

FORM OF SMALL BONDHOLDER PAYMENT OPTION NOTICE

**Oi S.A. – Under Judicial Reorganization (“*Oi*”)
Portugal Telecom International Finance B.V. – Under Judicial Reorganization (“*PTIF*”)
Oi Brasil Holdings Coöperatief U.A. – Under Judicial Reorganization (“*Oi Coop*”)**

**Solicitation of Recovery Elections Relating to Recovery
Under the Consolidated Judicial Reorganization Plan Applicable to the**

**9.75% Senior Notes due 2016 of Oi
(CUSIP/ISIN Nos. 10553M AC5/US10553MAC55 and P18445 AF6/USP18445AF68)**

**5.125% Senior Notes due 2017 of Oi
(ISIN No. XS0569301830 and XS0569301327)**

**9.50% Senior Notes due 2019 of Oi
(CUSIP/ISIN Nos. 87944L AD1/US87944LAD10 and P9037H AK9/USP9037HAK97)**

**5.50% Senior Notes due 2020 of Oi
(CUSIP/ISIN Nos. 87944L AE9/US87944LAE92, P9037H AL7/USP9037HAL70 and 87944L AF6/USP87944LAF67)**

**6.25% Notes due 2016 of PTIF
(ISIN No. PTPTCYOM0008)**

**4.375% Notes due March 2017 of PTIF
(ISIN No. XS0215828913)**

**5.242% Notes due November 2017 of PTIF
(ISIN No. XS0441479804)**

**5.875% Notes due 2018 of PTIF
(ISIN No. XS0843939918)**

**5.00% Notes due 2019 of PTIF
(ISIN No. XS0462994343)**

**4.625% Notes due 2020 of PTIF
(ISIN No. XS0927581842)**

**4.50% Notes due 2025 of PTIF
(ISIN No. XS0221854200)**

**5.625% Senior Notes due 2021 of Oi Coop
(ISIN No. XS1245245045 and XS1245244402)**

and

**5.75% Senior Notes due 2022 of Oi Coop
(CUSIP/ISIN Nos. 10553M AD3/US10553MAD39 and P18445 AG4/USP18445AG42)**

TO: Oi S.A.

The Recovery Election Solicitations described in the Statement (as defined herein) and in this Small Bondholder Payment Option Notice constitute separate and distinct solicitations with respect to Qualified Bondholders (as defined in the Statement) and Non-Qualified Bondholders (as defined in the Statement) of (1) Oi's 9.75% Senior Notes due 2016, (2) Oi's 5.125% Senior Notes due 2017, (3) Oi's 9.50% Senior Notes due 2019, (4) Oi's 5.50% Senior Notes due 2020, (5) PTIF's 6.25% Notes due 2016, (6) PTIF's 4.375% Notes due March 2017, (7) PTIF's 5.242% Notes due November 2017, (8) PTIF's 5.875% Notes due 2018, (9) PTIF's 5.00% Notes due 2019, (10) PTIF's 4.625% Notes due 2020, (11) PTIF's 4.50% Notes due 2025, (12) Oi Coop's 5.625% Senior Notes due 2021, and (13) Oi Coop's 5.75% Senior Notes due 2022 (collectively, the “*Bonds*”).

Each Recovery Election Solicitation will expire at 11:59 p.m., Brasilia time, on February 26, 2018 (such time and date, as the same may be extended in compliance with an order of the Judicial Reorganization Court (as defined in the Statement) or any appellate court therefrom, the “*Election Deadline*”). Recovery Elections (as defined in the Statement) may not be revoked or amended at any time following delivery of this Small Bondholder Payment Option Notice to Oi at P.O. Box No. 532, CEP 20.010-974, Rio de Janeiro-RJ, Brazil. Please review the Statement carefully.

THIS SMALL BONDHOLDER PAYMENT OPTION NOTICE IS NOT AN OFFER TO SELL ANY SECURITIES NOR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITIES. THE STATEMENT IS NOT AN OFFER TO SELL ANY SECURITIES NOR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITIES.

Each Recovery Election Solicitation is made by Oi, PTIF and Oi Coop to Bondholders as described in the accompanying Information and Election Solicitation Statement dated February 6, 2018 (the “*Statement*”). The Statement and the instructions accompanying this Small Bondholder Payment Option Notice should be read carefully before a Bondholder completes and executes a Small Bondholder Payment Option Notice. Capitalized terms used herein but not defined herein have the meanings given to them in the Statement.

By operation of the RJ Plan and the Confirmation Order (provided that no stay or appeal of the Confirmation Order results in a change of the Confirmation Date (as defined herein)), **the Bondholder Credits evidenced by the Bonds have been novated and discharged under Brazilian law and Bondholders are entitled to receive the recoveries set forth in the RJ Plan in exchange for their Bondholder Credits in accordance with the terms and conditions of the RJ Plan.**

Only Eligible Bondholders are eligible to make a Recovery Election. Small Bondholders may make a Recovery Election by delivery to Oi at P.O. Box No. 532, CEP 20.010-974, Rio de Janeiro-RJ, Brazil, in the manner described in the Statement and this Small Bondholder Payment Option Notice, of (1) a properly completed and duly executed Small Bondholder Payment Option Notice, and (2) a Small Bondholder Proof of Holdings demonstrating the principal amount of each series of Bonds held by such Bondholder as of the date of this Small Bondholder Payment Option Notice. Under no circumstances should any person tender or deliver Bonds to the Debtors at any time in connection with the Recovery Election Solicitations.

If you are a Bondholder that is not a Small Bondholder, you are not eligible to use this Form of Payment Option Notice and MUST make any Recovery Election using the Form of Verified Bondholder Payment Option Notice. Any submission using this Form of Small Bondholder Payment Option Notice by a Bondholder that is not a Small Bondholder will be deemed void and of no effect.

Only Small Bondholders whose properly completed and duly executed Small Bondholder Payment Option Notices and Small Bondholder Proofs of Holdings are received by Oi at P.O. Box No. 532, CEP 20.010-974, Rio de Janeiro-RJ, Brasil on or prior to the Election Deadline will be entitled to have their Recovery Elections included in the Non-Qualified Election List and to participate in the expected subsequent Non-Qualified Settlement Procedure.

**RECOVERY ELECTIONS RELATING TO RECOVERY UNDER THE CONSOLIDATED JUDICIAL
REORGANIZATION PLAN APPLICABLE TO THE BONDS AND CERTAIN INFORMATION REQUESTS
RELATED THERETO**

By execution hereof, the undersigned acknowledges receipt of the Statement. The undersigned hereby represents and warrants as of the date of this Small Bondholder Payment Option Notice that the undersigned (1) is the beneficial holder of the Bonds set forth under Item B: Description of Bonds with Respect to Which a Recovery Election is Made, and (2) has full power and authority to take the action indicated below in respect of such Bonds. The undersigned will, upon request, execute and deliver any additional documents deemed by Oi to be necessary or desirable to perfect the undersigned's Recovery Election.

The undersigned acknowledges that to make a valid Recovery Election, the undersigned must (1) be a Small Bondholder, (2) comply with the terms and conditions set forth in this Small Bondholder Payment Option Notice and the Statement, (3) complete the information required herein and the Statement, (4) execute and deliver this Small Bondholder Payment Option Notice to Oi at P.O. Box No. 532, CEP 20.010-974, Rio de Janeiro-RJ, Brasil in accordance with the procedures described herein and the Statement, and (5) deliver a Small Bondholder Proof of Holdings to Oi together with its Small Bondholder Payment Option Notice in accordance with the procedures described herein and in the Statement. The undersigned hereby acknowledges and agrees that it may not revoke any Recovery Election it makes hereby at any time.

The undersigned acknowledges that following the Election Deadline, Oi shall determine whether the undersigned is an Small Bondholder in accordance with the procedures described in the Statement under "Part III: Status as Eligible Bondholder" and that such determination shall be final and binding for all purposes of the Recovery Election Solicitations. The undersigned acknowledges Oi will give effect to the undersigned's Recovery Election as a Non-Qualified Bondholder in the event that the undersigned is determined to be an Eligible Bondholder. The undersigned acknowledges that in the event that Oi determines that the undersigned is not an Small Bondholder, this Small Bondholder Payment Option Notice will be deemed void and of no effect.

The undersigned acknowledges that any Recovery Election made by the undersigned shall only be valid up to the amount of Bondholder Credits evidenced by the Bonds of each series held by the undersigned as of the date of this Small Bondholder Payment Option Notice (as evidenced by the Small Bondholder Proof of Holdings submitted by the undersigned). The undersigned acknowledges that following the Election Deadline, Oi shall determine the amount of Bondholder Credits evidenced by the Bonds of each series held by the undersigned as of the date of this Small Bondholder Payment Option Notice (as evidenced by the Proof of Holdings submitted by the undersigned) and only Recovery Elections related to Bondholder Credits evidenced by the Bonds of each series confirmed by Oi to be held by the undersigned as of the date of this Small Bondholder Payment Option Notice will be included in the Non-Qualified Election List and entitle the undersigned to participate in the subsequent Non-Qualified Settlement Procedure.

Upon the terms and subject to the conditions set forth in the Statement, and in accordance with this Small Bondholder Payment Option Notice, the undersigned Bondholder hereby makes the Non-Qualified Bondholder Recovery Election with respect to the Bonds set forth under Item B: Description of Bonds with Respect to Which a Recovery Election is Made. The undersigned Bondholder acknowledges and agrees that the Non-Qualified Bondholder Recovery Election made hereby may not be revoked or amended.

A. Identification of Bondholder.

This Small Bondholder Payment Option Notice relates to Bonds beneficially held by the undersigned Bondholder identified below.

Name:*	
Protocol Number (if any):**	
Address: (including postal code and country)	
Phone Number: (including country and area code)	

E-Mail Address:	
Contact Name (if different):	

* The name of the Bondholder delivering this Small Bondholder Payment Option Notice must match exactly the name under which the Bondholder has executed this Small Bondholder Payment Option Notice in accordance with Instruction No. 6 to this Small Bondholder Payment Option Notice.

** The “Protocol Number” is the “protocolo” or “ID” number assigned by the Judicial Administrator to the Bonds that are the subject this Small Bondholder Payment Option Notice as reflected in the JA Bondholder Lists. Small Bondholders that did not individualize Bonds in accordance with the Bondholder Decision will not have a Protocol Number and may leave this field blank. Those Small Bondholders that did individualize Bonds in accordance with the Bondholder Decision **MUST** provide their Protocol Number.

B. Description of Bonds with Respect to Which a Recovery Election is Made.

This Small Bondholder Payment Option Notice relates to the Bonds evidencing the amounts of Bondholder Credits held as of the date of this Small Bondholder Payment Option Notice by the undersigned Bondholder. If the space provided below is inadequate, list the information set forth below with respect to additional Bonds evidencing Bondholder Credits held as of the date of this Small Bondholder Payment Option Notice by the undersigned Bondholder on a separate signed schedule and affix such schedule to this Small Bondholder Payment Option Notice.

DESCRIPTION OF THE BONDS WITH RESPECT TO WHICH A RECOVERY ELECTION IS MADE				
Series of Bonds	Clearing System through which Bonds are Held	Clearing Systems Participant Names (s) of Clearing Systems Participant(s) Holding Bonds	Clearing Systems Participant Number(s) of Clearing Systems Participant(s) Holding Bonds	Aggregate Principal Amount of Bonds with Respect to Which a Recovery Election is Made*
Oi's 9.75% Senior Notes due 2016 (CUSIP/ISIN Nos. 10553M AC5/US10553MAC55 and P18445 AF6/USP18445AF68)	<input type="checkbox"/> DTC <input type="checkbox"/> Euroclear <input type="checkbox"/> Clearstream			R\$
Oi's 5.125% Senior Notes due 2017 (ISIN No. XS0569301830 and XS0569301327)	<input type="checkbox"/> Euroclear <input type="checkbox"/> Clearstream			€
Oi's 9.50% Senior Notes due 2019 (CUSIP/ISIN Nos. 87944L AD1/US87944LAD10 and P9037H AK9/USP9037HAK97)	<input type="checkbox"/> DTC <input type="checkbox"/> Euroclear <input type="checkbox"/> Clearstream			US\$
Oi's 5.50% Senior Notes due 2020 (CUSIP/ISIN Nos. 87944L AE9/US87944LAE92, P9037H AL7/USP9037HAL70 and 87944L AF6/USP87944LAF67)	<input type="checkbox"/> DTC <input type="checkbox"/> Euroclear <input type="checkbox"/> Clearstream			US\$
PTIF's 6.25% Notes due 2016 (ISIN No. PTPTCYOM0008)	<input type="checkbox"/> Interbolsa <input type="checkbox"/> Euroclear <input type="checkbox"/> Clearstream			€
PTIF's 4.375% Notes due March 2017 (ISIN No. XS0215828913)	<input type="checkbox"/> Euroclear <input type="checkbox"/> Clearstream			€
5.242% Notes due November 2 (ISIN No. XS0441479804)	<input type="checkbox"/> Euroclear <input type="checkbox"/> Clearstream			€
PTIF's 5.875% Notes due 2018 (ISIN No. XS0843939918)	<input type="checkbox"/> Euroclear <input type="checkbox"/> Clearstream			€
PTIF's 5.00% Notes due 2019 (ISIN No. XS0462994343)	<input type="checkbox"/> Euroclear <input type="checkbox"/> Clearstream			€
PTIF's 4.625% Notes due 2020 (ISIN No. XS0927581842)	<input type="checkbox"/> Euroclear <input type="checkbox"/> Clearstream			€
PTIF's 4.50% Notes due 2025 (ISIN No. XS0221854200)	<input type="checkbox"/> Euroclear <input type="checkbox"/> Clearstream			€
Oi Coop's 5.625% Senior Notes due 2021 (ISIN No. XS1245245045 and XS1245244402)	<input type="checkbox"/> Euroclear <input type="checkbox"/> Clearstream			€

DESCRIPTION OF THE BONDS WITH RESPECT TO WHICH AN RECOVERY ELECTION IS MADE				
Series of Bonds	Clearing System through which Bonds are Held	Clearing Systems Participant Names (s) of Clearing Systems Participant(s) Holding Bonds	Clearing Systems Participant Number(s) of Clearing Systems Participant(s) Holding Bonds	Aggregate Principal Amount of Bonds with Respect to Which an Recovery Election is Made*
Oi Coop's 5.75% Senior Notes due 2022 (CUSIP/ISIN Nos. 10553M AD3/US10553MAD39 and P18445 AG4/USP18445AG42)	<input type="checkbox"/> DTC <input type="checkbox"/> Euroclear <input type="checkbox"/> Clearstream			US\$

* Bondholders are not permitted to make a Recovery Election for less than the total amount of principal of Bonds beneficially held.

IMPORTANT - READ CAREFULLY

If this Small Bondholder Payment Option Notice is executed by the Bondholder, it must be executed in exactly the same manner as the name of the Bondholder appears on such Bondholder's Small Bondholder Proof of Holdings, without alteration or any change whatsoever.

If the applicable Bonds are beneficially held as of the date of this Small Bondholder Payment Option Notice by two or more joint Bondholders, all such Bondholders must sign this Small Bondholder Payment Option Notice. If a signature is by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation or others acting in a fiduciary or representative capacity, such person(s) should indicate such fact when signing and must submit proper evidence satisfactory to Oi of such person(s)'s authority to so act. If a Bondholder has beneficial interests in Bonds registered in different names, separate Small Bondholder Payment Option Notices must be executed covering each name in which beneficial interests in Bonds are registered. If a Small Bondholder Payment Option Notice is executed by a person other than the Bondholder, then such person must have been authorized by proxy or in some other manner acceptable to Oi, in each case in its sole discretion, to execute this Small Bondholder Payment Option Notice with respect to the applicable Bonds on behalf of the Bondholder.

SIGN HERE

Signature(s) of Bondholder(s)

Date: _____

Name(s): _____
(Please Print)

Capacity (full title): _____

INSTRUCTIONS FOR ELECTING SMALL BONDHOLDERS, FORMING PART OF THE TERMS AND CONDITIONS OF THE RECOVERY ELECTION SOLICITATIONS

1. **Bondholders Entitled to Elect.** Only a Small Bondholder (or its representative or attorney-in-fact) or another person who has complied with the procedures set forth herein and in the Statement may execute and deliver a Small Bondholder Payment Option Notice. Following the Election Deadline, Oi shall determine whether each Bondholder that has submitted a Small Bondholder Payment Option Notice is an Eligible Bondholder in accordance with the procedures described in the Statement under “Part III: Status as Eligible Bondholder.” The determination of Oi with respect to whether any bondholder is SmallBondholder shall be final and binding for all purposes of the Recovery Election Solicitations.

In the event that Oi determines that any Bondholder that has submitted a Small Bondholder Payment Option Notice is not a Small Bondholder, such Payment Option Notice will be deemed void and of no effect and accordingly such Bondholder will receive ONLY the Default Recovery.

2. **Delivery of this Small Bondholder Payment Option Notice and Small Bondholder Proof of Holding.** Upon the terms and subject to the conditions set forth herein and in the Statement, a properly completed and duly executed copy of this Small Bondholder Payment Option Notice and a Small Bondholder Proof of Holdings must be delivered to Oi at P.O. Box No. 532, CEP 20.010-974, Rio de Janeiro-RJ, Brasil at or prior to the Election Deadline. The method of delivery of this Small Bondholder Payment Option Notice and a Small Bondholder Proof of Holdings to Oi is at the risk of the Small Bondholder, and the delivery will be deemed made only when actually received by Oi. In all cases, sufficient time should be allowed to assure timely delivery. No Small Bondholder Payment Option Notice or Small Bondholder Proof of Holding should be delivered by any Small Bondholder to any person other than to Oi at the address set forth above. Oi reserves the right in its sole discretion to accept or reject any Small Bondholder Payment Option Notice or Small Bondholder Proof of Holding delivered by a Small Bondholder in any manner of delivery other than as set forth herein. Under no circumstances should any person tender or deliver Bonds to the Debtors at any time in connection with the Recovery Election Solicitations.

3. **Small Bondholder Proof of Holdings.** A Small Bondholder seeking to make a Recovery Election must deliver a Small Bondholder Proof of Holdings to Oi consisting of:

- a screen shot;
- a brokerage or custodian account statement; or
- similar documentary evidence acceptable to Oi in its sole discretion;

in each case evidencing the amount of Bondholder Credits held by such Small Bondholder on the date of such Small Bondholder’s Small Bondholder Payment Option Notice.

4. **Election Deadline.** Each Recovery Election Solicitation expires at 11:59 p.m., Brasilia time, on February 26, 2018.

The failure of a Small Bondholder to deliver a Small Bondholder Payment Option Notice and a Small Bondholder Proof of Holdings to Oi in the manner described above prior to the Election Deadline will result in a Bondholder not appearing on the Non-Qualified Election List and will accordingly result in the Bondholder receiving the Default Recovery.

5. **Questions Regarding Validity, Form, Legality, etc.** All questions as to the validity, form, eligibility (including time of receipt) and acceptance of Recovery Elections made by Small Bondholders will be resolved by Oi whose determinations will final be binding. Oi reserves the absolute right to reject any or all Recovery Elections that are not in proper form or the acceptance of which could be unlawful. Oi also reserves the right to waive any irregularities in connection with deliveries which Oi may require to be cured within such time as Oi determines, whether or not similar irregularities or defects are waived in the case of any other Bondholders. None of the Debtors or any other person shall have any duty to give notification to any Bondholder of any such irregularities or waiver, nor shall any of them incur any liability for failure to give such notification. Deliveries of Small Bondholder Payment Option Notices or Small Bondholder Proofs of Holdings will not be deemed to have been made until such irregularities have been cured or waived, as determined in Oi’s sole discretion. Oi’s interpretation of the terms and conditions of

each Recovery Election Solicitation (including this Small Bondholder Payment Option Notice and the accompanying Statement and the instructions hereto and thereto) shall be final and binding on all parties.

6. Signatures on this Small Bondholder Payment Option Notice. The signature(s) on this Small Bondholder Payment Option Notice of any Small Bondholder(s) making a Recovery Election must correspond with the name(s) of such Bondholder(s) as it(they) appears on such Bondholder's Small Bondholder Proof of Holdings, without alteration or any change whatsoever.

If any of the Bonds with respect to which the Recovery Election is made are beneficially held by two or more joint Bondholders, all such Bondholders must sign this Small Bondholder Payment Option Notice. If this Small Bondholder Payment Option Notice is signed by a trustee, executor, administrator, guardian, attorney-in-fact, officer of corporations or others acting in a fiduciary or representative capacity, such person(s) should indicate such fact when signing, and proper evidence satisfactory to Oi of such person(s)'s authority to so act must be submitted with this Small Bondholder Payment Option Notice.

If a Bondholder has beneficial interests in Bonds registered in different names, separate Small Bondholder Payment Option Notices must be executed covering each name in which beneficial interests in Bonds are registered, and separate Small Bondholder Proofs of Holdings must be provided covering each name in which beneficial interests in Bonds are registered. If a Small Bondholder Payment Option Notice is executed by a person other than the Bondholder, then such person must have been authorized by proxy or in some other manner acceptable to Oi, in each case in its sole discretion, to execute this Small Bondholder Payment Option Notice with respect to the applicable Bonds on behalf of the Bondholder.

7. Questions and Requests for Assistance and Additional Copies. Questions concerning the terms of each Recovery Election Solicitation and requests for assistance in completing this Small Bondholder Payment Option Notice or requests for additional copies of the Statement, this Small Bondholder Payment Option Notice or other related documents may be sent to Oi at LD-Bondholders@oi.net.br.

SMALL BONDHOLDER PAYMENT OPTION NOTICE

OI S.A. – Under Judicial Reorganization
Portugal Telecom International Finance B.V. – Under Judicial Reorganization
Oi Brasil Holdings Coöperatief U.A. – Under Judicial Reorganization

Small Bondholders seeking to make a Recovery Election must deliver properly completed and duly executed Small Bondholder Payment Option Notices and Small Bondholder Proofs of Holdings to Oi at the following address:

Oi S.A.
P.O. Box No. 532
CEP 20.010-974
Rio de Janeiro-RJ
Brasil

Questions and requests for assistance or additional copies of the Statement or this Small Bondholder Payment Option Notice may be downloaded from the Election Website. Any questions or requests for assistance may be sent to Oi at LD-Bondholders@oi.net.br. Bondholders should retain their Bonds and not deliver any such Bonds to Oi.