amount not to exceed R\$5 billion (or the equivalent in other currencies) at any one time outstanding; provided, that the proceeds of such Indebtedness shall be used for capital expenditures; and
- (m) any Lien of the Borrower or any Restricted Subsidiaries that does not fall within paragraphs (a) through (l) above and that secures an aggregate amount of Indebtedness which, when aggregated with then outstanding Indebtedness secured by all other Liens of the Borrower and any Restricted Subsidiaries pursuant to this paragraph (m) (together with any Sale and Lease-Back Transaction that would otherwise be prohibited by Clause 1.11 (*Sale and Lease-Back Transactions*)) does not exceed 12.5% of Consolidated Total Assets.

#### 1.10 Merger

Other than as provided below, the Borrower will not, in one or a series of related transactions, consolidate or amalgamate with or merge into any Person or convey, lease or transfer all or substantially all of its assets (determined on a consolidated basis for the Borrower and its subsidiaries) to any Person or permit any Person to merge with or into it unless:

- (a) the Borrower is the continuing entity, or the Person formed by such consolidation or into which the Borrower is merged or that acquired or leased such property or assets of the Borrower (the “**Successor Company**”) will be a company organized and validly existing under the laws of Brazil or any political subdivision thereof, the United States of America or any state thereof or the District of Columbia or any other country member of the Organization for Economic Co-operation and Development (OECD) and shall assume (in the form satisfactory to the Administrative Agent) all of the Borrower’s obligations under the Agreement;
- (b) immediately after giving effect to the transaction, no default or Event of Default has occurred and is continuing;
- (c) any Subsidiary Guarantor has confirmed that its Subsidiary Guarantee will apply for the obligations of the Successor Company in respect of the Loans; and



- (d) the Borrower or the Successor Company, as applicable, has delivered to the Administrative Agent an officer's certificate and an opinion of counsel, each stating that all conditions precedent relating to such transaction have been satisfied.

Notwithstanding anything to the contrary in the immediately preceding paragraph, so long as no default or event of default shall have occurred and be continuing at the time of such proposed transaction or would result therefrom:

- (i) the Borrower may merge or consolidate with or into, or convey, transfer, by means of a spin-off or not, lease or otherwise dispose of assets to, a Parent or a subsidiary of the Borrower in cases when the Borrower is the surviving entity in such transaction and such transaction would not have a material adverse effect on the Borrower and its subsidiaries taken as a whole, it being understood that if the Borrower is not the surviving entity, the Borrower shall be required to comply with the requirements set forth in the immediately preceding paragraph;
- (ii) any subsidiary of the Borrower may merge or consolidate with or into, or convey, transfer, by means of a spin-off or not, lease or otherwise dispose of assets to, any Person in cases when such transaction would not have a material adverse effect on the Borrower and its subsidiaries taken as a whole;
- (iii) any subsidiary of the Borrower may merge or consolidate with or into, or convey, transfer, by means of a spin-off or not, lease or otherwise dispose of assets to, the Borrower or any other subsidiary of the Borrower; or
- (iv) any consolidation, merger, conveyance, lease, transfer of other transaction authorized or made in accordance with the Reorganization Plan.

Upon the consummation of any transaction effected in accordance with these provisions, if the Borrower is not the continuing Person, the Successor Company will succeed to, and be substituted for, and may exercise every right and power of, the Borrower under the Agreement with the same effect as if such Successor Company had been named as the Borrower in the Agreement. Upon such substitution, the Borrower will be released from its obligations under the Agreement.

#### 1.11 Sale and Lease-Back Transactions

The Borrower will not, and will not permit any of its Restricted Subsidiaries to, enter into any Sale and Lease-Back Transaction with respect to any property of such Person, unless either:

- (a) the Borrower or that member of the Group would be entitled pursuant to Clause 1.4 (*Negative pledge*) (including any exception to the restrictions set forth therein) to issue, assume or guarantee Indebtedness secured by a Lien on any such property without equally and ratably securing the Loans, or
- (b) the Borrower or that member of the Group shall apply or cause to be applied, in the case of a sale or transfer for cash, an amount equal to the net proceeds thereof and, in the case of a sale or transfer otherwise than for cash, an amount equal to the fair market value of the property so leased, to the retirement, within 12 months after the effective date of the Sale and Lease-Back Transaction, of any of the Borrower's Indebtedness ranking at least *pari passu* with the Loans and owing to a Person other than the Borrower or any member of the Group or to the construction or improvement of real property or personal property used by the Borrower or any member of the Group in the ordinary course of business.

These restrictions will not apply to:

- (1) transactions providing for a lease term, including any renewal, of not more than three years;
- (2) transactions between the Borrower and any member of the Group or among members of the Group; and
- (3) transactions involving sales outlets or similar properties or other properties the sale of which is not restricted by any governmental concession or authorization.

#### 1.12 **Anti-corruption laws**

- (a) The Borrower, including its officers, employees and agents, shall not directly or indirectly use the proceeds of the Facility for any purpose which would breach applicable anti-corruption laws (including, without limitation, the Brazilian Anticorruption Law (Law No. 12,846/13)).
- (b) The Borrower shall:
  - (i) conduct its businesses in compliance with applicable anti-corruption laws (including, without limitation, the Brazilian Anticorruption Law (Law No. 12,846/13)); and not make any offer, payment, promise of payment or payment authorization of any amount or good to a Governmental Authority, or to any person knowing that all or part of such amount would be offered, given or promised by such person to a Governmental Authority for the purposes of: (i) influencing any act or decision of such Governmental Authority or inducing such Governmental Authority to perform or omit any act in violation of his official duty; (ii) inducing such Governmental Authorities to use their influence with the government or any of its agencies to affect or influence any act or decision of such government or agency, or (iii) obtaining or retaining business for anyone; and
  - (ii) maintain policies and procedures designed to promote and achieve compliance with such laws.

#### 1.13 **Environmental compliance**

The Borrower shall:

- (a) comply in all material respects with all Environmental Law applicable to it;
- (b) obtain, maintain and ensure compliance with all relevant Environmental Permits;
- (c) implement procedures to monitor compliance with and to prevent liability under any Environmental Law,

where failure to do so has or is reasonably likely to have a material adverse effect.

#### 1.14 **Environmental Claims**

The Borrower shall, promptly upon becoming aware of the same, inform the Lender in writing of:

- (a) any Environmental Claim against the Borrower which is current, pending or threatened; and

- (b) any facts or circumstances which are reasonably likely to result in any Environmental Claim being commenced or threatened against the Borrower,

where the claim, if determined against the Borrower, has or is reasonably likely to have a material adverse effect.

#### 1.15 **Notarization, legalization and registration**

The Borrower shall take all necessary measures for the signatures of the parties signing the Agreement outside Brazil to be notarized by a notary public qualified as such under the laws of the place of signing and for the signature of such notary public to be authenticated by a Brazilian consular officer at the competent Brazilian consulate. Evidence of such notarization by a notary public and authentication by a Brazilian consular office shall be delivered to the Administrative Agent, in each case, within sixty (60) days of the date of the Agreement.

#### 1.16 **Taxation**

- (a) The Borrower shall pay and discharge all Taxes imposed upon it or its assets within the time period allowed without incurring penalties unless and only to the extent that:
  - (i) such payment is being contested or is to be contested in good faith and, in such event, may permit those Taxes to remain unpaid during any period, including appeals, when the Borrower is in good faith contesting the same by proper proceedings;
  - (ii) adequate reserves or provisions are being maintained for those Taxes and the costs required to contest them which have been disclosed in its latest financial statements delivered to the Lender under Clause [●] (*Financial statements*); and
  - (iii) such payment can be lawfully withheld and failure to pay those Taxes is not reasonably likely to have a material adverse effect.
- (b) The Borrower may not change its residence for Tax purposes.

#### 1.17 **Registration of schedule of payments**

The Borrower shall:

- (a) within thirty (30) Business Days following ratification of the Amended RJ Plan by the Bankruptcy Court register with the ROF with the Central Bank of Brazil the Schedules of Payments, or any other document or equivalent approval that may replace it, which will enable the Borrower and/or the Guarantor, as the case may be, to make remittances from Brazil in order to effect payment of scheduled principal and interest with respect to the Finance Documents to which it is a party and the fees, expenses and commissions referred to in the Finance Documents to which it is a party that will not be paid on the date of the entrance of the funds into Brazil, and
- (b) promptly obtain, if and when necessary, any further special authorization from, or notice to, as the case may be, the Central Bank of Brazil that will enable the Borrower and/or the Guarantor, as the case may be, to make remittances from Brazil to make payments contemplated in the Finance Documents to which it is a party not specifically covered by the ROF and the Scheduled of Payments.

### 1.18 Covenant Suspension

Beginning on the day of a Covenant Suspension Event and ending on a Reversion Date (as defined herein) (such period a “**Suspension Period**”), the covenants specifically listed under the following captions in this Term Sheet will not be applicable to the Agreement (collectively, the “**Suspended Covenants**”):

- (1) “—Prepayment and Cancellation – Excess Cashflow”;
- (2) “—Restriction on Dividends”;
- (3) “—Incurrence of Indebtedness”; and
- (4) “—Merger.”

On each Reversion Date, all Indebtedness incurred during the Suspension Period will be classified as having been incurred or issued pursuant to the clause (a) of “—Incurrence of Indebtedness” below or one of the clauses set forth in clause (b) of “—Incurrence of Indebtedness” below (to the extent such Indebtedness would be permitted to be incurred or issued thereunder as of the Reversion Date and after giving effect to Indebtedness incurred or issued prior to the Suspension Period and outstanding on the Reversion Date). To the extent such Indebtedness would not be so permitted to be incurred or issued pursuant to clause (a) or (b) of “—Incurrence of Indebtedness” such Indebtedness will be deemed to have been outstanding on the Issue Date, so that it is classified as permitted under clause (2) of the second paragraph under “—Incurrence of Indebtedness.”

No Default, Event of Default or breach of any kind shall be deemed to exist under the Agreement with respect to the Suspended Covenants based on, and none of the Borrower or any of its Subsidiaries shall bear any liability for, any actions taken or events occurring during the Suspension Period, or any actions taken at any time pursuant to any contractual obligation arising prior to the Reversion Date (if permitted at such time, regardless of whether such actions or events would have been permitted if the applicable Suspended Covenants remained in effect during such period).

Any period of time that (i) the Borrower has Investment Grade Ratings from both Rating Agencies and (ii) no Default or Event of Default has occurred and is continuing under the Agreement is referred to as a “**Covenant Suspension Event**.” If on any subsequent date (the “**Reversion Date**”) one or both of the Rating Agencies withdraws its Investment Grade Rating or downgrades the rating assigned to the Borrower below an Investment Grade Rating, the Borrower and its Restricted Subsidiaries will thereafter again be subject to the Suspended Covenants with respect to future events. The Borrower shall notify the Lenders with a copy to the Agent of the occurrence of a Covenant Suspension Event or Reversion Date. The Agent shall have no duty to monitor the Investment Grade Ratings of Loans or notify Lenders of any Covenant Suspension or Reversion Date.

“**Acquired Indebtedness**” means Indebtedness of a Person or any of its subsidiaries existing at the time such Person becomes a member of the Group or at the time it merges or consolidates with the Borrower or any of its Restricted Subsidiaries or assumed by the Borrower or any of its Restricted Subsidiaries in connection with the acquisition of assets from such Person. Acquired Indebtedness shall be deemed to have been incurred at the time such Person becomes a member of the Group or at the time it merges or consolidates with the Borrower or any member of the Group or at the time such Indebtedness is assumed in connection with the acquisition of assets from such Person.

**“Attributable Debt”** in respect of a Sale and Leaseback Transaction means, as of the date of determination, the present value (discounted at the interest rate implicit in the Sale and Leaseback Transaction) of the total obligations of the lessee for rental payments during the remaining term of the lease included in such Sale and Leaseback Transaction (including any period for which such lease has been extended); provided, however, that if such Sale and Leaseback Transaction results in a Capital Lease Obligation, the amount of Indebtedness represented thereby will be determined in accordance with the definition of **“Capital Lease Obligation”**.

**“Capital Stock”** means, with respect to any Person, any and all shares, interests (including partnership interests), rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated) the equity of such Person, including each class of Preferred Stock, limited liability interests or partnership interests, but excluding any debt securities convertible into such equity.

**“Capitalized Lease Obligations”** means, with respect to any Person, the obligations of such Person under a lease that are required to be classified and accounted for as a capitalized lease in accordance with Brazilian GAAP and the amount of Indebtedness represented by such obligations at any date shall be the capitalized amount of such obligations at such date, determined in accordance with Brazilian GAAP; and the Stated Maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be prepaid by the lessee without payment of a penalty.

**“Consolidated EBITDA”** means, with respect to any Person for any period, for the Four-Quarter Period, the sum of the pre-tax profit or loss for such Person for such period, plus the following (without duplication) to the extent deducted or added in calculating such consolidated pre-tax profit or loss:

- (1) Consolidated Financial Income or Expense for such Person for such period; and
- (2) Consolidated depreciation and amortization for such Person for such period.

**“Consolidated Interest Coverage Ratio”** means, with respect to the Borrower as of any date of determination, for the Four-Quarter Period, the ratio of the aggregate amount of Consolidated EBITDA of the Borrower to Consolidated Interest Expense of the Borrower.

**“Consolidated Interest Expense”** means, with respect to any person for any period, without duplication, the sum of the consolidated interest expense, accrued or capitalized (whether paid or not), of the Borrower for the Four-Quarter Period on any of its indebtedness for borrowed money payable in cash.

**“Consolidated Total Assets”** means the total amount of the consolidated assets of the Borrower and its consolidated Subsidiaries, as set forth as “Total assets” in the consolidated balance sheet of the Borrower, as of the end of the most recently completed fiscal quarter or full-year period for which the Borrower’s published financial statements are available.

**“Fair Market Value”** means, with respect to any asset, the value (which, for the avoidance of doubt, will take into account any liabilities associated with related assets) that would be paid by a willing buyer to an unaffiliated willing seller in an arm’s length transaction not involving distress or compulsion of either party, determined in good faith by the Borrower.

**“Four-Quarter Period”** means, as of any date of determination, the four most recent full fiscal quarters ending prior to the date of such determination for which financial statements are available.

**“Guarantee”** means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness of any other Person and any obligation, direct or indirect, contingent or otherwise, of such Person:

- (1) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness of such other Person (whether arising by virtue of partnership arrangements, or by agreement to keep-well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement conditions or otherwise); or
- (2) entered into for purposes of assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part);

provided, however, that the term “**Guarantee**” shall not include endorsements for collection or deposit in the ordinary course of business. The term “**Guarantee**,” when used as a verb, has a corresponding meaning.

“**Hedging Obligations**” of any Person means the obligations of such Person under any agreement relating to any swap, option, forward sale, forward purchase, index transaction, cap transaction, floor transaction, collar transaction or any other similar transaction, in each case, for purposes of hedging or capping against Brazilian inflation, interest rates, currency or commodities price fluctuations.

“**Incur**” means, with respect to any Indebtedness or other obligation of any Person, to create, issue, incur (including by conversion, exchange or otherwise), assume, Guarantee or otherwise become liable in respect of such Indebtedness or other obligation on the balance sheet of such Person; provided, however, that any Indebtedness of a Person existing at the time such Person is merged or consolidated with the Borrower or becomes a member of the Group (whether by merger, consolidation, acquisition or otherwise) shall be deemed to be Incurred by such Person at the time of such merger or consolidation or at the time it becomes a member of the Group. The term “**Incurrence**” when used as a noun shall have a correlative meaning. Neither the accretion of principal of a non-interest bearing or other discount security nor the capitalization of interest on Indebtedness shall be deemed an Incurrence of Indebtedness.

“**Indebtedness**” means, with respect to any Person, without duplication:

- (a) whether being principal and/or interest of any present or future indebtedness of such Person:
  - (i) in respect of borrowed money;
  - (ii) evidenced by bonds, notes, debentures or similar instruments or letters of credit or bankers’ acceptances (or, without duplication, reimbursement agreements in respect thereof);
  - (iii) representing the balanced deferred and unpaid of the purchase price of property (including Capitalized Lease Obligations), except (i) any such balance that constitutes a trade payable or similar obligation to a trade creditor, in each case accrued in the ordinary course of business and (ii) liabilities accrued in the ordinary course of business which purchase price is due more than twelve (12) months after the date of placing the property in service or taking delivery and title thereto; or
  - (iv) representing net obligations under any Hedging Obligations;

if and to the extent that any of the foregoing Indebtedness (other than letters of credit and Hedging Obligations) would appear as a liability upon a balance sheet (excluding the footnotes thereto) of such Person prepared in accordance with Brazilian GAAP or IFRS;

- (b) to the extent not otherwise included, any obligation by such Person to be liable for, or to pay, as obligor, guarantor or otherwise, on the obligations of the type referred to in clause (1) of a third Person (whether or not such items would appear upon the balance sheet of

such obligor or guarantor), other than by endorsement of negotiable instruments for collection in the ordinary course of business; and

- (c) to the extent not otherwise included, the obligations of the type referred to in clause (1) of a third Person secured by a Lien on any asset owned by such first Person, whether or not such Indebtedness is assumed by such first Person;

if and to the extent any of the preceding items (other than letters of credit and Hedging Obligations) would appear as a liability upon a balance sheet of the specified Person prepared in accordance with Brazilian GAAP or IFRS.

Notwithstanding the foregoing, in connection with the purchase by the Borrower or any member of the Group of any business, the term “Indebtedness” will exclude post-closing payment adjustments to which the seller may become entitled to the extent such payment is determined by a final closing balance sheet or such payment depends on the performance of such business after the closing; *provided, however*, that, at the time of closing, the amount of any such payment is not determinable and, to the extent such payment thereafter becomes fixed and determined, the amount is paid within 30 days thereafter.

For the avoidance of doubt, “**Indebtedness**” shall not include any obligations to any Person with respect to “*Programa de Recuperação Fiscal—REFIS*,” “*Programa Especial de Parcelamento de Impostos—REFIS Estadual*” and “*Programa de Parcelamento Especial—PAES*”, any other tax payment agreement entered into with any Brazilian governmental entity and/or any other payment agreement that is due to any creditor who, prior to the Reorganization Plan Confirmation, was not considered as Indebtedness in the calculation of Indebtedness of the Borrower.

“**Investment Grade Rating**” means a rating equal to or higher than BBB- (or the equivalent) by S&P or Baa3 (or the equivalent) by Moody’s.

“**Lien**” means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including, without limitation, any conditional sale or other title retention agreement or lease in the nature thereof or any agreement to give any security interest).

“**Moody’s**” means Moody’s Investors Service, Inc. and any successor to its rating agency business.

“**Net Debt**” means, as of the date of determination, the aggregate amount of Indebtedness of the Borrower and its consolidated subsidiaries, less cash and cash equivalents and consolidated marketable securities recorded as current assets (except for any Capital Stock in any Person) in all cases determined in accordance with Brazilian GAAP or IFRS and as set forth in the most recent consolidated balance sheet of the Borrower.

“**Net Debt to Consolidated EBITDA Ratio**” means, with respect to the Borrower as of any date of determination, the ratio of the aggregate amount of Net Debt of the Borrower to Consolidated EBITDA of the Borrower for the Four-Quarter Period.

For purposes of this definition, Net Debt and Consolidated EBITDA shall be calculated after giving effect on a pro forma basis in good faith for the period of such calculation for the following:

- (a) any Indebtedness Incurred (and the application of proceeds thereof) during or after the reference period to the extent the Indebtedness is outstanding or is to be Incurred on the transaction date as if the Indebtedness had been Incurred on the first day of the reference period;
- (b) any Indebtedness repaid during or after the reference period to the extent the Indebtedness is no longer outstanding or is to be repaid on the transaction date as if the Indebtedness had been repaid on the first day of the reference period; and

- (c) the acquisition or disposition of companies, divisions or lines of businesses by the Borrower and its Restricted Subsidiaries, including any acquisition or disposition of a company, division or line of business since the beginning of the reference period by a Person that became a Subsidiary after the beginning of the reference period, and
- (d) the discontinuation of any discontinued operations,
- (e) that have occurred since the beginning of the reference period as if such events had occurred, and, in the case of any disposition, the proceeds thereof applied, on the first day of the reference period. To the extent that pro forma effect is to be given to an acquisition or disposition of a company, division or line of business, the pro forma calculation will be (i) based upon the most recent Four-Quarter Period for which the relevant financial information is available and (ii) determined in good faith by the Borrower.

**“Official Lender”** means (i) any Brazilian governmental financial institution, agency or development bank (or any other bank or financial institution representing or acting as agent for any of such institutions, agencies or banks), including, without limitation, Banco Nacional de Desenvolvimento Econômico e Social—BNDES (including loans from Financiadora de Estudos e Projetos—FINEP), FINAME (*Agência Especial de Financiamento Industrial*), Banco do Nordeste S.A. and the related system, (ii) any multilateral or foreign governmental financial institution, export credit agency or credit insurer or other similar agency, bank or entity (or any other bank or financial institution representing or acting as agent for any such institutions, agencies or banks), including, without limitation, the World Bank, the International Finance Corporation and the Inter-American Development Bank and (iii) any governmental authority of jurisdictions where the Borrower or any of its subsidiaries conducts business (or any bank or financial institutions representing or acting as agent for such governmental authority).

**“Permitted Business”** means the business or businesses conducted (or proposed to be conducted) by the Borrower or any member of the Group as of the date of the Agreement and any other business reasonably related, ancillary or complementary thereto and any reasonable extension or evolution of any of the foregoing, including, without limitation, any business relating to telecommunications, information technology or transmission, or media content services or products.

**“Person”** means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization, government or any agency or political subdivision thereof, or any other entity.

**“Preferred Stock”** means, with respect to any Person, Capital Stock of any class or classes (however designated) of such Person that has preferential rights over any other Capital Stock of such Person with respect to the payment of dividends or distributions, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person.

**“Purchase Money Indebtedness”** means Indebtedness:

- (1) consisting of the deferred purchase price of an asset, conditional sale obligations, obligations under any title retention agreement and other purchase money obligations; or
- (2) Incurred (within 365 days of such purchase) for the purpose of financing all or any part of the purchase price (including in the case of Capital Lease obligations the lease), or other cost of design, construction, installation or improvement of any assets;

provided that the aggregate principal amount of such Indebtedness does not exceed such purchase price of such assets and cost incurred in such design, construction, installation or improvement, including any



Refinancing of such Indebtedness that does not increase the aggregate principal amount (or accreted amount, if less) thereof as of the date of the Refinancing.

**“Qualified Receivables Transaction”** means any transaction or series of transactions that may be entered into by the Borrower or any member of the Group pursuant to which the Borrower or any member of the Group may sell, convey or otherwise transfer to (a) a Receivables Subsidiary (in the case of a transfer by the Borrower or any member of the Group), or (b) any other Person (in the case of a transfer by a Receivables Subsidiary), or may transfer an undivided interest in or may grant a security interest in, any Receivables (whether now existing or arising in the future) of the Borrower or any member of the Group and any asset related thereto, including, without limitation, all collateral securing such Receivables, all contracts and all guarantees or other obligations in respect of the accounts receivable, proceeds of such Receivables and other assets which are customarily transferred, or in respect of which security interests are customarily granted, in connection with asset securitization transactions involving Receivables.

**“Receivable”** means a right to receive payment arising from a sale or lease of goods or the performance of services by a Person pursuant to an arrangement with another Person pursuant to which such other Person is obligated to pay for goods or services under terms that permit the purchase of such goods and services on credit, including, without limitation, any items of property that would be classified as an "account," "chattel paper," "payment intangible" or "instrument" under the Uniform Commercial Code and any supporting obligations.

**“Receivables Subsidiary”** means a Wholly Owned Subsidiary of the Borrower (or another Person in which the Borrower or any member of the Group makes an Investment and to which the Borrower or one or more member of its Restricted Subsidiaries transfer Receivables and related assets) which engages in no activities other than in connection with the financing of Receivables, which is designated by the Borrower as a Receivables Subsidiary, and which meets the following conditions:

- (1) no portion of the Indebtedness or any other obligations (contingent or otherwise) of which (a) is Guaranteed by the Borrower or any member of the Group that is not a Receivables Subsidiary (excluding Guarantees of obligations (other than the principal of, and interest on, Indebtedness) pursuant to Standard Securitization Undertakings), (b) is recourse to or obligates the Borrower or any member of the Group (that is not a Receivables Subsidiary) in any way other than pursuant to Standard Securitization Undertakings, or (c) subjects any property or asset of the Borrower or any member of the Group that is not a Receivables Subsidiary, directly or indirectly, contingently or otherwise, to the satisfaction thereof, other than pursuant to Standard Securitization Undertakings;
- (2) with which neither the Borrower nor any member of the Group (that is not a Receivables Subsidiary) has any material contract, agreement, arrangement or understanding (other than Standard Securitization Undertakings); and
- (3) to which neither the Borrower nor any member of the Group (that is not a Receivables Subsidiary) has any obligation to maintain or preserve such entity’s financial condition or cause such entity to achieve certain levels of operating results.

**“Refinance”** means, in respect of any Indebtedness, to issue any Indebtedness in exchange or replacement for, or to refinance, extend, renew, refund, repay, prepay, purchase, redeem, defease or retire, such Indebtedness in whole or in part. **“Refinanced”** and **“Refinancing”** shall have correlative meanings.

**“Refinancing Indebtedness”** means Indebtedness of the Borrower or any member of the Group issued to Refinance any other Indebtedness of the Borrower or any member of the Group existing on the date of the Agreement or Incurred in compliance with the Agreement, including Indebtedness that Refinances Refinancing Indebtedness; so long as:

- (1) the aggregate principal amount (or initial accreted value, if applicable) of such new Indebtedness as of the date of such proposed Refinancing does not exceed the aggregate principal amount (or initial accreted value, if applicable) of the Indebtedness being Refinanced (plus the amount of any premium required to be paid under the terms of the instrument governing such Indebtedness and the amount of reasonable expenses incurred by the Borrower in connection with such Refinancing);
- (2) such new Indebtedness has:
  - (A) a Weighted Average Life to Maturity that is equal to or greater than the Weighted Average Life to Maturity of the Indebtedness being Refinanced; and
  - (B) a Stated Maturity no earlier than the Stated Maturity of the Indebtedness being Refinanced; and
- (3) if the Indebtedness being Refinanced is Subordinated Indebtedness, then such Refinancing Indebtedness shall be subordinate to the notes at least to the same extent and in the same manner as the Indebtedness being Refinanced.

“**S&P**” means Standard & Poor’s, a division of The McGraw-Hill Companies, Inc., and any successor to its rating agency business.

“**Sale and Leaseback Transaction**” means any arrangement with any Person (other than the Borrower or any member of the Group), or to which any such Person is a party, providing for the leasing to the Borrower or any member of the Group for a period of more than three years of any property or assets which property or assets have been or are to be sold or transferred by the Borrower or such member of the Group to such Person or to any other Person (other than the Borrower or any member of the Group) from whom funds have been or are to be advanced on the security of such leased property or assets.

“**Standard Securitization Undertakings**” means representations, warranties, covenants and indemnities entered into by the Borrower or any member of the Group which are reasonably customary in securitization of Receivables transactions.

“**Stated Maturity**” means, with respect to any Indebtedness, the date specified in such Indebtedness as the fixed date on which the final payment of principal of such Indebtedness is due and payable, including, with respect to any principal amount which is then due and payable pursuant to any mandatory redemption provision, the date specified for the payment thereof (but excluding any provision providing for obligations to repay, redeem or repurchase any such Indebtedness upon the happening of any contingency unless such contingency has occurred).

“**Weighted Average Life to Maturity**” means, when applied to any Indebtedness at any date, the number of years obtained by dividing

- (1) the sum of the products obtained by multiplying:
  - (A) the amount of each then remaining installment, sinking fund, serial maturity or other required payment of principal, including payment at final maturity, in respect of such Indebtedness, by
  - (B) the number of years (calculated to the nearest one-twelfth) which shall elapse between such date and the making of such payment, by
- (2) the then outstanding aggregate principal amount, of such Indebtedness.

**“Wholly Owned Subsidiary”** means, with respect to any Person, any Subsidiary of which all the outstanding Capital Stock (other than, in the case of a Subsidiary not organized in the United States, directors’ qualifying shares or an immaterial amount of shares required to be owned by other Persons pursuant to applicable law) is owned by such Person or any other Person that satisfies this definition in respect of such Person.

## **Part 4**

### **Events of Default**

Capitalized terms used below and not otherwise defined herein shall have the meanings ascribed to them in the current recommended form of single currency unsecured syndicated facility agreement of the LMA.

Each of the following will be included in the Agreement in respect of the Borrower and, if appropriate, any member of the Group:

*Each of Clause 1.1 (Failure to Pay) to Clause 1.7 (Expropriation) describes circumstances which constitute an Event of Default for the purposes of the Agreement. Clause 1.8 (Acceleration and Cancellation) deals with the rights of the Administrative Agent and the Lender after the occurrence of an Event of Default.*

#### **1.1 Failure to pay**

- (a) The Borrower defaults in the payment of the principal when due and payable at maturity, upon acceleration or redemption, or otherwise.
- (b) The Borrower defaults in the payment of interest or any other amount when due and payable, and the default continues for a period of 30 calendar days.

#### **1.2 Misrepresentation**

Any representation or statement made by the Borrower in the Agreement or in any notice or other document, certificate or statement delivered by it pursuant hereto or in connection herewith is or proves to have been incorrect or misleading in any material respect when made or deemed made.

#### **1.3 Specific covenants**

- (a) Any representation or statement made by the Borrower in the Agreement or in any notice or other document, certificate or statement delivered by it pursuant hereto or in connection herewith is or proves to have been incorrect or misleading in any material respect when made or deemed made.
- (b) The Borrower shall fail to perform, observe or comply with any covenant or agreement contained in the Agreement and such failure (other than any failure to pay in Clause 1.1 hereof) continues for a period of 60 calendar days after written notice to the Borrower by the Administrative Agent, or to the Borrower and the Administrative Agent by the Majority Lenders.

#### **1.4 Cross default**

- (a) The acceleration of any Indebtedness of the Borrower or any of its Restricted Subsidiaries by reason of default, unless such acceleration is at the option of the Borrower or any such Restricted Subsidiaries, as the case may be, or at the option of the holder of any such Indebtedness pursuant to any option to require the repurchase of such Indebtedness or (b) the Borrower or any of its Restricted Subsidiaries fails to pay any amount in respect of principal, interest or other amounts due in respect of any existing Indebtedness on the date required for such payment (in each case after giving effect to any applicable grace period); provided, however, that the aggregate amount of any such Indebtedness falling within (a) above and any relevant payments falling within (b) above (as to which the time for payment has not been extended by the relevant obligees) equals or exceeds US\$100.0 million (or its equivalent in another currency).

### 1.5 **Failure to comply with final judgement**

One or more final and nonappealable judgments or final decrees is entered against the Borrower or any of its Restricted Subsidiaries involving an aggregate liability (not yet paid or reimbursed by insurance) of US\$100.0 million or more (or its equivalent in another currency), and all such judgments or decrees shall not have been vacated, discharged or stayed within 180 calendar days after the applicable judgment or decree is entered.

### 1.6 **Insolvency**

- (a) The Borrower shall commence a voluntary case or other proceeding seeking liquidation, judicial or extrajudicial reorganization or other relief with respect to itself or its Indebtedness under any bankruptcy, insolvency or other similar law now or hereafter in effect, or seek the appointment of a trustee, receiver, judicial administrator (*administrador judicial*), liquidator, custodian or other similar official of it or any substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment or conveyance for the benefit of creditors.
- (b) A court of competent jurisdiction enters an order or decree against Borrower for (i) liquidation, reorganization or other relief with respect to it or its Indebtedness under any bankruptcy, insolvency or other similar law now or hereafter in effect or (ii) the appointment of a trustee, receiver, judicial administrator (*administrador judicial*), liquidator, custodian or other similar official of it or any substantial part of its property; provided that such order or decree shall remain undismissed and unstayed for a period of 90 calendar days.
- (c) Any event occurs that under the laws of Brazil or any political subdivision thereof has substantially the same effect as any of the events referred to in any of clause (a) or (b) of this Clause 1.5.

### 1.7 **Expropriation**

All or substantially all of the assets of the Borrower or any of its Restricted Subsidiaries shall be condemned, seized or otherwise appropriated, or custody of such assets shall be assumed by any governmental authority or court or any other Person purporting to act under the authority of the government of any jurisdiction, or the Borrower or any of its Restricted Subsidiaries shall be prevented from exercising normal control over all or substantially all of their assets for a period of 60 consecutive days or longer.

### 1.8 **Acceleration and cancellation**

Upon the occurrence of an Event of Default or at any time thereafter, the Administrative Agent may (and if instructed to do so by the Lender, shall) by written notice to the Borrower:

- (a) declare the advances, or any of them, or any part of an advance and all other amounts accrued or outstanding under the Agreement, to be immediately due and payable (whereupon the same shall become so payable together with accrued interest thereon and any other sums, including indemnity payments, then owed by the Borrower hereunder);
- (b) declare the advances, or any of them, or any part of an advance, to be due and payable on demand, whereupon the Administrative Agent may by written notice to the Borrower

require immediate repayment of the same, together with accrued interest and any other sums then owed by the Borrower hereunder; and/or

- (c) declare that the Available Facility shall be cancelled, whereupon the same shall be cancelled and reduced to zero.