ANNUAL AND EXTRAORDINARY GENERAL MEETING

MANUAL FOR PARTICIPATION AND MANAGEMENT PROPOSAL

APRIL 30, 2021
RIO DE JANEIRO

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MESSAGE FROM THE MANAGEMENT

Dear Shareholders,

The Management of Oi S.A. -In Judicial Reorganization ("Oi" or the "Company") hereby invites you to attend the next Company Annual and Extraordinary General Meeting ("AEGM"), to be held on April 30, 2021, at 2 p.m., at the Company's headquarters located at Rua do Lavradio, nº 71, Centro, Rio de Janeiro – RJ.

The AEGM will deliberate the following items:

At the Annual General Meeting: (i) Analysis of management accounts, examine, discuss and vote for approval of the financial statements for the fiscal year ended on December 31, 2020; (ii) Define Allocation of the results of the fiscal year ended December 31, 2020; (iii) Define the amount of overall annual compensation for Company Management and Fiscal Council members; and (iv) Elect the slate indicated by the Company management for the composition of the Board of Directors; (v) Elect members of Fiscal Council and their respective alternates; and At the Extraordinary General Meeting; and

At the Extraordinary General Meeting: (i) Approval of the Long-Term Incentive Plan based on share issued by the Company for the Chief Executive Officer.

2020 brought an extra challenge to the Company which was to manage the Judicial Restructuring ("RJ") and implement several business transformations in the midst of the Coronavirus pandemic. Most employees are working from home and Oi has organized its operations so to provide services without interruption which ensuring maintenance of the level of quality and agility. The Company has adopted all measures to preserve the health of its employees, suppliers and customers, in compliance with the protocols from public health authorities, and additionally, to offer broad and on-going support to our team during the pandemic. The Company has accelerated its automation process and expanded digital service to customers, which, at the end of the year, represented 85% of interactions on service channels such as *Minha Oi* and *Joice*.

With regard to the RJ, at the General Creditors' Meeting, Oi approved a proposal for Amendment of the Judicial Reorganization, allowing for greater flexibility on some previously approved measures, such as the possibility of selling some assets and business units as UPIs (Isolated Productive Units), negotiation of terms for pre-payment at a discount of a relevant portion of the outstanding debt and new treatment for the debt with Anatel. These initiatives will help ensure the success of the company's financial restructuring and pave the way for its future sustainability.

Despite the recessive economic scenario, Oi closed the year reaching its operating objectives, in line with the forecast in the Transformation Plan. The rapid expansion of Oi Fibra, which reached the mark of 2.1 million customers in all of Brazil in December, positively impacted the year's results. Oi Fibra is the main pillar of the Transformation Plan, providing solutions for residential, business and corporate applications.

In 2021, Oi will maintain its high level of investments that contribute to the expansion of Oi Fibra, making it one of the most important companies in connectivity and digital services in Brazil, while, at the same time, moving forward in the process of selling the UPIs, implementing the strategy for structural separation of the business model, by creating the country's largest infrastructure company, and initiatives towards simplification and operating efficiency, bringing the Company back on track to long term financial and strategic sustainability.

It is worth mentioning that the Company is executing 15 transformation programs, including the sale of the UPIs, the final InfraCo format, transformation of the remaining company into a "New Oi", systematic cost reduction, process digitalization, shareholder and corporate reorganization, among others.

The Company`s management appreciates the confidence placed in Oi and its Managers, reiterating its intention to continue acting ethically and with integrity and complying with the principles of transparency, equity, accountability and corporate responsibility.

Finally, we would like to emphasize that, in order to make it easier for investors to understand important recent Company developments and stimulate the voting process, we decided to create a single document including the information of the Shareholders Participation Manual, additional explanations on matters to be voted and the Management Proposal.

Sincerely,

RODRIGO MODESTO DE ABREU
Chief Executive Officer

ELEAZAR DE CARVALHO FILHO
Chairman of the Board of Directors

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INVITATION

ANNUAL AND EXTRAORDINARY GENERAL MEETING OF OI S.A. IN JUDICIAL REORGANIZATION

INFORMATION ABOUT THE MEETING

DATE

APRIL 30, 2021

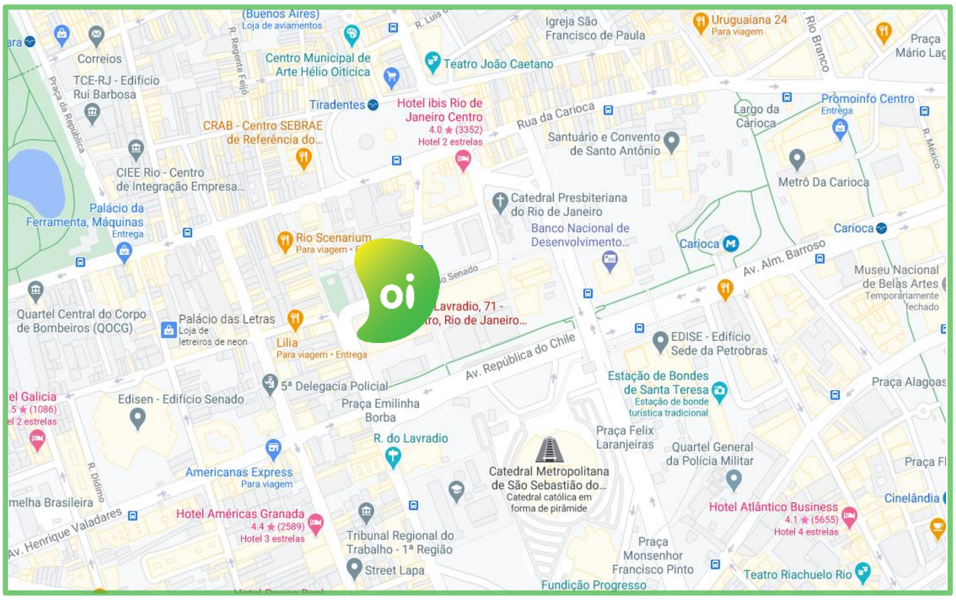
TIME

2:00 pm

LOCATION

Rua do Lavradio, 71 Centro
Rio de Janeiro – RJ
CEP 20230-070

HOW TO GET THERE



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PROCEDURES, GUIDELINES AND DEADLINES FOR ATTENDING THE GENERAL MEETING

3.1. WAYS TO PARTICIPATE

Oi's shareholders may exercise their voting rights at the Annual and Extraordinary General Meeting - AEGM in person, or remotely using the Distance Voting Bulletin.

3.1.1. GUIDELINES FOR IN-PERSON PARTICIPATION:

Shareholders who wish to participate in the Meetings in person or through duly appointed proxies may do so pursuant to Paragraph 1, Article 126, of Law 6.404/76.

In order to speed up the process to register Shareholders attending the Meeting and increase the safety of all participants, in addition to expediting the work to prepare for the Meeting, Shareholders are requested to send the following documents in pdf format **by 6:00 p.m. on April 28, 2021** to the email address invest@oi.net.br, or delivered to: Rua Humberto de Campos, 425, 5° andar, Leblon, in the City of Rio de Janeiro - RJ, from 9:00 a.m. to 12:00 p.m. and from 2:00 p.m. to 6:00 p.m., also by April 28, 2021, **in care of "*Gerência Societária e M&A*"**.

Please be aware that, notwithstanding the deadline above, Shareholders arriving before the beginning of the Meeting with the required documents in hand may participate and vote, even if they failed to submit them beforehand.

Shareholders are kindly requested to arrive early to the Meeting, so that the documents required for their participation can be duly verified.

Foreign Shareholders must submit the same documentation required of Brazilian Shareholders, but the documents must be translated into Portuguese before they are forwarded to the Company.

As an exception, due to the effects of the COVID-19 (Coronavirus) pandemic, the Company will waive formalities relating to signature certification, authentication, apostille, and sworn translation of the following documents.

a) IN-PERSON PARTICIPATION - INDIVIDUAL SHAREHOLDERS

Required documentation: (i) evidence or statement issued by the bookkeeping institution or by the entity responsible for the custody of shares representing the Shareholder's stake in the Company, issued by the competent organ within three (3) business days before the Meeting, as applicable; (ii) copies of the Shareholder's identity document and Individual Taxpayer Identification ("CPF").

If an Individual Shareholder wishes to be represented at the meeting by a proxy, they must send, along with the documents indicated above, a power of attorney granting special authority, and copies of the identity document and CPF of the proxy who will be attending the meeting, who must have such documents on hand at the meeting. To assist Shareholders, a proxy form template can be found in item 3.5 of this section. Shareholders may use a proxy form different from the one suggested herein, provided it complies with Law 6.404/1976 and Law 10406 dated January 10, 2002, as amended ("Brazilian Civil Code").

b) IN-PERSON PARTICIPATION – LEGAL ENTITY SHAREHOLDERS

Required Documentation: (i) evidence or statement issued by the bookkeeping institution or by the entity in charge of the custody of the shares representing Shareholder's interest issued by a competent entity within three (3) business days before the meeting, as applicable; (ii) copies of the Corporate Charter or Bylaws, as applicable, minutes of the election of the Board of Directors (if any) and minutes of the election of the Board of Executive Officers including the election of one or more legal representatives attending the meeting.

If the Legal Entity Shareholder wishes to be represented by a proxy, it must forward along with the documents indicated in the paragraph above, the respective power of attorney, with special powers, as well as copies of the ID and CPF of the attorney-in-fact attending the meeting, and minutes of the election of one or more legal representatives signing the proxy instrument evidencing the representation authority, whose documents will be presented at the time of the meeting by the proxy. In order to assist Shareholders, please find in item 3.5 of this section, a proxy form that may be used as template. Shareholders may use a proxy form different from the one suggested in this document, as long as it complies with Law 6.404/1976 and the Brazilian Civil Code.

c) IN-PERSON PARTICIPATION - INVESTMENT FUND SHAREHOLDERS

Required Documentation: (i) evidence or statement issued by the bookkeeping institution or by the entity in charge of the custody of the shares representing the relevant Shareholder's interest issued by the competent entity within three (3) business days before the meeting, as applicable; (ii) copies of the Fund's Regulations and Bylaws of the Fund's administrator, and the minutes of election of one or more legal representatives attending the meeting.

If an Investment Fund Shareholder wishes to be represented by a proxy, it must submit along with the documents listed in the paragraph above, the respective power of attorney, with special powers, as well as copies of the ID and CPF of the attorney-in-fact present at the meeting and minutes of election of the legal representative(s) who signed the power of attorney evidencing the powers of representation, whose documents must be presented at the time of the meeting by the attorney-in-fact. In order to assist Shareholders, please find in this section, a proxy form that may be used as template. Shareholders may, use a proxy form different from the one suggested in this document, as long as it complies with Law 6.404/1976 and the Brazilian Civil Code.

d) ADR HOLDERS

In the case of holders of American Depositary Receipts ("ADRs"), the depositary institution of the ADRs in the United States is the Bank of New York, which will send the proxies to the

ADR holders so that they may exercise their voting rights, and will be represented at the Company's meeting, pursuant to the Deposit Agreement entered into with the Company, through its representative in Brazil, Banco Itaú Unibanco.

3.1.2. REMOTE PARTICIPATION: GUIDELINES FOR SENDING THE DISTANCE VOTING BULLETIN

Due to the Covid-19 Pandemic, Oi recommends and encourages its shareholders to participate in the Meeting through Distance Voting Bulletin ("BVD"), provided by the Company on its Investor Relations website, as well as on the CVM and B3 websites, along with the other documents to be discussed at the meeting, subject to the guidelines contained in the BVD, in accordance with CVM Instruction 481/09, as amended.

Shareholders who choose to exercise their voting rights remotely may: (i) send the filling out instructions to qualified service providers; or (ii) complete and send the Distance Voting Bulletin directly to the Company; as per the guidelines below:

3.1.2.I. EXERCISE OF VOTING RIGHTS THROUGH SERVICE PROVIDERS – REMOTE VOTING SYSTEM:

Shareholders who choose to exercise their remote voting rights through service providers must send their voting instructions to their respective custody agents, following their rules, and, to this end, they must verify their procedures, as well as the documents and information they require for such purpose.

Please note that, pursuant to CVM Instruction 481, of December 17, 2009 ("CVM Instruction 481/09"), the Central Depository of B3, upon receiving Shareholders' remote voting instructions through their respected custody agents, it will disregard any conflicting instructions in relation to the same resolution which may have been issued by the same CPF or Corporate Taxpayer´s Identification ("CNPJ") number, as applicable.

3.1.2. II. THE SHAREHOLDER SENDS THE BULLETIN DIRECTLY TO THE COMPANY:

Shareholders who choose to exercise their right to participate and vote remotely, using the Distance Voting Bulletin, must forward all documents listed below, into pdf format directly to the Company by **April 23, 2021**, to the electronic address *invest@oi.net.br* or deliver them by that date to the Company's Investor Relations Office, addressed to Rua Humberto de Campos, 425, 7º andar, Leblon, CEP 22430-190, Rio de Janeiro/RJ, Brazil.

(i) Distance Voting Bulletin, duly completed, initialed, and signed; and

(ii) Copy of the following documents:

(a) For individuals, a valid official identity document with photo and Shareholder's taxpayer identification number (CPF).

(b) For legal entities: (i) latest consolidated Bylaws or Articles of Incorporation (as the case may be), accompanied by any subsequent amendments that have not been consolidated; (ii) corporate documents evidencing Shareholder's valid representation authority; and (iii) valid official identity document with photo and taxpayer identification number (CPF) of Shareholder's legal representative.

(c) For investment funds: (i) latest restated Regulations of the Investment Fund, and any subsequent amendments thereto which have not been restated; (ii) latest Bylaws or restated Articles of Incorporation or Association (as applicable) of the administrator or manager (as applicable, subject to the investment fund's voting policy), and any subsequent amendments thereto which have not been restated; (iii) corporate documents evidencing the valid representation authority of the administrator or manager and the Shareholder (as applicable); and (iv) valid official identity document with photo and CPF of the administrator's legal representative or manager (as applicable) and Shareholder.

The Company requests that documents originally issued in a foreign language be accompanied by the respective translation into Portuguese.

As an exception, due to the effects caused by the COVID-19 (Coronavirus) pandemic, the Company will waive the formalities of signature certification, authentication, apostille, and sworn translation of said documentation.

The Distance Voting Bulletin, accompanied by the required documentation, will only be considered valid if duly received by the Company no more than seven (7) days prior to the date of the Meeting, i.e., up to April 23, 2021. **Bulletins received by the Company after this time limit will be not be considered.**

Pursuant to Article 21-U of CVM Instruction 481/09, the Company will notify the Shareholder by the email address informed in the Distance Voting Bulletin, whether the documents received are sufficient for the vote to be considered valid, or the procedures and time limits for any rectification or resubmission, if necessary.

Shareholders participating in the fungible custody of B3 shares who choose to exercise their remote voting rights by sending the Distance Voting Bulletin directly to the Company will also submit an updated statement of their shareholding position issued by the custodian institution (notably, the statement issued by B3). In addition, without affecting the verifications of participation that the Company usually performs, according to the updated records of participation of its shareholder base available to the Company, the Shareholder must inform the Company, by e-mail to: invest@oi.net.br, regarding any movement with the shares held by the Shareholder between the statement date and the date of the Meeting, and evidence of such movements.

For additional information on the procedures required for remote voting, please see Subsection 12.2 of our Reference Form.

3.2. REMOTE MEETING PARTICIPATION

The Company will provide means of remote access to the meeting so that shareholders may follow the meeting remotely; however, the remote access provided will not allow shareholders to express themselves or vote.

Shareholders wishing to follow the meeting remotely must request access to Company at least 24 hours before the meeting (i.e., by 2 p.m. – Brazil time - on April 29, 2021), by email with the subject "*AGO – acesso remoto*" sent to: invest@oi.net.br, informing the full name and taxpayer identification number (CPF) of the individual who will remotely follow the meeting (shareholder, proxy, or legal representative). In order for the request to be approved, the e-mail must also be accompanied by the documents listed in this document in pdf format.

The Company will confirm the receipt of the above documents and send an email to the shareholders who have timely submitted their request under the above conditions the relevant instructions for remotely monitoring of the AEGM.

Remote meeting participation in the AEGM is solely intended for Oi's shareholders or legal representatives. The access to be provided by the Company may not be transferred, assigned, forwarded, or disclosed to third parties, regardless of being a shareholder or otherwise. Neither will the shareholders or their legal representatives who have been granted access be authorized to record or reproduce, fully or in part, the content or any information transmitted during the Meeting.

Shareholders who follow the AEGM remotely will not be accounted as being present at the Meeting, unless they have exercised their vote via Remote Voting Bulletin.

3.3. QUESTIONS

If you have any questions regarding the procedures and time limits above, please contact Company's Investor Relations Office at: invest@oi.net.br.

3.4. PANDEMIC

Due to the Covid-19 Pandemic, Oi will have a reduced staff and implement strict Public health measures to preserve the health of the participants and mitigate risk of infection. Such measures will include, among others, holding the Annual and Extraordinary General Meeting – AEGM in a large auditorium, observing physical distancing protocols, and providing disposable masks and hand sanitizer.

3.5 POWER OF ATTORNEY

[SHAREHOLDER], [IDENTIFICATION] ("Grantor"), hereby appoints and constitutes Mr. [NAME], [CITIZENSHIP], [MARITAL STATUS], [PROFESSION], with identity Card N. [], registered in the individual Taxpayer Register (CPF/MF) under N. [], resident and domiciled in the City of [], State of [], at [ADDRESS], ("Grantee") to represent Grantor, in its capacity as shareholder of Oi S.A. – In Judicial Reorganization (the "Company"), in the Company's Annual and Extraordinary General Meetings to be held at first call on April 30th, 2021, at 2 p.m., at the Company's headquarters located at Rua do Lavradio, nº 71, Centro, Rio de Janeiro, RJ, (respectively "Meetings" or "General Meetings"), and, if necessary, on second call, on a date to be informed timely, at the Company's headquarters, to whom powers are hereby granted to attend the General Meetings and vote on behalf of the Grantor, jointly or individually, irrespective of the order of nomination, in accordance with the voting instructions established below

AGENDA:

AT THE ANNUAL GENERAL MEETING

1 Analysis of management accounts, examine, discuss and vote for approval of the financial statements for the fiscal year ended on December 31, 2020.

APPROVE [ ] DISAPPROVE [ ] ABSTAIN [ ]

2 Define Allocation of the results of the fiscal year ended December 31, 2020.

APPROVE [ ] DISAPPROVE [ ] ABSTAIN [ ]

3 Define the amount of overall annual compensation for Company Management and Fiscal Council members.

APPROVE [ ] DISAPPROVE [ ] ABSTAIN [ ]

4 Elect the slate indicated by the Company management for the composition of the Board of Directors.

APPROVE [ ] DISAPPROVE [ ] ABSTAIN [ ]

5 Elect members of Fiscal Council and their respective alternates; and At the Extraordinary General Meeting.

APPROVE [ ] DISAPPROVE [ ] ABSTAIN [ ]

AT THE EXTRAORDINARY GENERAL MEETING:

6 Approval of the Long-Term Incentive Plan based on share issued by the Company for the Chief Executive Officer.

APPROVE [ ] DISAPPROVE [ ] ABSTAIN [ ]

MONTH, DATE YEAR

GRANTOR POR / BY: / NOTARIZED SIGNATURE) / TITLE

BACK

PURPOSE, VISION AND CORE VALUES

In 2020, upon approval of the Strategic Transformation Plan, Oi revised the key directives to guide the building of its corporate culture and strategy implementation.

OUR PURPOSE: Create new futures, bringing digital life for everyone.

OUR VISION: To be the leader in fiber optic connections and digital experience to improve people's lives and businesses across the country.

OUR CORE VALUES

- EFFECTIVENESS
- CREATIVITY
- DETERMINATION
- EMPATHY
- FLEXIBILITY TO TRANSFORM

In addition to the change in its business model and evolution of its operational model, the Transformation at Oi requires a redirectioning of practices and solutions which also encompasses the construction of a new organizational culture. For more visibility, clarity and transparency to these new competencies [behaviors, skills and attitudes], a set of drivers was defined, which we named internally as "core values". Each core value reflects a set of important guidelines to create value both for business and people.

By communicating these directions, acknowledged and valued in the company, we intend to pave the consolidation of an organizational culture that is collaborative, respectful and sustainable.

BACK

HIGHLIGHTS

Our management worked intensely in 2020 to execute the Strategic Transformation Plan presented in June 2020, by implementing several integrated execution programs, whose purpose is to stabilize and improve operations, redefine the strategic model through structural separation, to allow for strong growth and long-term financial sustainability, and guarantee financing of this journey with significant resource infusions in the company coming from auctions of UPIs. In parallel, and as relevant part of this transformation process, Oi is also consistently enhancing in its corporate governance practices.

From the communication standpoint, our Meeting Manual, presented in this format for the first time, is intended to be a user-friendly tool to improve our disclosure practices and invite our shareholders to participate in the Nova Oi's future.

WHAT WE WISH TO HIGHLIGHT IN 2020

TRANSFORMATION PLAN

GOVERNANCE BEST PRACTICES AND CORPORATE RESPONSIBILITY

BOARD OF DIRECTORS

BACK

TRANSFORMATION PLAN

THE PATH TRAVELED AND THE 3RD PHASE OF THE TRANSFORMATION PLAN

As a result of increase in indebtedness over many years, in 2016, Oi reached an unsustainable financial situation that culminated in a petition for Judicial Reorganization to the Court of Rio de Janeiro. From that moment on, the Company began negotiating with its main creditors, a Judicial Reorganization Plan (PRJ) that could enable its turnaround. In December 2017, the Oi PRJ was approved by a large majority in a General Creditors Meeting (AGC).

After the AGC, the Company started to implement the steps defined in the PRJ, which included debt restructuring, capital increase to fund its operational recovery and gradual resumption of investments and start a new governance, spreading out its shareholders base and election, in September 2018, of a Board of Directors with 100% of independent members.

Together the execution of PRJ, some adjustments were considered necessary to the plan, to provide the required flexibility for the Company to implement its strategic plan. Then, the second phase of the Company's Transformation Plan began, with negotiation and approval from creditors of an amendment to the PRJ, in September 2020. The amendment allowed the Company to initiate a strategic transition process from its business model, by structurally separating the infrastructure business and service provision to customers, to enable long-term growth and sustainability, and at the same time, stabilize its operations and intensify efforts in initiatives of simplification and operating efficiency. In addition, the amendment to PRJ also allowed the Company to start a process of selling assets, which was executed on schedule and will provide a significant injection of funds to finance this journey.

In 2020, we began transition to the 3rd phase of our Strategic Transformation Plan, to execute a new strategic model and steps of the amendment to the PRJ.

PHASE 1 2016 | 2018 EXECUTION OF RJ PLAN	PHASE 2 2019 | 2020 STRATEGIC TRANSFORMATION	PHASE 2019 | 2021 NEW STRATEGIC MODEL AND AMENDMENT TO PRJ
▪ Judicial Reorganization of debts and cash protection ▪ Capital increase ▪ New governance ▪ Stability and operation recovery with gradual resumption of investments	▪ Sales of assets, funding and cash ▪ Strategic model transition ▪ Simplification and operating efficiency	▪ Future vision ▪ Reorganization of Oi for sustainability and value generation ▪ Consolidation of a new strategic model ▪ Preparing the company to resume growth

In October 2020, the Court which supervises the Reorganization sanctioned the amendment to the PRJ, whose purpose is to make the initial plan more flexible, creating a more efficient shareholder and operating structure in order to maximize our value in benefit of all stakeholders, in line with our Strategic Plan.

At the end of the Transformation Plan, we will have two pillars with clear and different value proposals:

NOVA OI - COMPANY OF DIGITAL EXPERIENCE LEVERAGING TELECOM CONNECTIVITY:

Integrated technology and digital services platform that allows people and companies to transform their lives and businesses, through offer of a modular portfolio of products and services traded in Plug-in logic (*Market Place*), high level of digitization and use of artificial intelligence, and focused on differentiation for better experience of retail and corporate customers, aiming at higher rates of satisfaction and NPS (Net Promoter Score).

INFRACO – NEUTRAL NETWORK OPERATOR THAT PERMITS ALL TYPES OF CONNECTIVITY SERVICES, BASED ON AN EXTENSIVE FIBER NETWORK, IN WHICH OI WILL BE SHAREHOLDER WITH RELEVANT PARTICIPATION IN CAPITAL SHARES:

The largest Telecom infrastructure operator in Brazil, mass marketing optical fiber, enabling ultra-broadband, 5G and corporate services, with high quality and performance, digital and automated services enabling an efficient and harmonious relationship with customers, full and modular services portfolio to serve different sizes and types of operators and a neutral commercial treatment under competitive conditions.

THE EXPECTED SCHEDULE POINTS TO A COMPLETE TRANSITION BY THE END OF 2021.

SEP | OCT 20	NOV 20	DEC 20	1Q 21	2Q 21	4Q 21
Holding a General Creditors Meeting	Judicial Auction of Isolated Productive Unit - UPI Torres and UPI Data Centers	Judicial Auction of Isolated Productive Unit - UPI Ativos Móveis	Divestiture of Isolated Productive Unit - UPI Data Centers on Mach 16th	Judicial auction of the InfraCo UPI	Conclusion of Isolated Productive
Homologation of AGC by Court of Justice		Divestiture of UPI Torres and UPI Data Centers	Divestiture of UPI Torres		Divestiture of UPI InfraCO
					End of Judicial Reorganization (RJ)

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OUR CHALLENGES IN 2021

Operate **Nova Oi,** maintaining its accelerated growth pace, based on fiber broadband service and other solutions for residential and corporate markets.

Continue to manage the assets which will be sold with operational quality and competitiveness, investing in the required infrastructure, and also complying with and managing our concessions.

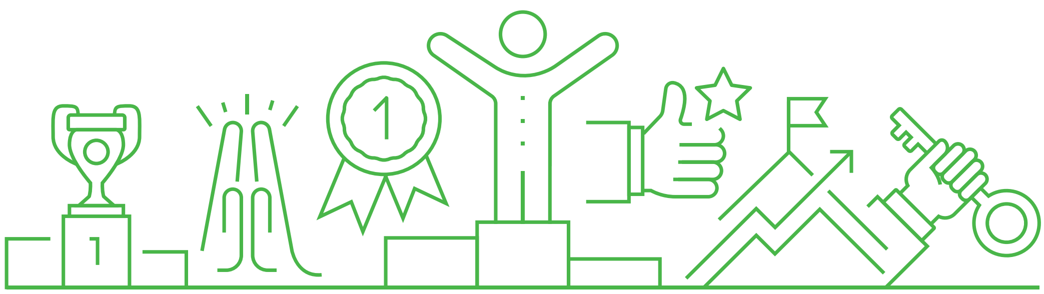
Complete the selling process of UPIs and ensure sources of financing to maintain business growth.

Ensure the maintenance and improvement of a culture of compliance and integrity culture in the midst of a journey of transformation.

Ensure the retention of a high-quality management team, with the additional challenge to drive Oi to leave this Judicial Reorganization status, complying with all provisions of the Judicial Reorganization Plan amended in 2020.

Attract talents able to explore the existing scalability potential at Nova Oi.

BACK



OUR TEAM

STATUTORY MANAGEMENT

	OFFICERS		AGE	AT OI SINCE	ACTION HIGHLIGHT IN 2020
	**RODRIGO MODESTO DE ABREU**	CEO	51	2018*	Responsible for coordination of the Executive Board for integrated execution of 15 projects of the Transformation Program and lead the cultural transformation at Oi.
	**ANTÔNIO REINALDO RABELO FILHO**	Legal Officer	45	2019	Responsible for strategic management of the Judicial Reorganization [PRJ] and compliance with PRJ, coordination and approval of amendment to PRJ at the General Creditors Meeting [AGC] and its legal ratification and for litigation management and legal advisory activities at Oi.
	**BERNARDO KOS WINIK**	Commercial Officer	53	2004	Responsible for the growth of customer base, increasing revenue and profitability at Fibra, Mobilidade, Oi Soluções and to improve the customer satisfaction through the coordination of experience improvement program in the steps of customer journey.
	**CAMILE LOYO FARIA**	Chief Financial and IR Officer	47	2019	Responsible for CAPEX funding strategy and operating activities, coordinating asset sales, pursuing new ways to ensure cash generation and improve communication with investors.
	**JOSÉ CLAUDIO MOREIRA GONÇALVE**	Operations Officer	54	2000	Responsible for the Company's technical and Operational management, coordinating technical/operating Implementation of fiber project [FTTH], and also ensuring the stability and capability of telecommunications networks.

* Joined Oi in 2018 as a member of the Board of Directors. Later, in September 2019, he became Operation Officer and, in January 2020, was named as Chief Executive Officer.

In addition to the four Statutory Directors mentioned above, the following directors also report to the Chief Executive Officer:

	OFFICERS	AGE	AT OI	ACTION HIGHLIGHT IN 2020
ADRIANO ARAÚJO PAIVA	Ombudsman	40	2020	Responsible for driving continuous improvement in process at Oi, from cases addressed to the Ombudsman, acting to definitely solve the opportunities found, on complaints addressed to the department or acting to prevent the recurrence of similar cases.
CARLOS EDUARDO MONTEIRO DE MORAIS MEDEIROS	Regulation and Institutional Affairs Officer	51	2020	Responsible for regulatory and antitrust strategy, institutional action with Federal Government, press relations and representative industry entities, accompanying and defending interests in decisions that could impact Oi's business.
DANIEL JUNQUEIRA PINTO HERMETO	Business Support Officer	51	2019	Responsible for initiatives of efficiency, optimization and simplification, material and service procurement, project implementation for energy matrix improvement and sustainability, management and optimization of building infrastructure and safety, as well as conducting administrative and financial activities for business support – CSC.
LUIZ UMBERTO MODENESE	Internal Audit Officer*	59	2020	Responsible for auditing Company processes and systems, impartially and with transparency, aiming to improve process effectiveness of risk management, controls and governance, to achieve better business results.
MARCOS AURÉLIO FREIRE MENDES	People and Management Officer	57	2000	Responsible for design, implementation and monitoring HR programs and policies, supporting cultural transformation, leadership and teams to achieve corporate results, and also to anticipate and plan for people needs and trends, for medium- and long-term management.
PEDRO LUIZ ARAKAWA	Wholesale and Franchising Officer	39	2020	Responsible for the growth of the customer base, increase of revenue and business margin of the Wholesale business.
RENATA BERTELE	Compliance Officer	44	2021	Responsible for ensuring and supporting areas and process owners in risk management, establishing controls, complying with anticorruption laws, Sarbanes-Oxley Law, General Data Protection Law (LGPD) and to strengthen the culture of integrity in managing our business.
ROGÉRIO TAKAYANAGI	Strategy and Transformation Officer	47	2020	Responsible for managing the program Oi Strategic Transformation and developing a long- term strategy planning by defining possible scenarios and supporting Oi leadership team to make decisions.

* Reports only administratively to the Chief Executive Officer, but functionally and technically to the Board of Directors through CARC.

OUR EMPLOYEES AND OUTSOURCED PERSONNEL

To achieve our objective and perform operating activities, the management team has a group of more than 105,000 professionals, including employees, outsourced personnel, apprentices and interns, as shown in the chart below.

NUMBER OF EMPLOYEES BY JOB CATEGORY	2020		
	MEN	WOMEN	TOTAL
OFFICERS	72	16	88
MANAGEMENT	440	189	629
SUPERVISION /COORDINATION	548	372	920
STAFF	7,047	4,221	11,268
COMPANY HIRED TOTAL[1]	8,107	4,798	12,905
OUTSOURCED PERSONNEL[2]	-	-	92,249
APPRENTICES[3]	41	58	99
TRAINEES[4]	88	67	155
TOTAL	8,236	4.923	105.408

1. All employees are hired for an indefinite term, in accordance with the Brazilian Labor Laws (CLT), and on a full-time basis.

2. Outsourced workers are hired in accordance with CLT, employment agreement term and working hours are exclusively defined by the client. Oi does not manage individual data of service providers, therefore, it does not have data separating them by gender.

3. Apprentices are hired for a specific period, in accordance with CLT, with four daily work hours.

4. Trainees and interns are hired for a specific period, governed by the Internship Law, with four or six daily work hours.

BACK

GOVERNANCE BEST PRACTICES AND CORPORATE RESPONSIBILITY

Upon creditors' approval and sanctioning of the Judicial Reorganization, in 2017, Oi has completely transformed its governance structure, with a Board of Directors totally made up of independent members and a totally new Executive Board, led by the CEO elected at the beginning of 2020. In this section, we present some evidence of governance enhancement which is being implemented in the Company.

OUR BOARD OF DIRECTORS AND ADVISORY COMMITTEES

57 YEARS
is the average age of Board

2 WOMEN
on the Board

Board had
28 MEETINGS
in 2020

98.8%
was the average **attendance**

		AGE	MEMBER OF OUR BOARD SINCE*	% ATTENDANCE IN 2020**	COMMITTEES CGNG	CARC	CTEI	CITD	# BOARDS IN PUBLIC COMPANIES ***
	ELEAZAR DE CARVALHO FILHO CHAIRMAN	63	JAN/18	100%					4
	MARCOS GRODETZKY VICE CHAIRMAN	64	JAN/18	100%	✓	✓			2
	ARMANDO LINS NETTO	52	JUN/20	94.4%	✓			✓	1
	CLAUDIA QUINTELLA WOODS	45	MAR/20	100%		✓		✓	1
	HENRIQUE J. F. LUZ	65	SEP/18	100%	✓	✣			3
	LUÍS MARIA VIANA PALHA DA SILVA	65	JAN/21	NA			✓		3
	MARCOS BASTOS ROCHA	56	JAN/18	100%		✓	✓		2
	MARIA HELENA S. F. DE SANTANA	61	SEP/18	100%	✣	✓			2
	MATEUS AFFONSO BANDEIRA	51	JAN/21	NA			✓	✓	2
	PAULINO DO REGO BARROS JUNIOR	64	SEP/18	100%			✣	✓	2
	ROGER SOLÉ RAFOLS	46	DEC/18	96.4%			✓	✣	1

✣ Committee Coordinator

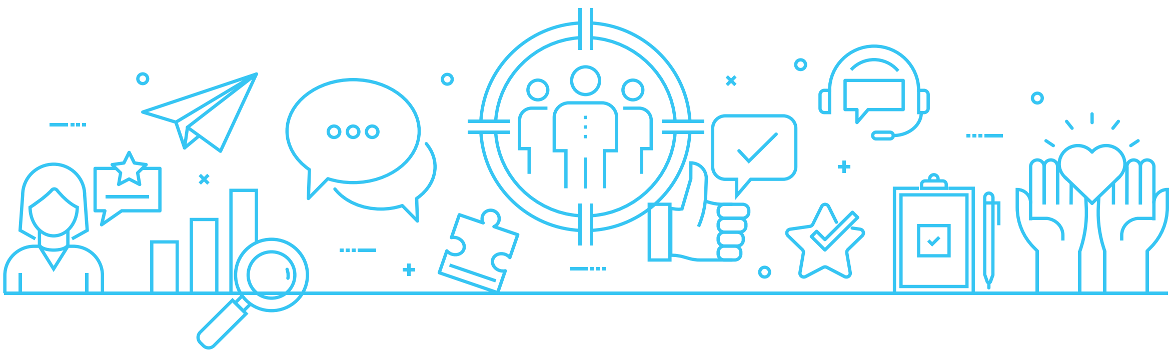
* Date when took office.

** The attendance percentages shown on this chart refers to meetings held during 2020, which is a different criterion than that applied by ICVM 480, which defines attendance in the previous fiscal year, from the date the Board member took office.

*** Number of Board positions in public companies the board member holds in Brazil and abroad, including Oi.

THROUGHOUT 2020, OUR BOARD HAS FOCUSED A MAJOR PART OF ITS ATTENTION ON OUR STRATEGIC AND OPERATIONAL ISSUES, AS DESCRIBED BELOW:

- In 17 meetings, the focus was on management of our Judicial Reorganization Plan and construction of a sustainable capital structure;
- In 16 meetings, the focus was on subjects related to our Governance;
- In 12 meetings, the focus was on execution of our Strategic Transformation Plan such as construction of Nova Oi, scale up of the fiber business and new Consumer-based products / services (Nova Oi); and
- In 12 meetings, time was dedicated to reports from Board Advisory Committees.



ADVISORY COMMITTEES

AUDIT, RISK AND CONTROL COMMITTEE (CARC)

HENRIQUE LUZ – COORDINATOR

MEMBERS: Cláudia Quintela, Maria Helena Santana, Marcos Rocha and Marcos Grodetzky

MEETINGS HELD IN 2020 – 18

PRINCIPAL RESPONSIBILITIES:

- Analyze annual and quarterly financial statements;
- Review Management Reports and any analysis released by management on the financial situation and operating results of Oi and subsidiaries;
- Supervise suitability and scope, range and independence of internal audit activities;
- Assess risk and internal control mechanisms;
- Manage management and control of contingencies control; and
- Perform Audit Committee roles, complying with US *Sarbanes-Oxley Act*, of 2002, and *Rule* 10A-3 in accordance with the *U.S. Securities Exchange Act* of 1934.

INNOVATION AND DIGITAL TRANSFORMATION COMMITTEE (CITD)

ROGER SOLÉ RAFOLS – COORDINATOR

MEMBERS: Armando Lins Netto, Claudia Quintella Woods, Mateus Affonso Bandeira* and Paulino do Rego Barros Jr.

MEETINGS HELD IN 2020 – 8***

PRINCIPAL RESPONSIBILITIES:

- Supervise the strategic direction with regard to innovation and digital transformation of Oi and its subsidiaries;
- Monitor the innovation cycle and new business activity; and
- Analyze the feasibility of investment in new product lines and business opportunities.

PEOPLE, APPOINTMENTS AND CORPORATE GOVERNANCE COMMITTEE

MARIA HELENA SANTANA – COORDINATOR

MEMBERS: Armando Lins Netto, Henrique Luz, Marcos Grodetzky and Sérgio Piza**

MEETINGS HELD IN 2020 – 14

PRINCIPAL RESPONSIBILITIES:

- Oversee human resource strategy, talent attraction and retention and matters related to organizational structure;
- Monitor succession program and member appointment processes for management organs;
- Analyze and define compensation strategy and targets, for Management and other employees at Oi, as well as evaluate the defined goals; and
- Track and propose review of governance policy, and watch over application of best practices.

TRANSFORMATION, STRATEGY AND INVESTMENT COMMITTEE (CTEI)

PAULINO DO REGO BARROS – COORDINATOR

MEMBERS: Luís Maria Viana Palha da Silva*, Marcos Bastos Rocha, Mateus Affonso Bandeira* and Roger Solé Rafols

MEETINGS HELD IN 2020 – 14

PRINCIPAL RESPONSIBILITIES:

- Monitor and coordinate asset sale initiatives;
- Supervise implementation of the strategic plan approved by the Board of Directors accompanying and supervising strategy deployment;
- Provide guidance on details or changes in initiatives, targets and schedules of the strategic transformation plan; and
- Keep the Board of Directors informed on the status of strategic plan implementation.

* As of January 2021

** External Expert Member of Nomination, People and Corporate Governance Committee.

***The Innovation and Digital Transformation Committee (CITD) was created in 3/25/2020 and its Internal Rules approved at the Board Meeting on 4/29/2020.

COMMITTEE ACTIVITY HIGHLIGHTS

	Audit, Risks and Controls [CARC]	People, Nominations and Corporate Governance [CGNG]	Transformation, Strategy and Investment [CTEI]	Innovation and Digital Transformation [CITD]
MONITOR	Monitor the risk management policy	Monitor compliance of policies and code of ethics	Monitor achievement of the targets established in the Strategic Transformation Plan	Monitor the innovation cycle and new business activity at Oi and its controlled subsidiaries
SHOW ACCOUNTABILITY	Oversee legal and regulatory compliance related to financial statements	Review Reference Form, Governance Report and Proxy Statement and other governance documents	Oversee communications to the market and authorities on implementation of the Transformation Plan	N.A.
EVOLVE	Supervise the improvement of internal control systems vis-a-vis the transformations at Oi	Ensure attraction and retention of key personnel Review polices, internal regulations and code of ethics	Supervise creation of new business models and organizational structure for Nova Oi and InfraCo.	Instruct and examine proposals to operate new businesses within and outside the core business.
TRANSFORM	Ensure implementation of a culture of compliance and integrity	Oversee implementation of a new culture which appropriate for transformation requirements.	Guide the strategic transformation at Oi.	Encourage discussion and evaluation of ideas capable of significantly transforming Oi's business.

In 2020, we worked intensely on governance, reviewing and adjusting our Polices, Internal Regulations and our Code of Ethics and Conduct to the new reality at Oi.

- MAR/20: SECURITIES TRADING POLICY
- JUL/20: PRIVACY POLICY
- SEP/20: ANTICORRUPTION POLICY GIFTS AND HOSPITALITIES; BOARD INTERNAL REGULATIONS [*]
- OCT/20: RISK MANAGEMENT POLICY
- NOV/20: CHANGES IN THE INTERNAL REGULATIONS FOR CGNG, CARC, CTEI AND CITD
- DEC/20: POLICY FOR RELATED PARTIES; CODE OF ETHICS AND CONDUCT

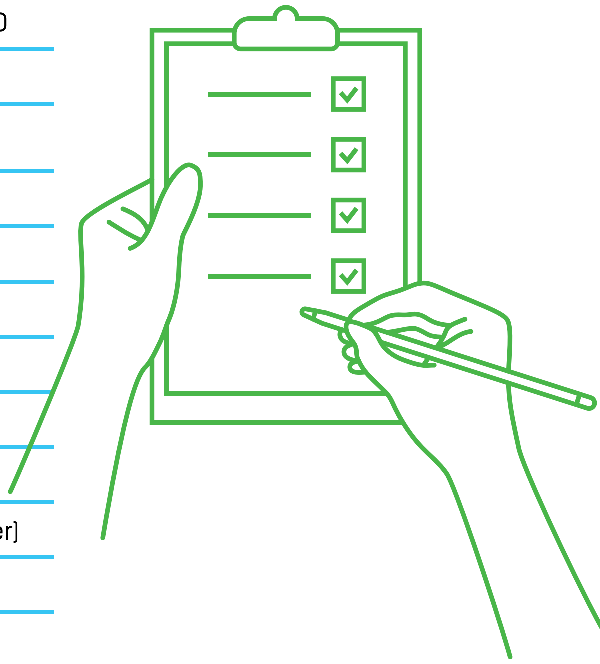
[*] Approved by Statutory Management

BACK

OI IS IN COMPLIANCE WITH MOST OF B3'S NOVO MERCADO RULES

We have improved oversight and control practices, which comply with the B3´s Novo Mercado rules, despite being listed as Level 1 of B3. Our Board of Directors complies with Novo Mercado rules and our Policies for Risk Management, Related Parties Transactions and Securities Trading, our Code of Conduct and our Internal Regulations, all of them adhere to segment practices.

- ☑ 20% or at least 2 independent directors
- ☑ No one serving as both Chairman of the Board and CEO
- ☑ Board Assessment
- ☑ Board Opinion issued on any Public Share Offering involving the Company
- ☑ Audit Committee
- ☑ Internal Audit
- ☑ Compliance Department
- ☑ Risk Management Policy
- ☑ Related Party Transactions Policy
- ☑ Securities Trading Policy
- ☑ Code of Conduct and Reporting Channel (whistleblower)
- ☑ Board Internal Regulations
- ☑ Committee Internal Regulations
- ☑ Internal Regulations of the Executive Board



BACK

ENGAGEMENT WITH INVESTORS

We have been working to improve our practices of engagement with shareholders. Led by investor relations department and with the participation of our senior executives, during 2020, we attended conferences, road shows, private meetings, lives, etc., as can be seen in the following highlights.

PARTICIPATED IN 6 CONFERENCES IN 2020

HELD 5 ROAD SHOWS

4 CALLS ON RESULTS

4 PUBLIC EVENTS LIVES WITH MARKET

OUR EXECUTIVES ATTENDED 116 ONE-ON-ONE MEETINGS AND GROUP MEETINGS

OUR ADVISORS ATTENDED 15 ONE-ON-ONE MEETINGS

Our Board members also interacted with shareholders in order to assess improvement opportunities in communications at Oi and discuss topics related to company governance. Recently, we held a round of meetings with participation of our Board of Directors members and 15 shareholders who represent about 35% of Oi's capital in December 2020.

IN THESE MEETINGS, THE FOUR MAIN TOPICS DISCUSSED WERE:

1. GOVERNANCE
2. EXECUTIVE BOARD AND OFFICERS
3. COMPENSATION POLICY
4. COMMUNICATION WITH MARKET

TAKING INTO ACCOUNT THE MAJORITY OF ANSWERS, WE HAD THE FOLLOWING PERCEPTIONS:

GOVERNANCE	BOARD AND OFFICERS	COMPENSATION	COMMUNICATION WITH MARKET
Satisfied with Progress	Satisfied with Progress	Requested more details about Compensation Plans*	Satisfied with Progress and indicated topics about which they would like to have more details**

* NOTE ON COMPENSATION – PG 34

** Some shareholders requested the Company to release more details on the progress of cost reductions and the Nova Oi business model.

BACK

OUR CORPORATE RESPONSIBILITY ACTIONS

OUR ACTIONS DURING THE PANDEMIC

EMPLOYEES

We strengthened communications with our team. We adopted prevention and protection measures for technical teams, orienting professionals about sanitation procedures and following protocols defined by public health authorities. Oi made an app available to monitor the health status of employees and allowed most of the employees and other collaborators to work from home in less than a week, in a structured manner and without impacting our operations. We offer psychological support to our employees, hosting sessions and engagement activities, and quality of life regarding to help them to deal with challenges of pandemics. To monitor our team and the outcomes of initiatives, we perform health surveys related to perception regarding remote work.

CUSTOMERS

For consumers, the company adjusted payment terms and its installment policy, reinstated services interrupted due to default and allowed postponement of payment due dates; expanded service channels and digital sales; offered bonus to customers of pre-paid and control plans, encouraging digital recharges; released Added Value services and TV channels for consumption of several news contents and entertainment, in several platforms.

For Corporate Customers, the company offered the Oi Smart Office 4.0 solution free of charge for 90 days and made payment of outstanding debts more flexible. For SMEs, it offered marketing and sales platforms for products and services, besides making payment of outstanding debts more flexible and suspended issuing of invoices.

COMMUNITY

Supporting governments, OI allowed easy and expanded access to users of information released by public health authorities and offering free broadband access to access priority URL, as well as allowing text messages to be sent with information from authorities to all users, free of charge. Jointly with other operators, made a partnership with CAIXA, allowing access to an app created by the government free of charge without using up customers' data packing, to allow Emergency Assistance program payments.

OUR NETWORK OF IMPACT - OI FUTURO

Oi Futuro continued offering services in online environments at the Cultural Center (*Centro Cultural*), Museum of Communications and Humanities (Musehum) and the Oi Futuro Lab for seven months (from March to October 2020). In this period, mentoring and training on digital platforms were intensified, as well as a festival on innovation festival was held with 16 attendees, including Brazilians and foreigners, with live transmission and more than 12,000 views. When the Cultural Center was reopened in November, it followed all public health safety protocols provided by responsible organs and visits were scheduled through the Institute's website or by phone. The digital program, unprecedented and free for cultural contents, education and social innovation was maintained after the physical space reopened.

3.6 million
INTERACTIONS ON DIGITAL CHANNELS

1,000
STUDENTS ENROLLED

3,000
PARTICIPANTS IN FORMATIONS

19,000
VISITORS AT THE CENTRO CULTURAL, MUSEHUM, LAB

1.3 million
PEOPLE WHO CONSUMED DIGITAL PROJECTS

ENVIRONMENTAL INITIATIVES

The Company has evolved rapidly in terms of its energy efficiency and already now has 50% of its energy obtained from renewable sources, such as biomass, solar and water dedicated to Oi, aiming to achieve 80% in 2022 and 100% by 2025. Additionally, the Company has a collection process of materials discarded by its Operational department for recycling and recovery of electronic appliances, batteries and cellphones discarded at stores.

With regard to climate change, Oi has been a signatory of the UN Global Compact since 2009 and annually reports to the "*Carbon Disclosure Project*" (CDP) with information and management of its carbon emissions.

BACK

BOARD OF DIRECTORS

HISTORY OF THE COMPOSITION OF THE BOARD OF DIRECTORS

As we present a proposed slate for the Board of Directors, we consider it important to review some milestones in the Composition of the Oi Board, which have accompanied the transformation process of the Company over the last years.

MUTUALLY AGREED SLATE, 11 MEMBERS	**September 2018**	AGM: ratified election of Mutually Agreed Slate recommended by Transitional Board for the composition of the New Board
PROFILE REPOSITIONING, New members with experience in digital matters and innovation starting with the vacancy of 2 positions.	**April 2020**	AEGM: Ratified election
Proposal to Maintain the composition, in order to ensure stability due to implementation of the Amendment to PRJ, Strategic Plan and member term standardization.	**October 2020**	AGE: election held using the multiple vote process. 9 members of the slate originally proposed by Management were elected with 2 members appointed by shareholders, who requested adoption of the multiple vote process.
PROPOSAL FOR THE 2021 AGM **Based on** an independent assessment of the Board, performed by external consulting and with considerations from the Board of Directors	**April 2021**	

SINCE 2018: 100% INDEPENDENT MEMBERS

We highlight above the changes in the Board of Directors since September 2018, when the proposed Mutually Agreed Slate was confirmed. That slate, whose members were all independent, marked the beginning of a new phase, when Oi would have a Board selected in structured manner and with specialized consulting support from Spencer Stuart, as defined in the Judicial Reorganization Plan.

Since then, between January and July 2020, the Board performed a self-assessment as called for in the Internal Regulations of the Board and Committees. As detailed in the following item, the self-assessment process was more focused on assessment processes related to the Board and its Advisory Committees, as well as interactions among them and other governance organs in the company. Additionally, subjects related to composition and dynamics between Board members and Advisory Committees were also included.

More recently, Oi hired Egon Zehnder, an external consulting firm, to perform an independent analysis, based on Company strategy and needs, focused on assessing the composition and dynamics among Board members and the Committees, jointly to support the process to create the late to be proposed to shareholders. This assessment was also performed in December 2020 and February 2Finally, the process was also supplemented with feedback from shareholders in an engagement round carried out by the Company and Board of Directors, in which suggestions were received to aid the progress of corporate governance practices in the Company.

SELF-ASSESSMENT AND EXTERNAL ASSESSMENT OF OUR BOARD OF DIRECTORS

1 – SELF-ASSESSMENT OF THE BOARD OF DIRECTORS

The purpose of the self-assessment process initiated in January 2020 was to map this organ's operation as detailed below:

COMPONENTS OF SELF-ASSESSMENT PROCESS BOARD OF DIRECTORS AND COMMITTEES

QUESTIONNAIRE

SCOPE

- Composition
- Roles and Responsibilities
- Chairman of the Board
- Advisory Committees
- Meetings

Grades were assigned to Discussions of the Board, according to selected more recurring topics of discussion

RESULTS AND CONCLUSIONS

COMPILATIONS OF ANSWERS

Discussions on progress made and opportunities for improvement

FEEDBACK AND ACTION PLAN

FINDINGS OBTAINED FROM THE PROCESS AND SELF-ASSESSMENT ALLOWED TO IDENTIFY:

- Challenges
- Actions to be implemented
- Tracking implementation

The self-assessment process was completed in July 2020 and by identifying challenges, mapping the required actions and tracking the status of implementation, we can already observe important results. The assessment presented improvement opportunities in strategic as well as operational matters.

For example, regarding the composition of the Board of Directors, the self-assessment process indicated that it would be important to have members, who could add expertise in the areas of digital transformation and innovation. Thus, we brought in new members Armando Lins Netto and Claudia Quintella Woods, both with expertise in retail, innovation and digital transformation. In this way, we reduced the concentration of officers with financial profiles, adjusting the composition of the Board to the evolution of Oi's requirements.

Also, as result of the self-assessment, the Board's Internal Regulations was reviewed and now committee coordinators have a greater opportunity to present the work of their committees at meetings.

Another defined and implemented objective was to hire an external consulting firm, with expertise in Board profile assessment whose work began in the last quarter of 2020.

2 - EVALUATION OF THE BOARD OF DIRECTORS SUPPORTED BY EXTERNAL CONSULTING

Supplementing the self-assessment process of the Board of Directors and in line with implementation of Strategic Transformation Plan, pursuant to the commitment established at the Extraordinary General Meeting ("AGE") held in October 2020, the Company hired a specialized external consulting Egon Zehnder to perform the assessment process of the Board of Directors, to support the Board of Directors in the creation of a proposal to shareholders for the election at the 2021 Annual General Meeting.

The work methodology focused on Board composition and on how each member impacts its dynamics. The composition of the Board, members' experience, diversity, and style were assessed. The dynamics were assessed considering dimensions such as engagement, balance and alignment.

The analysis also included vision of executives on Board composition and impacts on Company management.

The project performed by external consulting was implemented in three phases, as detailed below.

ASSESSMENT PROCESS PERFORMED BY EXTERNAL CONSULTANTS

PHASE 1	PHASE 2	PHASE 3
PREPARATION	**DIAGNOSIS**	**RESULT**
▪ Briefing with the People, Appointment and Corporate Committee (CGNG) ▪ Kick-off with the Board ▪ Submission of questionnaires, meeting scheduling and answers to questionnaires	▪ Individual interviews with officers and management ▪ Data analysis ▪ Creation of individual reports	▪ Preliminary discussion of results ▪ Feedback to CGNG ▪ Presentation of results to the Board of Directors ▪ Individual feedback with directors

The phase of interviews with board members and officers demonstrated consensus that the group's work dynamics were positive and crucial for the Company's progress.

Despite the unique current situation of the Company, which makes it difficult to compare with other companies, the external consultants assessed the Board comparing to telecom companies and benchmarks of other industries, totaling six Brazilian and eight international companies.

IN RELATION TO ITS INTERNATIONAL PEERS, OI HAS A LEANER BOARD

- The average size of a Board of Directors in telecom companies is 14.8 members, more than Oi's 11 members.
- In the companies analyzed, the average period board members spend in their positions is 5 years and at Oi, 1.8 years.
- Board members at Oi are considered to be more experienced.
  - 51% of members at selected companies had experience as CEO, while at Oi, 55% of Board members had spent time in the position of CEO.
  - In relation to experience of board members in other companies, 71% of members in analyzed companies have experience, while at Oi, that percentage is 82%.
- The average age of the board members in analyzed companies is 59.7, while at Oi it is 57.

Despite the perception that there is no company perfectly comparable to Oi, the consultants assessed that the Board metrics at Oi are close to the average of the 6 Brazilian companies analyzed. The analyzed companies are also corporations just like Oi, whose shareholding control is dispersed in the market:

- At Oi, the percentage of members classified by expertise: financial (45%), digital (18%), retail (18%) and governance (18%) while in the analyzed companies these percentages are, 56%, 11%, 18% and 8% respectively.
- The percentage of members with experience on other Boards and as CEO at Oi are totally in line with the analyzed companies (55% at Oi and 53% on average of those who had already been in the position of CEO and 82%, at Oi and on average in the other companies, have had experience on other boards).

In relation to advisory committees of Board of Directors, in the number of topics, formation and distribution of committees in the Company is in line with other companies in Brazil with dispersed shareholding control and in the international companies in the telecommunications industry used as comparison.

In short, the consultants considered as positive points: the complementary professional background, good level of diversity, independence and personal style of board members, allowing for discussion and resulting in positive dynamics. On the other hand, some points of attention were identified: if Nova Oi requires new competences on the Board and starting when, if the new company still requires a board with 11 members, how to continue to meet high time demand the Oi Board requires on its members' availability, and how to absorb new members without affecting its current good work dynamics.

BACK

3 – SOME COMMENTS FROM SHAREHOLDERS

In an effort to engage and converse with shareholders as mentioned, a round of one-on-one meetings was carried out by our board members with 15 shareholders which represents about 35% of Oi's capital. In relation to Board composition, specifically, the main comments were:

POSITIVE POINTS

- Board and Officers have worked well to define strategy and are in line to execute the strategic plan.
- Structured process to create a slate for the Board of Directors, with participation of external expert and dialogue with shareholders.
- At this moment, in light of the short-term challenges and demands of 4 advisory committees, the size of the current board with 11 members seems to be adequate.

POINTS FOR IMPROVEMENTEVOLUTION

- More members with expertise in innovation, technology and digital transformation, aligned with Nova Oi's repositioning strategy.
- Two shareholders considered that it would be positive to have a board member with good relationship with regulatory agents, especially in light of the concession legacy.
- In the future, overcoming the current challenges, a board with fewer members could allow more integration among members and work effectiveness.

The proposed slate for the Board of Directors, included in Item 4 of the of the AEGM Agenda and presented throughout this manual, takes into account the contributions from the independent assessment, comments from shareholders and the vision of current managers, reflecting competences and profiles considered necessary for good strategic management of the company, in light of its several challenges.

NOTE ON MANAGEMENT COMPENSATION

We have highlighted below, the main points raised as a result of an engagement process with shareholders, which we discuss in this note:

POINTS OF ATTENTION FROM SHAREHOLDERS

- Capability of the Company to attract and retain the required talents to complete the restructuring of Oi and build its new business model.
- Executive compensation should have a relevant portion linked to the stock performance in the medium- and long- term to ensure alignment with shareholders.
- More transparency to allow for understanding of management compensation strategy.

The current proposal reinforces the initiatives at Oi to maintain attractiveness and retention capability of a highly qualified team in executive management, which has the challenge to manage the Company to leave the Judicial Reorganization status, complying with all of its provisions as amended in 2020, at the same time as it builds and accelerates the growth of fiber and new business (Nova Oi). The Plan provides for the sale and delivery of assets - mobile - infrastructure and real estate, according to contractual conditions, including the successful completion of these negotiations and operations of these assets until the transactions obtain all authorizations and are concluded. The Plan prominently calls for operating and growing the consumer company, **Nova Oi**, at the accelerated pace we have observed, based on fiber broadband service and other solutions for residential and corporate market. And, no less challenging, obtain funding to make the transition and continuity of the Business Plan feasible.

We expect that this note, together with other required materials will allow for more visibility of the strategy we have adopted, and its logic, and how the different management compensation components are structured.

The Company's compensation strategy, since 2019, when it was approved in the General Meeting, the Long-Term Incentive Plan (LTI), is to concentrate the greatest portion of compensation packages to meeting performance targets and a smaller portion to fixed salaries. And, among components linked to performance. The largest part is concentrated in a stock-based compensation program with medium- and long-term impacts. Both variable components have targets adhering to Oi strategy and therefore, they are addressed to align manager interests with mission, strategy and shareholders' interests in the short-, medium- and long- terms. Definition and execution of the compensation strategy adopted by the Company are monitored and supervised by the Board of Directors, through its People, Appointments and Corporate Governance Committee.

BACK

THE PURPOSE OF THE COMPENSATION STRATEGY ADOPTED BY THE COMPANY IS:

- Attract, retain, and stimulate the high performance of its executives towards the development and execution of the Company´s business strategies;
- Provide competitive compensation levels in relation to those adopted in the selected comparable markets;
- Align with the interests of Company managers, shareholders, stakeholders; and
- Be simple, transparent, and easy to understand

At the same time, the compensation strategy is suited to the current situation of the Company, marked by a profound transformation process, requiring more flexibility to attract and retain adequate personnel profiles to achieve targets and lead time provided in the Strategic Plan, and also maintain efficient execution of the Company's business. Thus, it aims to adjust itself to the challenges faced by Oi, which are clearly greater than the average faced by others in the market.

Next, we present the main elements in the compensation structure of Board of Directors, Statutory Board of Executive Officers and Fiscal Council, comprising the overall annual budget for compensations.

1 - COMPENSATION OF THE BOARD OF DIRECTORS

The Company governance model with a dispersed shareholder base and no controlling shareholder or group of shareholders in addition to the company situation of Judicial Reorganization which a more prominent role of the Board of Directors working closely with the management executive officers on the definition and oversight of the strategy implementation. Due to this, Board members must dedicate more time than the average required in the market.

The members of the Board of Directors and respective committees receive a fixed monthly fee. Additionally, in order to align interests of Board members to company shareholders, and also adjust the Oi Board compensation to be closer to the comparable market, a long-term incentive plan was established based on stock granted to the Board of Directors (Board of Directors Stock Grant Plan) which was submitted for approval by shareholders at the Extraordinary General Meeting, held on April 26, 2019.

Notwithstanding, the plan implementation approved in the meeting was suspended, by court order, until completion of the Company's Judicial Reorganization of the Company. Considering this prospect of completing the Judicial Reorganization Plan during 2021, it is necessary to start accruing for amounts related to Long Term Incentive Plan, which was necessary to set up a provision in 2020, according to the rules of the plan, as well as including a provision for amounts to be recognized in 2021, in the overall compensation budget to be proposed to shareholders.

Below we present details on each component of Board of Directors compensation.

1.1 - FIXED COMPENSATION

The fixed compensation of the Board includes fees, paid on monthly basis, that may vary according to the function performed by the member on the Board and in Committees. Theoretically, the fixed compensation could be adjusted based on the results of market surveys performed periodically, by specialized consultants, subject to assessment by the Human Resource Department and the Board itself, in order to maintain the Company's competitiveness strategy.

However, since 2015, the Board of Directors decided to maintain these fixed fees frozen, resulting in a gap with regard to comparable companies, according to the latest survey performed by the People, Nomination and Governance Committee, at the end of 2020, based on information from Korn Ferry, a specialized human resource consulting firm. For 2021, with purpose to partially reduce this difference to reach the 3rd quartile in the comparable market, the proposed overall budget calls for an adjustment of about 7% in the fixed portion of Board member compensation in relation of the approved budget in 2020. It is important to highlight that this adjustment will not be applied linearly to all positions, but concentrated in those whose distortion is greatest in relation to the market. As a result, 45% of Board members will not have any adjustment in their fixed compensation.

Members of the Board of Directors who are on Company Advisory Committees receive a fixed additional monthly fee, with the purpose of remunerating their activities on these committees. This additional amount uses additional percentages as parameters, practiced in the market for companies of similar size and capital structure and is aligned to the Company's compensation strategy.

1.2 - VARIABLE COMPENSATION - LONG TERM INCENTIVE (LTI)

The LTI plan based on stock grants for members of the Board of Directors was approved at the Extraordinary General Meeting held on April 26, 2019. The purpose of this plan is to allow granting of shares to board members, as part of their compensation, in order to promote their high engagement and commitment to the Company's strategic performance objectives, and also to adjust Oi Board compensation to be comparable to the market average, without cash outlays.

MAIN CHARACTERISTICS OF STOCK GRANT PLAN FOR THE BOARD OF DIRECTORS

APPROVAL	AEGM 2019
EFFECTIVE DATE	Upon approval [1]
TERM	2019 to 2021
BENEFICIARIES	Board of Directors
MAXIMUM LIMIT FOR DILUTION	0.40%
GRANTS PROVIDED	2019, 2020 and 2021
QUANTITY OF STOCKS PER GRANT	Annual Target [2]/ Stock Price [3]
STOCK TRANSFERS [VESTING]	1/3 12 months after granted 1/3 24 months after granted 1/3 36 months after granted
MAXIMUM PLAN PERFORMANCE CONDITION	The total amount of shares granted is transferred to beneficiaries, if the share price over the 36 months from grant is equal or higher than the Company grant price adjusted by the WACC [4] at each vesting.
MINIMUM PLAN PERFORMANCE CONDITION [TRIGGER] [5] [6]	The share price maintenance on each annual date of fiscal year equal to the share price at the moment of grant. In this case, beneficiaries are entitled to receive 50% of the number of shares granted.

[1] The plan will be implemented only after the completion of the Company's Judicial Reorganization. At that time the shares are granted to the members of Board of Directors, respectively on the grant dates in 2019, 2020 and 2021.

[2] The Annual Target is defined according to the Officer's function [CEO, Vice-President, Committee Coordinator or Participant], on the date of signature of the respective grant agreement.

[3] The reference price per share, for the purpose of determining the quantity of Shares to be assigned to each beneficiary, will be equivalent to the weighted average of the stock price [Price x Volume] in the market in the 90 consecutive days prior to the delivery date, as defined by the Executive Board.

[4] WACC – *Weighted Average Cost of Capital* – in 2021 this is 9.34%.

[5] For intermediate results, where the stock price is between the trigger and the condition that entitles receiving the full amount under the plan, Beneficiaries will be entitled to an amount calculated by simple linear interpolation.

[6] If the performance condition is not reached on the vesting date, the quantity of shares is accumulated for assessment at the next period of performance condition in the following year, until the end of a 36-month term, when the final assessment occurs.

The right of beneficiaries to receive each annual portion of the plan is always subject to performance conditions and that they be continuously associated to the Company during the period between the share grant date and transfer dates to beneficiaries (vestings), at the rates mentioned below, in the period from 2019 to 2021:

		VESTINGS		
	GRANTS	1st GRANT	2nd GRANT	3rd GRANT
2019	1st Grant (*)			
2020	2nd Grant (*)	1/3 1st. Grant (*)		
2021	3rd Grant	1/3 1st. Grant	1/3 2nd. Grant	
2022		1/3 1st. Grant	1/3 2nd. Grant	1/3 3rd. Grant
2023			1/3 2nd. Grant	1/3 3rd. Grant
2024				1/3 3rd. Grant

(*) The 1st and 2nd Grants have been suspended, as well as the first one related to the 1st. Grant. The plan will be implemented only after the completion of the Company's Judicial Reorganization.

The plan for the Board of Directors is managed by the Board itself, but this prerogative applies only to occasional unforeseen cases. All elements of the Plan which are defined and were approved in the general meeting may be changed only after a new proposal has been submitted to the shareholders.

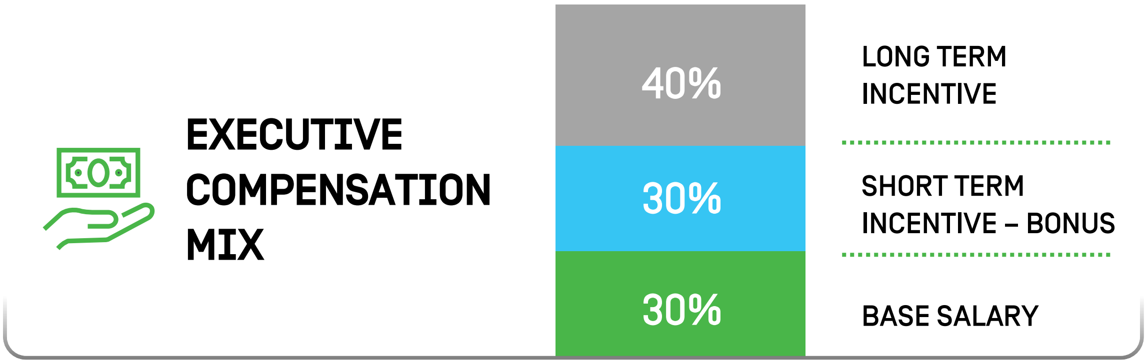
Link to access the full document of Board of Directors Stock Grant Plan.

2 - STATUTORY BOARD OF EXECUTIVE OFFICERS

The Company's compensation strategy, for executive officers, aims to meet the objectives indicated as relevant by our shareholders, which are, to attract and retain the required talents, as well as to align interests to long-term strategic execution. Therefore, the strategy is intended to obtain competitive gains with regard to the market, as a relevant portion of the total is linked to performance, especially, to achieve corporate and individual targets defined annually, as well as a long-term objective.

The results of research that substantiate comparisons related to executive officer compensation, are based on data from Korn Ferry, a specialized consulting firm widely used in the market. Currently, we use a universe of 89 companies from a wide range of segments, with similar compensation practices, and in most cases, compatible size and revenue.

The compensation strategy at Oi embodies the purpose of total compensation positioning itself in the 3rd quartile of the comparable market, with concentration on the variable components, especially the long-term share-based program, as graphically demonstrated as follows:



In addition, extraordinarily, a select group of executive officers, including statutory officers, in 2021, should be entitled to an additional incentive plan, linked to the successful and timely execution of divestiture processes established in the Recovery Plan amended in 2020.

Below, we present details on each component of compensation of the Statutory Board of Executive Officers.

2.1. FIXED COMPENSATION

For Statutory Officers, the annual fixed compensation is paid in 12 monthly installments and may be adjusted according to results of compensation surveys carried out periodically to time. The adjustment will always be subject to evaluation of the Human Resources Department and by the Board, through its People, Appointment and Governance Committee, in order to maintain the Company's competitiveness strategy.

For 2021, we propose a 6.4% adjustment to the fixed compensation for the Chief Executive Officer.

2.2. VARIABLE COMPENSATION

The variable compensation adopted for Statutory and Non-Statutory Officers is based on the short and long-term incentive, as detailed in the next items.

2.2.1 SHORT TERM INCENTIVES ("BÔNUS") - STI

The short-term incentives cover the annual participation in the results of the Company, defined by measurable indicators and goals derived from the business plan and annual budget approved by the Board of Directors.

Its objective is to stimulate and award officers based on Company performance with regard to the year's business plan, as well as to recognize individual performance of executives, in addition to ensuring market competitiveness.

In 2021, in addition to traditional corporate and individual performance indicators, a new indicator was added, related to adhesion to expected behavior and values which are considered fundamental for the cultural transformation process of the Company.

Therefore, performance will be measured by a combination of Corporate Goals, Individual Goals and Behavioral Goals, as follows:

	GOALS		
	CORPORATE	INDIVIDUAL	BEHAVIORAL
CEO, OTHER STATUTORY AND OTHER EXECUTIVE LEVELS	70%	20%	10%

In addition to recognizing and awarding, the short-term incentive program works as a tool to assure the clarity and focus on the key result indicators ensuring excellence in business plan performance.

The program calls for definition, on an annually basis and after approval of the business plan, of the key results, financial, and/or operational excellence indicators, measured for the purposes of compensation. For 2021, Corporate Goals involve a combination of financial metrics, customer satisfaction metric and a take up metric related to installed optical fiber infrastructure.

CORPORATE GOALS:

OPERATING CASH FLOW	30%	Operating cash generated by Company operations.
NET REVENUE	20%	Revenue related to sales of products and services which are Oi's strategic focus for Fiber, Mobility, Oi Solutions and Wholesale.
NORMAL OPEX	20%	Continuous expenses for maintenance or operating structure improvement required for Oi to operate, comprises the normal EBITDA reported to the market.
CONSUMER NPS (*)	20%	Consumer perception in relation to the Company, including customer in the consumer segment, for Fiber, Postpaid and Control products.
FIBER TAKE-UP RATE	10%	Take-up rate between installed fiber and fiber connected to the customer's home, aiming to quantify the profitability in the installed fiber network.

(*) Net Promoter Score – methodology to measure the customer's opinion of the Company.

As already mentioned, the Company strategy for senior management, is to position total compensation in the 3rd quartile of the comparable market, which would be attained for results in line with the business plan. The program may generate additional gain opportunities in the event of superior business outcomes and individual executive performance.

The target award levels for expected outcomes, as well as the maximum levels, are defined by organizational level based on the values and compensation mix adopted in the market. Studies to base these definitions are performed annually by specialized consulting firms, for use by the Human Resources Department and governance organs.

2.2.2 - LONG TERM INCENTIVES ("SHARE BASED COMPENSATION")

The long-term incentive plan based on stock options for executives (Stock Grant Plan for Executives) was approved at the Extraordinary General Meeting held on April 26, 2019, together with the abovementioned Board of Directors Plan. The purpose of the Executive Board plan, as well as the Board of Directors plan is to allow granting shares in order to promote high engagement and commitment to achieve the Company's strategic goals, therefore, ensuring its alignment with the Company and shareholders' interests in the medium and long term. At the same time, it allows to competitively position the executive's compensation in relation to the market, without cash outlays.

PRINCIPAL CHARACTERISTICS OF THE STOCK OPTION GRANT PLAN FOR THE BOARD OF EXECUTIVE OFFICERS

APPROVAL	2019 AEGM
EFFECTIVE DATE	Upon approval
TERM OF THE PLAN	2019 to 2021
BENEFICIARIES	Executive Board and other executives (1)
MAXIMUM LIMIT FOR DILUTION	1.5%
GRANTS PROVIDED	2019, 2020 and 2021
NUMBER OF SHARES PER GRANT	Annual Target (2) / Stock Price (3)
TRANSFERS OF SHARES (VESTING)	1/3 12 months after granted 1/3 24 months after granted 1/3 36 months after granted
MAXIMUM PLAN PERFORMANCE CONDITION	The total amount of shares granted is transferred to beneficiaries, if the share price over the 36 months from grant is equal or higher than the Company grant price adjusted by the WACC (4) at each vesting.
MINIMUM PLAN PERFORMANCE CONDITION(TRIGGER) (5) (6)	The share price maintenance on each annual date of fiscal year equal to the share price at the moment of grant. In this case, beneficiaries are entitled to receive 50% of the number of shares granted

[1] The Board of Directors can approve as beneficiaries of this plan, directors and managers in key positions to make the business transformation feasible or of key personnel with great expertise and direct or indirect (shared) responsibility for implementing the strategic plan.
[2] The Annual Target is defined according to the executive's role at the grant date.
[3] The reference price per share, for the purpose of determining the quantity of Shares to be assigned to each beneficiary, will be equivalent to the weighted average of the stock price (Price x Volume) in the market sessions in the 90 consecutive days prior to the delivery date, as defined by the Board.
[4] WACC – *Weighted Average Cost of Capital* – in 2021 is 9.34%.
[5] For intermediate results, where the stock price is between the trigger and the condition that entitles to receiving the full amount under the plan, Beneficiaries will be entitled to an amount calculated by simple linear interpolation.
[6] If the performance condition is not reached, the quantity of shares is accumulated for assessment in the next period of performance condition in the next year, till the end of a term of 36 months, when the final assessment occurs.

The right of beneficiaries to receive each annual portion of the plan is always subject to performance conditions and that they be continuously associated to the Company during the period between the share grant date and transfer dates to beneficiaries (vestings), at the rates mentioned below, in the period from 2019 to 2021:

		VESTINGS		
	GRANTS	**1st GRANT**	**2nd GRANT**	**3rd GRANT**
2019	1st Grant			
2020	2nd Grant	1/3 1st. Grant		
2021	3rd Grant	1/3 1st. Grant	1/3 2nd. Grant	
2022		1/3 1st. Grant	1/3 2nd. Grant	1/3 3rd. Grant
2023			1/3 2nd. Grant	1/3 3rd. Grant
2024				1/3 3rd. Grant

Link to access full document of Stock Grant Plan for Executive Officers.

2.2.3 – LONG-TERM INCENTIVES ("SHARE-BASED COMPENSATION") FOR THE CEO – LTI-CEO

The Company has been undergoing a broad and complex transformation plan, which seeks, at the same time, to recover business sustainability and differentiate it in the market as a provider of solutions and digital platforms. In order to ensure continuity of this transformation plan over the next few years, aiming at being successful in reaching its main pillars, the Chief Executive Officer has an essential role in conducting all the transforming initiatives and leading the staff to meet their objectives. For that matter, the Company believes it is necessary to stimulate engagement through alignment of its interests to those of their shareholders and to properly position its compensation package in line with the best market practices.

To this end, the proposal is to implement a long-term share-based incentive plan, for the next 44 months, until December 2024, which seeks to position the Chief Executive Officer`s compensation in the 90 percentile of the comparable market, with shares being fully delivered only at the end of the contract.

The share delivery, and therefore the Plan itself, is contingent upon reaching a superior performance, better than the one provided in the Company`s business plan, turned into objectives related to growth and diversification of revenues, increase in efficiency and productivity, sustainable return on investments made throughout the transformation plan and appreciation of the Company`s shares.

The Plan will be managed by the Board of Directors, who may grant the beneficiary, in a single delivery, shares of up to 0.10% of the Company`s total Equity on the Share Granting Plan approval date.

The beneficiary`s right to receive the plan`s shares is subject to reaching the objectives and remaining associated with the company, for the 44-month period, between the granting and vesting dates.

However, it is important to highlight that no further dilution of current shares is expected, when implementing this Plan, related to the limits already approved in an Extraordinary General Meeting held on April 26, 2019 for the Plans to grant shares to the Officers and Board of Directors. This is because there will be shares left over from the Board of Director`s Share Granting Plan, and the maximum dilution limit of 0.40% of the Company`s total Equity on the approval date of this Plan will not be fully used.

2.3 – EXTRAORDINARY COMPENSATION – INCENTIVE FOR DIVESTITURE PROCESSES

Given the extreme relevance of the asset selling process for Oi's sustainability as a company, the complexity of asset disposal and segregation procedures required for it to be implemented, and with the understanding that it is absolutely essential to follow asset selling schedule provided in the amended Judicial Reorganization Plan, the Board of Directors believes that it is necessary to structure additional incentive programs tied to the success and completion of the divestiture processes. These challenges were added to the well-known challenge to retain professionals under these circumstances. The beneficiaries of the program are specific groups of executives responsible for strategic and operating management of the divestiture processes.

The purpose of the incentive is to award those executives from whom a different and relevant contribution is expected to achieve success in divestiture processes, in addition to the usual scope of their respective positions. These professionals are highly capable of impacting the processes end results. A total of 101 executives and 5 statutory officers are eligible to be beneficiaries of these plans.

The purpose of these additional plans is to recognize that divestiture processes require additional effort from the executives involved and their teams. In addition to executing the divestiture process, adhering to the strict timetable approved by creditors, operations must be kept running at high standards, while processing of formalities and lead times required for legal approvals are underway, between the moment of the transaction is signed until its closing and effective delivery of the operation in question to its new owners.

The best parameter identified on which to base the total pool of bonus was a sampling of transactions abroad, as there is no public reference of this type in Brazil. Data from an international consulting firm, Main Data Group was used, with information from a sampling of 109 transactions occurred abroad, between 2016 and 2019. Even though the transactions are not necessarily similar to operations being conducted by Oi, the sample size is representative.

The Company identified a percentage of 0.25% of the transaction value as a median value for total award for all the key personnel involved.

The award condition is that the proceeds obtained by the Company from divestiture be at least, the minimum amount approved in the General Creditors Meeting. In addition, payment is contingent on calculation of the final transaction amount and receipt of the funds by the Company.

In order to ensure the program's effectiveness, the entitled executives will be segmented by project and by role within each project. A target award percentage was defined for each eligible participant. A complete list of beneficiaries was created by Oi's CEO and submitted for approval by the Board of Directors.

3 - FISCAL COUNCIL

3.1. - FIXED COMPENSATION

The compensation of the Fiscal Council is exclusively made up of fixed monthly fees to remunerate the services of each member, based on the scope of responsibility attributed to the Company's Fiscal Council. Alternate members will only receive compensation should they become effective members due to vacancy, impediment, or absence of the respective effective member. It has been Oi's practice to propose a compensation for members of the Fiscal Council as percentage of average fixed compensation for Statutory Officers. In 2021, management is not proposing any adjustment to compensation for the Fiscal Council. Compensation of the members of the Fiscal Council is defined at the General Meeting when they are elected in accordance with the terms of Paragraph 3 of Art. 162 of the Business Corporations Act ("*Lei das Sociedades por Ações*").

3.2. - VARIABLE COMPENSATION

The members of the Fiscal Council are not eligible to receive variable compensation.

BACK

MATTERS TO BE RESOLVED

Company management invites Oi Shareholders to attend the Meetings to discuss and resolve the following items:

AT THE ANNUAL GENERAL MEETING:

(1) Analysis of management accounts, examine, discuss and vote on the financial statements for the fiscal year ended on December 31, 2020.

(2) Define Allocation of the results of the fiscal year ended on December 31, 2020.

(3) Define the amount of overall annual compensation for Company management and Fiscal Council members.

(4) Elect the slate indicated by the Company management for the composition of the Board of Directors.

(5) Elect members of Fiscal Council and their respective alternates.

AT THE EXTRAORDINARY GENERAL MEETING:

(6) Approval of the Long-Term Incentive Plan based on share issued by the Company for the Chief Executive Officer.

ANNUAL GENERAL MEETING

(1) ANALYSIS OF MANAGEMENT ACCOUNTS, EXAMINE, DISCUSS, AND VOTE ON THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED ON DECEMBER 31, 2020:

Management asks Shareholders to examine the Management accounts and the Company financial statements for the fiscal year ended on December 31, 2020, and, after careful consideration, to approve the documents in question, which are available for reference on the Company, CVM and B3 websites , as well as at the Company's headquarters, at Rua do Lavradio nº 71, Centro, in the City of Rio de Janeiro, RJ, together with the opinion of the Fiscal Council, the opinion of independent auditors, the Audit, Risks and Controls Committee summary Report, the standard-format financial statements ("DFP") and Management comments with regard to the Company's financial situation, the latter shown in Attachment 8.1 of this Proposal.

(2) DEFINE ALLOCATION OF THE RESULTS OF THE FISCAL YEAR ENDED ON DECEMBER 31, 2020.

Management proposes that the loss calculated in the fiscal year ended on December 31, 2020 be recorded and booked to the Retained Losses account. Given the fact that the Company recorded a loss, information included in Attachment Annex 9-1-II of CVM Instruction 481/09 were not presented.

[3] DEFINE THE AMOUNT OF OVERALL ANNUAL COMPENSATION FOR COMPANY MANAGEMENT AND FISCAL COUNCIL MEMBERS:

The Company's management proposes for the current fiscal year, an overall annual compensation amount for Company management and members of the Fiscal Council of **R$ 92,844,639.28 (ninety-two million, eight hundred forty-four thousand six hundred thirty-nine reais and twenty-eight cents),** as follows:

(i) **For the Board of Directors,** an amount of up to **R$ 14,005,930.41 (fourteen million five thousand nine hundred thirty reais and forty-one cents),** divided up as follows:

RECURRING COMPENSATION	2020	2021
FIXED COMPENSATION	BRL 6,600,039.49	BRL 7,420,498.67
VARIABLE COMPENSATION - LTI	BRL 4,853,064.12	BRL 6,585,431.74

(ii) For Statutory Officers, an amount up to **R$ 77,761,708.87 (seventy-seven million seven hundred sixty-one thousand seven hundred and eight reais and eighty-seven cents),** divided up as follows:

(a) The amount up to **R$ 48,219,792.06 (forty-eight million two hundred nineteen thousand seven hundred ninety-two reais and six cents)** as installment of recurring compensation package of statutory directors. This recurring compensation includes the following components: fixed compensation, executive bonus, long term incentive and benefits:

RECURRING COMPENSATION	2020	2021
FIXED COMPENSATION (SALARY + BENEFITS)	BRL 11,404,610.42	BRL 11,770,000.00
VARIABLE COMPENSATION STI (BONUS + RETENTION)	BRL 19,382,556.46	BRL 19,305,000.00
VARIABLE COMPENSATION - LTI	BRL 10,164,216.36	BRL 17,144,792.06

(b) The amount up to **R$ 29,541,916.81 (twenty-nine million five hundred forty-one thousand nine hundred sixteen reais and eighty-one cents) (*),** for extraordinary award for Divestiture Projects.

(ii) **For the Fiscal Council, the amount of R$ 1,077,000.00 (one million seventy-seven thousand reais) (*),** corresponding to the least provided on paragraph 3rd. of Article 162 of Law no. 6.404, of December 15, 1976, as amended ("Law no. 6,404").

(*) Data informed according to the estimated Compensation policy for 2021, already considering the most recent orientation from the CVM Collegiate that payroll social charges paid by the employer are not included within the concept of the "benefits of any nature" described in Art. 152 of the Brazilian Corporate Law, and are not included in overall or individual compensation amounts subject to approval at general meetings. For purposes of comparison with 2020 data, the estimated amount of Social Charges for the Board of Directors 2021 is R$ 1,212,098.13. For comparability purpose with data of 2020, the estimated amount of Charges for the Statutory Management 2021 is R$ 2,538,000.00. For comparability purpose with data of 2020, the estimated amount of Charges for 2021 is R$ 215,400.00.

For purposes of comparison, the Company informs that the overall annual amount proposed herein for the year 2021 is 25.3% higher than the total amount approved in 2020, excluding social charges.

With regard to the Board of Directors, the increase is due to two reasons, first, the adjustment of approximately 12.4% on fixed compensation, comprised of the 7% adjustment in fees, which have remained unchanged since 2015, and the expectation of having all positions filled on the Board, which had temporarily unfilled positions in 2020. Second, inclusion of a provision for the 1st *vesting* of LTI 2020-2022. Despite the fact that the Board's LTI has been suspended until completion of the Company's Judicial Reorganization, this provision is recognized in 2021, due to reasonable probability it will occur by the year end.

Concerning to the budget for Statutory Officers, the proposed amount is 25.8% higher than the amount approved for 2020. There was an increase in short term fixed and variable compensation installments. On the other hand, there was addition to long-term variable compensation due to provisions related to two *vestings* that may occur in 2021 (2nd. *vesting* LTI 2019-2021 and 1st *vesting* LTI 2020-2022) and due to an estimated price increase for Oi shares (OIBR3), related to the ILP 2019-2021 granting date. As reference, the share price used to calculate the 2020 budget was R$ 0.95 while for the 2021 budget, the price is assumed to be R$ 2.02.

The incentive plan for the CEO has also been included in this long-term compensation, submitted for approval by the shareholders at an Extraordinary General meeting.

In addition, the extraordinary award budget for divestiture projects is also included, whose purpose is to identify and award executives from whom are expected a different and relevant contribution to the success of selling assets called for in the amended Judicial Reorganization Plan. Given the extreme relevance of the asset selling process for Oi's sustainability as a company, the complexity of asset disposal and segregation procedures required for its implementation, and understanding that it is absolutely essential to follow the asset sale schedule included in the amended Judicial Reorganization Plan, the Board of Directors understands that it is necessary to structure additional incentive programs contingent upon the success and completion of divestiture processes.

(4) ELECT THE SLATE NOMINATED BY THE COMPANY MANAGEMENT TO COMPRISE THE BOARD OF DIRECTORS;

Initially, we should circle back to the main topics brought by the external consultants and the shareholders, further detailed in the Highlights section, "Self-assessment and independent assessment of our Board of Directors".

The consultants considered the following positive aspects: the complementary professional profiles of the members, good level of diversity, independence, and personal style of members, who favor dialogue and provide positive dynamics. On the other hand, some spects require attention: if Nova Oi will require new competencies on the Board and when that occurs, if the new company will still need an 11-person board, how to continue to conciliate the high demand for the time established by Oi's Board of Directors with member availability, and how to add new members without hurting the positive current dynamics.

As to the comments from shareholders surveyed, the positive aspects mentioned were: The Board and executives have been working well on setting the strategy and are in line with its implementation and, considering the short-term challenges and the work demand which still are the responsibility of the four advisory committees, the size of the current Board appears to be adequate. There were, however, topics for the Board to develop which would benefit more by having members with expertise in innovation, technology and digital transformation, aligned with Nova Oi's repositioning strategy and that after overcoming the current challenges, a smaller Board could allow for a better member integration and group effectiveness.

The slate proposal we present to the Board of Directors takes into account all contributions made by the consultants' assessment, comments from shareholders and the vision of current officers, in addition to reflecting competencies and profiles considered to be necessary for good strategic leading of the company in the next few years, in the face of its challenges.

Our proposal is to add a new member to the Board, whose profile and experience are strongly in line with the main enhancement required for the Board, according to all the feedback received. We propose to include Marcelo Pavão Lacerda on the slate, an experienced and successful entrepreneur in several innovative sectors and with a strong background in technology. He will contribute to adapt Oi's Board to a balance between complementary profiles more compatible with the challenge to enhance the strategic transformation plan we have ahead of us.

The proposal also includes maintenance of all 10 current Company Board members. In our assessment, confirmed by the perception of the consultants, the current Board functions well, provides generally effective dynamics and has complementary profiles and experience which are highly useful to the Company at this moment and will continue to be for the next few years. It would be positive for this good dynamics and effectiveness to continue, provided the challenges still to be faced by Oi in the short and medium terms.

It is worth highlighting that Oi's Board of Directors is continuously renewing itself, because its members spend an average of only 1.8 years in their position, which is considerably below the average time observed in both benchmark groups analyzed.

For that matter, in 2020 alone four new positions have been refilled, out of a total of eleven Board members. First, as a result of our self-assessment, previously discussed in the Highlights section, we brought Claudia Woods and Armando Lins Netto, who are professionals with relevant experience in innovation, digital/technology, marketing and services. These are profiles which, according to our assessment and most of the comments we received from shareholders, are necessary for this moment of business model transformation and development of Nova Oi. Their names we ratified subsequently by the General Meeting. Two other Board members were elected in October, Luiz Palha and Mateus Bandeira, with shareholder votes who requested multiple voting system. Both executives are experienced with top management positions and governance organs.

Despite the marked advantages that renewal may provide to group performance as the Board of Directors, we believe some continuity is necessary for the Company to count on the stability essential to succeed in its short- and mid-term challenges.

In addition, the current Board we propose to reelect represents the commitment to support execution of the Strategic Transformation Plan which it approved in 2020, until its full implementation.

Last, it is worth commenting on the number of positions in the Board of Directors. As we looked to explore in the Highlights section, the workload with which this Board has to deal is much greater to that which would be observed in companies who are not conducting any complex restructuring processes, with business model changes, and accelerated operation growth at the same time. The committees have been highly demanded, and data presented on the number of Board and committees' meetings are very emphatic in this regard. Our opinion is that this workload will not decrease in the near future and, for that reason, we propose that the Board continues to be made up of eleven members for this next two-year term.

CANDIDATES FOR THE BOARD OF DIRECTORS

The following table summarizes the candidates' principal experience and competencies.

This table-format presentation does not include all qualifications of each candidate, which will be presented in further detail in the individual biographies attached, but it highlights those considered to be the most relevant for their positions on the Company's Board of Directors and to complement the group's profiles.

	RESTRUCTURING	TELECOM	FINANCE AND M&A	RETAIL / CUSTOMER/ PRODUCT	DIGITAL/	AUDIT AND CORPORATE GOVERNANCE
ARMANDO LINS NETTO Independent Member Age: 52				✓	✓	
CLAUDIA QUINTELLA WOODS Independent Member Age: 45				✓	✓	
ELEAZAR DE CARVALHO FILHO Independent Member Age: 63	✓		✓			
HENRIQUE JOSÉ FERNANDES LUZ Independent Member Age: 65						✓
LUÍS MARIA VIANA PALHA DA SILVA Independent Member Age: 65	✓		✓	✓		
MARCELO PAVÃO LACERDA Independent Member Age: 60		✓		✓	✓	
MARCOS BASTOS ROCHA Independent Member Age: 56		✓	✓			
MARCOS GRODETZKY Independent Member Age: 64		✓	✓			
MARIA HELENA DOS SANTOS FERNANDES DE SANTANA Independent Member Age: 61						✓
PAULINO DO REGO BARROS JR Independent Member Age: 64		✓				
ROGER SOLÉ RAFOLS Independent Member Age: 46		✓		✓		

We present below, in alphabetical order, detailed information on the qualifications and experience of each one of the candidates. All of them qualify under the definition of "independent", in addition to meeting the requirements described in Oi's Bylaws.

ARMANDO LINS NETTO

Independent Member

Age: 52

SKILLS, KNOWLEDGE AND EDUCATION:

Vast experience in customers, products, retail and digital. He has a bachelor's degree in Mechanical Engineering from the Federal University of Para (UFPA), with Master's Degree in Mechanical Engineering from State University of Campinas (UNICAMP) and PhD in Mechanical Engineering from Berkeley California University (UCB).

CURRENT WORK EXPERIENCE:

Member of the Board of Directors of Oi S.A., and member of CGNG and CITD. He has been CEO of Fleetcor in Brazil since June 2014, in charge of all business and companies in the region.

PRIOR WORK EXPERIENCE:

Worked at TIVIT, Brazilian multinational company of digital services, as Vice-President responsible for the technology business and services from 2006 to 2014. He was Director of Unisys for services in the banking sector from 2004 to 2006 and consultant for McKinsey & Company at the offices in Sao Paulo and London from 1999 to 2004.

QUALIFICATIONS TO BE A BOARD MEMBER:

He brought to the Board his experience in transformation and repositioning processes with knowledge in areas of great relevance to Nova Oi, such as strategy, technology, innovation, digital transformation, product development and customer relations. His contribution will tend to be even more important in the next two years.

CLAUDIA QUINTELLA WOODS

Independent Member

Age: 45

SKILLS, KNOWLEDGE AND EDUCATION:

She has experience in strategic planning, marketing and sales, and proven expertise in digital start-ups and multinational companies. She has a Bachelor of Arts degree from Bowdoin College, Maine, with a double major in Environment Sciences and Spanish, and secondary focus on Economics. She has a master's degree in Business Administration from COPPEAD institute of Federal University of Rio de Janeiro (UFRJ) and specialization program Building Ventures in Latin America, from Harvard Business School.

CURRENT WORK EXPERIENCE:

Member of the Board of Directors of Oi S.A., and member of CARC and CITD. She has been CEO of Uber Brasil since 2019.

PRIOR WORK EXPERIENCE:

She was Retail Director at Banco Original and Executive Superintendent for Digital Channels (Corporate and Retail) at that bank. She held positions of CEO of Webmotors.com, Marketing Director and Digital Products at Walmart.com, CEO of Netmovies, Marketing and Intelligence Director for Latin America at Clickon, General Manager of Predicta, Senior Product Manager of L'Oréal Brazil, Marketing Relationship Manager of Ibest Company and Senior Consultant for Kaiser.

QUALIFICATIONS TO BE A BOARD MEMBER:

Claudia brought to the Board of Oi in 2020/2021 her experience and leadership in innovative environments with deep knowledge in digital marketing, digital products and technology both in start-ups and major companies. These knowledge and contributions, especially her participation in the Innovation and Digital Transformation Committee, are even more essential to the success of Oi in the years to come.

ELEAZAR DE CARVALHO FILHO

Independent Member

Age: 63

SKILLS, KNOWLEDGE AND EDUCATION:

Extensive experience as a director of major companies listed in Brazil and abroad. Long history of teamwork and leadership. He has a bachelor's degree in Economics from New York University, with a Master's Degree in International Relations from The Johns Hopkins University.

CURRENT WORK EXPERIENCE:

He is the Chairman of Board of Directors of Oi. He is a founding partner of Virtus BR Partners - independent financial consulting company and Sinfonia Capital. He participates as member of the boards of two global companies and one large Brazilian company, actively participating in strategic direction in both companies.

PRIOR WORK EXPERIENCE:

He was partner and CEO of Unibanco Banco de Investimentos. President of BNDES Development Bank and CEO of UBS Brasil. He has led large teams, delivering results, involvement in important transactions and relevant shareholding positions.

QUALIFICATIONS TO BE A BOARD MEMBER:

His extensive corporate experience as executive, consultant and Board member, including global companies, bring advantages for complex strategic decisions, finance, M&A and restructuring, and also a wide contact network in the public and private sectors. He coordinates and actively participates in corporate discussions demonstrating resilience and dedication for company results.

HENRIQUE JOSÉ FERNANDES LUZ

Independent Member

Age: 65

SKILLS, KNOWLEDGE AND EDUCATION:

He has extensive experience in accounting, finance and audit. He has a bachelor's degree in Accounting Science from the School of Political and Economic Sciences of Rio de Janeiro (Candido Mendes University), attended several courses and executive programs at Harvard, Darden, London (Ontario) Business School, Universidad de Buenos Aires and Singularity University. Academician, full member bearer of Chair 59 of the Brazilian Academy of Accounting Sciences.

CURRENT WORK EXPERIENCE:

Member of the Boards of Directors of Burger King do Brasil, Maringa Group (composed of closed companies, from the steel, sugar and energy sectors), IRB Re and Oi S.A. and coordinator of CARD and member of CGNG. Chairman of the Board of Directors of IBGC - Brazilian Corporate Governance Institute. Vice Chairman of the Board of the Modern Art Museum of São Paulo, IBEF São Paulo – Brazilian Institute of Finance Executives, of the Dorina Nowill Foundation for the Blind; he is member of the boards of the National Children's and Youth Book Foundation and the Modern Art Museum – MAM Rio.

PRIOR WORK EXPERIENCE:

He was partner and member of the executive leadership committee at PwC – PricewaterhouseCoopers, in a career of 43 years until 2018.

QUALIFICATIONS TO BE A BOARD MEMBER:

His extensive and vast experience in Risks and internal controls, accounting, finance, audit and corporate governance brought soundness to decisions and Oi's progress in these important areas in the last years. This contribution continues to be fundamental for Oi during the reconfiguration in progress of Oi's business.

LUÍS MARIA VIANA PALHA DA SILVA

Independent Member

Age: 65

SKILLS, KNOWLEDGE AND EDUCATION:

He has a bachelor's degree in Economics from Instituto Superior de Economia, 1978 and in Business Management from Universidade Católica Portuguesa, 1981. He has specialization in Management (Advanced Management Program) from University of Pennsylvania – Wharton School of Economics, 2005.

CURRENT WORK EXPERIENCE:

He is a member of the Board of Directors of Oi S.A.. He is Chairman of the Board of Directors and Chief Executive Officer of Pharol, SGPS, S.A.

PRIOR WORK EXPERIENCE:

He was a non-executive member of the Board of Directors of Kasmunaygas between 2019 and 2020. Served as member of Oi's Board from September 2015 to March 2018. He was Vice Chairman of Board of Directors and Executive Commission of GALP Energia, SGPS, SA from 2012 to 2015. He was a Member of the Board of Directors and Audit Committee of NYSE Euronext, from 2012 to 2013. He worked at Jerónimo Martins, SGPS, AS as CFO, from 2001 to 2004, and as CEO from 2004 to 2010, and in 2011 as a non-executive member of the Board of Directors and Chairman of the Corporate Responsibility Committee. He served as CFO of CIMPOR – Cimentos de Portugal from 1995 to 2001 and as Secretary of State for Commerce of the Government of Portugal, from 1992 to 1995, responsible for foreign economic affairs – Commerce and Investment – and for the supervision of Internal Commerce, food security and defense of competition. He served as CFO of COVINA, Companhia Videira Nacional, from 1987 to 1992.

QUALIFICATIONS TO BE A BOARD MEMBER:

He has great experience working with several Boards, including previous participation in Oi's Board itself, as well as broad career as an executive of several large Portuguese companies.

MARCELO PAVÃO LACERDA

Independent Member

Age: 60

SKILLS, KNOWLEDGE AND EDUCATION:

Long experience as a successful entrepreneur on innovative businesses, strong background in technology; He studied Electrical Engineering and Computer Sciences at Universidade Federal do Rio Grande do Sul.

CURRENT WORK EXPERIENCE:

Member of Carrefour Brasil's Board of Directors since June 27, 2017, where he also serves as a member of the Human Resources and Strategy Committees. He is founder and president of Magnopus Board, a graphic computer company with headquarters in Los Angeles, CA.

PRIOR WORK EXPERIENCE:

Marcelo Lacerda is co-founder of NutecInformatica, founded in 1986, which became ZAZ and, in 1999, took on the name Terra. Terra was the largest internet company of Latin America in 2001, operating in 19 countries. At Terra, Marcelo served in several executive positions in Brazil, Spain and the United States. Marcelo is co-founder of the digital advertising agency F.biz, having acquired ownership of this Company in 2008. In 2011, WPP acquired a majority interest in F.biz. Marcelo was founder and held an executive position at Blue Interactive, a Cable TB company with operations in 23 cities, fully sold in 2016 to CLARO S.A. (AmericaMovil).

QUALIFICATIONS TO BE A BOARD MEMBER:

His knowledge on the global technology and entrepreneurship ecosystem, together with his high capability to combine successful innovation and implementation of new ideas can contribute for the current challenges as well as the anticipation of strategies for future challenges of the Company.

MARCOS BASTOS ROCHA

Independent Member

Age: 56

SKILLS, KNOWLEDGE AND EDUCATION:

He has a bachelor's degree in Electronic Engineering in 1985, from Instituto Militar de Engenharia – IME, with an MBA in Finance from the Catholic Pontifical University in Rio de Janeiro – PUC-RJ in 1989 and Executive MBA in Management – PDG/EXEC – SDE/IBMEC, in 1993

CURRENT WORK EXPERIENCE:

Member of the Board of Directors of Oi S.A. and member of CARC and CTEI. Chairman of the Board of Directors of Paranapanema S.A. since 2020, Independent Member of the Board of Directors of IRB Brazil RE since 2019, Member of the Board of Directors of Invepar S.A. since 2019, Member of the Board of Directors of GRU Airport since 2019 and Board Member of Brazil Fast Food Corporation since 2009. Senior Partner of DealMaker, since 2015.

PRIOR WORK EXPERIENCE:

He was Non-Executive Senior Advisor for Roland Berger Strategy Consultants, from 2015 to 2019. He was Member of the Board of BC2 Construtora from April 2016 to May 2019 and Alternate Member of the Board of Directors of Light S.A. from September 2018 to April 2019. From 2010 to 2015, he was Administrative and Financial Vice-President of Invepar – Investimentos e Participações em Infraestrutura and Member of the Board of Directors of the portfolio companies. He was a tax advisor at Abril Educação between 2012 and 2015. From 2008 to 2009, he was Executive Director of Finance, RI, and IT, as well as Executive Director of Shared Services, HR, and IT at Globex Utilities. He was Chief Executive Officer at Banco Investcred Unibanco S.A.-Pontocred from 2005 to 2008 and Chief Financial and Investor Relations Officer at Sendas S.A. from 2003 to 2005. He was CFO at Horizon Telecom International (2001-2002), GVT – Global Village Telecom (2001) Global Telecom S.A. (2000 – 2001), Brazil Fast Food Corp (Bob's) (1996 -1998) and Chief Financial Officer at Sony Music Entertainment (1998-1999). From 1991 to 1996, he was Controller at Cyanamid Química do Brasil.

QUALIFICATIONS TO BE A BOARD MEMBER:

His executive experience in senior management at several sectors, including Telecom, Retail and Finance, M&A and Turnarounds, as well as vast activity on Boards, adds expertise and important contributions to define and track Oi's transformation strategy. Marcos will continue to have a fundamental role for creating and directing the implementation of this transformation plan.

MARCOS GRODETZKY

Independent Member

Age: 64

SKILLS, KNOWLEDGE AND EDUCATION:

He has extensive experience in the financial sector, focusing on restructuring, buying and selling assets, and strategic planning. Vast experience as board member of large companies listed in Brazil and abroad. He has a bachelor's degree in Economics from Federal University of Rio de Janeiro and specialization in Senior Management Program of INSEAD /FDC.

CURRENT WORK EXPERIENCE:

He is a founding partner of Mediator Assessoria Empresarial Ltda., a mediation company between companies and shareholders, and provides strategic and financial consulting services. Vice-Chairman of the Board of Directors of Oi S.A., and member of CARC and CGNG. Chairman of the Board of Directors of Burger King Brazil, independent member of the Board of Directors of Constellation Oil Services S.A. and independent member of the Board of Directors of Cellera Farma S.A.

PRIOR WORK EXPERIENCE:

Alternate member of the Board of Directors of Oi S.A. in September 2015 to July 2016 and became an effective member from July 2016 to September 2016. He was Executive President of DGB S.A., logistics holding company of Grupo Abril S.A. and parent company of Dinap, Magazine Express, Fernando Chinaglia, Treelog and TEX Courier (Total Express). He was Financial Vice-President and Investor Relations for Telemar/Oi, Aracruz Celulose/Fibria and Cielo S.A. For 25 years he worked in the financial market, focused on Corporate and Bank Investment areas, at Citibank, Nacional/Unibanco, Safra and HSBC.

QUALIFICATIONS TO BE A BOARD MEMBER:

He has relevant experience in finance, deep knowledge of the Company and its industry, and also relevant contributions in areas of human resources and compensation, extremely useful for the Board and officers, acting at this point as reference and as counterpoint and challenge. His clarity and understanding about the challenges of building the Nova Oi continued to be essential in this new phase.

MARIA HELENA DOS SANTOS FERNANDES DE SANTANA

Independent Member

Age: 61

SKILLS, KNOWLEDGE AND EDUCATION:

Broad local and international experience in corporate governance, audit, accounting, regulatory issues and self-regulation of the capital market. She has a Bachelor's degree in Economics from Universidade de São Paulo.

CURRENT WORK EXPERIENCE:

She serves on Oi's Board of Directors, is coordinator of CGNG and member of CARC. She is a member of the Board of Directors and Chairman of the Audit Committee of XP Inc., a financial services company listed on Nasdaq. She is a member of the Board of Directors or Grupo BIG S.A., a holding in the retail sector.

PRIOR WORK EXPERIENCE:

She was a trustee da International Financial Reporting Standards Foundation, between 2014 and 2019. She was a member of the board of directors of Bolsas y Mercados Españoles - BME, a stock exchange in Spain, between April 2016 and June 2020; as a member of the audit committee of Itau Unibanco Holding S.A., financial services holding company between June 2014 and July 2020 and as a member of the board of directors of Companhia Brasileira de Distribuição, a retail company, between February 2013 and June 2017; a member of the board of directors of Totvs S.A, information technology company, between April 2013 and March 2017; a member of the board of directors of CPFL Energia S.A., an energy company, between April 2013 and April 2015. She was president between July 2007 and July 2012 and director, between July 2006 and July 2007, of the Brazilian Securities and Exchange Commission ("CVM"). She served as Chairperson of the Executive Committee of IOSCO - International Organization of Securities Commissions between 2011 and 2012. She worked at B3 between July 1994 and May 2006, since 2000 she has been responsible for supervising listed companies, attracting new companies and implementing the New Market. She was Vice-Chairman of the Board of IBGC between 2004 and 2006. She has been a member of the Latin-American Roundtable on Corporate Governance, of OCDE, since 2000.

QUALIFICATIONS TO BE A BOARD MEMBER:

Her experience with governance, compliance and risk management has contributed significantly for progress in governance culture, policies and practices and conduct adopted by the company. Her contribution continues to be necessary so that this progress can continue and reach the necessary levels of excellence.

PAULINO DO REGO BARROS JR

Independent Member

Age: 64

SKILLS, KNOWLEDGE AND EDUCATION:

Extensive experience in the Telecom industry as part of his career in top management at companies in Brazil and abroad. He has a Bachelor's Degree in Mechanical and Electrical Engineering from the Escola de Engenharia Industrial and the Faculdade de Engenharia de São José dos Campos, in the State of São Paulo and a Master's Degree in Business Administration (MBA) from Washington University in St. Louis, USA.

CURRENT WORK EXPERIENCE:

Member of the Board of Directors of Oi S.A., and CTEI Coordinator and member of CITD. In 2008, he founded PB & C – Global Investments (LLC), an international consulting and investment firm, where he has been Chairman of the Board since its creation.

PRIOR WORK EXPERIENCE:

He worked for Equifax Inc., from 2010 to 2018, and in the period from September 2017 to April 2018 in Atlanta as Interim CEO. Global leader in technology and information solutions, with operations in 24 countries with 10,000 employees. He led the business in the Asia Pacific region in 2017, and from 2015 to 2017, he led U.S. Information Solutions (USIS), Equifax's largest unit. From 2010 to 2015, he led the international business unit responsible for Latin America, Europe, Asia-Pacific and Canada. From January 2007 to November 2008, he was Chairman of the Board of Global Operations at AT&T. He held several executive positions at BellSouth Corporation from December 2000 to January 2007, and Corporate Product Director, President of BellSouth Latin America, Regional Corporate Vice-President of Latin America, and also Planning and Operations Director of BellSouth International. From 1996 to 2000 worked for Motorola, Inc., as Corporate Vice-President, General Director – Latin America Group, Corporate VP and General Director of Market Operations – Americas, for mobile telephony business unit. Served in positions at The NutraSweet Company and Monsanto Company in the United States and Latin America. Between 2012 and 2015, served for Consulting Council of Cingular Wireless, Converged Services Group, Alianza – BellSouth Corporation Latino Association – President, NII Holdings (NASDAQ: NIHD) – member of the Board of Directors. From 2006 to 2010 he served on the Audit and Finance Committee of Westminster Schools and the Red Cross (Red Cross) Georgia-US chapter between 2005 and 2008, both non-profit organizations.

QUALIFICATIONS TO BE A BOARD MEMBER:

Extensive experience in the telecom industry in senior management positions in Brazil, Latin America and United States of America, in major international companies, Paulino has been decisive in guiding and accompanying the implementation of the Transformation Plan, whose completion will demand even more work during 2021/2022."

ROGER SOLÉ RAFOLS
Independent Member
Age: 46

SKILLS, KNOWLEDGE AND EDUCATION:
He has 23 years of experience in telecommunications, in areas of marketing, product development, innovation, strategy and P&L management. He has a Bachelor's degree in Business and Master's Degree in Business Administration from ESADE – Escuela Superior de Administración y Dirección de Empresas, Barcelona, and graduate degree in Audiovisual Business Management from UPF – Universitat Pompeu Fabra, Instituto Desarrollo Continuo (IDEC), Barcelona. He attended MBA exchange program at UCLA – University of California, Los Angeles; Advanced Management Program (Senior Management Development Program) at IESE Business School, University of Navarra, Sao Paulo-Barcelona; and executive education program in Finance and Value Creation Strategy at Wharton, University of Pennsylvania, Philadelphia.

CURRENT WORK EXPERIENCE:
Member of the Board of Directors of Oi S.A., CITD Coordinator and member of CTEI. Since April 2020, he has been Marketing Vice-President (CMO) of WeWork.

PRIOR WORK EXPERIENCE:
He was CMO of Sprint Corporation from 2015 to 2020, where he had a fundamental role in the company's turnaround and merger process with T-Mobile. He held position of Marketing Vice President (CMO) (2009-2015) and Consumer Marketing Director (2009-2011) at Tim Brasil He was Marketing Director (2006 to 2008) and Director for Value Added Products and Services (2001 to 2006) at Vivo, and worked for former DiamondCluster, currently Oliver Wyman, from 1996 to 2001.

QUALIFICATIONS TO BE A BOARD MEMBER:
He has extensive experience in the telecom industry in Brazil and abroad, in the position of Chief Marketing Officer, Roger has a relevant role in the transformation process, not only because of strategic vision, but also in guiding and tracking new business opportunities for Oi.

Last, we would like to briefly discuss the voting process, in the Brazilian corporate law and Brazilian Securities Commission (CVM) context.

Shareholders are allowed to request the multiple voting system, provided they represent at least 5% of the Company's voting capital and submit the request at least 48 hours before the 2021 AGM. In the multiple voting process, each share becomes entitled to as many votes as there are positions to be filled in the Board of Directors (eleven members, in Oi's case), assuring shareholders the right to accumulate votes to one candidate alone or distribute them among several candidates, as they desire.

In the event the multiple voting process is adopted, the election will be conducted through voting distribution to individual candidates and no longer votes for a slate. Individual distribution of votes is then collected and counted at the General meetings themselves.

This dynamic may cause unpredictability to the composition scenario of candidates to members of the Board of Directors who will be then submitted to voting at the General Meetings. In addition to other candidates not previously presented, adopting the multiple voting system may cause votes from absent shareholders voting using Distance Voting Bulletin ("BVD") on the proposed slate to be lost. This is because the votes conferred to a slate would no longer be valid if the multiple voting system is adopted, as the election would be held through individual votes.

Distance Voting Bulletin ("BVD") provides alternatives to deal with this situation and ensure that the shareholders who supported the Board's slate will not have their votes invalidated. Item 7 of BVD requests shareholders to authorize their votes, in the event of multiple voting process adoption, to proportionally redistribute their votes to members of the supported slate. And items 6 and 9 propose that shareholders authorize proportional redistribution of their votes to remaining members of the original slate, in the event one or more members leave.

On the other hand, in the event shareholders voting through BVD decide not to authorize proportional redistribution of their votes if the multiple voting process is adopted, their votes will not be counted at the General Meetings, increasing the voting power of shareholders present and affecting their ability to influence the result. This would also be the effect of a vote for the original members of the supported slate. In order for shareholders voting through BVD, and not present at the General Meetings, not to affect validation of their votes, they need to express themselves through the redistribution alternatives made available in the BVD.

Thus, if the multiple voting system is adopted for this election of the Board of Directors, management proposes that the votes attributed to each shareholder who voted for the management proposal, and who are not present or represented at the Meetings be distributed proportionally in equal percentages among the members who compose the slate submitted herein.

Additionally, if one of more members of the slate quit or renounce their candidacy, management proposes that the votes attributed to each shareholder voting for the management proposal be maintained for the remaining members of the slate, in other words, distributed proportionally in equal percentages among the remaining members who continue as candidates.

To this end, if necessary, shareholders voting for the slate proposed by management agree and authorize by means of the options available in the BVD system, that their votes be distributed among the remaining slate candidates in the form described above.

[5] ELECT THE MEMBERS OF THE FISCAL COUNCIL AND RESPECTIVE ALTERNATES

Management proposes for election, for the same term through the date of the Company's Annual General Meeting to be held in 2022, the slate for Fiscal Council members shown below. The resumes of the effective members and alternates who compose the slate are shown on Attachment 8.3 attached to this Proposal, under the terms of Article 10, Section I, of the CVM Instruction no. 481/09:

EFFECTIVE MEMBERS	ALTERNATES
PEDRO WAGNER PEREIRA COELHO	PATRÍCIA VALENTE STIERLI
ALVARO BANDEIRA	WILIAM DA CRUZ LEAL
DANIELA MALUF PFEIFFER	SALETE GARCIA PINHEIRO

We provide below, the names of candidates nominated by shareholders VICTOR ADLER and VIC DISTRIBUIDORA DE TÍTULOS E VALORES MOBILIÁRIOS S.A. for positions of Incumbent Member of Fiscal Council and Alternate, for the vacancy related to Article 161, Paragraph 4º., Clause "a", of Law no. 6.404/76, for separate voting by shareholders with preferred Company shares, as per Notices to Shareholders (*Avisos aos Acionistas*) issued on February 23 and 26, 2021.

EFFECTIVE MEMBERS	ALTERNATES
RAPHAEL MANHÃES MARTINS	CRISTIANE DO AMARAL MENDONÇA

The candidates nominated above filed a statement at the Company headquarters, under penalty of the law, which are not impaired to perform the company management due to criminal conviction and that they meet all the conditions described in Article 162 of Law no. 6404/76.

The Company requests to the Shareholder who want to indicate an alternate stale to stand for vacancies of member of the Fiscal Council, to inform to the Company about this subject, in written, at least 05 (five) days in advance of the date of holding the Meeting, as provided in Paragraphs §2° and §4° of article 25 in the Articles of Incorporation of the Company. The Company will ensure to the candidates the same transparence provided to candidates indicated by the Management.

AT THE EXTRAORDINARY MEETING:

(6) APPROVAL OF THE LONG-TERM SHARE-BASED INCENTIVE PLAN ISSUED BY THE COMPANY FOR THE CHIEF EXECUTIVE OFFICER

The Company believes it is necessary to stimulate engagement of its CEO through alignment of his interests to those of its shareholders and position adequately hist compensation package towards the best market practices.

For such purpose, the proposition is to implement a long-term share-based incentive plan, for the next 44 months, until December 2024, which seeks to position the CEO`s compensation in the 90 percentile of the comparable market, with shares being fully delivered only at the end of the contract.

The share delivery, and therefore the Plan itself, is conditioned to reaching a superior performance, greater than the one provided in the Company`s business plan, focused on objectives related to growth and diversification of revenues, increase in efficiency and productivity, sustainable return on investments made throughout the transformation plan and appreciation of the Company`s share price.

The Plan will be managed by the Board of Directors, who may grant the beneficiary, in a single delivery, shares up to 0.10% of the Company`s total Equity on the approval date of the Share Granting Plan.

Complete information related to the Share Granting Plan for the CEO as per Attachment 13 CVM Instruction no. 481, to be found in Management Proposal.

BACK

Oi S.A. – In Judicial Reorganization
Federal Taxpayers' Registry (CNPJ/ME) No. 76.535.764/0001-43
Board of Trade (NIRE) No. 3330029520-8
PUBLICLY-HELD COMPANY

CALL NOTICE

ANNUAL AND EXTRAORDINARY GENERAL MEETING

The Board of Directors of Oi S.A. – In Judicial Reorganization ("Company" or "Oi") calls Shareholders to attend the Annual and Extraordinary General Meeting to be held on April 30, 2021 ("AEGM"), at 2 p.m., at the Company's headquarters located at Rua do Lavradio No. 71, Centro, in the City of Rio de Janeiro, RJ, to deliberate on the following items:

AT THE ANNUAL GENERAL MEETING:

(1) Analysis of management accounts, examine, discuss and vote on the financial statements for the fiscal year ended on December 31, 2020.

(2) Define Allocation of the results of the fiscal year ended on December 31, 2020.

(3) Define the amount of overall annual compensation for Company management and Fiscal Council members.

(4) Elect the slate indicated by the Company management for the composition of the Board of Directors.

(5) Elect members of Fiscal Council and their respective alternates.

AT THE EXTRAORDINARY GENERAL MEETING:

(6) Approval of the Long-Term Incentive Plan based on share issued by the Company for the Chief Executive Officer.

GENERAL INSTRUCTIONS

1. The documentation and information relating to matters to be deliberated at the Meeting are available at the Company's headquarters, in the Management's Proposal and in the Shareholders' Participation Manual, available on the Company's Investors Relations page (www.oi.com.br/ri), as well as on the website of the Brazilian Securities Commission ("CVM") website (www.cvm.gov.br) pursuant to CVM Instruction 481/09, and on the B3 S.A. - Brasil, Bolsa, Balcão ("B3") website (http://www.b3.com.br/), for the purpose of examination by the Shareholders.

2. Holders of preferred shares shall have the right to vote on all matters subject to deliberation and included on the Agenda of the AEGM called herein, pursuant to Paragraph 3 of Article 12 of the Company's Bylaws and Paragraph 1 of Article 111 of Law No. 6,404, enacted on December 15, 1976, as amended from time to time (the "Brazilian Corporation Law"), and shall always vote jointly with the common shares.

3. Shareholders interested in requesting adoption of the multiple voting process in the election of members of the Board of Directors must meet the legal requirements and represent at least 5% of the voting capital, under the terms of CVM Instructions 165/91 and 282/98.

IN-PERSON PARTICIPATION

4. Considering the COVID-19 (Coronavirus) pandemic, Oi will have limited staff and will adopt strict Public health measures, both to preserve the health of participants and mitigate the risks of transmission. Such measures will include, among others, holding the AEGM in a large auditorium, adopting social distancing protocols and supplying disposable masks and hand sanitizers.

5. In order to expedite the registration process and increase the safety of all the participants, Shareholders attending the Meetings, either in person or by proxy, are asked to send scanned copies of the following documents in pdf format to the Company's email address, invest@oi.net.br, by 6:00 p.m. on April 28, 2021. Alternatively, such documents may be delivered to the Company's headquarters, at Rua Humberto de Campos No. 425, 5th Floor, Leblon, in the City and State of Rio de Janeiro, from 9:00 a.m. to 12:00 p.m. or from 2:00 p.m. to 6:00 p.m., by April 28, 2021, in care of the Corporate Affairs and M&A Department (*Gerência Societário e M&A*): (i) if the participant is a corporate entity, copies of the Articles of Incorporation, Bylaws or Articles of Association, minutes of the election of the Board of Directors (if any) and minutes of the election of the Board of Executive Officers, which reflects the election of the legal representative(s) who will be present at the Meetings; (ii) if the participant is an individual, copies of the Shareholder's identification document and the Individual Taxpayer Registration Number (CPF); and (iii) if the participant is an investment fund, copies of the fund's organizational document (Regulamento) and the Bylaws or Articles of Incorporation of the Fund's manager, as well as minutes reflecting the election of the legal representative(s) who will be present at the meeting. In addition to the documents mentioned in items (i), (ii) and (iii) above, in the event that a Shareholder is represented by a proxy, such Shareholder must also

provide the respective power-of-attorney with special powers and copies of the proxy's identification document and Individual Taxpayer Registration Number (CPF).

6. The Shareholders participating in the Fungible Custody of Registered Shares of the Stock Exchange who wish to attend the Meetings must submit a statement, issued by the relevant organ, demonstrating their ownership stake, no more than two (2) business days prior to the Meetings.

7. As an exception, Oi will not require compliance with formalities for signature certification, authenticated copies, apostille, and sworn translation of the abovementioned documentation.

REMOTE VOTING

8. Oi recommends and encourages its Shareholders to participate remotely in the GSM and exercise their right to vote on the resolutions included in the Agenda through the Remote Voting Bulletin, as made available by the Company on Oi's Investor Relations website and on the websites of the CVM and B3, together with the other documents to be discussed at the AEGM, observing the guidelines contained in the Distance Voting Bulletin, in accordance with CVM Instruction 481/09, as amended by CVM Instruction Nos. 561/15 and 570/15.

9. The Shareholders may submit their Remote Voting Bulletin through their respective custody agents or directly to the Company.

10. In order to facilitate and encourage remote voting, the Shareholders who choose to submit their Remote Voting Bulletin directly to the Company, should forward such bulletins by email to invest@oi.net.br by April 23, 2021. The document must be completed and submitted in PDF format and duly signed. In addition, all relevant documentation that accompanies the Remote Voting Bulletin must be sent in PDF format. The Shareholders will not be required to physically send originals and certified copies of the Remote Voting Bulletin and relevant documentation to the Company's address. The signature certification and authentication requirements have also been waived.

11. Oi will confirm receipt of the documents and inform the Shareholder, through the email address provided in the Remote Voting Bulletin, whether the submitted documents are sufficient for the vote to be considered valid or, alternatively, which procedures and deadlines are required for correction or resubmission, if applicable

REMOTE MEETING PARTICIPATION

12. The Company will provide remote access to the AEGM for Shareholders who wish to participate remotely. However, it will not be possible to give any opinions nor exercise voting rights through the remote follow-up system.

13. Shareholders who wish to participate remotely in the AEGM must request such access no more than 24 hours prior to the meeting (thus 2 p.m., Brasília time, on April 29, 2021), by email to invest@oi.net.br, with the following subject line: "GSM (AGOE) – remote access", stating the full name and Individual Taxpayer Registration Number (CPF) of the individual who will participate remotely in the GSM (the Shareholder, proxy or legal representative). In order for the request to be granted, the email must also include the documents set forth in the Shareholders' Participation Manual for the GSM, disclosed on this date, in PDF format.

14. The Company will confirm receipt of the abovementioned documents and will send instructions for remote participation at the AEGM by email to those Shareholders who have submitted their requests within the timeframe and in compliance with the conditions set forth above.

15. Remote participation at the AEGM is intended exclusively for Oi Shareholders or their legal representatives. The access provided by the Company will not be transferable and shall not be given, forwarded or disclosed to any third party, regardless of whether such party is a Shareholder. Shareholders or their legal representatives who receive access are not allowed to record or reproduce, in whole or in part, the content or any information transmitted during the GSM.

16. Shareholders who follow the AEGM remotely will not be considered as attending the GSM, unless they have cast their vote using a Remote Voting Bulletin.

Rio de Janeiro, March 30, 2021.

Eleazar de Carvalho Filho
Chairman of the Board of Directors

BACK

8.1. Comments from Directors on the Company's financial situation

(Item 10 of Reference Form);

10.1. Officers' comments on:

The information below was appraised and commented by our Officers:

a) overall financial and equity position

Our Executive Committee believes that the Company and its direct and indirect subsidiaries ("Oi Group") are in an adequate financial position to offer a range of integrated telecommunication and communication products that include fixed-line and mobile telephony, data transmission (including broadband), internet and ISP services, pay TV, and other services for residential customers, small, medium-sized, and large companies, and government bodies.

A[12] Throughout 2017, we held negotiations with our creditors until the end of 2017 when we were able to approve, in a General Creditors' Meeting, the Judicial Reorganization Plan of the Oi Companies ("Plan" or "JRP"), effective for a two-year period, as provided for by Law 11101/2005, and the Judicial Reorganization Court issued a decision approving the JRP on February 8, 2018, published on February 5, 2018 ("Plan Ratification"). During this period, the Oi Companies implemented the Plan as prescribed.

On December 6, 2019, we released a Material Fact Notice informing that the Oi Companies filed a petition with the Judicial Reorganization Court requesting that the court oversight of the Oi Companies not to be terminated when the Plan's ratification completed two (2) years. The non-termination of the court oversight did not change the position of the Oi Companies and had no impact on the compliance with the Plan in force or on current receivables, or any other new funds that were obtained by the Oi Companies. It is worth noting that the continuity of court oversight at the end of the two-year period is a natural measure that has been applied in most judicial reorganization proceedings.

On February 28, 2020, the Company released a Material Fact Notice informing its shareholders and the market in general that on that date the Oi Companies filed with the Judicial Reorganization Court a petition exposing its interest in submitting for deliberation to a new general creditors' meeting ("New GCM") an amendment to the Plan ("Amendment to Plan" or "amendment to the JRP") aimed at achieving greater operating and financial flexibility to continue its investment project and the compliance with its strategic transformation plan ("Strategic Plan").

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[1] Company merged with and into Oi in March 2019.
[2] Company merged with and into Telemar in January 2019.

In line with the foregoing, on March 6, 2020, we disclosed a Material Fact Notice to shareholders, Judicial Reorganization creditors, and to the general market, informing that the Judicial Reorganization Court awarded a decision, on the same date, granting our request for a New General Creditors' Meeting to decide on an amendment to the Plan, prescribing that:

(i) the Oi Companies filed with the court, within 180 days from the decision's issue date, the draft amendment to the JRP; and

(ii) the Trustee organized the New General Creditors' Meeting (GCM) within 60 days from the submission of the draft amendment to the JRP.

On June 15, 2020, the Oi Companies filed with the Judicial Reorganization Court the draft Amendment to the JRP for the purposes of increasing the flexibility of the Original JRP by creating a more efficient corporate and operating structure, aiming at maximizing the Company's value to the benefit of all its stakeholders. This initiative is fully aligned with the Strategic Plan, which is being implemented with absolute transparency.

On August 13, 2020, the Oi Companies filed with the Judicial Reorganization Court an updated draft of the Amendment to the JRP that adjusts certain terms and conditions. This proposal reflected the several discussions with creditors, potential investors, and other stakeholders, including discussions held with the mediator appointed by the Judicial Reorganization Court, for the purpose of discussing improvements to the Amendment to the JRP.

The Amendment to the JRP was submitted to the vote of the Debtors' creditors and approved at the New GCM held on September 8, 2020, which after being regularly installed after the first order to convene, approved the Amendment to the JRP. The Amendment to the JRP was confirmed by the Judicial Reorganization Court on October 5, 2020, in a decision issued on October 8, 2020 that rejected all the allegations of procedural nullity of the New GCM, ruling out the allegation of unequal treatment among creditors and rejecting the requests for nullity of the voting and approval quorum of the Amendment to the JRP because it did not include any drafting and unresolve issues and, among other measures, has set a twelve-month period for ending the Debtors' judicial reorganization, beginning on the date of said decision issue date, which may be extended, should there be a need to complete the acts relating to the disposals provided for in the Amendment to the JRP.

As at December 31, 2020, the Company's overall liquidity, measured by our aggregate current and non-current assets less the aggregate current and non-current liabilities, was positive by R$7,769 million (positive by R$17,797 million as at December 31, 2019 and positive by R$22,896 million as at December 31, 2019).

b) capital structure

As at December 31, 2020, the Company's fully subscribed and paid-in share capital was (i) R$32,538,937,370.00 million, represented by 5,796,477,760 registered common shares and 157,727,241 registered preferred shares, shares without par value.

We highlight that:

On March 5, 2018, our Board of Directors approved the conditions for a capital increase of the Company through the capitalization of Qualified Bondholders' claims, with the issuance of common shares and subscription warrants, which would be attributed to the underwriters of the shares subject to the capital increase ("Capital Increase - Claim Capitalization"), as provided for by the Plan.

On July 20, 2018, after checking the results of the subscription of new common shares by our shareholders by exercising their preemptive rights and by the holders of Qualified *Bondholders*' Claims, through the capitalization of their claims, our Board of Directors partially ratified the Capital Increase – Claim Capitalization, by issuing 1,514,299,603 new registered, book-entry common shares without par value, at the issue price of R$7.00 per share, totaling R$10,600.097.221.00. The same Board of Directors' meeting ratified the issue of 116,480,467 subscription warrants as an additional gain to the subscribers of the shares subject matter of the Capital Increase – Claim Capitalization ("Subscription Warrants"), with the delivery of 5,197 subscription warrants to the shareholders who exercised their preemptive rights and the remaining Qualified Bondholders.

On July 27, 2018, with the end of the Qualified Bondholders' settlement procedure, the Company recognized the additional accounting impacts of the transactions described above, with the consequent reduction of profit for the year by approximately R$31 million, the decrease in financial liabilities by approximately R$21 million, and the decrease in the capital reserve – Qualified Senior Notes mandatorily convertible into shares and others by approximately R$10 million.

The Subscription Warrants could be exercised, at the exclusive discretion of their holders, up to and including January 2, 2019. Because of the Subscription Warrants exercised during this period, we issued 116,189,340 registered common shares without par value. The Subscription Warrants not exercised within the deadline and the *American Depositary* Warrants representing Subscription Warrants not exercised by December 26, 2018 were forfeited and can no longer be exercised.

On October 26, 2018, our Board of Directors approved a capital increase of R$4,000,000,000 by means of a private issue of 3,225,806,451 new common shares, pursuant to Clause 6 of the Plan, which was completed on January 25, 2019 ("Capital Increase - New Funds").

Also on January 25, 2019, in strict compliance with the Plan and the Subscription and Commitment Agreement, entered into between the Company and certain investors and investment fund administrators ("Backstoppers") on December 19, 2017 (as amended, the "Commitment Agreement"), another 272,148,705 registered common shares issued by the Company, without par value ("Commitment Shares"), were subscribed and paid in at the issue price of R$1.24 per share, in the form of American Depositary Shares, which were delivered to Backstop Investors who opted to receive in shares their commitment premium, as provided for by Clause 6.1.1.3 of the Plan and the Commitment Agreement.

As a result of the Capital Increase – New Funds, the exercise of the Subscription Warrants, and the completion and ratification of the Capital Increase - New Funds, our share capital increased to R$32,538,937,370.00, represented by 5,954,205,001 shares, divided into 5,796,477,760 registered common shares and 157,727,241 registered preferred shares, without par value.

Generally, preference shares do not carry voting rights but they have priority to receive a minimum, non-cumulative dividend of 6% per year equivalent to the higher of the amount resulting from the division of share capital by the total number of Company shares or 3%

per year, calculated on the amount resulting from dividing book shareholders' equity by the total number of Company shares. However, as from our 2017 Annual Shareholders' Meeting, holders of preferred shares shall have the right to vote on all matters subject to the shareholders' deliberation, pursuant to Article 12, Paragraph 3 of our Bylaws and Article 111, Paragraph 1, of Law 6404/76 (Brazilian Corporate Law), and shall vote jointly with the holders of common shares.

Our capital structure, in terms of percentage of equity and third-party capital was as follows: as at December 31, 2020, 12% of equity and 88% of third-party capital, as at December 31, 2019, 2019, 25% of equity and 75% of third-party capital, and as at December 31, 2018, 35% of equity and 65% of third-party capital.

There is no provision in our bylaws for the redemption of shares issued by the Company other than those legally provided for, which may, therefore, occur pursuant to Article 44 of the Brazilian Corporate Law. Finally, it is worth clarifying that we manage our capital structure in accordance with best market practices and the objective of capital management is to ensure that liquidity levels and financial leverage allow the sustained growth of the Group, the compliance with our strategic investment plan, and generating returns to our shareholders.

We may change our capital structure, according to existing economic and financial conditions, to optimize our financial leverage and debt management.

The indicators commonly used to measure capital structure management are: gross debt to accumulated twelve-month EBITDA (earnings before interest (financial income and expenses), taxes, depreciation and amortization, and other nonrecurring results), net debt (gross debt less cash and cash equivalents and cash investments) to accumulated twelve-month EBITDA, and the interest coverage ratio.

c) ability to pay undertaken financial commitments

On July 31, 2018, we completed our financial debt restructuring with the implementation of the applicable terms and conditions provided for in the JRP, pursuant to the notice to the market released by us on the same date.

Debt maturities and payment events have been structured based on our expected of future cash generation so that we would be able to discharge all our obligations

According to the original Plan, we could, if necessary, raise additional debt in the amount of up to R$4.5 billion, of which R$2.5 billion was raised in December 2019.

With the Amendment to the JRP, the was a change in the ability to raise further borrowings by Company and its subsidiaries. In addition to the R$4.5 billion provided for in the original Plan, the Oi Group has the flexibility to raise up to an additional R$7 billion, of which: (a) R$5 billion may be raised through a bridge loan for the prepayment of part of the disposal price of the UPI Mobile Assets ("Bridge Loan"); and (b) R$2 billion may be raised for the replenishment of Oi Companies' cash as a result of the payment of post-petition debts or the compliance and/or renegotiation of their obligations assumed with post-petition creditors. If the Bridge Loan does not reach the R$5 billion threshold, the difference between said threshold and the amount actually raised may be added to the threshold described in letter (b), which will be R$2 billion plus said verified difference.

The EBITDA-to-Debt Service ratio was 7.38 as at December 31, 2020, compared to 5.53 as at December 31, 2019. The Net Debt-to-EBITDA ratio was 3.74 as at December 31, 2020, compared to 2.65 as at December 31, 2019.

In millions of Brazilian reais	2020	2019	2018
Short-term debt	425	326	673
Long-term debt	25,919	17,900	15,777
Total Debt	26,344	18,227	16,450
EBITDA	5,845	6,015	5,851
Cash and Cash Equivalents	4,302	2,266	4,587
Debt Service	1,088	1,088	1
Net Debt-to-EBITDA	3.,77	2.65	2.03
EBITDA-to-Debt Service	5.53	5.53	4,490.03

The following definitions and criteria were adopted for the purpose of calculating the financial ratios:

- Debt Service: sum of Total Debt interest paid in the last four consecutive fiscal quarters. This calculation excludes foreign exchange differences and inflation adjustments on debt and cash and, finally, expenses arising on provisions (which did not have any impact on cash flows, but only on accounting records).
- Net Debt: Total Debt less the sum of Cash and Cash Equivalents.

d) funding sources used for working capital and investment in non-current assets

The main source for funds for the Company are the cash flows generated by operating activities. The cash flow used in operating activities in the year ended on December 31, 2020, was of R$4,407 million, cash flows used in the operating activities in 2019, totaled of R$2,190 million, and cash flows generated in 2018 totaled R$2,863 million.

e) funding sources for working capital and investments in non-current assets that we intend to use to cover liquidity deficiencies

The sources of funding for working capital and for investments in non-current assets that we may use to cover eventual liquidity deficiencies are the same as those listed in item "d", i.e., in accordance with the limitations of Law 11101/2005 and other laws to which we are subject, as well as observing the provisions of the Plan applicable to each case:

- cash flows generated by operating activities;
- short- and long-term loans;
- sale of assets; and
- issue of debt securities in the domestic and international capital markets.

As mentioned in item "d", our main source of funds are the cash flows generated by the operating activities. The cash flows generated by operating activities in the years ended December 31, 2020, 2019 and 2018 was R$4,407 million, R$2,190 million, and R$2,863 million, respectively.

f) debt levels and debt features, describing: (i) relevant loan and financing agreements; (ii) other long-term relationships with financial institutions; (iii) degree of subordination between debts; and (iv) any restrictions imposed on the Company, particularly in relation to debt limits and raising new debts, dividend distribution, asset sales, issue of new securities, and the sale of corporate control, as well as whether we have been complying with these restrictions.

In our regular-way business activities, we use capital market funding, bilateral loans, and credit facilities with the BNDES and Export Credit Agencies ("ECAs") to fund our investment plan, debt refinancing, and working capital. In the fiscal year ended December 31, 2020, the debentures issued by Oi Móvel in December 2019 were subscribed for an aggregate amount of R$2.5 billion and the related consolidated principal and interest payments totaled R$11 million and 792 million, respectively. In the fiscal year ended December 31, 2019, no funds were raised and the consolidated total of principal repayment and interest payment was R$12 million and R$923 million, respectively. In the fiscal year ended December 31, 2018, no funds were raised and there was no principal repayment and total consolidated interest payment was R$1.3 million.

In the years ended December 31, 2020, 2019 and 2018 the Company's consolidated debt was R$26,351 million, R$18,227 million, and R$16,450 million, respectively. In the fiscal year ended December 31, 2020, our financial expenses totaled R$17,662 million, of which R$2,099 million corresponded to interest on third-party loans and interest on debentures. The increase in the Company's debt level is primarily due to the steep devaluation of the Brazilian real against the US dollar in the period, of 28.9%, in addition to the domestic uncertainties related to the political and fiscal matters. Added to this is the provision of monthly interest on local- and foreign currency-denominated debt and the recognition of the adjustment to present value, which increases debt at each period. Finally, it is worth noting that in early 2020 the Company issued privately placed debentures totaling approximately R$2,500 million, as provided for by the Judicial Reorganization Plan (JRP). Beginning in the year ended December 31, 2019, we returned to business as usual from an accounting standpoint, with financial expenses consisting primarily of, but not limited to, interest on loans and other liabilities, inflation adjustments and foreign exchange differences, taxes on financial transactions, where applicable. It is worth noting that for the year ended December 31, 2018, the Company had recognized gains related to the debt restructuring, namely accrued interest and exchange difference reversals from June 20, 2016 through December 31, 2017, the haircut of qualifying bonds and non-qualifying instruments, in addition to the fair value adjustment. As a result of recognizing these adjustments, we recognized financial income totaling R$31,025 million. At the same time, new debt conditions as from February 5, 2018 represented financial expenses totaling R$4,342 million, of which R$1,793 million corresponded to interest on loans and debentures payable.

As at December 31, 2020, total debt amount (as defined by OFFICIAL LETTER/CVM/SEP/N°01/2021, for item "3.7" of the Reference Form) was R$66,092 million (R$54,095 million at December 31, 2019 and R$42,542 million at December 31, 2018) and the debt ratio (current liabilities plus non-current liabilities to shareholders' equity attributable to the owner of the Company) was positive by 7.08 (positive by 3.06 at December 31, 2018 and positive by 1.88 at December 31, 2018).

Historically, the interest rates paid by the Company depend on a number of factors, including prevailing interest rates in the Brazilian and international markets and our risk assessments, the industry in which we operates and the Brazilian economy, made by potential creditors, potential buyers of our debt securities, and the rating agencies that rate the Company and our debt securities. The conclusion of the Plan negotiation with our creditors set the terms and conditions of the interest rates paid by us on the novated debt.

In 2018, Standard & Poor's and Fitch resumed disclosures of our ratings and our debt securities. Any downgrade of this new rating could result in an increase in interest and other financial expenses on our borrowings and debt securities issued in the future, and could adversely affect our ability to obtain financing on satisfactory terms or at the amounts require by us. The tables below show the progress of our debt related to borrowings and financing on the respective dates:

The tables below show the progress of our debt related to borrowings and financing on the respective dates:

Borrowings and financing by type

In millions of Brazilian reais	2020	2019	2018	Maturities
Senior Notes - foreign currency	**9,000**	**6,981**	**7,068**	Jul 2025
Public debentures	**10,852**	**7,111**	**6,789**	Aug 2023 to Feb 2035
Financial institution				
Local currency				
BNDES	4,257	3,947	3,616	Mar 2024 to Feb 2033
Other	2,102	2,071	1,907	Jan 2020 to Feb 2035
Foreign currency	**8,825**	**6,726**	**6,353**	Aug 2023 to Feb 2035
Foreign currency multilateral financing	**493**	**360**	**326**	Aug 2024 to Feb 2030
Default payment				
Local currency	207	207	207	Feb 2038 to Feb 2042
Foreign currency	5,783	4,239	4,125	Feb 2038 to Feb 2042
Subtotal	**41,519**	**31,642**	**30,391**	
Incurred debt issuance cost	(27)	(14)	(12)	
Fair value adjustment (*)	(15,148)	(13,401)	(13,929)	
Hedge	7			
Total	**26,351**	**18,227**	**16,450**	
Current	432	327	673	
Non-current	25,919	17,900	15,777	

(*) Calculated taking into consideration the contractual flows provided for in the JRP, discounted using rates that range from 12.6% per year to 16.4% per year, depending on the maturities and currency of each instrument.

Debt breakdown by currency

In millions of Brazilian reais	2020	2019	At December 31 2018
Euro	590	311	199
US dollar	16,252	9,210	8,618
Brazilian reais	9,502	8,706	7,633
Total	**26,344**	**18,227**	**16,450**

(*) Total in 2020 does not include the R$7 balance in hedges

Debt breakdown by index

In millions of Brazilian reais	2020	2019	At December 31 2018
Fixed rate	15,981	9,079	8,562
LIBOR			
CDI	5,185	4,695	3,950
TJLP	4,256	3,947	3,615
IPCA			
INPC			
TR	31	23	14
Other	892	483	309
Total	**26,344**	**18,227**	**16,450**

(*) Total in 2020 does not include the R$7 balance in hedges

(i) relevant borrowings and financing agreements[3]

As a result of the ratification of the JRP, the borrowings and financing of Oi Companies in local and foreign currencies were novated and the related balances were recalculated in accordance with the terms and conditions of the Plan and Law 11101/2005.

Local currency-denominated financing

Collateralized claims

Credit facilities entered into with Banco Nacional de Desenvolvimento Econômico e Social - BNDES ("BNDES")

Before the Judicial reorganization, our Company and its subsidiaries obtained financing facilities with BNDES to finance the expansion and quality improvement of their fixed and mobile nationwide networks and meet their regulatory obligations.

As a result of the ratification of the Plan, financing facilities obtained by the Oi companies with BNDES were novated pursuant to the terms and conditions provided for by Appendix 4.2.4 to the JRP.

Subsequently, as a result of the Confirmation of the Amendment to the JRP, the terms and conditions of the financing lines contracted by the Oi Companies with BNDES were adjusted pursuant to the terms and conditions set forth in Appendix 4.2.4 to the Amendment to the JRP.

[3] Obligations, charges and payment dates subject to change as per the JRP and Law 11101/2005.

The table below shows selected information on the financing facilities that we obtained with BNDES and are in effect as at December 31, 2020:

Borrowing	Balance (R$ million)	Interest	Amortization	Maturity
Oi Móvel				
BNDES TJLP	1,256	TJLP + 2.95%	Monthly	Feb 2033
Telemar				
BNDES TJLP	1,911	TJLP + 2.95%	Monthly	Feb 2033
Oi S.A.				
BNDES TJLP	1,089	TJLP + 2.95%	Monthly	Feb 2033

Restructuring I

Public debentures

As set forth in the JRP, some creditors elected to renew their old claims to receive new claims under the option translated into the debenture issue by Oi and Telemar, according to the terms and conditions set forth in Exhibit 4.3.1.2(A1) to the JRP. The 12th public issue of simple, nonconvertible, unsecured debentures, in a single series, was undertaken by Oi on February 5, 2018 and subscribed on July 30, 2018. The 6th public issue of simple, nonconvertible, unsecured debentures, in a single series, was undertaken by Telemar on February 5, 2018 and subscribed on July 30, 2018. For further information on debenture issues, see items "18.5", "18.8", and "18.12" of this Reference Form.

The Amendment to the JRP made certain changes to the terms and conditions of the public debentures issued in connection with the JRP, as provided for by Appendix III to the Amendment to the JRP, including the early payment obligation of the full balance of the debentures in the events described in Clause 5.4 of the Amendment to the JRP and subclauses thereof and the possibility for the Oi Companies to hold reverse auctions to for the prepayment of prepetition claims, including debentures, as described in Clause 4.7 of the Amendment to the JRP and subclauses thereof.

Financing Agreements

Real-denominated financing lines

As set forth in the JRP, some creditors elected to renew their old claims in order to receive their new claims under the Financing in Brazilian reais option, according to the terms and conditions set forth in Appendix 4.3.1.2 (A2) to the JRP. Subsequently, as a result of the Confirmation of the Amendment to the JRP, the guarantee terms and conditions of the real-denominated financing lines provided for by Appendix 4.3.1.2-(A2) to the JRP were adjusted pursuant to the new terms and conditions set forth in the Amendment to the JRP.

Foreign currency-denominated financing

ECA credit facilities

Before the Judicial Reorganization, we and Telemar obtained financing facilities with international export credit agencies for the purpose of funding part of their investments in equipment and services that incorporate international technology.

As a result of the ratification of the JRP, financing facilities obtained by the Oi companies with international export credit agencies were novated pursuant to the terms and conditions provided for by Appendix 4.3.1.2 of the JRP.

The Amendment to the JRP made certain changes to the terms and conditions of financing agreements entered into by the Oi Companies with international export credit agencies in connection to the JRP, as provided for by Appendix IV to the Amendment to the JRP, including the early payment obligation of the full balance of the claims in the events described in Clause 5.4 of the Amendment to the JRP and subclauses thereof and the possibility for the Oi Companies to hold reverse auctions to for the prepayment of prepetition claims, including Oi Companies' payables to the international export credit agencies, as described in Clause 4.7 of the Amendment to the JRP and subclauses thereof.

Senior Notes

As set forth in the JRP, those creditors whose claims were related to the old *Senior Notes* issued by Oi, PTIF and Oi Holanda were individualized before the Judicial Reorganization Court in order to renew their old notes ("*Senior Notes*"), in exchange for (i) new notes issued by Oi and/or (ii) through financing agreements entered into with Oi, according to the terms and conditions set forth in Appendix 4.3.3.1 (F) and Appendix 4.3.3.3 (F) of the JRP, respectively. On July 27, 2018, the Indenture governing the terms and conditions of the Senior Notes was executed, under New York Law, as applicable ("Indenture"). For further information on the issues of *Senior Notes* by Company and its subsidiaries, see items "18.5" and "18.8" of this Reference Form.

On February 18, 2021, the Company announced the commencement of the Consent Request made to the holders of the Senior Notes to adopt certain proposed amendments to align certain provisions of the Indenture with the terms of the Amendment to the JRP. The deadline for the holders of the Senior Notes to express their consent, after its extension, is April 1, de 2021.

Offering – Capital Increase – New Funds

On November 13, 2018, the Company disclosed a Notice to Shareholders on the terms and conditions of the Capital Increase – New Funds, including the terms and conditions for the exercise of the preemptive right in the subscription of the New Common Shares, as well as a Notice to Holders of ADSs on the terms and conditions of the preemptive rights offer held in the United States and other countries outside of Brazil, with regard to the Capital Increase – New Funds ("Rights Offer").

On December 5, 2018, we disclosed a Notice to the Market confirming the issue of 3,314,745 Common Shares and the delivery of these Common Shares to the holders of Subscription Warrants who exercised their warrants starting October 25, 2018 up to December 3, 2018, including Subscription Warrants represented by 662,949 ADWs exercised starting October 19, 2018 up to November 27, 2018.

On December 11, 2018, we disclosed a Notice to Shareholders and Notice to Holders of ADSs informing the extension of the deadline to exercise the preemptive right in the Capital Increase – New Funds to January 4, 2019, by decision of the Board of Directors.

On December 19, 2018, the Company disclosed a Notice to Holders of ADSs informing that it changed certain terms of the Rights Offer. We entered into an amendment to the Commitment Agreement, under which the Backstoppers holders of 60% of the total amounts of the Backstop commitments ("Majority of the Backstoppers") agreed to extend the deadlines and waive certain pending conditions precedent to finance our Backstop Commitments, including the requirement to publish the updated General Universal Service Targets Plan ("New PGMU"). We also informed that we would pay to the ADS Depository the ADS issue rate of the New Common ADSs. As a result, the Deposit Amount of the New Common ADSs would no longer be used to pay the ADS issue rate, which would increase the portion returned to the holders of Common ADSs Rights who exercised their Common ADSs Rights to subscribe the initial New Common ADSs or New Common ADSs Surpluses.

On January 4, 2019, we disclosed a Notice to the Market confirming the issue of 275,985 Common Shares and the delivery of these Common Shares to the holders of Subscription Warrants who exercised their warrants starting December 4, 2018 up to January 2, 2019, including Subscription Warrants represented by 55,197 ADWs exercised starting November 28, 2018 up to December 26, 2018. The Subscription Warrants not exercised up to and including January 2, 2019 and the ADWs not exercised up to and including December 26, 2018 were forfeited and could no longer be exercised.

Post-petition Financing

On December 23, 2019, the Company disclosed a Material Fact Notice informing that its subsidiary Oi Móvel entered into a 1st issue indenture of collateralized, simple, nonconvertible debentures, with additional trust security, in a single series, for private placement, in the total amount of up to R$2,500,000,000.00 ("Oi Móvel Debentures" and "Oi Móvel Issue", respectively). The main features of the Oi Móvel Issue and the Oi Móvel Debentures are as follows: (i) Term and Maturity Date: twenty-four (24) months from the issue date, except in the case of early redemption and early maturity of the Debentures set forth in the Oi Móvel Debenture Indenture; (ii) Interest: U.S. dollar foreign exchange fluctuation plus interest of (i) twelve point sixty-six percent (12.66%) per year (PIK) for the first twelve months after the first repayment is made; and (ii) thirteen point sixty-one percent (13.61%) per year thereafter; and (iii) Guarantees: the Oi Móvel Debentures will be backed by collaterals and trust guarantees provided by Oi Móvel, the Company, and Telemar.

The Oi Móvel Issue was approved based on the provisions of Clause 5.3 of the original Plan and is part of the context of post-petition financing, in the Debtor in Possession Financing ("DIP Financing") modality.

Continuing the Material Fact Notice disclosed on December 23, 2019, the Company disclosed a Notice to the Market on February 4, 2020, informing shareholders and the market in general that the subscription and payment of the Oi Móvel Issue had been completed for private placement in the amount of R$2,500,000,000.00.

On December 18, 2021, the Company disclosed a Material Fact Notice informing that its subsidiary Brasil Telecom Comunicação Multimídia S.A. ("InfraCo") had entered into an issue indenture of collateralized, simple, nonconvertible debentures, with additional trust security, in a single series, for private placement, in the total amount of up to R$2,500,000,000.00 ("InfraCo Debentures" and "InfraCo Issue", respectively). The main features of the InfraCo Issue and the Infraco Debentures are as follows: (i) Term and Maturity Date: twenty-four (24) months from the issue date, except in the case of early redemption and early maturity of the InfraCo Debentures set forth in the Debenture Indenture; (ii) Interest: unit par value adjusted using the accumulated National Broad Consumer Price Index (IPCA) variance, plus interest of 11% per year; (iii) Guarantees: the InfraCo Debentures shall be backed by collateral and a trust security provided by InfraCo; (iv) Conversion: the InfraCo Debentures shall be convertible into redeemable preferred shares representing the majority of InfraCo's voting shares; and (v) Subscription: the InfraCo Debentures must be subscribed and paid-in by April 15, 2021, with the possibility of part of the issue being subscribed and paid on by May 7, 2021, as agreed between the parties.

The leading underwriter of the Infraco Debentures is Brookfield Asset Management and the other underwriters are Farallon Latin America Investimentos and Prisma Capital.

The InfraCo Issue was approved pursuant to the provisions of Section 5 of the Amendment to the JRP. As provided for by the Amendment to the JRP, the Company, through its subsidiaries Oi Móvel and Telemar, shall hold a call option on all the preferred shares held by the Debentureholders as a result of the possible Conversion of the Infraco Debentures into Infraco preferred shares. The actual InfraCo Issue is subject to the authorizations and compliance with certain conditions precedent set forth in the relevant Issue Indenture.

(ii) other long-term relationships with financial institutions

N.A.

(iii) degree of subordination between debts

The Company's debt includes collateralized and/or unsecure debts. Collateralized debts have the preferences and prerogatives granted under the law.

For further information about the degree subordination of our debts, see items "3.8" of this Reference Form.

(iv) any restrictions imposed on the issuer in connection with the debt limits and contracting new debts, dividend distribution, asset disposal, issue of new securities, and disposal of corporate control, as well as if we have been complying with these restrictions.

Pursuant to the terms and conditions of the financing facilities contracted by the Oi Companies with one of their financial creditors, the Company and its subsidiaries Telemar and Oi Móvel had the obligation to comply, on a quarterly basis, with four of the following financial ratios based on the Oi S.A. consolidated financial statements:

a) Total Financial Debt-to-EBITDA: equal to 4.0 or lower;

b) EBITDA-to-Debt Service: equal to 1.75 or higher;

c) (Short-term Debt – Cash and Cash Equivalents)-to-EBITDA: equal to 0.70 or lower;

d) Equity-to-Total Assets: equal to 0.25 or higher;

e) [EBITDA - (Income Tax + Social Contribution)]-to-[Depreciation + (Financial Expenses - Financial Income)-to-Prior Year's Closing Cash and Cash Equivalents]: equal to 1.30 or higher.

For the year ended December 31, 2020, in line with the provisions of the Plan, as amended, BNDES (Brazilian development bank) agrees that, as of the Court Confirmation of the Amendment to the JRP and until the first of the financial settlement of the disposal of the UPI Mobile Assets or by May 30, 2022, the obligation to comply with the financial ratios set forth in the agreement shall be temporarily stayed by BNDES and, therefore, during such period, its noncompliance will not cause, among other contractually prescribed consequences, the accelerated maturity of the outstanding balance of the Oi Companies' debt.

g) limits on financing already contracted and percentages already used

Contracted and used credit facilities

On December 19, 2019, Oi Móvel entered into an issue indenture of collateralized, simple, nonconvertible debentures, with additional trust security, in a single series, for private placement, in the total amount of up to R$2,500,000,000.00, with firm guarantee of US$400,000,000.00. In January and February 2020, private debentures were subscribed for an aggregate amount of R$2,500,000.00.

Contracted and unused credit facilities

On February 18, 2021, InfraCo entered into an indenture for the issue of collateralized, simple, nonconvertible debentures, backed by collaterals, for private placement, in the total amount of up to R$2,500,000,000.00. The InfraCo debentures must be subscribed and paid-in by April 15, 2021 (or May 7, 2021, as agreed by the parties) upon compliance with certain conditions precedent set forth in the respective Issue Indenture.

Fiscal year ended December 31, 2020 compared to fiscal year ended December 31, 2019 (Consolidated - in millions of reais)

The following discussion of the results of operations is based on the Company's consolidated financial statements prepared in accordance with accounting practices adopted in Brazil. The Company's management uses operating segment information for decision-making. The Company identified only one operating segment that corresponds to the telecommunications business in Brazil.

In addition to the telecommunications business in Brazil, the Company conducts other businesses that individually or in aggregate do not meet any of the quantitative indicators that would require their disclosure as reportable business segments. These businesses refer basically to the following companies: Companhia Santomense de Telecomunicações, Listas Telefónicas de Moçambique, ELTA – Empresa de Listas Telefónicas de Angola, and Timor Telecom, which provide fixed and mobile telecommunications services and publish telephone directories, and which have been consolidated since May 2014.

The revenue generation is assessed by Management based on a view segmented by customer, into the following categories:

- Residential Services, focused on the sale of fixed telephony services, including voice services, data communication services (broadband), and pay TV;

- Personal Mobility, focused on the sale of mobile telephony services to subscription and prepaid customers, and mobile broadband customers; and
- SMEs/Corporate, which includes corporate solutions offered to our small, medium-sized, and large corporate customers.

The table below shows the components of the consolidated statement of profit or loss of the continuing and discontinued operations presented in Note 31 to the financial statements for the year ended December 31, 2020, as well as to the year-on-year percentage change, for the years ended December 31, 2020 and 2019.

	2020	2019	% Change
Residential	6,487	7,264	(10.7)
Personal mobility	6,751	7,017	(3.8)
SMEs/Corporate	5,226	5,528	(5.5)
Other services and businesses	312	327	(4.6)
Net operating revenue	**18,776**	**20,136**	**(6.8)**
Operating expenses	**(17,732)**	**(23,113)**	**(23.3)**
Depreciation and amortization	(6,937)	(6,874)	0.9
Interconnection	(467)	(487)	(4.1)
Personnel	(2,462)	(2,529)	(2.6)
Third-party services	(5,491)	(6,031)	(9.0)
Grid maintenance services	(890)	(1,014)	(12.2)
Handset and other costs	(114)	(171)	(33.3)
Advertising and publicity	(355)	(497)	(28.6)
Rentals and insurance	(2,367)	(2,576)	(8.1)
Provisions/reversals	(140)	(216)	(35.2)
Expected losses on trade receivables	(395)	(489)	(19.2)
Impairment losses	800	(2,111)	137.9
Taxes and other expenses	(250)	(111)	125.2
Other operating income (expenses), net	(236)	(7)	3,285.7
Operating income before financial income (expenses) and taxes	**(529)**	**(2,977)**	**135.1**
Financial income (expenses)	**(13,503)**	**(6,110)**	**(121.0)**
Financial income	4,227	2,662	58.8
Financial expenses	(17,730)	(8,772)	102.1
Pre-tax loss (profit)	**(14,032)**	**(9,087)**	**37.1**
Income tax and social contribution	3,502	(8)	43,887.5
Profit (loss) continuing operations	**(10,529)**	**(9,095)**	**(1.5)**

In the discussion below, references to increases or decreases in any period are made compared to the corresponding previous period, unless otherwise indicated by the context.

Net operating revenue

	2020	2019	% Change
Residential	**6,487**	**7,264**	**(10.7)**
Fixed-line voice	2,283	3,271	(30.2)
Broadband	1,375	2,014	(31.7)
DTH TV	1,517	1,714	(11.5)
Fiber	1,312	265	395.1
Mobility	**6,751**	**7,017**	**(3.8)**
Mobile phone services	6,429	6,602	(2.6)
Interconnection	237	257	(7.8)
Sale of devices and accessories (handsets, SIM cards, and other)	85	158	(46.2)
Corporate/SMEs (B2B)	**5,226**	**5,528**	**(5.5)**
Outros services	**93**	**140**	**(33.6)**
Total telecommunications in Brazil segment	**18,557**	**19,949**	**(7.0)**
Other operations	219	187	17.1
Net operating revenue	**18,776**	**20,136**	**(6.8)**

Net operating revenue decreased 6.8% in 2020, mainly due to a 10.7% reduction in net revenue from residential services, a 5.5% reduction in net revenue from SMEs/Corporate services, and a 3.8% reduction in net revenue from personal mobility.

Residential

Net operating revenue of residential services made up 34.5% of the net revenue generated by the segment for the year ended December 31, 2020. This Oi segment includes fixed-line telephony services, including voice services, data services (broadband), and pay TV.

The table below details the total number of retail lines (or accesses) and net additions (churning) for the years ended December 31, 2020 and 2019.

Revenue Generating Units (in thousands):	2020	2019	% Change
Copper	**6,564**	**10,078**	**(34.9)**
Fixed-line services	4,425	6,482	(31.7)
Broadband	2,139	3,596	(40.5)
DTH TV	**1,181**	**1,393**	**(15.2)**
Fiber	**3,965**	**1,188**	**233.8**
Fixed-line services	1,923	523	267.7
Broadband	1,954	606	222.4
Pay TV	88	59	49.2
Total	**11,710**	**12,659**	**(7.5)**

Net operating revenue from residential services decreased by 10.7% mainly due to: (1) a 7.5% drop in the number of residential RGUs, namely a 34.9% reduction of reduced lines in copper services and a 233.8% increase in fiber services.

Net operating revenue from Fixed-line Voice and Copper Broadband services

Net operating revenue from residential fixed-line services decreased 30.2% during 2020, primarily due to a 31.7% reduction in the number of residential fixed-lines in service, to 4.4 million at December 31, 2020 from 6.5 million at December 31, 2019.

Net operating revenue from residential broadband services, which includes broadband services provided over our copper networks, decreased 31.7% during 2020, primarily as a result of: (1) a 40.5% decrease in the number of residential ADSL subscribers to 2.1 million at December 31, 2020 from 3.6 million at December 31, 2019.

Copper service figures are consistent with the shrinking demand process and its increasing substitution by mobile telephony and more advanced residential service technologies, with lower latency and higher reliability, such as the case of fiber optics in broadband. In addition to lower demand for legacy products, we shift our business focus from these services to accelerate the substitution of copper by fiber optics. Thus, our sales and financial efforts were shifted to accelerating the FTTH project, in order to maximize value creation for the company.

Net operating revenue from DTH TV services

Net operating revenue from residential DTH TV services decreased by 11.5% in 2020, primarily as a result of a 15.2% decline in the number of residential pay TV subscribers to 1.2 million at December 31, 2020 from 1.4 million at December 31, 2019, the effects of which were partially offset by a 4.4% increase in average net operating revenue per subscriber. As at December 31, 2020, our DTH TV subscribers represented 10.1% of total residential copper fixed lines in service, compared to 11.0% of total residential fixed lines in service as at December 31, 2019.

Fiber

Net operating revenue from residential Fiber services increased by 395.1% in 2020, primarily as a result of a 233.8% increase in the number of residential subscribers to 4.0 million at December 31, 2020 from 1.1 million at December 31, 2019, the effects of which reflect the 48.3% 4.4% increase in average net operating revenue per subscriber. As at December 31, 2020, our Fiber subscribers represented 33.9% of total residential fixed lines in service, compared to 9.4% of total residential fixed lines in service as at December 31, 2019.

Personal mobility

Net operating revenue of the personal mobility segment made up 36% of the net revenue generated by the segment for the year ended December 31, 2020. This segment includes the sale of prepaid and subscription mobile telephony services that include voice and data communication services provided to our personal mobility customers. Net operating revenue from personal mobility services decreased by 3.8%, mainly due to a 2.6% drop in revenue from mobile phone services.

The table below details the total number of mobile lines and net additions for the years ended December 31, 2020 and 2019.

Mobile telephony services (in thousands):	2020	2019	% Change
Subscriptions	10,566	9,527	10.9
Prepaid	22,969	24,479	(6.2)
Total	**33,535**	**34,006**	**(1.4)**

Net operating revenue from mobile phone services

Net operating revenue from mobile services decreased 2.6%, primarily due to a 6.2% decline in the number of mobile customers on prepaid plans to 23.0 million at December 31, 2020 from 24.5 million at December 31, 2019, primarily as a result of: (1) the increase in the unemployment rate in Brazil, as our prepaid customer net additions are closely related to changes in the unemployment rate, (2) migration of prepaid customers in Brazil to single SIM card usage, increased all-net plan offerings by operators following successive VUM rate reductions, and (3) our strict disconnection policy for inactive customers.

The effects of these reductions were partially offset by a 10.9% increase in the number of mobile customers subscribing to our postpaid plans to 10.6 million at December 31, 2020 from 9.5 million at December 31, 2019.

Net operating revenue from sales of handsets, SIM cards, and other accessories

Revenue from sales of handsets, SIM cards and other accessories dropped 46.2% during 2020, primarily as a result of a low handset sales volume, due to our policy of not subsidizing the sale of this product, and the pandemic.

SMEs/Corporate (B2B)

Net operating revenue of the SMEs/Corporate segment made up 27.5% of the net revenue generated by the segment for the year ended December 31, 2020. This segment included business solutions offered to small, medium-sized and large corporate clients that include voice services and enterprise data solutions. The table below details the total number of lines (or accesses) and net additions for the years ended December 31, 2020 and 2019.

Fixed accesses in retail (in thousands):	**2020**	**2019**	**% Change**
Fiber	187	70	167.1
Fixed-line	3,053	3,280	(6.9)
Broadband	333	446	(25.3)
Mobile	3,115	2,780	12.1
Pay TV	14	15	(6.7)
Total	**6,702**	**6,591**	**1.7**

Net operating revenue from B2B services

Net operating revenues from SMEs/ Corporate (B2B) services declined 5.5% mainly due to: (1) lower voice traffic, following the natural market trend, (2) by the market effects of COVID-19 in the year, especially in accounts with Governments and Municipalities.

The total number of B2B customers increased by 1.7% to 6.7 million at December 31, 2020 from 6.6 million at December 31, 2019 due to a 6.9% decline in the number of B2B fixed-line and 25.3% decline in B2B broadband customers, offset by a 12.1% increase in the number of B2B mobile customers.

Operating expenses

The table below shows the components of our operating expenses, as well as the percentage change from the prior year, for the years ending December 31, 2020 and 2019.

	2020	2019	% Change
Third-party services	5,491	6,031	(9.0)
Depreciation and amortization	6,937	6,874	0.9
Rentals and insurance	2,367	2,576	(8.1)
Personnel	2,462	2,529	(2.6)
Grid maintenance services	890	1,014	12.2
Interconnection	467	487	(4.1)
Provisions	140	216	(35.2)
Expected losses on trade receivables	395	489	(19.2)
Advertising and publicity	355	497	(28.6)
Handset and other costs	114	171	(33.3)
Impairment losses	800	2,111	137.9
Taxes and other expenses	250	111	125.2
Other operating expenses, net	(237)	7	3,285.7
Total operating expenses	**19,305**	**23,113**	**(16.5)**

Operating expenses decreased by 16.5% in 2020, mainly due to: (1) reversal of the impairment loss of R$800 million in 2020 compared to R$2,111 million in 2019. (2) decrease in other operating expenses, net of R$237 million in 2020 from a revenue of R$7 million in 2019, (3) decrease of 3.9% or R$209 million in rental and insurance expenses to R$2,367 million in 2020 from R$2,576 million in 2019, and (4) decrease of 9% or R$540 million in third party services to R$5,491 million in 2020 from R$6,031 million in 2019.

Third-party services

The 9.0% decrease was primarily due to our cost reduction initiatives via automation and digitalization directly impacting the Customer Relations and Billing lines, as well as energy efficiency initiatives through by directing consumption to renewable sources.

Rental and insurance expenses

Rental and insurance expenses decreased by 8.1% to R$2.367 million for the year ended December 31, 2020 compared to R$2.576 million for 2019, the year-on-year increase is mainly due to the contractual adjustments of the rental prices of electricity utility poles, which track to the IGP-M, which increased steeply in the period.

Personnel

Personnel expenses (including benefits and payroll taxes, and employee and management profit sharing) decreased 2.6% in 2020, mainly due to lower expenses on compensation and lower expenses on benefits.

Grid maintenance services

Grid maintenance service costs were down by 12.2% during 2020, primarily as a result of continued efforts to increase the efficiency of field operations and the digitalization of processes and customer service.

Interconnection

Interconnection costs decreased by 4.1% during 2020, primarily as a result of payment contracts with other carriers “Settlement Agreements”.

Provisions

Expenses on provisions decreased 35.2% during 2020, mainly due to lower number of lawsuits filed, especially in tax courts. Throughout 2020 there was a consistent reduction of the number of lawsuits filed against the Company, which is the result not only of the improvement in the quality of the services provided but also the reduction in the rate of ANATEL complaints filed, as mentioned above.

Expected losses on trade receivables

Expenses on expected losses on accounts receivable decreased by 19.2%, during 2020, mainly in the retail segment, due to the improvement of our collection methods and the constant reduction in doubtful debts in all products, as a result of a continuous improvement in sales processes and credit rating.

Advertising and publicity

Advertising and publicity expenses decreased 28.6% during 2020, mainly due to the postponement of Mother's Day campaigns.

Handset and other costs

Expenses on material for resale dropped 33.3% during 2020, mainly due to the increase in the unit cost of SIM cards; however, this growth was mitigated by the lower volume of handsets sold.

Impairment losses

We recognized the reversal of impairment losses of R$800 million during 2020 as a result of our impairment testing of non-current assets, in accordance with IAS 36, as at December 31, 2020, mainly due to the expectation of future earnings generated by assets with finite useful lives allocated to CGU Assets from continuing operations, due to development in scenarios and financial indicators considered in the cash flows of the Amendment to the JRP, and recognized an impairment loss of the TV CGU.

Other operating income and expenses, net

Other operating income and expenses increased 3,285.7%, to R$237 million for the year ended December 31, 2020 from R$7 million for the same period in 2019.

In 2020, these are mainly represented by: (i) gain on disposal of real estate properties amounting to R$196 million; (ii) gain arising from adjustments to provisions for contingencies amounting to R$108 million; and (iii) gain on disposal of the investment held in PT Ventures amounting to R$79 million.

Operating Loss

Operating loss before financial income (expenses) and taxes decreased 82.2% to R$529 million for the year ended December 31, 2020 from R$2,977 million for the same period of 2019. As a percentage of net revenue, operating loss before financial income (expenses) and taxes increased to 2.8% in the year ended December 31, 2020, from 14.8% in the same period of 2019.

Financial income (expenses)

Financial income

Financial increase increased from 58.8% or R$4,227 million in 2020 from R$2,662 million in 2019, mainly due to: (1) increase in inflation adjustments and foreign exchange differences on third-party debt discount totaling R$2,777 million due to the strong exchange rate depreciation of the Brazilian real vs the US dollar in 2020 by 28.9%; (2) foreign exchange gain on cash investments abroad totaling R$514 million; and (3) reduction of interest, inflation adjustments and foreign exchange differences on other assets totaling R$1,461 million because in 2019 we had recognized R$2,100 million related to the inflation adjustment of taxes on revenue (PIS and COFINS) credits arising from the deduction of ICMS from their tax base, and the recovery of amounts unduly collected on such tax base.

Financial expenses

Financial expenses increased 102.1% to R$17,730 million in 2020 compared to R$8,772 million in 2019, mainly as a result of:

- the increase in the inflation adjustments and foreign exchange differences on loans due to the strong currency depreciation of the Brazilian real vs the US dollar in 2020 by 28.9%, compared to a devaluation of 4.0% in the previous year;

- increase in interest on debentures of 69.4% or R$224 million due to the recognition of interest on the debenture issued in January 2020;

- increase in interest related to the present value adjustment associated with the liabilities of onerous contracts subject to the Judicial Reorganization, and related exchange differences and inflation adjustment.

Income tax and social contribution

The combined statutory tax rate of income tax and social contribution for the years ended December 31, 2020 and 2019 was 34%. In 2020, the income tax and social contribution benefit was R$3,503 million compared to an expense of R$8 million in 2019. The actual tax rate was 24.3% in 2020 and 0.1% in 2019. The table below shows a reconciliation of the combined income tax and social contribution rate with the actual tax rate for each period stated.

	2020	2019
Combined tax rate of income tax and social contribution	34.0%	34.0%
Tax effects from permanent deductions (add-backs)	(2.9)	(3.4)
Tax effect of the provision for losses on deferred tax assets	(3.6)	(27.2)
Tax effect from deferred tax assets unrecognized abroad	(3.3)	(3.4)
Actual tax rate	**24.1%**	**(0.1)%**

Our actual tax rate was 24.1% in 2020, mainly as a result of: (1) the tax effects of provision for the realizable value of deferred tax credits of companies that, based on the statement of the expectation of generation of future taxable income, which is based on a technical feasibility study, and on the comparison of the estimate of the annual portions of realization of temporary differences in assets and liabilities, revised its estimate of recovery of deferred taxes; (2) the tax effects of permanent add-backs consist mainly of the effects of changes in foreign exchange rates on the adjustments to the fair value of restructured liabilities included in the JRP.; and (3) tax effects of unrecognized deferred tax assets held by foreign subsidiaries that do not have a history of profitability and/or an expectation to generate taxable income.

Our actual tax rate was (0.1)% in 2019, primarily as a result of: (1) the tax effects of provision for the realizable value of deferred tax credits of companies that, as at December 31, 2019, have not generated sufficient future taxable income against which tax assets can be offset, which resulted in a reduction in tax assets by R$2,474 million, reducing the actual tax rate by 27.2%; (2) the tax effects of permanent add-backs, primarily as a result of the effects of recognizing the amortization of deferred gains related to the fair value adjustment of liabilities restructured after the JRP confirmation, which reduced the effective tax rate by 3.4%; and (3) the tax effects of unrecognized deferred tax assets of subsidiaries that are not eligible to recognize tax credits on tax losses to be offset, which reduced the actual tax rate by 3.4%.

Profit (loss) for the year

Loss of the year. Due to the aforementioned movements, loss for the year was R$10,529 million in 2020 compared to a loss of R$9,095 million in 2019.

Fiscal year ended December 31, 2019 compared to fiscal year ended December 31, 2018 (Consolidated - in millions of reais)

The following discussion of the results of operations is based on the Company's consolidated financial statements prepared in accordance with accounting practices adopted in Brazil. The Company's management uses operating segment information for decision-making. The Company identified only one operating segment that corresponds to the telecommunications business in Brazil.

In addition to the telecommunications business in Brazil, the Company conducts other businesses that individually or in aggregate do not meet any of the quantitative indicators that would require their disclosure as reportable business segments. These businesses refer basically to the following companies: Companhia Santomense de Telecomunicações, Listas Telefónicas de Moçambique, ELTA – Empresa de Listas Telefónicas de Angola, and Timor Telecom, which provide fixed and mobile telecommunications services and publish telephone directories, and which have been consolidated since May 2014.

The revenue generation is assessed by Management based on a view segmented by customer, into the following categories:

- Residential Services, focused on the sale of fixed telephony services, including voice services, data communication services (broadband), and pay TV;
- Personal Mobility, focused on the sale of mobile telephony services to subscription and prepaid customers, and mobile broadband customers; and
- SMEs/Corporate, which includes corporate solutions offered to our small, medium-sized, and large corporate customers.

The table below shows the components of the consolidated statement of profit or loss, as well as to the year-on-year percentage change, for the years ended December 31, 2019 and 2018.

	2019	2018	% Change
Residential	7,264	8,402	(13.5)
Personal mobility	7,017	7,250	(3.2)
SMEs/Corporate	5,528	5,981	(7.6)
Other services and businesses	327	427	(23.4)
Net operating revenue	**20,136**	**22,060**	**(8.7)**
Operating expenses	**(23,113)**	**(27,328)**	**(15.4)**
Depreciation and amortization	(6,874)	(5,811)	18.3
Interconnection	(487)	(658)	(26.0)
Personnel	(2,529)	(2,594)	(2.5)
Third-party services	(6,031)	(5,925)	1.8
Grid maintenance services	(1,014)	(1,104)	(8.2)
Handset and other costs	(171)	(196)	(12.8)
Advertising and publicity	(497)	(382)	30.1
Rentals and insurance	(2,576)	(4,200)	(38.7)
Provisions/reversals	(216)	(202)	6.9
Expected losses on trade receivables	(489)	(697)	(29.8)
Impairment losses	(2,111)	(292)	622.9
Taxes and other expenses	(111)	(250)	(56.0)
Other operating income (expenses), net	(7)	(5,017)	(99.9)
Operating income before financial income (expenses) and taxes	**(2,977)**	**(5,268)**	**(43.5)**
Financial income (expenses)	**(6,110)**	**26,609**	**(123.0)**
Financial income	2,662	30,950	(91.4)
Financial expenses	(8,772)	(4,341)	102.1
PRE-TAX LOSS	**(9,087)**	**21,341**	**(142.6)**
Income tax and social contribution	(8)	3,275	(100.2)
Profit (loss) continuing operations	**(9,095)**	**24,616**	**(137.0)**

In the discussion below, references to increases or decreases in any period are made compared to the corresponding previous period, unless otherwise indicated by the context.

Net operating revenue

	2019	2018	% Change
Residential	**7,264**	**8,402**	**(13.5)**
Fixed-line services	3,282	4,170	(21.3)
Broadband	2,187	2,423	(9.8)
Pay TV	1,752	1,755	(0.2)
Interconnection	43	54	(18.5)
Mobility	**7,017**	**7,250**	**(3.2)**
Mobile phone services	6,602	6,608	(0.1)
Interconnection	257	448	(42.6)
Sale of devices and accessories (handsets, SIM cards, and other)	158	194	(18.7)
Corporate/SMEs (B2B)	**5,528**	**5,981**	**(7.6)**
Outros services	**140**	**227**	**(38.3)**
Total telecommunications in Brazil segment	**19,949**	**21,860**	**(8.7)**
Other operations	187	200	(6.7)
Net operating revenue	**20,136**	**22,060**	**(8.7)**

Net operating revenue decreased 8.7% in 2019, mainly due to a 13.5% reduction in net revenue from residential services, a 7.6% reduction in net revenue from SMEs/Corporate services, a 3.2% reduction in net revenue from personal mobility, and a 23.4% reduction in net operating revenue from other services and businesses.

Residential

Net operating revenue of residential services made up 36.1% of the net revenue generated by the segment for the year ended December 31, 2019. This Oi segment includes fixed-line telephony services, including voice services, data services (broadband), and pay TV.

The table below details the total number of retail lines (or accesses) and net additions (churning) for the years ended December 31, 2019 and 2018.

Revenue Generating Units (in thousands):	**2019**	**2018**	**% Change**
Fixed-line services	7,005	8,276	(15.4)
Broadband	4,202	4,883	(13.9)
Pay TV	1,451	1,587	(8.5)
Total	**12,659**	**14,746**	**(14.1)**

Net operating revenue from residential services decreased 13.5%, primarily due to: (1) a 14.1% decrease in the residential services customer base, primarily due to: (1) the 14.2% drop in the number of residential RGUs, (2) the drop in voice traffic, and (3) reduction in fixed-line and mobile interconnection rates for February 2019 compared to February 2018.

Net operating revenue from residential fixed-line telephony services

Net operating revenue from residential fixed-line services decreased 21.3% during 2020, primarily due to a 15.4% reduction in the number of residential fixed-lines in service, to 7.0 million at December 31, 2019 from 8.3 million at December 31, 2018, as a result of the general trend in the Brazilian telecom industry to replace local fixed-line services for mobile services and the corresponding reduction in voice service traffic. The effects of these reductions were partially offset by the migration of our fixed line customer base to convergent plan service offerings that offer unlimited minutes of use, generating an increase in revenue per use

Net operating revenue from broadband services

Net operating revenue from residential broadband services, which includes broadband services provided over our copper and fiber networks, decreased 9.8% during 2019, primarily as a result of: (1) a 13.9% decrease in the number of residential ADSL subscribers to 4.2 million at December 31, 2019 from 4.9 million at December 31, 2018; and (2) a 1.6% decrease in the average net operating revenue per subscriber. As at December 31, 2019, our ADSL subscribers represented 60.0% of total residential fixed lines in service, who subscribed to plans with an average speed of 33.3 Mbps, compared to 59.0% of total residential fixed lines in service who subscribed to plans with an average speed of 9.8 Mbps, as at December 31, 2018. The substantial increase in the average speed of our residential broadband subscriptions primarily reflects the success of our program to increase subscriptions on our expanding FTTH network.

Net operating revenue from pay TV services

Net operating revenue from residential pay TV services decreased by 0.2% in 2019, primarily as a result of an 8.5% decline in the number of residential pay TV subscribers to 1.45 million at December 31, 2019 from 1.59 million at December 31, 2018, the effects of which were partially offset by a 0.3% increase in average net operating revenue per subscriber. As at December 31, 2019, our pay TV subscribers represented 20.7% of total residential fixed lines in service, compared to 19.2% of total residential fixed lines in service as at December 31, 2018.

Personal mobility

Net operating revenue of the personal mobility segment made up 34.8% of the net revenue generated by the segment for the year ended December 31, 2019. This segment includes the sale of prepaid and subscription mobile telephony services that include voice and data communication services provided to our personal mobility customers. Net operating revenue from personal mobility services decreased by 3.2%, mainly due to a 2.8% drop in revenue from mobile phone services.

The table below details the total number of mobile lines and net additions for the years ended December 31, 2019 and .

Mobile telephony services (in thousands):	2019	2018	% Change
Subscriptions	9,527	7,741	23.1
Prepaid	24,479	27,293	(10.3)
Total	**34,006**	**35,033**	**(2.9)**

Net operating revenue from mobile phone services

Net operating revenue from mobile services decreased 0.1%, primarily due to a 10.3% decline in the number of mobile customers on prepaid plans to 24.5 million at December 31, 2019 from 27.3 million at December 31, 2018, primarily as a result of: (1) the increase in the unemployment rate in Brazil, as our prepaid customer net additions are closely related to changes in the unemployment rate, (2) migration of prepaid customers in Brazil to single SIM card usage, increased all-net plan offerings by operators following successive VUM rate reductions, and (3) our strict disconnection policy for inactive customers.

The effects of these reductions were partially offset by a 23.1% increase in the number of mobile customers subscribing to our postpaid plans to 9.5 million at December 31, 2019 from 7.7 million at December 31, 2018. In 2019, data revenue represented 84.1% of the net operating revenue from mobile services, compared to 71.7% in 2018.

Net operating revenue from mobile interconnection

Mobile interconnection revenue decreased 42.6% during 2019, primarily as a result of a reduction in VUM rates in February 2019 compared to February 2018, the effects of which were partially offset by an increase in interconnection traffic.

Net operating revenue from sales of handsets, SIM cards, and other accessories

Revenue from sales of handsets, SIM cards and other accessories dropped 18.7% during 2019, primarily as a result of a low handset sales volume, due to our policy of not subsidizing the sale of this product.

SMEs/Corporate (B2B)

Net operating revenue of the SMEs/Corporate segment made up 27.5% of the net revenue generated by the segment for the year ended December 31, 2019. This segment included business solutions offered to small, medium-sized and large corporate clients that include voice services and enterprise data solutions. The table below details the total number of lines (or accesses) and net additions for the years ended December 31, 2019 and .

Fixed accesses in retail (in thousands):	2019	2018	% Change
Fixed-line	3,307	3,514	(5.9)
Broadband	487	530	(8.1)
Mobile	2,780	2,670	4.1
Pay TV	17	14	20.3
Total	**6,591**	**6,727**	**(2.0)**

Net operating revenue from B2B services

Net operating revenues from SMEs/Corporate (B2B) services decreased 7.6% mainly due to: (1) lower voice traffic, following the natural market trend, (2) reduction in VUM rates and fixed-to-mobile rates in February 2019 compared to February 2018, and (3) reduction in the recovery of the Brazilian economic activity.

The total number of B2B customers decreased by 2.0% to 6.6 million at December 31, 2019 from 6.7 million at December 31, 2018 due to a 5.9% decline in the number of B2B fixed-line customers, offset by a 4.1% increase in the number of B2B mobile customers.

Operating expenses

The table below shows the components of our operating expenses, as well as the percentage change from the prior year, for the years ending December 31, 2019 and 2018.

	2019	2018	% Change
Third-party services	6,031	5,925	1.8
Depreciation and amortization	6,874	5,811	18.3
Rentals and insurance	2,576	4,200	(38.7)
Personnel	2,529	2,594	(2.5)
Grid maintenance services	1,014	1,104	(8.2)
Interconnection	487	658	(26.0)
Provisions	216	202	6.9
Expected losses on trade receivables	489	697	(29.8)
Advertising and publicity	497	382	30.1
Handset and other costs	171	196	(12.8)
Impairment losses	2,111	292	622.9
Taxes and other expenses	111	250	(56.0)
Other operating expenses, net	7	5,017	(99.9)
Total operating expenses	**23,113**	**27,328**	**(15.4)**

Operating expenses decreased by 15.4% in 2019, primarily due to: (1) a decrease in other operating expenses, net to R$7 million in 2019 from R$5.016 million in 2018, and (2) a 38.7% or R$1,624 million decrease in rent and insurance expenses to R$2,576 million in 2019 from R$4,200 million in 2018. The effects of these factors were partially offset by: (1) an increase in impairment loss expenses to R$2,111 million in 2019 from R$292 million in 2018, and (2) an 18.3% increase in depreciation and amortization expenses to R$6,874 million in 2019 from R$5,811 million in 2018.

Third-party services

Third-party service costs increased by 1.8% during 2019, mainly as a result of increased selling expenses due to the intensification of our commercial activity.

Depreciation and amortization

Depreciation and amortization expenses increased 18.3% to R$6,874 million for the year ended December 31, 2019 compared to R$5,811 million for the same period in 2018, mainly due to the adoption of the new accounting standard IFRS 16/CPC 06 (R2) *Leases*, beginning January 1, 2019, as a result we recognized R$947 million in depreciation and amortization expenses in relation to right-of-use assets during 2019.

Rental and insurance expenses

Rental and insurance expenses decreased 38.7%, to R$2,576 million for the year ended December 31, 2019 compared to R$4,200 million for the same period in 2018, mainly due to the adoption of the new accounting standard IFRS 16/CPC 06 (R2) *Leases*, beginning January 1, 2019, and as a result our rental expenses decreased R$1,551 million during 2019.

Personnel

Personnel expenses (including benefits and payroll taxes, and employee and management profit sharing) decreased by 2.5% in 2019, primarily due to a 3.9% decrease in direct employee expenses, including salaries, taxes and benefits, the effects of which were partially offset by a 9.0% increase in the provision for profit sharing as a result of achieving the targets for these benefit programs.

Grid maintenance services

Grid maintenance service costs decreased by 8.2% during 2019, primarily as a result of: (1) lower maintenance costs related to payphones following the approval of the PGMU, (2) successful renegotiation of some of our maintenance contracts; and (3) reduction in the number of maintenance incidents as a result of our initiatives focused on preventive actions and productivity improvements, which have increased the efficiency of field operations, as well as efficiency gains from process digitization and customer service.

Interconnection

Interconnection costs decreased 26.0% in 2019, primarily as a result of a decrease in VUM rates and TU-RL and TU-RIU interconnection rates in February 2019 compared to February 2018, the effects of which were partially offset by an increase in interconnection traffic.

Provisions

Expenses on provisions increased by 6.9% during 2019, primarily because we revised the methodology used to calculate the provisions for losses on labor and civil lawsuits related to the financial participation agreements (PEX and PCT), due to revisions to our estimation model as a result of the history of closing lawsuits on the JRP and our accumulated experience in estimating these losses.

Expected losses on trade receivables

Expenses on expected credit losses on trade receivables decreased by 29.8% during 2019, primarily as a result of a reduction in the level of customer defaults, primarily in our B2B business. During 2019, expected losses on trade receivables represented 2.4% of our net operating revenue, compared to 3.2% in 2018.

Advertising and publicity

Expenses on advertising and publicity increased by 30.1% during 2019, primarily as a result of the intensification of our advertising campaigns, mainly for our FTTH services and personal mobility services.

Handset and other costs

Expenses on resale materials dropped 12.8% during 2019, primarily as a result of a low handset sales volume, due to our policy of not subsidizing the sale of this product.

Impairment losses

We recognized impairment losses of R$2,111 million during 2019 as a result of our impairment testing of non-current assets in accordance with IAS 36 as at December 31, 2019, mainly due to: (1) revision of our strategic plan, focused on improving operating and financial performance using a sustainable business model designed to maximize the Company's economic value in the context of the judicial reorganization; and (2) increased market competitiveness, mainly in the residential market, which accelerated the decline in revenues from fixed line and DTH services. This impairment loss was fully allocated to the carrying value of our regulatory licenses. We recognized impairment losses of R$292 million in 2018, related to the expected future earnings pm assets with finite useful lives.

Taxes and other expenses

Tax and other expenses decreased by 56.0% during 2019, primarily due to a reduction in other tax expenses as a result of a reduction in other income to which taxes are associated and a reduction in penalty expenses.

Other operating income and expenses, net

Other operating income and expenses decreased 99.9%, to R$7 million for the year ended December 31, 2019, from R$5,017 million for the same period in 2018. In 2019, arises primarily from: (1) the recognition of income from PIS and COFINS credits arising on the deduction of ICMS from PIS and COFINS tax base, as well as the recovery of unduly paid amounts on that tax base, as ruled in the final and unappealable court decision issued in March and September 2019, amounting to R$1,517,919; (2) the recognition of expenses on the provision related to an onerous contract for the supply of satellite capacity, amounting to R$1,230,820; and (3) recognition of expenses related to the derecognition arising from the reconciliation of prior periods' tax credits and incentives, which are not expected to be realized, amounting to R$167,395. In 2018 refers basically to: (1) expenses on the provision related to the recognition of the onerous contract for the provision of submarine cable capacity, amounting to R$4,883,620; and (2) recognition of income from the reversal of the provision for the contingency, amounting to R$109,242, arising from the reprocessing of the provision estimation model taking into account the new profile and history of discontinuation of lawsuits in the context of the approval and ratification of the JRP.

Operating Loss

Operating loss before financial income (expenses) and taxes decreased 43.5% to R$2,977 million for the year ended December 31, 2019 from R$5,268 million for the same period of 2018. As a percentage of net revenue, operating loss before financial income (expenses) and taxes decreased to 14.8% in the year ended December 31, 2018, from 23.9% in the same period of 2018.

Financial income (expenses)

Financial income

Finance income decreased 91.4% to R$2,662 million in 2019 from R$30,950 million in 2018, primarily due to: (1) recognition at fair value of borrowings and financing arising from the impacts of the ratification of the JRP of R$49 million in 2019 compared to R$13,290 million in 2018, (2) effects of nonrecognition in 2019 of gains or losses related to the restructuring of our borrowings and financing compared to a gain of R$11,055 million recognized in 2018, as a result of the novation of our debt represented by the bonds, calculated in accordance with the JRP; and (3) interest and other income of R$170 million in 2019 compared to R$4,080 million in 2018, mainly as a result of reversal of R$3,013 million in interest paid on debt included in the JRP, adjusted in the period prior to the approval of the JRP and R$877 million related to present value adjustments of trade payables and default offer; and (4) the effects of inflation adjustments and foreign exchange differences on fair value adjustments of R$334 million in 2019 compared to R$1,399 million in 2018.

The effects of these reductions were partially offset by the effects of interest, inflation adjustment, and foreign exchange differences on other assets totaling R$1,922 million in 2019, compared to R$809 million in 2018, mainly due to the recognition of inflation adjustment on PIS and COFINS credits arising from the deduction of ICMS from their tax base, amounting to R$2,100 million, as well as the recovery of amounts unduly collected in this respect, which were subject to a final and unappealable judgment in March and September 2019.

Financial expenses

Financial expenses increased 102.0% to R$8,772 million in 2020 compared to R$4,342 million in 2019, mainly as a result of:

- increased interest expenses on borrowings from third parties and debentures of R$1,618 million in 2019 compared to R$1,793 million in 2018, primarily as a result of the reversal of interest on debt included in the JRP of R$3,115 million in 2018, partially offset by interest expenses of R$1,362 million;

- increase in the inflation adjustment to (provisions)/reversals of R$1,620 million in 2019 compared to R$227 million in 2018, mainly as a result of the reversal of part of the provision for contingencies and the corresponding inflation adjustments during 2019, arising from the revision of the methodology used to calculate the provisions for labor and civil lawsuits, as a result of the history of outcomes of these lawsuits under the JRP and our accumulated experience in estimating these provisions;

• Recognition of interest on leases of R$949 million during 2019 as a result of the application of IFRS 16 on January 1, 2019;

• 48.2%, or R$603 million, increase in interest, inflation adjustment, and foreign exchange differences on other liabilities to R$1,854 in 2019 compared to R$1,251 million in 2018, primarily as a result of having recognized R$742 million in present value adjustments and foreign exchange differences related to liabilities arising on onerous contracts and trade payables subject to the JRP; and

• recognition of a R$238 million loss on cash investments classified as held for sale in 2019, primarily as a result of a R$404 million loss recognized based on the fair value review of the investment and dividends receivable in Unitel, the effects of which were partially offset by a foreign exchange gain of R$165 million due to the 4.0% depreciation of the Brazilian real against the US dollar in the period.

Recognition of a R$238 million gain on cash investments classified as held for sale in 2018, primarily as a result of: (1) foreign exchange gain of R$829 due to depreciation of the Brazilian real against the US dollar; and (2) the recognition of R$142 million in dividends approved by Unitel for FY 2017, the effects of which were partially offset by a loss of R$678 million recognized based on the fair value review of the investment and dividends receivable in Unitel.

The effects of these increases were partially offset by a 74.3%, or R$1,854 million, decrease in inflation adjustment and foreign exchange differences on borrowings from third parties to R$640 million in 2019 compared to R$2,494 million in 2018, primarily as a result of the positive impact on our US dollar-denominated debt due to the 4.0% depreciation of the Brazilian real against the US dollar during 2019 compared to a 17.1% depreciation of the Brazilian real against the US dollar in 2018, as well as a gain of R$555 million in 2019 associated with the novation of debt from the Senior Notes.

Income tax and social contribution

The combined statutory tax rate of income tax and social contribution for the years ended December 31, 2019 and 2018 was 34%. In 2019, income tax and social contribution expenses totaled R$8 million, from an income of R$3,275 million in 2018. The actual tax rate was 0.1% in 2019 and 15.3% in 2018. The table below shows a reconciliation of the combined income tax and social contribution rate with the actual tax rate for each period stated.

	2019	2018
Combined tax rate of income tax and social contribution	34.0%	34.0%
Tax effects from permanent deductions (add-backs)	(3.4)	(62.1)
Tax effect of the provision for losses on deferred tax assets	(27.2)	12.9
Tax effect from deferred tax assets unrecognized abroad	(3.4)	
Actual tax rate	**(0.1)%**	**(15.3)%**

Our actual tax rate was (0.1)% in 2019, primarily as a result of: (1) the tax effects of provision for the realizable value of deferred tax credits of companies that, as at December 31, 2019, have not generated sufficient future taxable income against which tax assets can be offset, which resulted in a reduction in tax assets by R$2,474 million, reducing the actual tax rate by 27.2%; (2) the tax effects of permanent add-backs, primarily as a result of the effects of recognizing the amortization of deferred gains related to the fair value adjustment of liabilities restructured after the JRP confirmation, which reduced the effective tax rate by 3.4%; and (3) the tax effects of unrecognized deferred tax assets of subsidiaries that are not eligible to recognize tax credits on tax losses to be offset, which reduced the actual tax rate by 3.4%.

Our actual tax rate was (15.3)% in 2018, primarily as a result of permanent deductions, mainly as a result of the effects of the novation of debt liabilities following the JRP confirmation, which reduced our effective tax rate by 62.3%. This effect was partially offset by the tax effects of the provision to the realizable value of deferred tax credits of companies that, as at December 31, 2018, have not generated sufficient future taxable income against which tax assets can be offset, which resulted in a reduction in tax assets by R$2,757 million, increasing our effective tax rate by 12.9%.

Profit (loss) for the year

Loss of the year. Due to the aforementioned movements, loss for the year was R$9,095 million in 2019 compared to a profit of R$24,616 million in 2018.

h.2) Balance Sheet (consolidated – in millions of Brazilian reais)

The table below shows the components of the consolidated balance sheet of the continuing and discontinued operations presented in Note 31 to the financial statements for the year ended December 31, 2020, as well as to the year-on-year percentage change, for the years ended December 31, 2020, 2019, and 2018.

	Consolidated, in millions of Brazilian reais, except percentages						% Change	
ASSETS	**2020**	**%**	**2019**	**%**	**2018**	**%**	**Dec 19 v. Dec 18**	**Dec 19 v. Dec 18**
Current assets	**33,795**	**45.8**	**17,992**	**25.0**	**21,313**	**32.6**	**91.2**	**(15.6)**
Cash and cash equivalents	4,108	5.6	2,082	2.9	4,385	6.7	97.3	(52.5)
Cash investments	194	0.3	184	0.3	202	0.31	5.4	(8.9)
Accounts receivable	3,974	5.4	6,335	8.8	6,517	10	(37.3)	(2.8)
Inventories	378	0.5	327	0.5	317	0.5	15.6	3.2
Current recoverable taxes	358	0.5	543	0.8	621	0.9	(34.1)	(12.6)
Other taxes	1,823	2.5	1,089	1.5	803	1.2	67.4	35.6

	Consolidated, in millions of Brazilian reais, except percentages						% Change	
Judicial deposits	1,096	1.5	1,514	2.1	1,716	2.6	(27.6)	(11.8)
Pension plan assets	8	0.0	5	0.0	5	0	60.0	(0.0)
Prepaid expenses	330	0.4	670	0.9	744	1.1	(50.7)	(9.9)
Held-for-sale assets	20,772	28.1	4,391	6.1	4,923	7.5	373.1	(10.8)
Other assets	754	1.0	852	1.2	1,080	1.7	(11.5)	(21.1)
Non-current assets	**40,045**	**54.2**	**53,900**	**75.0**	**44,125**	**67.4**	**(25.7)**	**22.2**
Cash investments	10	0.0	34	0.0	37	0.1	(70.6)	(8.1)
Deferred recoverable taxes	3,671	5.0	99	0.1	23	0	3608.1	330.4
Other taxes	1,447	2.0	2,996	4.2	716	1.1	(51.7)	318.4
Judicial deposits	6,198	8.4	6,651	9.3	7,019	10.7	(6.8)	(5.2)
Pension plan assets	37	0.1	55	0.1	64	0.1	(32.7)	(14.1)
Prepaid expenses	128	0.2	584	0.8	523	0.8	(78.1)	11.7
Other assets	597	0.8	438	0.6	251	0.4	36.3	74.5
Investments	124	0.2	134	0.2	118	0.2	(7.5)	13.6
Property, plant and equipment	24,135	32.7	38,911	54.1	28,426	43.4	(38.0)	36.9
Intangible assets	3,698	5.0	3,998	5.6	6,948	10.6	(7.5)	(42.5)
TOTAL ASSETS	**73,840**	**100**	**71,892**	**100**	**65,438**	**100**	**2.7**	**9.9**

	Consolidated, in millions of Brazilian reais, except percentages						% Change	
LIABILITIES AND SHAREHOLDERS' EQUITY	2020	%	2019	%	2018	%	Dec 19 v. Dec 18	Dec 19 v. Dec 18
Current liabilities	**18,012**	**24.4**	**11,836**	**16.5**	**10,690**	**16.3**	**52.2**	**10.7**
Trade payables	3,276	4.4	5,594	7.8	5,226	8	(41.4)	7.0
Payroll, related taxes and benefits	742	1.0	852	1.2	907	1.4	(13.0)	(6.1)
Borrowings and financing	425	0.6	326	0.5	673	1	30.4	(51.5)
Derivative financial instruments	11	0.0	1		0		1,000.0	
Current taxes payable	12	0.0	67	0.1	27	0	(79.1)	148.1
Other taxes	1,189	1.6	887	1.2	1,034	1.6	34.0	(14.2)
Dividends and interest on capital	18	0.0	6	0.0	6	0	200.0	0.0
Licenses and concessions payable	43	0.1	59	0.1	86	0.1	(27.1)	(31.4)
Tax refinancing program	94	0.1	87	0.1	142	0.2	8.0	(38.7)
Provisions	782	1.1	548	0.8	680	1	42.7	(19.4)
Leases payable	655	0.9	1,510	2.1			(56.6)	
Liabilities associated to held-for-sale assets	9,195	12.5	494	0.7	527	0.8	1,761.3	(6.3)
Other payables	1,570	2.1	1,405	2.0	1,382	2.1	11.7	1.7
Non-current liabilities	**48,058**	**65.1**	**42,259**	**58.8**	**31,852**	**48.7**	**13.7**	**32.7**
Trade payables	5,021	6.8	3,293	4.6	3,593	5.5	52.5	(8.3)
Borrowings and financing	25,919	35.1	17,900	25.0	15,777	24.1	44.8	13.4
Deferred taxes payable	0	0.0	0	0.0				
Other taxes	1,324	1.8	1,224	1.7	629	1	8.2	94.5
Tax refinancing program	253	0.3	331	0.5	411	0.6	(23.6)	(19.4)
Provisions	5,029	6.8	4,704	6.6	4,358	6.7	6.9	7.9
Provisions for pension funds	702	1.0	633	0.9	579	0.9	10.9	9.3
Leases payable	2,327	3.2	6,640	9.3			(65.0)	
Other payables	7,483	10.1	7,534	10.5	6,505	9.9	(0.7)	15.8
Shareholders' equity	**7,770**	**10.5**	**17,797**	**24.8**	**22,896**	**35**	**(56.3)**	**(22.3)**
Issued capital	32,539	44.1	32,539	45.4	32,038	49	0.0	1.5
Share issue costs	(801)	(1.1)	(801)	(1.1)	(377)	(0.6)	0.0	112.4
Capital reserves	3,907	5.3	3,907	5.4	11,533	17.6	0.0	(66.1)
Treasury shares	(33)	0.0	(33)	0.0	(2,803)	(4.3)	0.0	(98.8)
Other comprehensive income	398	0.5	(233)	(0.3)	(66)	(0.1)	(270.8)	253.0
Other	0	0.0	0	0.0	(142)	(0.2)		(100.0)
Accumulated losses	(28,258)	(38.3)	(17,728)	(37.2)	(17,530)	(26.8)	59.4	1.1
Non-controlling interests	18	0.0	146	0.2	243	0.4	(87.7)	(39.9)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**73,840**	**100**	**71,892**	**100**	**65,438**	**100**	**2.7**	**9.9**

Comparison of the positions of balance sheet accounts as at December 31, 2020, December 31, 2019 and December 31, 2018 (consolidated - in millions of Brazilian reais).

ASSETS

Cash, cash equivalents and cash investments.

The balance of cash, cash equivalents and cash investments account (including cash investments classified as non-current assets) was R$4,312 million as at December 31, 2020, a year-on-year increase of R$2,012 million or 87.5%. The effects of this change refer mainly by: (i) the acquisition of property, plant and equipment and intangible assets (capex) amounting to R$3.455 million; (ii) redemption of judicial deposits amounting to R$647 million (iii) proceeds in cash from the sale of investments - PT Ventures amounting to R$4.132 million; (iv) debt financial charges paid amounting to R$806; (v) collection of simple private, non-convertible debentures, with collateral and additional fiduciary guarantee of the Company and Telemar issued by Oi Móvel in the aggregate amount of R$2,500 million; and (vi) payment of lease agreements amounting to R$597 million.

The balance of cash, cash equivalents and cash investments account (including cash investments classified as non-current assets) was R$2,300 million as at December 31, 2019, a year-on-year decrease of R$2,324 million or 50.3%. The effects of this change primarily arise from the disbursements related to: (i) purchase of property, plant and equipment and intangible assets (capex) totaling R$7,426 million; (ii) payment of lease contracts totaling R$1,611 million; and (iii) disbursements totaling R$152 related to the main tax refinancing program. The effects of this decrease were partially offset by: (a) capital increase with new funds under the JRP amounting to R$4,000 million; (ii) generation of operating cash amounting to R$2,347 million; and (iii) dividends received from foreign companies classified as assets held for sale totaling R$227 million.

Accounts receivable

As at December 31, 2020, the balance of accounts receivable totaled R$3.974 million, a year-on-year decrease of R$1,748 million or 37.3%, represented by the transfer to held-for-sale assets arising from the expected disposal of the IPUs' operations.

As at December 31, 2019, accounts receivable amounted to R$6,335 million, a year-on-year decrease of R$182 million or 3.1% primarily related to the revision of the estimates of expected credit losses on accounts receivable.

Recoverable taxes – current

As at December 31, 2020, the reported balance of recoverable taxes was R$358, a year-on-year decrease of R$185 million or 34%. Represented by: (i) decrease of Withholding income tax (IRRF) credits on cash investments, derivatives, intragroup loans, government entities, and other amounts that are used as deductions from income tax payable for the years, and social contribution withheld at source on services provided to government agencies totaling R$147 million.

As at December 31, 2019, the reported balance of recoverable taxes was R$543 million, a year-on-year decrease of R$78.0 million or 12.6%. Represented by: (i) an R$88 million decrease in recoverable income tax and social contribution.

Judicial deposits – current and non-current

As at December 31, 2020, the balance of judicial deposits was R$7,294 million, a year-on-year decrease of R$871 million, primarily due to: (i) a R$891 million reduction in deposits related to civil, tax and labor lawsuits; and (ii) a R$19 million reduction in estimated losses.

As at December 31, 2019, the balance of judicial deposits was R$8,165 million, a year-on-year decrease of R$570 million, primarily due to: (i) a R$1,172 million reduction in deposits related to civil, tax and labor lawsuits; and (ii) a R$603 million reduction in estimated losses, both due to the reconciliation and termination of litigation linked with the deposits.

Held-for-sale assets

The balance of held-for-sale assets increased by R$16,381 million in the course of 2020 primarily due to the reclassification of the IPUs, which aims to enable the Company to maximize the economic value of its investments by expanding its residential and business access services nationwide. The assets and liabilities related to the UPI Mobile Assets, UPI InfraCo, UPI TVCo, UPI Towers, and UPI Datacenter are classified as held for sale since their carrying amounts are being recovered primarily through sale transactions rather than through continuous use. The Company considers that the sale of these assets is highly probable, considering how the divestment plan of these assets is unfolding. The group of assets and liabilities of the UPIs are stated at the lower of carrying amounts and fair values less selling expenses.

The balance of assets held for sale decreased by R$532 million during the 2019, primarily due to: (i) the sale in May 2019 of the stake in Cabo Verde Telecom, S.A. ("CVT"), to the National Institute of Social Security and the state-owned company ASA - Empresa Nacional de Aeroportos e Segurança Aérea, S.A., both from Cape Verde, for the total amount of US$ 26.3 million, (ii) the increase in the provision for losses on investments (mainly Unitel) amounting to R$404 million; and (iii) foreign exchange gains amounting to R$165 million.

Property, plant and equipment

The balance of property, plant and equipment as at December 31, 2020 was R$24,135 million, a year-on-year decrease of R$14,776 million or 38.0%, primarily due to the reclassification of assets related to the UPI Mobile Assets, UPI InfraCo, UPI TVCo, UPI Towers and UPI Data Center classified as held for sale because their carrying values is being recovered primarily through sale transactions rather than continuous use.

As at December 31, 2019, the balance of property, plant and equipment was R$39,911 million, a year-on-year increase of R$10,485 million or 36.9%, consisting primarily of: (i) R$8,733 million referring to the adoption of new accounting standard IFRS 16/CPC 06 (R2) Leases, as from January 1, 2019, with recognition of a right-of-use asset and a lease liability in the balance sheet related to the leased assets; (ii) additions in the amount of R$7,733 million, related to our investments in network expansion and modernization (includes additions totaling R$239 million the lease contracts); (iii) depreciations amounting to R$5,549 million (includes R$952 million in additions of lease contracts depreciation); (iv) net derecognition of R$315 million; and (v) net transfers of R$117 million in goods for sale.

Intangible assets

As at December 31, 2020, the balance of intangible assets was R$3,698, a year-on-year decrease of R$300 million or 7.5%, consisting primarily of: (i) reversal of impairment losses related to expected future earnings from assets with a finite useful lives amounting to R$1,130 million; (ii) additions amounting to R$287 million; (iii) amortization amounting to R$909 million, and (iv) transfer to held-for-sale assets amounting to R$6,234 million.

As at December 31, 2019, the balance of intangible assets was R$3,998 million, a year-on-year decrease of R$2,950 million or 42.5%, consisting primarily of: (i) impairment losses related to expected future earnings from assets with a finite useful lives amounting to R$2,111 million; (ii) additions amounting to R$422 million; and (iii) amortization amounting to R$1,261 million.

LIABILITIES AND SHAREHOLDERS' EQUITY

Borrowings and financing – current and non-current

As at December 31, 2020, the balance of the borrowings and financing account - current and non-current was R$26,344 million, a year-on-year increase of R$8,118 million or 44.5%, consisting primarily of: (i) interest accrual, inflation adjustments to debts amounting to R$5,193 million; (ii) allocation of present value adjustment amounting to R$1,413 million; (iii) payment of principal and interest amounting to R$804 million; and (iv) raising of simple, non-convertible private debentures issued in the aggregate amount of R$2,500 million.

As at December 31, 2019, the balance of the borrowings and financing account - current and non-current was R$18,226 million, a year-on-year increase of R$1,776 million or 10.8%, consisting primarily of: (i) interest accrual, inflation adjustment to debts amounting to R$1,251 million; and (ii) allocation of present value adjustment amounting to R$527 million.

Trade payables – current and non-current

As at December 31, 2020, the balance of trade payables was R$8,297 million, a year-on-year increase of R$590 million or 6.6%, represented primarily by: (i) a reduction in the balances of trade payables to service providers, materials for rent of R$1,260 million, resulting from the reclassification of the liabilities of the IPUs to held for sale; (ii) decrease resulting from the inflation adjustment to the ANATEL AGU provision of R$518 million; and (iii) increase resulting from the allocation of present value adjustment in the amount of R$2,001 million.

As at December 31, 2019, the balance of trade payables was R$8,887 million, a year-on-year increase of R$68 million or 0.8%, represented primarily by: (i) a reduction in the balances of trade payables to service providers, materials for rent of R$684 million; (ii) increase resulting from the inflation adjustment to the ANATEL AGU provision of R$425 million; and (iii) increase resulting from the allocation of adjustment to present value in the amount of R$303 million.

Current taxes payable

As at December 31, 2020, the balance of the current taxes payable account was R$12 million, a year-on-year decrease of R$53 million or 82.1%.

As at December 31, 2019, the balance of the current taxes payable account was R$67 million, a year-on-year increase of R$40 million or 148.1%.

Provisions - current and non-current

As at December 31, 2020, the balance of provisions was R$5,811 million, a year-on-year increase of R$559 million or 10.6%, mainly due to: (i) inflation adjustments of R$891 million; (ii) additions of R$582 million; and (iii) write-offs due to payments or terminations of R$852 million.

As at December 31, 2019, the balance of the provisions account was R$5,252 million, a year-on-year increase of R$214 million or 4.2%, primarily due to the revision of the methodology used to calculate the provision estimates, taking into consideration the new profile and history of the termination of lawsuits, in the context of the JRP, as well as in the loss risk assessment made by Management supported by its legal advisors.

Liabilities associated to held-for-sale assets

The balance of liabilities associated to held-for-sale assets as at December 31, 2020 was R$9,195 million, a year-on-year increase of R$8,701 million or 1,761.3%, primarily due to the reclassification of liabilities related to the UPI Mobile Assets, UPI InfraCo, UPI TVCo, UPI Towers and UPI Data Center classified as held for sale because their carrying values is being recovered primarily through sale transactions rather than continuous use.

As at December 31, 2019, the liabilities associated to held-for-sale assets account corresponds to the classification of liabilities associated with assets held for sale of the African and Asian operations.

Other payables - current and non-current

As at December 31, 2020, the balance of the other payables account was R$9,053 million, a year-on-year increase of R$114 million or 1.3%. The increase was mainly due to: (i) a R$180 million reduction in amounts received in advance for the assignment of the right to business operation and use of infrastructure assets that are recognized in revenue over the period of the contracts and also include service activation/ installation fees that are recognized in revenue according to the period of use of the services by customers; and (ii) a R$109 million reduction in provisions for indemnities payable.

As at December 31, 2019, the balance of other payables was R$8,939 million, a year-on-year increase of R$1,052 million or 13.3%. The increase was mainly due to the provision recognized for an onerous contract of R$1,230 million arising from an agreement to supply capacity in the space segment for the purpose of providing the DTH TV service. Since the agreement's obligations exceed the economic benefits that are expected to be received throughout the agreement and the costs are unavoidable, we recognized, pursuant to CPC 25/IAS 37, an onerous obligation measured at the lowest of net output cost of the agreement brought to present value.

Shareholders' equity

As at December 31, 2020, the balance of shareholders' equity was R$7,770 million, a year-on-year decrease of R$10,027 million. The effects of this change are represented mainly by: (i) loss for the year in the amount of R$10,529 million; (ii) positive other comprehensive income in the amount of R$678 million; and (iii) reduction of non-controlling interests in the amount of R$176 million.

As at December 31, 2019, the balance of shareholders' equity was R$17,797 million, a year-on-year decrease of R$5,099 million. The effects of this change are represented mainly by: (i) capital increase with new funds under the JRP amounting to R$4,337 million, of which R$4,000 million in cash and R$337 as compensation for the commitments assumed in the agreement, recorded as a contra entry to the shares issue cost; (ii) loss for the year of R$9,095 million; and (iii) shares issue cost of R$424 million.

h.3) Cash Flow (consolidated - in millions of reais)

Cash flows used in investing activities

In 2020, the use of net cash in investing activities consisted primarily of: (i) investments in the amount of R$3,455 million in purchases of goods, equipment, services, and intangible assets (capex), mainly related to the expansion of our data communication network and the implementation of projects to meet ANATEL's regulatory requirements; (ii) cash received on the sale of investments - PT Ventures totaling R$4,132 million; (iii) net judicial deposits (consisting of deposits deducted from withdrawals and/or replacements) of R$647 million, basically related to provisions for labor, tax and civil contingencies; and (iv) negative cash generation of R$4,242 related to the cash flows generated by the IPUs in discontinued operations.

In 2019, the use of net cash in investing activities consisted primarily of: (i) investments in the amount of R$7,426 million in purchases of goods, equipment, services, and intangible assets (capex), mainly related to the expansion of our data communication network and the implementation of projects to meet ANATEL's regulatory requirements; (ii) dividends received from companies abroad classified as assets held for sale of R$227 million; and (iii) net judicial deposits (consisting of deposits deducted from withdrawals and/or replacements) of R$242 million, basically related to provisions for labor, tax and civil contingencies.

Cash flows used in financing activities

During 2020, the net cash generated by our financing activities resulted mainly from: (i) raising of simple, non-convertible private debentures, with collateral and additional trust guarantee of the Company and Telemar issued by Oi Móvel in an aggregate amount of R$2,500 million; (ii) payment of lease agreements in the amount of R$597 million; (iii) payments of derivative financial instruments transactions of R$120; and (iv) negative cash generation of R$877 million related to the flows generated by the IPUs in discontinued operations.

In 2019, the net cash generated by our financing activities arise primarily from: (i) the capital increase with new funds under the JRP amounting to R$4,000 million in cash; (ii) payment of lease contracts amounting to R$1,611 million; and (iii) disbursements of R$152 related to the main tax refinancing program.

10.2. Officers' comments on:

a) result of the Company's operations, in particular:

Next our officers present their comments on the result of our operations, in particular, describe the revenue components, and the drivers that materially affect operating results.

i) description of any material revenue components

Our telecommunications and IT services comprise:

- Local fixed-line telephony services in Regions I, II and III, including installation, monthly subscription, metered services, collect calls, and additional local services;
- National and international long distance services, through fixed-line telephony in Regions I, II and III, using carrier selection codes for long distance calls, which are represented by the number "14" in the case of Oi S.A. (Region II) and the number "31" in the case of TMAR (Regions I and III);
- Nationwide mobile telephony services, using 2G and 3G technology, as well as 4G technology;
- Data communication services, which include (1) Asymmetric Digital Subscriber Line 2+ ("ADSL2+") and Very-high-bit-rate Digital Subscriber Line 2 ("VDSL2") services, and Gigabit Passive Optical Network ("GPON"); (2) lease of exclusive digital and analog lines to other carriers, ISPs, and corporate customers; (3) Internet Protocol ("IP") solutions; and (4) other data communication services;
- Use of own network (1) to complete calls initiated by customers of other carriers (interconnection services); or (2) by carriers that do not have the required network;
- Pay TV services, incluindo SeAC, DTH, and IPTV;
- Traffic carrying services;
- Payphones;
- Value-added services that include voice mail, caller ID and list assistance, among others;
- Advanced voice services for corporate customers, such as 800 series Non-Geographic Code (NGC) services (toll-free calling) and 300-series NGC services (shared calling); and
- Cloud Computing, Data Center, Security, video colaboration, and IoT (Internet das Things) services.

The revenue generation of each business segment is assessed by Management based on a view segmented by customer, into the following categories:

- Residential Services, focused on the sale of FTTH[4] services, including voice services, additional local services, data communication services (broadband), and pay TV;
- Personal Mobility, focused on the sale of mobile telephony services to subscription and prepaid customers, and mobile broadband customers, as well as Value Added Services; and
- SMEs/Corporate, which includes corporate solutions offered to our small, medium-sized, and large corporate customers.
- Wholesale services that include services to Carriers and ISPs

[4] FTTH = Fiber to the home

ii) factors that materially affected results of operations

The key factors that affect our financial position and results of operations, according to Officers' comments, are as follows:

Growth rate of Brazil's Gross Domestic Product and demand for telecommunications services

We are a Brazilian telecommunications company and, consequently, our operations are substantially carried out in Brazil. As a result, we are primarily affected by the economic conditions of Brazil.

The year 2020 started with a positive expectation for Brazil, in view of the reform agenda in Congress and an exchange rate of R$4.0307=US$1.00. However, the acceleration of the COVID-19 pandemic, the arrival of the virus in Brazil, and the increased uncertainty regarding the expected term of the lockdown and isolation measures impacted the international economy and the domestic economy.

In March and April, social isolation measures were applied in most of Brazil, which strongly affected economic activity. Beginning May, the economy showed a slight reaction due to economic measures adopted by the Federal Government, especially: the emergency aid for informal workers (R$321.8 billion); the emergency aid to states (R$60.2 billion); and the Emergency Benefit for the Maintenance of Employment and Income (R$51.5 billion). From April to December, emergency aid of R$600 a month was paid to approximately 67 million Brazilians.

In 2020, household consumption was severely restrained and fell back by 5.2% compared to 2019. Services were the GDP component with the largest downturn, mainly due to the downturn of activities related to: hospitality services, food services, private health, and general services provided to families. Because of the pandemic, the unemployment rate deteriorated and ended 2020 at 14.3%, reaching approximately 14 million people, the highest level since 2012. This generated an increase in informality and the average unemployment rate in Brazil stood at 11.9%, according to IBGE (Brazilian bureau of statistics) data.

Given the high international turmoil and widespread uncertainties regarding the pandemic, the Brazilian real depreciated 28.9% against the Dollar. Inflation, as measured by the IPCA inflation index, ended the year at 4.52%, slightly above the center of the 4.00% target, still within the tolerance range. Brazil's Central Bank sees the rise in prices as a one-off event and maintained the Selic (Brazil's policy rate) rate at 2.00% a year, the lowest in history.

In 2020, the Brazilian GDP shrank by 4.0% and put the expected economic recovery that had been set in motion in recent years on halt. From 2017 to 2019, the annual Brazilian GDP increased by approximately 1.1%. The 2020 GDP figure interrupted its growth trajectory that had extended for three years and returned to the 2016 level.

Our Directors believe that the economy's performance, the percentage of the population employed, and the growth of the Brazilian GDP stimulate the demand for telecommunications services. Demand for these same services is relatively inelastic during periods of economic sluggishness and the effect of a slowdown in the economy or even a domestic recession on our revenue have proved to be immaterial. However, a major, prolonged deterioration in economic conditions in Brazil, as was the case in 2020 due to the coronavirus pandemic, could adversely affect the number of subscribers of and the volume of services provided by the Company and, consequently, our operating revenue.

Between the years ended December 31, 2020 and 2019, the number of our subscribers decreased by 7.5% and between the years ended December 31, 2019 and 2018 this number decreased 4.6%, to 29.4 million in December 2019 from 31.8 million in December 2019 and 33.3 million in December 2018, while the number of Oi fixed telephone lines in service decreased 15.1% between 2020 and 2019 and 15,3% between 2019 and 2018.

Demand for Telecommunications Services

Demand for Local Fixed-line Telephony Services

The penetration rate of fixed telephony in Brazil is similar to the penetration rate in countries with the same per capita income and, as in other countries, the fixed telephony customer base tends to decrease and be replaced by mobile customer base.

The demand for local fixed telephony services provided by us posted a decrease in recent years. In 2020, the year-on-year number of fixed lines in service fell by approximately 8.15%. This reduction was 12.5% between the years ended December 31, 2019 and 2018.

The Company seeks to mitigate the widespread trend in the Brazilian telecommunications industry to replace local fixed telephony services with mobile telephony (1) by offering value-added services to fixed telephony customers, mainly broadband service subscriptions; and (2) by promoting the convergence of telecommunications services by offering convergent packages of local fixed, long distance and mobile telephony, broadband and pay TV. As a result of these offerings, our officers expect the number of fixed lines in service to continue to decline in the coming years and, accordingly, we have invested in new residential products.

Following the strategic plan outlined in 2019, 2020 was the we allocated a considerable portion of investments to FTTH. We reached 9.0 million homes passed, an increase of approximately 4.5 million of the existing base that was 4.6 million homes passed at the end of 2019. Connections also grew with the new investments. The number of connected homes grew by more than 200% and reached 2.1 million customers. This number was approximately 675,000 connected homes at the end of 2019. Such achievements made the previous take-up of 14.7% to increase to 23.2%. Our Strategic Plan estimates we will reach 16 million homes passed in 2021. In 2020, we reached 9.1 million de homes passed.

The Company is subject, under ANATEL regulations and concession contracts, to offer basic fixed telephony plans to its residential customers with a 200-minute package of fixed network use to make local calls. The customer of a standard plan pays a monthly fee for the service and when local calls exceed the plan package, the Company charges an excess amount per minute. However, we offer several alternative fixed-telephony plans with different packages to meet the different needs and consumption profiles of the market, tailored to each customer's profile. A classic example is the unlimited plan for customers who make many calls per month and pay a fixed monthly fee to Oi.

The significant increase in the number of mobile telephony users in Brazil in the last ten years has also had a negative impact on the use of payphones. As a carrier with public local fixed telephony concession in Regions I and II, we are subject to ANATEL's regulations and according to the concession agreements that we have has entered into, it is necessary to meet certain targets consisting of the number of payphone made available in the entire concession area. However, as an increasingly larger portion of the population uses mobile phones, the number of payphones has declined in the last years. As a consequence, in

December 2018, the Government enacted Decree 9619, which approves the General Fixed-line Telephony Universal Service Targets Plan for Public Switched Telephone Service, known as PGMU IV, which redefines the payphone installation targets, and allowing concessionaires to significantly reduce the number of payphones, and establishing that the balance arising from changes in payphone targets would be used in favor of wireless access targets to provide the STFC through fourth generation technology, or 4G. In 2018, days before the publication of Decree 9619/2018, the government initiated Public Consultation No. 51/2018 on the five-year review of the concession agreements and the PGMU. This is the last five-year review provided for in the concession agreements. After the end of the Public Consultation and the analysis of the responses filed society as a whole, in December 2020 Anatel approved new drafts of the new concession agreement and sent to the Executive a text suggestion for the new PGMU.[5]

Demand for Mobile Telephony Services

The number of mobile customers between 2019 and 2020 continued to decline as in previous years. As in the other periods, the reduction from 36.8 million (2019) to 36.7 million (2020) was primarily affected by the prepaid segment. Which decreased from 24.5 million to 23.0 million customers, or a year-on-year drop of 6.2% for Oi in the number of prepaid customers. However, we posted a slight improvement in the subscription segment throughout 2020. In 2019, we closed the year with 12.3 million customers. In 2020, we closed with 13.7 million customers, a 11.2% year-on-year increase in Oi's subscription customer base.

The mobile telephony services market is highly competitive in the region where we operate. In order to try and reduce the average churning rate in the segment and take up new customers, we incur selling/advertising expenses, sales efforts, and discounts offered in offers and promotional activities.

On December 14, 2020, a hearing was held at the Judicial Reorganization Court for opening of sealed bids submitted in the competitive bidding procedure for the disposal of the UPI Mobile Assets, in the manner and terms provided for by the Amendment to the JRP and the UPI Mobile Assets Bid Notice. We received an acquisition proposal from Telefônica Brasil S.A, TIM S.A., and Claro S.A. totaling R$16.5 billion, of which R$756 million refers to the transition services to be provided for up to twelve months by Oi to the Bidders, plus the commitment to enter into long-term contracts for the provision of transmission capacity services with Oi, on a take-or-pay basis, whose net present value (NPV), calculated for purposes and in the manner provided in the Amendment to the JRP, is R$819 million, the terms and conditions provided for in the respective binding proposal, and the relevant Share Purchase Agreement are set forth in Annex 5. 3.9.1 of the Amendment to the JRP;

Demand for Data Transmission Services

The customer base for Data Transmission Services consists of Copper Broadband, FTTH and B2B customers. As at December 31, 2020, our broadband customer base was approximately 4.5 million customers, a year-on-year decrease of approximately 3.4%. The broadband customer base was 4.7 million and 5.4 million customers in the last two fiscal years ended December 31, 2019 and 2018. Currently, we are investing in new fiber products (FTTH) and ended 2020 with approximately 9.1 million homes passed. In 2020, this new product showed satisfactory results, closing the year with approximately 2.1 million connected customers.

[5] As a result of the last five-year review provided for in the concession agreements, on January 27, 2021 the Government enacted Decree 10.610-PGMU V, which replaces the wireless access targets for the increase of the backhaul targets.

Our Officers believe that the changes in the customer base are the result of changes in consumer preferences that value the data transmission speeds available via broadband services. Competition in the fiber segment is intense and our progress has occurred in locations where regional providers operate (ISPs). Strong brand, vigorous sales activity, the quality of the network, and the speed offered tend to accelerate the expansion of fiber supply and *take-up* (FTTH) in future years.

Expansion of Mobile Data Transmission Services

In 2020, we kept making the investments required to improve the services provided by the 4G network, whether in terms of increased capacity, increased coverage or competitive offers, with a greater focus on subscriber mobile access, where we are growing our mobile customer base. With a greater focus on increasing revenue and higher data usage penetration by prepaid customers, we created offers for the acquisition, and developed several actions to monetize the prepaid data user base.

The Company has been expanding investments in network infrastructures to provide 3G, 4G, 4.5G, and Wi-Fi services. We finance the purchase and installation of our network equipment through borrowings and financing, including financing with our suppliers.

According to 3G radiofrequency licenses, until 2016 we had certain service expansion obligations that require capital investments, and these obligations were discharged. According to our 4G radiofrequency licenses, until 2019 we had certain service expansion obligations that require capital investments, and such obligations were discharged by us, even though they are also subject to the completion of the inspection process by ANATEL. If we are unable to make all these capital investments using our operating cash flows, we may incur additional debt or even assume supplier financing obligations, which would increase its total indebtedness and net financial expenses.

In order to accelerate deployment, we also considered a radio sharing configuration (Radio Access Network), where LTE eNode B access is shared with another carrier (when in RAN SHARING configuration).

As at December 31, 2020, our 2G mobile access networks consists of 13,969 active base stations, covering 3,499 municipalities, or approximately 94% of Brazil's urban population. We have GPRS coverage in 100% of covered locations and EDGE coverage in all state capitals. In this same period our 3G mobile access networks, consisting of 10,338 active base stations, covered 1,655 cities, or 82% of Brazil's urban population. We have HSPA coverage in all state capitals. Additionally, in 2020, our 4G access networks, consisting of 12,839 active base stations, covered 1,035 municipalities, or 75% of Brazil's urban population.

In addition to these mobile access networks, we also have Wi-Fi hotspots. As at December 31, 2020, our Wi-Fi network consisted of over 650,000 hotspots, with broadband access compatible with access points provided by Fon Wireless Ltd., or Fon, which allows our customers to access Fon lines around the world. Customers who subscribe to the compatible plans will be able to use Oi's 4G network if they have a device and *chip* that allows the use of this technology. Customers can check the coverage area of Oi's 4G network on the website.

This way, we were able to expand the mobile internet portfolio and serve all kinds of customers in the mobile segment.

b) changes in revenues attributable to price changes, changes in foreign exchange rates, inflation, volume changes, and introduction of new goods and services.

Our Officers comment below on changes in revenues attributable to price changes, changes in foreign exchange rates, inflation, volume changes, and introduction of new goods and services:

Prices, changes in volumes and introduction of new products and services

Our officers believe that the Company is under increasing pressure to reduce rates in response to price competition. This price competition usually takes the form of special promotional packages, including subsidizing mobile handset, traffic usage promotions, and incentives for on-net calls. Competition, with service plans and promotions, may result in an increased of marketing expenses and costs to gakin new customers, which could adversely affect our results of operations. Our inability to efficiently compete with these packages could result in the loss of market share, adversely affecting its operating revenue and profitability.

This competitive environment is highly affected by key trends, including the following:

- Technological and service convergence: technological and service convergence enables telecommunications operators previously limited to offering only a single service to offer a service package. This convergence process includes the provision of broadband, cable television, and mobile telephony services, and the newest high-speed Internet products by individualized fiber (FTTH) for each household.

- Consolidation: the consolidation of the telecommunications industry took place throughout Latin America, including Brazil. The consolidation has led to the formation of large conglomerates that benefit from both economies of scale and the ability to perform coordinated actions in different industry segments, giving them competitive edges in an environment that is also characterized by the convergence of media and telecommunications services.

- Convergent service offerings: telecommunications service carriers have intensified the offer of convergent packages that they were previously unable to offer independently.

In response to these competitive pressures, (1) we may now offer our services at rates lower than the ceilings set by ANATEL, and (2) from time to time, we may offer our services at promotional discounts or additional services free of charge coupled with the purchase of some of our services. We record the services that we sell at rates lower than those set in our plans or those approved by ANATEL, and the value of the services offered at a discount or free of charge as discounts and returns in our financial statements.

Inflation

The tariffs for telecommunications services are subject to extensive regulation by ANATEL. Tariffs for basic local and long distance fixed telephony plans provided by us, as well as interconnection with our fixed and mobile telephony networks, and EILD services with transmission rates up to 34 Mbps are subject to ANATEL regulation. We must obtain

ANATEL's approval before offering new fixed telephony plans. The rates set (in the case of standard plans) or approved by ANATEL (in the case of alternative plans) for the fixed telephony services provided by us constitute the ceiling for the rates we charges, and we are authorized to offer discounts on them. After ANATEL sets or approves the rates, the ceiling rates are subject to an annual adjustment for inflation as measured by the IST index. The ceiling rates on the standard local and national long distance fixed telephone plans are adjusted for inflation, as measured by the IST, less the amount of productivity gains achieved by us. In 2020, the telecommunications services index (IST) was 9.31%.

Foreign exchange rate

The Company conducts its operations substantially in Brazil and its operating revenues are not materially affected by changes in foreign exchange rates.

c) impact of inflation, changes of prices of the main inputs and products, the exchange rate, and the interest rate on our operating and financial results, when material

Officers' comments on the impact of inflation and changes in prices of inputs and products on results of operations

Our Officers believe that in the current scenario of controlled inflation and within the targets set by the Brazilian National Monetary Council (CMN) of 4.0% for 2020, 3.75% for 3.50%, for 2020, and for 2021, our costs and expenses, as well as our operating and liquidity margins, tend to be exposed to less pressure. Nevertheless, we continue to make efforts to seek initiatives to cut costs and streamline the use of our funds.

We have set a focus on efficiency, digitalization, productivity, and cost reduction as one of the cornerstones of our operating plan. As a consequence of the implementation of this plan, in 2019 the recurrent costs of the Brazilian operations decreased by 3.5%, totaling R$15,439 million in the year, and in 2018 they dropped by 7.9% compared to 2017. Considering the accumulated reduction of 11.1% and an accumulated inflation of 8.0% in the last 2 years, this performance meant a real reduction of almost 3.1% in Opex.

Officers' comments on the impacts of Exchange Rates and Interest Rates on financial results

Substantially the vast majority of our service and operating expenses are incurred in Brazilian reais. Therefore, no significant impacts related to changes in foreign exchange rates on operations are expected.

As at December 31, 2020, Oi S.A.'s consolidated gross debt was R$26,351 million, representing a 44.6% or R$8,124 million increase compared to the year ended December 31, 2019, when the consolidated gross debt was R$18,227 million. The increase in the annual comparison is the result of the accrual for interest in local and foreign currency, the amortization of the adjustment to present value (APV), which contributes to the debt growth, as well as the depreciation of the Brazilian real against the US dollar in the year.

	2020	2019	Change
Financial income (expenses)			
Financial income	4,209	2,662	(1,380)
Financial expenses	(17,657)	(8,772)	(10,876)

Financial income. Financial increase increased from 48.8% or R$1,380 million to R$4,209 million in 2020, from R$2,662 million in 2019. This change reflects primarily the positive effects of the foreign exchange differences on the discount from third-party debts (PVA).

Financial expenses. Financial expenses increased by 160.4% or R$10.876 million to R$17.657 million in 2020. This increase is explained by higher expenses on interest on third-party borrowings and interest on debentures, added to higher expenses on inflation adjustment and foreign exchange differences due to the 28.9% devaluation of the Brazilian real against the US dollar in the year.

For further information on the impact of inflation, foreign exchange rates, and interest rates on the Company's operating and financial results, see items "4.1" and "4.2" of this Reference Form.

10.3. Officers' comments on the material effects that the events below have caused or are expected to cause on our financial statements and results of operations:

The information below was appraised and commented by our Officers:

a) introduction or disposal of operating segment

Our Officers clarify that there was no introduction or disposal of an operating segment in the years ended December 31, 2020, 2019 and 2018.

The officers further clarify that the events related to the Judicial Reorganization Plan (JRP) will have a material impact on the Company's financial statements and results of operations. The purpose of the Amendment to the Judicial Reorganization Plan approved by the creditors is to enable the implementation of the long-term plan, with the necessary debt balancing and the continuity of the Oi Group as a going concern. The main purpose of the Oi Group's strategy is transforming its business model by focusing on the use and rapid expansion of its extensive fiber optics infrastructure as a competitive edge, including its transportation networks (backbone, backhaul and data network), and primary and secondary access networks (dedicated links, metropolitan rings, and FTTH access networks), enabling and supporting the high-speed connection and service provision needs of its residential, business, corporate, and government customers, and the provision of infrastructure services for other telecommunication service providers in the country, including the facilitation of connections for the new 5G technology.

This strategy will be implemented by proceeding with the asset divestiture process, a possible involvement in consolidation movements. This aims at making the Oi Group's business model more sustainable, focused on its main competitive advantages, structured in an efficient and focused manner, and ensuring the continuity of the Oi Group and the consequent compliance with the means of recovery and payment of all prepetition claims.

The Amendment to the JRP provides for the creation and sale of five (5) Isolated Production Units (UPIs) separated from the assets, liabilities and rights associated with (a) telephony and data operation in the mobile communications market ("UPI Mobile Assets"); (b) passive infrastructure ("UPI Towers" and "UPI Datacenter"); (c) telecommunications network operation ("UPI InfraCo"); and (d) the TV business ("UPI TVCo").

In the financial statements for the year ended December 31, 2020, the assets related to the UPIs are classified as held-for-sale assets and discontinued operations considering the developments in the disposal plan of these assets.

The Amendment to the JRP contains detailed information on the composition of each UPI and the terms and conditions applicable to their disposal, including information on their structure and minimum price, available at www.recjud.com.br, for consultation purposes.

UPI InfraCo

InfraCo SPC will concentrate infrastructure and fiber assets related to the Oi Group's access and transportation networks already contributed to its capital, whether when they are directly assigned or even when they are assigned as right *of* use, in the form of Indefeasible *Rights* of Use (IRUs), as well as new infrastructure investments to be made in the future for the purpose of accelerating investments in the expansion of its fiber optics networks, based on a more flexible and efficient capital structure and greater possibility of attracting and using new funds. InfraCo SPC is seeking in the market the necessary funds to finance its investments in order to expand Oi Group's operations in fiber optics and serve a larger number of customers from these segments nationwide.

The Amendment to the JRP establishes that Oi shall retain a material interest in the capital of InfraCo SPC through measures to ensure its active participation in the creation and expansion of a local leader in fiber optics infrastructure. As in other countries, the creation of InfraCo SPC followed a logic of structural separation between the services company and the infrastructure company for the purpose of maximizing business value through greater efficiency and innovation, with clear strategies focused on customer experience and product and service innovation on one hand and mass access to fiber infrastructures and optimization of its technical operation on the other.

The UPI InfraCo consists of 100% of the SPC shares, which concentrates the assets and liabilities related to the fiber optics and infrastructure activities described in Annex 5.3.4 to the Amendment to the JRP. Clause 5.3.9.4 of the Amendment to the JRP provides for the partial divestiture of the UPI InfraCo through a bidding process, under the terms of the LFR, by submitting sealed bids for the disposal of the majority of the voting shares of InfraCo SPC, representing its shareholding control. This bid should ensure the Company the payment of at least R$6.5 billion, in addition to the guarantee from the acquirer that there will be adequate funds for the payment of possible remaining debts of InfraCo SPC, including the full payment of InfraCo's debt outlined in Clause 5.3.8.1 to the Amendment to the JRP and the compliance with its investment plan, according to certain parameters to be established in the related UPI InfraCo Invitation to Bid Notice. At the completion of the partial sale of the UPI InfraCo, the buyer will be assured an interest equivalent to 51.0% of the total capital stock, not exceeding 51.0% of the economic capital of InfraCo SPC, and the Debtors are reserved the right to, at their sole discretion, determine the division of the capital stock of InfraCo SPC into common and preferred shares of InfraCo in the sale, within the limits established by law, thus guaranteeing that the Company shall retain a significant equity interest in SPC InfraCo, which might be possibly liable for the Debtors' obligations to JRP creditors.

As a result of the large demand for the asset during the preliminary market sounding conducted by a financial advisor, the minimum economic value (EV) of InfraCo SPC (as at December 31, 2021) to be considered in the proposals will be R$20 billion, within the previous reference range of 25.5% to 51% of the economic value, in order to ensure an active bid dispute among the different stakeholders for the control of InfraCo (51% of the voting capital of InfraCo SPC) until the auction. The interested parties must also assume the commitment to pay a secondary installment of the acquisition price of not less than R$6.5 billion and a primary installment of the acquisition price amounting up to R$5 billion, to guarantee the payment of any remaining debts of InfraCo SPC, including the payment of the amount of InfraCo SPC's debt provided for in Clause 5.3.8.1 of the Amendment to the JRP and the implementation of the planned investment plan, in exchange for receiving new common shares issued by InfraCo SPC, at the price per share paid in the partial sale of UPI InfraCo, adjusted as provided for in the Amendment to the JRP.

The Oi Group may, by the date of publication of the UPI InfraCo Notice, accept the binding bid with the highest economic value (EV) assigned *to* InfraCo SPC for the partial acquisition of UPI InfraCo, pursuant to the terms of the Amendment to the JRP, undertaking to grant such bidder the right to top, at its sole discretion, any offer per share issued by InfraCo SPC above its own biding bid, provided it submits an offer for an amount higher than at least 1% of the price per share issued by InfraCo SPC set in the best offer made during the bidding process for partial sale of the UPI InfraCo. The Amendment to the JRP also provides for mechanisms for evaluating binding bids for the partial acquisition of the UPI InfraCo that take into consideration not only the price per share offered and its minimum price of the economic value (EV) of InfraCo SPC, but also the possibility of evaluating better conditions for determining the best bid to be taken into consideration as the preferential bid for the judicial bidding process.

On January 25, 2021, Oi released a Material Fact Notice informing its shareholders and the market in general that on January 22, 2021 it had received binding proposals from third parties for the partial acquisition of the UPI InfraCo, all above the minimum price set in the Amendment to the JRP and that the proposals received are under analysis by the Company, which may engage in negotiations with the bidder of the best offer, on an exclusive basis, for the purpose of negotiating the final agreements that will be disclosed during the bidding process, by means of the corresponding Invitation to Bid Notice to be published in due course.

On February 4, 2021, Oi released a Material Fact Notice informing its shareholders and the market in general that, in view of the binding offer terms and conditions for partial acquisition of the UPI InfraCo jointly submitted by Globenet Cabos Submarinos S.A., BTG Pactual Economia Real Fundo de Investimento em Participações Multiestratégia, and other investment funds managed or controlled by companies belonging to the BTG Group (the "Offer" and the "Bidders"), on this same date entered into an Exclusivity Agreement ("Agreement") with the Bidders, for a limited period of time, for the purpose of negotiating exclusively with the Bidders the sale terms and conditions, as well as the documentation and appendices relating to the Offer. The purpose of the Agreement is *to* grant the negotiations underway between the parties the necessary security and agility, and, if the negotiations between the parties regarding the terms and documentation are satisfactorily concluded, allow that Oi is in a position to grant the Bidders the right to top other bids received in the course of the bidding process for the sale of the UPI InfraCo, pursuant to Clause 5.3.9.4.6 of the Amendment to the JRP confirmed by the JRP. The initial effective date was March 6, 2021, which was automatically renewed for another thirty-day period, to become effective until April 5, 2021, as reported by Oi in a Notice to the Market disclosed on March 5, 2021.

On February 18, 2021, Oi disclosed a Material Fact Notice informing that its subsidiary BrT Multimídia (defined in the Amendment to the JRP as "InfraCo SPC") had entered into an indenture for the issue of collateralized, simple, nonconvertible debentures, backed by collaterals, for private placement, in the total amount of up to R$2,500,000,000.00 ("InfraCo Debentures" and "InfraCo Issue", respectively). The main features of the InfraCo Issue and the Infraco Debentures are as follows: (i) Term and Maturity Date: twenty-four (24) months from the issue date, except in the case of early redemption and early maturity of the InfraCo Debentures set forth in the Debenture Indenture; (ii) Interest: unit par value adjusted using the accumulated National Broad Consumer Price Index (IPCA) variance, plus interest of 11% per year; (iii) Guarantees: the InfraCo Debentures shall be backed by collateral and a trust security provided by InfraCo; (iv) Conversion: the InfraCo Debentures shall be convertible into redeemable preferred shares representing the majority of InfraCo SPC's voting shares; and (v) Subscription: the InfraCo Debentures must be subscribed and paid-in by April 15, 2021.

The InfraCo Issue was approved pursuant to the provisions of Section 5 of the Amendment to the JRP. As provided for by the Amendment to the JRP and the InfraCo Issue indenture, Oi, through its subsidiaries Oi Móvel and Telemar, shall hold a call option on all the preferred shares held by the Debentureholders as a result of the Conversion. Alternatively, and at the sole discretion of Oi and its subsidiaries Oi Móvel and Telemar, InfraCo SPC may redeem all of the preferred shares held by the Debenture Holders as a result of Conversion A, considering that the InfraCo Issue is subject to the authorizations and the compliance with certain conditions precedent set forth in the relevant InfraCo Issue indenture.

UPI Mobile Assets

The Amendment to the JRP provides for the sale of UPI Mobile Assets in a bidding process, under the terms of the LRF, by submitting sealed bids for the acquisition of 100% of the shares of Mobile SPC, with payment of at least R$15.7 billion in cash.

On November 10, 2020, the Bid Notice ("UPI Mobile Assets Bid Notice") submitted by the Debtors was published for the sale of the UPI Mobile Assets, which consisted of 100% of the shares Cozani RJ Infraestrutura e Redes de Telecomunicações S.A., a joint stock company with corporate taxpayer identification number (CNPJ/ME) 36.012.579/0001-50 and registered with the Rio de Janeiro State Division of Corporations under NIRE 33.300.333.291, with registered head offices at Rua do Lavradio, 71, sala 201/801, Centro, CEP 20230-070, in the City of Rio de Janeiro, State of Rio de Janeiro ("Mobile SPC") wholly owned by Oi Móvel, free and clear of any liens or encumbrances ("Mobile SPC Shares"), to the capital of which Oi Móvel will contribute, through one or more corporate transactions, the Assets, Liabilities and Rights of the UPI Mobile Assets described in Appendix 5.3.1 to the Amendment to the JRP and in the UPI Mobile Assets Bid Notice.

On December 14, 2020, the Company released a Material Fact Notice informing its shareholders and the market in general that a hearing was held in the Judicial Reorganization Court for opening the sealed bids submitted as part of the bidding process for the disposal of the UPI Mobile Assets, in the manner and terms provided for in the Amendment to the JRP and in the UPI Mobile Assets Bid Notice. During said hearing, it was verified that there was only one bid for the acquisition of the UPI Mobile Assets, which was submitted jointly by Telefônica Brasil S.A., TIM S.A., and Claro S.A. (the "Bidders") pursuant to the precise terms and conditions of the binding proposal for the acquisition of the UPI Mobile Assets submitted by the Bidders, amounting to R$16.5 billion, of which R$756 million relates to transition services to be provided by Oi to the Bidders for up to 12 months, plus a commitment to enter into long-term take-*or*-pay agreements for transmission capacity services with Oi, whose net present value (NPV), calculated for purposes and in the manner provided in the Amendment to the JRP, is R$819 million, which shall be paid in cash, subject to the terms and conditions provided for in the related binding proposal and the related Share Purchase Agreement set forth in Annex 5.3.9.1 to the Amendment to the JRP.

Due to the submission of a single sealed bid for the acquisition of the UPI Mobile Assets, the Judicial Reorganization Court confirmed the Bidders' proposal as the winning bid of the bidding process for the sale of the UPI Mobile Assets, after securing the favorable opinions of the State of Rio de Janeiro Public Prosecution Office and the Trustee.

As provided for by the Bid Notice of the UPI Mobile Assets, the related Share Purchase and Sale Agreement will be entered into with the Bidders and the actual completion of Mobile SPC shares' transfer will be subject to compliance with the terms and conditions set forth in such agreement, including the prior consent of ANATEL (the National Telecommunications Agency) and the approval of the purchase and sale of the shares by the Administrative Economic Defense Council ("CADE") (Brazilian antitrust authority).

<u>UPI Towers</u>

In November 2020, the result of the bidding process for the sale of the UPI Towers was announced, consisting of an offer made by Highline do Brasil II Infraestrutura de Telecomunicações S.A. ("Highline"), amounting to R$1,067 million to be paid in cash, pursuant to the terms and conditions provided for in the related binding proposal and the respective Share Purchase and Sale Agreement disclosed in Appendix 5.3.9.2 to the Amendment to the JRP.

In December 2020, the Company, Telemar and Oi Móvel entered into the Share Purchase and Sale Agreement Through a UPI and Other Covenants ("Agreement") with Highline for the sale of the UPI Towers to Highline and that the actual completion of the transaction with the transfer of Towers SPC's shares to Highline is subject to the compliance with the conditions precedent usual for this type of transaction, as provided for in the Agreement.

<u>UPI Datacenter</u>

On December 11, 2020, the Company, Telemar, and Oi Móvel entered into the Agreement for the Purchase and Sale of UPI Datacenter Shares Titan, for the total amount **R$325 million**, which will be paid after the compliance with certain conditions precedent, as follows: (i) a cash installment of R$250 million paid at sight; and (ii) R$75 million, in installments to be paid in the manner and maturity set forth in the Agreement.

On March 12, 2021, the UPI Datacenter was sold to Titan and all the shares issued by Datacenter SPC were transferred to Titan, which, in turn, paid the cash installment, and the remaining amount will be paid in installments, pursuant to the terms and conditions set forth in the Agreement.

UPI TVCo

UPI TVCo will consist of the assets, liabilities, and rights related to the pay TV business, described in Annex 5.3.5 to the Amendment to the JRP, which provides for the disposal of the UPI TVCo in a bidding process, under the terms of the LRF, by submitting sealed bids for the acquisition of 100% of TVCo SPC shares held by the Debtors, considering that the acquisition of the UPI TVCo will involve (i) the payment, in a single cash installment, of a minimum amount of R$20 million and (ii) the obligation of the corresponding acquirer to share with the Debtors and/or their associates 50% of the net revenue of the IPTV service to be offered to TVCo SPC customers using the FTTH network, under the terms and conditions to be established in the Bidding Notice for the disposal of the UPI TVCo.

b) establishment, acquisition or disposal of equity interest

Our Officers clarify that our financial statements were impacted by the acquisitions and disposals of equity interests, the most relevant of which are described below. For additional information on these operations, see item "15.7" of this Reference Form.

PT Portugal

Sale of PT Portugal shares to Altice

On December 9, 2014, the Company entered into an agreement with Altice Portugal S.A. ("Altice PT"), wholly-owned subsidiary of Altice S.A. ("Altice") for the sale of all PT Portugal shares, basically involving the operations conducted by PT Portugal in Portugal and in Hungary.

On June 2, 2015, the sale of the shares was completed, after the compliance with all the conditions precedent. Altice paid a total of €5,789 million for PT Portugal, of which €4,920 million were received in cash by Oi and PTIF and €869 million were immediately allocated to settle PT Portugal euro-denominated debt. The price paid by Altice is subject to a contractual adjustment system. There was also an expected earn-out payment of €500 million by June 30, 2020, related to the generation of revenue by PT Portugal, but the performance targets established in the agreement for the recognition of this last amount were not met. In addition, Oi provided to the buyer a set of guarantees and representations, usual in this type of agreements.

Under the terms of the agreements entered into Company and Pharol aimed at the union of their share bases, certain Pharol assets and liabilities were transferred to the Company, which assumed the compensation or payment obligation of possible incurred contingencies. Up to December 31, 2019, the Company paid to third parties contingencies incurred by Pharol amounting to €5.5 million and as at December 31, 2019 it held judicial deposits and an escrow deposit in favor of third parties totaling €21.6 million, and was the guarantor in certain bank guarantees of Pharol, on account of lawsuits, totaling to €187.4 million.

Approval of preparatory actions for the sale of Africatel

At the Board of Directors' meeting held on September 16, 2014, Oi's management was authorized to take all the necessary actions to divest Oi's stake in Africatel, representing at the time 75% of Africatel's share capital, and/or dispose of its assets.

<u>Sale of Cabo Verde Telecom</u>

On May 21, 2019, upon the compliance with the conditions precedent set forth in the agreement, PT Ventures SGPS, S.A., a Portuguese company 100% controlled by Africatel on that date, sold and transferred all of the shares it held in Cabo Verde Telecom, S.A. ("CVT"), representing 40% of the latter's share capital, to Instituto Nacional de Previdência Social and state-owned company ASA - Empresa Nacional de Aeroportos e Segurança Aérea, S.A., both based in Cape Verde, for a total amount of US$26.3 million, as provided for by Clauses 3.1.3 and 5.1 of the Judicial Reorganization Plan. This sale generated a net gain of R$67 million, recognized in profit or loss.

As a result of said share sale, PT Ventures entered into with the State of Cabo Verde, on the same date, an agreement for the definite termination of the arbitration proceedings filed by PT Ventures against the latter in March 2015, with the International Centre fore for Settlement of Investment Disputes ("ICSID") and the International Chamber of Commerce ("ICC").

<u>Transfer of the equity interests held in PT Ventures and, indirectly, in Unitel and Multitel</u>

As disclosed to the market in the Material Fact Notice of January 24, 2020, after obtaining the proper approvals from the Company's Board of Directors, the competent corporate bodies of Africatel and the Judicial Reorganization Court, on January 24, 2020, Africatel sold and transferred all shares issued by PT Ventures to the Angolan company Sociedade Nacional de Combustíveis de Angola, Empresa Pública - Sonangol E.P., as provided for in the Company's Judicial Reorganization Plan and Strategic Plan.

On the transaction date, PT Ventures held stakes in the Angolan companies Unitel S.A. ("Unitel") (25%) and Multitel - Serviços de Telecomunicações Lda. (40%), as well as claims on dividends declared by Unitel and already past due and a set of rights resulting from the final decision rendered at the beginning of 2019 by the Arbitration Court installed under the Arbitration Rules of the International Chamber of Commerce ("ICC") within the scope of the arbitration initiated by PT Ventures at the ICC against the other Unitel shareholders, because of the breach of several provisions of Unitel's Shareholders' Agreement.

As a result of this transaction, at the transactions date the Company is no longer bound by the ongoing litigation involving PT Ventures, Unitel, and Unitel's other shareholders.

The transaction totaled US$1 billion, of which: (i) US$699.1 million were paid to Africatel by Sonangol on January 24, 2020; (ii) US$60.9 million were paid to Africatel before the transfer of the shares to PT Ventures; and (iii) US$240 million were paid by Sonangol to Africatel, in installments, from February to July 31, 2020.

Isolated Production Units ("UPIs") provided for by the Amendment to the Judicial Reorganization Plan ("Amendment to the JPR")

The Amendment to the JRP provides for the segregation of the assets, liabilities and rights of Oi and its subsidiaries under judicial reorganization ("Debtor") into five distinct IPUs associated with (a) the telephony and data operations in the mobile communication market

("UPI Mobile Assets"); (b) passive infrastructure ("UPI Towers" and "UPI Datacenter"); (c) the telecommunications network operations ("UPI InfraCo"); and (d) the TV business ("UPI TVCo")..

The UPIs may be sold under different models, depending on the nature of each UPI, in order to pay off debts and generate the necessary resources for the expansion of its fiber infrastructure and related services, which are the main focus of the Oi Companies' strategy. The divestment of the UPIs would allow Oi to maximize the business value of its investments by expanding its residential and business access services nationwide, exploit more efficiently its network components, and create new business opportunities for the exploitation of these networks by offering them to other carriers and service providers in the telecommunications industry, in light with the governing laws, regulations and the required permits from competent authorities, where applicable.

Accordingly, in 2020, Oi and its subsidiaries Telemar Norte Leste S.A. - under Judicial Reorganization and Oi Móvel S.A. - under Judicial Reorganization acquired all the equity interests in six non-operating joint stock companies (Drammen RJ Infraestrutura e Redes de Telecomunicações S.A., Caliteia RJ Infraestrutura e Redes de Telecomunicações S.A., Cozani RJ Infraestrutura e Redes de Telecomunicações S.A., Garliava RJ Infraestrutura e Redes de Telecomunicações S.A., Jonava RJ Infraestrutura e Redes de Telecomunicações S.A., and Lemvig Serviços de Televisão por Assinatura S.A.), which will be used as the specific purpose corporations ("SPCs") set forth in the Amendment to the JRP for the segregation of assets, liabilities, and rights necessary for the establishment and sale of the UPIs.

c) unusual events or operations

Not applicable, considering that were no material unusual events or operations in the years ended December 31, 2020, 2019 and 2018 that could cause or will cause material impacts on the financial statements.

10.4. Officers' comments on:

a. Significant changes accounting policies

Our officers inform that the new standards adopted in the year ended December 31, 2020 did not result in any changes in the Company's accounting policies. Our officers inform also that the new standards that had an impact on our financial position were IFRS 16/CPC 06 (R2) Leases, effective for annual periods beginning on or after January 1, 2019, and IFRS 9/CPC 48 Financial Instruments and IFRS15/CPC 47 Revenue from Contracts with Customer, effective for annual periods beginning on or after January 1, , 2018, as detailed in item (b.) below.

We have all the standards, revised standards and interpretations issued by the Accounting Pronouncements Committee (CPC), the IASB, and regulatory-setting bodies that were in effect on December 31, 2020.

b. Significant effects of changes in accounting policies

Our officers inform that there are no significant impacts from the new standards adopted in the year ended December 31, 2020 since they did not result in any changes in the Company's accounting policies.

Mandatory application beginning January 1, 2019

IFRS 16/CPC 06 (R2) *Leases*

IFRS 16/CPC 06 (R2) *Leases* establishes the principles for the recognition, measurement, presentation, and disclosures, and requires that lessees account for all the leases under a single model in the balance sheet. The standard includes two recognition exemptions for lessees: leases of low value assets (for example, personal computers) and short-term leases (i.e., with a lease term of twelve months or less). At the lease commencement date, the lessee recognizes a liability related to the lease payments (i.e., a lease liability) and a lease asset that represents the right to use the underlying asset during the lease term (i.e., a right-of-use asset). The lessees are required to separately recognize an interest expense on the lease liability and a depreciation expense on the right-of-use asset. The lessees shall also revalue the lease liability should certain events occur (for example, any change in the lease term, a change in the future lease payments as a result of a change in the index or rate used to determine such payments). As a rule, the lessee recognizes the revised amount of the lease liability as an adjustment to the right-of-use asset.

There is no significant change in the lessor's recognition based on IFRS 16 regarding the current accounting in accordance with IAS 17. The lessors shall continue to classify all leases pursuant to the same classification principle of IAS 17, differentiating between two types of leases: operating and finance leases.

Transition

We have W As a result, the Company did not apply the standard to agreements that have not previously been identified as containing a lease by applying IAS 17 and IFRIC 4, and excluded lease agreements maturing in the next twelve months, without probable renewal intention, in addition to applying a single discount rate to leases with similar characteristics and excluding to direct initial costs in the measurement of the right-of-use.

Exemptions

We elected to use the exemptions proposed by the standard on short-term agreements (i.e., that will be end within 12 months from the commencement date), lease agreements for which there is an underlying low value asset.

Impacts

The impacts refer basically to the lease agreements of towers, properties, stores, vehicles, and sites.

Upon the initial adoption of IFRS 16/CPC 06 (R2), the Company recognized a right-of-use asset and a lease liability in balance sheet. The right-of-use asset is measured at cost, which consists of the initial amount of the lease liability measurement, any initial direct costs incurred by the Company, an estimate of any costs to disassemble and remove the asset at the end of the lease, and any lease payments made before the lease commencement date (net of any incentives received), calculated at present value.

We depreciate the right-of-use assets on a straight-line basis from the commencement of the lease to the termination of the lease. We also assess impairment when there are indicators that an asset might be impaired.

At the commencement date, we measured the lease liability at the present value of the consideration paid or payable, discounted using the Company's incremental lending rate.

The lease payments included in the lease liability measurement consist of fixed payments and variable payments based on either an index or a rate.

After the initial measurement, the liability will be written down by the payments made and increased by the interest incurred. If necessary, the liability is recalculated to reflect any remeasurement or change, or if there are changes in the substance of the fixed payments.

When there is a significant contractual change, a lease liability is remeasured and the corresponding adjustment is reflected in the right-of-use asset, or in profit or loss, if the right-of-use asset is already written down to nil.

We elected to use the exemptions proposed by the standard for lease agreements, for short-term and low value contracts. Accordingly, instead of recognizing a right-of-use asset and a lease liability, these are recognized as an expense in profit or loss over the lease period.

We individually measured any new agreement entered into after January 1, 2019 if such agreement contained a lease. A lease is defined as an "a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration."

To apply this definition we assessed whether a contract meets the three key characteristics:

- The agreement contains an identified asset, which is explicitly identified in the agreement or implicitly specified to be identified at the time that the asset is made available to the Company;

- The Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use, considering its rights within the scope set out in the agreement; and

- The Company has the right to direct the use of the identified asset throughout the period of use the and right to direct "how and for what purpose" the asset is used throughout the period of use.

As at January 1, 2019, we and our subsidiaries recognized a right-of-use asset as a corresponding entry to the lease liability payable, amounting to R$8.2 billion. As at December 31, 2019, the amounts recognized for the right-of-use asset and the lease liability payable are R$7.9 billion and R$8.2 billion, respectively.

We have adopted IFRS 16, taking into account the modified retrospective application permitted by the respective standards. Accordingly, we present below the results for the years period ended December 31, 2019 and 2018, consolidated in thousands of Brazilian reais, less the effects recognized as a result of this application.

	Balance in 2019 (with IFRS 16)	IFRS 16 adjustments	Balance in 2019 (w/o IFRS 16)	Balance in 2018
Net operating revenue	20,136,183		20,136,183	22,060,014
Cost of sales and/or services	(16,560,412)	(589,861)	(17,150,273)	(16,179,100)
Gross profit (loss)	3,575,771	(589,861)	2,985,910	5,880,914
Operating income (expenses)				
Share of results of investees	(5,174)		(5,174)	(13,492)
Selling expenses	(3,547,684)	(7,516)	(3,555,200)	(3,853,002)
General and administrative expenses	(2,782,562)	(5,810)	(2,788,372)	(2,738,718)
Other operating income	4,527,710		4,527,710	2,204,134
Other operating expenses	(4,745,431)		(4,745,431)	(6,748,094)
	(6,553,141)	(13,326)	(6,566,467)	(11,149,172)
Profit (loss) before financial income (expenses) and taxes	(2,977,370)	(603,187)	(3,580,557)	(5,268,258)
Financial income	2,662,463		2,662,463	30,950,461
Financial expenses	(8,772,181)	948,973	(7,823,208)	(4,341,595)
Financial income (expenses)	(6,109,718)	948,973	(5,160,745)	26,608,866
Pretax profit (loss)	(9,087,088)	345,786	(8,741,302)	21,340,608
Income tax and social contribution				
Current	(77,060)		(77,060)	115,706
Deferred	69,041		69,041	3,159,241
Profit (loss) for the year	(9,095,107)	345,786	(8,749,321)	24,615,555

Mandatory application beginning January 1, 2018

IFRS 9/CPC 48 *Financial Instruments*

The officers clarify that the new standard establishes: (i) new classification criteria of financial assets so that financial assets start to be classified in the categories amortized cost, fair value through other comprehensive income, and fair value through profit or loss, (ii) a new expected credit loss model to calculate the impairment of financial assets, and (iii) greater flexibility of the requirements to adopt hedge accounting, more aligned with the risk management policies.

We do not anticipate any major changes in the classification/measurement of its financial assets that would affect its shareholders' equity.

The table below shows the original measurement categories in IAS 39 and the new measurement categories of IFRS 9 as at January 1, 2018 and December 31, 2018 (consolidated in thousands of Brazilian reais):

	Original classification under IAS 39	Classification under IFRS 9	CONSOLIDATED	
			12/31/2018	01/01/2018
Cash equivalents	Held for trading	Fair value through profit or loss	4,097,838	6,585,184
Cash investments	Held for trading	Fair value through profit or loss	238,962	136,286
Due from related parties	Loans and receivables	Amortized cost		
Accounts receivable	Loans and receivables	Amortized cost	6,516,555	6,994,465
Dividends and interest on capital receivable	Loans and receivables	Amortized cost		
Held-for-sale financial asset (Note 29)	Available for sale	Fair value through profit or loss	1,843,778	1,965,972
Dividends receivable (Note 29)	Loans and receivables	Amortized cost	2,566,935	2,012,146

With regard to the new model of expected losses on receivables due to the impairment of financial assets, as at January 1, 2018, we and our subsidiaries recognized an increase in the amount of the allowance for estimated losses of trade receivables as a contra entry to accumulated losses, amounting to R$373 million, net of taxes.

As at January 1, 2018 and December 31, 2018, we do not have any hedge relationships to assess the application of the standard, but I will apply the new requirements when new hedging instruments are contracted.

IFRS 15/CPC 47 *Revenue from Contracts with Costumers*

Our officers clarify that the new standard establishes a new five-step model that to account for revenue from contracts with costumers. Pursuant to IFRS 15, revenue is recognized in an amount that reflects the consideration that an entity expects to be entitled to in exchange from the transfer of goods or services to a customer.

Management determined the following impacts from adopting the new standard on January 1, 2018:

Revenue from registration/service installation fees

The registration/installation fee collected from customers at the time a contract is nonrefundable and refers to the activity the Company is required to undertake when entering into a contract or a comparable activity required to fulfill such contract, while such activity does not entail the transfer of a good or the service promised to the customer. The fee is an advance payment for future goods or services and, therefore, should be recognized as revenue when such goods or services are supplied. For purposes of complying with IFRS 15, considering that such fees are a separate performance obligation, revenue must be recognized together with the revenue of said service provision, i.e., it should be deferred and recognized in profit or loss throughout the do contract period.

As at January 1, 2018, the Company and its subsidiaries recognized a contractual liability as a contra entry to accumulated losses, which generated the deferral of the revenue from registration/installation fee according to contract duration (12 months), amounting to R$138 million, net of taxes.

Recognition of costs incurred on the performance of a contract

We are required to recognize as an asset the incremental costs incurred to obtain a contract with a customer that are expected to be recovered, and must recognize an impairment loss in profit or loss as the carrying amount of the recognized assess exceeds the remaining amount of the consideration the Company expects to receive in exchange for the goods and services to which the asset refers. We are required to recognize in assets certain costs that are currently recognized directly in profit or loss and recognize them on a systematic basis, consistent with the transfer of the goods and services to which the asset refers to the customer.

As at January 1, 2018, we and our subsidiaries recognized a contractual asset as a contra entry to accumulated losses, which generated the deferral of the costs incurred over the performance contract that were recognized in profit or loss based on the transfer of the goods and services to each customer (churn), amounting to R$793 million, net of taxes.

Sales of handheld devices at a discount

We offer our customers, who have acquired a given service package or entered into certain mobility contracts, handheld devices at a discount. Since the equipment (cellphone) is not a key condition for the provision of the service and there is no customization by the Company to offer the service using a given device, we consider such sale a separate performance obligation. Pursuant to IFRS 15, the discount should be allocated to the performance obligations arising on the sale of plans and in a mobility contract and the revenue from the sale of handheld devices should increase due to the recognition of the revenue from the sale of cellphones at the time the control over the good is transferred to the customer, while the service revenue should be reduced throughout the transfer of the promised service. The total revenue earned throughout the entire service agreement will not change and there will be no change either in the revenue process from customers and our cash flows.

We did not identify the significant financial impact on the sale of cellphones at a discount because the discounts amount is immaterial compared to our revenue as a whole.

Effects of the initial adoption of IFRSs 15 and 9

The Company adopted IFRSs 15 and 9, taking into account the modified retrospective application permitted by the respective standards. Accordingly, we present below the consolidated results, in thousands of Brazilian reais, for the years period ended December 31, 2018 and 2017, less the effects recognized as a result of this application.

	2018 (with IFRSs 15 & 9)	IFRS 15 adjustments	IFRS 9 adjustments	2018 (w/o IFRSs 15 & 9)	2017
Net operating revenue	22,060,014	15,588		22,075,602	23,789,654
Cost of sales and/or services	(15,584,650)			(15,584,650)	(14,986,250)
Gross profit	6,475,364	15,588		6,490,952	8,803,404
Operating income (expenses)					
Share of results of investees	(13,492)			(13,492)	(433)
Selling expenses	(4,134,030)	(119,214)	141,089	(4,112,155)	(4,442,837)
General and administrative expenses	(2,738,718)			(2,738,718)	(3,136,808)
Other operating income	2,204,134			2,204,134	1,985,101
Other operating expenses	(7,061,516)			(7,061,516)	(5,569,455)
	(11,743,622)	(119,214)	141,089	(11,721,747)	(11,164,432)
Profit (loss) before financial income (expenses) and taxes	(5,268,258)	(103,626)	141,089	(5,230,795)	(2,361,028)
Financial income	30,950,461			30,950,461	7,136,459
Financial expenses	(4,341,595)			(4,341,595)	(10,332,971)
Financial income (expenses)	26,608,866			26,608,866	(3,196,512)
Pretax profit (loss)	21,340,608	(103,626)	141,089	21,378,071	(5,557,540)
Income tax and social contribution	3,274,947	35,233	(47,970)	3,262,210	(1,098,622)
Profit (loss) for the year	24,615,555	(68,393)	93,119	24,640,281	(6,656,162)

c. Qualifications and emphases in the auditor's report

Financial statements for the year ended December 31, 2020

The Company's officers clarify that the following material matters have been included in the auditors' report on the financial statements for the year ended December 31, 2020

Material uncertainty as to going concern

We draw attention to Note 1 to the individual and consolidated financial statements, in the section on going concern, which informs that the individual and consolidated financial statements have been prepared assuming the continuity of the Company as a going concern, considering among others the following aspects: (i) compliance with the requirements set forth in the Court-Ordered Reorganization Plan ("PRJ"), considering the new terms and conditions established in its amendment, approved by the General Creditors Meeting (AGC) and ratified by the Judge of the Court-Ordered Reorganization on October 05, 2020, and in Law No. 11.101/2005; (ii) success in the implementation of the strategic plan; and (iii) conclusion of the process of disposal of Isolated Production Units (UPIs) referring to the businesses of operation of telephony and data in the mobile communication Market (UPI Ativos Móveis), passive infrastructure (UPI Torres and UPI Data Center), operation of telecommunication networks (InfraCo UPI), and to the TV business (UPI TVCo). These measures aim to reverse the conditions generating recurring loss to the Company. These events or conditions indicate that there are significant uncertainties that may cast doubt on the Company's going concern. Our conclusion is not modified in respect of this matter.

Other matters - Statements of value added

The individual and consolidated statements of value added, prepared under the responsibility of the Company's Management for the year ended December 31, 2020, and presented as supplemental information for IFRS purposes, were submitted to the same audit procedures followed for the audit of the Company's financial statements. In order to form an opinion, we have checked whether these statements are reconciled with the financial statements and accounting records, as applicable, and whether its form and contents meet the criteria established in Accounting Pronouncement NBC TG 09 - Statement of Value Added. In our opinion, the statements of value added were properly prepared, in all material respects, in accordance with the criteria established in that Technical Pronouncement and are consistent with the individual and consolidated financial statements taken as a whole.

Financial statements for the year ended December 31, 2019

Our officers clarify that the following key matters were included in the auditor's report on the financial statements for the year ended December 31, 2019:

Material uncertainty regarding the continuity as a going concern

We draw attention to Note 1 to the individual and consolidated financial statements, in the section on the continuity as a going concern, which states that the individual and consolidated financial statements were prepared on the assumption that the Company will continue as a going concern, taking into consideration, among other aspects: (i) the compliance with the requirements set forth bu the Judicial Reorganization Plan ("JRP") and Law 11101/2005; (ii) the successful implementation of the new strategic plan presented to the market in July 2019; (iii) reversal of the consolidated accumulated losses, which as at December 31, 2019, totaled the amount of R$17,727,954,000; and (iv) compliance with restrictive covenants of borrowings and financing. On March 6, 2020, the Judicial Reorganization Court granted our request to hold a new General Creditors' Meeting (GCM) to deliberate on an amendment to the JRP to relax certain financial and operating conditions and to extend the judicial reorganization term, which would otherwise end on February 4, 2020. These events or conditions point to the existence of material uncertainty that may raise significant doubts as to our ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other matters - Statements of added value

The individual and consolidated statements of value added ("DVA") for the year ended December 31, 2019, prepared under the responsibility of the Company's management, and presented as supplementary information for IFRS purposes, were submitted to audit procedures performed in conjunction with the audit of our financial statements. In forming our opinion, we assess whether these financial statements are reconciled with the financial statements and accounting records, as applicable, and whether their form and content are in accordance with the criteria defined in Technical Pronouncement CPC 09 Statement of Added Value. In our opinion, these statements of value added were appropriately prepared, in all material respects, according to the criteria set forth in this Technical Pronouncement and are consistent with the individual and consolidated financial statements taken as a whole.

Financial statements for the year ended December 31, 2018

Our officers clarify that the following key matters were included in the auditor's report on the financial statements for the year ended December 31, 2018:

Material uncertainty regarding the continuity as a going concern

We draw attention to Note 1 to the individual and consolidated financial statements, in the section on the continuity as a going concern, which states that the individual and consolidated financial statements were prepared on the assumption that the Company will continue as a going concern, which takes into account the successful implementation of the Judicial Reorganization Plan ("JRP") and compliance with the requirements of Law 11101/2005. These events or conditions point to the existence of material uncertainty that may raise significant doubts as to our ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other matters - Statements of added value

The individual and consolidated statements of value added for the year ended December 31, 2018, prepared under the responsibility of the Company's management, and presented as supplementary information for IFRS purposes, were submitted to audit procedures performed in conjunction with the audit of our financial statements. In forming our opinion, we assess whether these financial statements are reconciled with the financial statements and accounting records, as applicable, and whether their form and content are in accordance with the criteria defined in Technical Pronouncement CPC 09 Statement of Added Value. In our opinion, these statements of value added were appropriately prepared, in all material respects, according to the criteria set forth in this Technical Pronouncement and are consistent with the individual and consolidated financial statements taken as a whole.

10.5. Critical accounting policies adopted by the Company (including accounting estimates made by management on uncertain issues, material for the description of the financial position and results of operations, which require subjective or complex judgments, such as: provisions, contingencies, revenue recognition, tax credits, long-lived assets, useful lives of non-current assets, pension plans, foreign currency translation adjustments, environmental recovery costs, asset recovery testing criteria, and financial instruments)

Our Officers clarify that our Individual and Consolidated Financial Statements have been prepared in accordance with International Financial *Reporting Standards* (IFRSs) issued by the International Accounting Standards Board (IASB), and the pronouncements, guidelines and interpretations issued by the Accounting Pronouncements Committee (CPC), approved by the Brazilian Securities and Exchange Commission (CVM), effective on December 31, 2020, which are the same followed for the financial statements for the year ended December 31, 2019 and for the year ended December 31, 2018.

In preparing the financial statements, the Company's management uses estimates and assumptions based on historical experience and other factors, including expected future events, which are considered reasonable and relevant. The use of estimates and assumptions frequently requires judgments related to matters that are uncertain with respect to the outcomes of transactions and the amount of assets and liabilities. Actual results of operations and the financial position may differ from these estimates. Our Officers believe that the estimates that represent a significant risk of causing material adjustments to the carrying amounts of assets and liabilities are as follows:

Revenue recognition and accounts receivable

The Company's revenue recognition policy is significant as it is a material component of operating results. Determining the amount and the timing of revenue recognition by Management, collection ability, and the rights to receive certain network usage revenue is based on judgment related to the nature of the tariff collected for the services provided, the price of certain products, and the right to collect this revenue. If changes in conditions cause management to conclude that such criteria are not met in certain operations, the amount of trade receivables might be affected. In addition, the Company depends on guidelines to measure certain revenue set by ANATEL (Brazilian telecommunications industry regulator).

Expected losses on trade receivables

The recognition of expected losses on trade receivables takes into account the measures implemented to restrict the provision of services to and collect late payments from defaulting customers, as well as the credit risk on an individual and collective basis. The estimate of expected credit loss on trade receivables is recognized in an amount considered sufficient to cover possible losses on the realization of these receivables and is prepared based on historical default rates and on prospective information, such as projections of future conditions that impact collections.

There are cases of agreements with certain customers to collect past-due receivables, including agreements that allow customers to settle their debts in installments. The actual amounts not received may be different from the allowance recognized, and additional accruals might be required.

Depreciation and amortization of assets with finite useful lives

Property, plant and equipment items and intangible assets with finite useful lives are depreciated and amortized, respectively, on a straight-line basis, over the useful lives of the related asset. The depreciation and amortization rates of the most significant assets are shown in Notes 16 and 17 to our financial statements, respectively.

The useful lives of certain assets may vary as they are used in the fixed-line or mobile telephony segments. The Company reviews the useful lives of assets annually.

Impairment of long-lived assets

The recoverable amounts of long-lived assets are determined by comparing the calculations of their value in use and their sales prices. These calculations required the use of judgments and assumptions that may be influenced by different external and internal factors, such as economic trends, industry trends and interest rates, changes in business strategies, and changes in the type of services and products sold by the Company to the market. The use of different assumptions may significantly change our financial statements.

For CGU impairment test purposes, the Company considered the fair value net of selling expenses for the CGUs for which binding bids were received and the value in use for the remaining CGUs.

After measuring value in use, the Company updated the projections used to determine the value in use of long-lived assets (property, plant and equipment and intangible assets) for the purpose assessing evaluating potential indications of impairment of these assets, including by considering possible impacts of Covid-19 (Note 32 (d)). The updating of the aforementioned projections took into consideration, among other aspects: (i) updating of the assumptions and criteria used in the projections of future cash flows; (ii) updating and standardization of the WACC used in the calculation of the value in use to reflect the current economic context; and (iii) definition of sensitivity scenarios to assess possible impacts.

These forecasts cover a ten-year period, taking into account the useful lives of the assets and are consistent with prior years' cash flows. The discount rate used in the cash flows corresponds to the weighted average cost of capital of 9.34% (10.94% in 2019).

Pursuant to CPC 01 R1 (IAS 36), an impairment loss is allocated to reduce the carrying amount of the assets of a cash-generating unit, firstly to reduce the carrying amount of any goodwill based on expected future profitability and, subsequently, the other assets of the cash-generating unit proportionately to the carrying amount of asset of the cash-generating units.

In 2020, as a result of the asset impairment test, the Company recognized a reversal of previously recognized impairment losses related to the expected future profitability of assets with finite useful lives of the CGU Assets from continuing operations, due to developments in the financial scenarios and indicators taken into account to estimate in the cash flows in the amendment to the JRP, and recognized an impairment loss of CGU TV. Impairment losses, recognized in 2019, taking into account the cash flow projections at the time, was fully allocated to the appreciation of regulatory licenses (Notes 5 and 17).

Leases

The assumptions related to the appropriated discount rates used in the fair value calculation of the present value of the lease payments are subject to significant fluctuations due to different external and internal factors, including economic trends and the Company's financial performance. The use of different assumptions to measure the present value of our leases may have a material impact on the estimated present value of the right-of-use asset and the lease liability in the balance sheet.

Fair value of financial liabilities

The assumptions related to the discount rates used in the fair value calculation of our financial liabilities are subject to significant fluctuations due to different external and internal factors, including economic trends and the Company's financial performance. The use of different assumptions to measure the fair value of the financial liabilities can have a material impact on the estimated fair value of these financial liabilities and the amounts recognized as borrowings and financing in the balance sheet, as well as the amounts recognized in profit or loss.

Provisions

Pursuant to CPC 25/IAS 37, we recognized provisions for contingencies basically originated at the juridical and administrative levels, with labor, tax, and civil nature, as detailed in Note 23.

Depending on the nature of the contingency, the Company's management uses the statistical measurement or the individual measurement methodology to calculate provisions for contingencies. In any of these methodologies, the Company uses a set of assumptions, information, an internal and external risk assessment, and statistical models that management considers to be appropriate, including the successful implementation of the Judicial Reorganization Plan; however, it is possible that these change in the future, which could result in change in the future provisions for losses.

Deferred income tax and social contribution

We recognize and settle taxes on income based on the results of operations determined in accordance with the Brazilian corporate law, taking into consideration the provisions of the tax law, which are materially different from the amounts calculated for CPC and IFRS purposes. Pursuant to CPC 32 (IAS 12), we recognize deferred tax assets and liabilities based on the differences between the carrying amounts and the taxable bases of the assets and liabilities.

We regularly test deferred tax assets for impairment and recognize an allowance for impairment losses when it is probable that these assets may not be realized, based on the history of taxable income, the projection of future taxable income, and the time estimated for the reversal of existing temporary differences. These calculations require the use of estimates and assumptions. The use of different estimates and assumptions could result in the recognition of an allowance for impairment losses for the entire or a significant portion of the deferred tax assets.

Employee benefits

The actuarial valuation is based on assumptions and estimates related to interest rates, return on investments, inflation rates for future periods, mortality indices, and an employment level projection related the pension fund benefit liabilities. The accuracy of these assumptions and estimates will determine the creation of sufficient reserves for the costs of accumulated pensions and healthcare plans, and the amount to be disbursed annually on pension benefits.

These assumptions and estimates are subject to significant fluctuations due to different internal and external factors, such as economic trends, social indicators, and our capacity to create new jobs and retain our employees. All assumptions are reviewed at the end of the reporting period. If these assumptions and estimates are not accurate, there may be the need to revise the reserves for pension benefits, which could significantly impact our results of operations.

10.6. Material items not disclosed in the Company's financial statements

Not applicable, since there are no Material items not disclosed in our financial statements.

a) assets and liabilities held by the Company, either directly or indirectly, that are not disclosed on its balance sheet (off-balance sheet items), such as: i) operating leases, assets and liabilities; ii) portfolios of receivables written off on which the entity still holds risks and liabilities, pointing out the related liabilities; iii) contracts for future purchase and sale of goods or services; iv) unfinished construction contracts; and v) future financing receipts agreements

Not applicable, since there are no other assets and liabilities held by the Company not disclosed in the financial statements.

b) other items not disclosed in the financial statements

Not applicable, since there are no other items not disclosed in our financial statements.

10.7. Officers' comments on each item not disclosed in the financial statements referred to in item "10.6"

Not applicable, since there are no other items not disclosed in our financial statements.

a) how such items change or may change the revenues, expenses, operating income, financial expenses or other items in the issuer's financial statements

Not applicable.

b) nature and purpose of the operation

Not applicable.

nature and amount of the obligations assumed and rights generated in favor of the issuer as a result of the operation

Not applicable.

10.8. Officers' comments on key elements of the Company's business plan:

(a) (i) quantitative and qualitative description of ongoing investments and planned investments;

(a)(i) quantitative and qualitative description of ongoing investments and planned investments;

Our Officers believe that investments are important to meet projected demand by increasing operating efficiency. In order for these effects to occur in an organized manner, enabling sustainable growth in our Company through the provision of services on a fixed-line and mobile network, which includes (i) voice and data services, with equipment installed at distributed localities; (ii) telephone switchboard; (iii) data communication equipment; (iV) network services management systems; and (v) a capillary network of access lines connecting customers to these service centers, interconnected by long-distance transmission equipment. The most significant projects by technique are described below:

Data Network

Our Officers inform that the projects for the data network include the following activities:

- Acquire and expand data communication equipment to support the annual growth of IP traffic of approximately 35% and fixed and mobile 3G and 4G services, as well as corporate and residential services;
- Implement customized solutions, portfolio products and last-mile accesses for customers, including access opticalization; and/or characteristics related to the *Service Level* Agreement (SLA);
- Increase the capillarity of 100Gbps connections to ensure greater IP traffic flow, enhance access to content providers, and consequently ensure a better Internet browsing experience;
- Modernize the network equipment plant due to obsolescence and increase capacity to support the expected demand growth.

Voice Network

Our Officers inform that Oi's switched network faces the challenge of evolving in order to supply new value-added services to our customers and accordingly, we have been gradually replacing of our legacy plant, using mainly new technologies based on the NGN (Next Generation Networks) and IMS (IP Multimedia Systems) concepts.

We have been intervening from time to time to promote the removal and replacement of legacy plants, while investing in the expansion of NGN and IMS solution to meet new customer demands, which tend to the replacement of legacy and long-distance traffic (local and international) using VoIP.

As a direct result of this strategy, we have been migrating fixed-line voice services to fiber/IP access using the IP Multimedia Systems (IMS) core, an Internet Protocol (IP) services platform that enables the convergence of voice, data and video services and represents the core of our Triple Play offering. The IMS core will not only grant us control for the VoIP feature but also the integration of access control and authentication for all three services, in addition to enabling the development of fixed/mobile convergence.

We are also focused on transforming corporate voice solutions focused on IP environment, evolving traditional legacy services to products based on the SIP technology, such as SIP Trunking, thus also seeking convergence of B2B products with the cloud environment.

Transport Networks

The expansion of transport networks aims at ensuring the outflow capacity and high resilience needed for the services expansion plan, the growth of voice and IP traffic, and a better customer experience. The key projects are as follows: (i) National and state *backbone* expansion; (ii) Satellite network optimization, (iii) Preparation for 100Gbps customer traffic at all layers and the implementation of metropolitan networks to support 4.5 and 5G traffic; (iv) Route protection/optimization projects; and (v) growth of IP aggregators to the interior of the country, allowing access to content closer to the customer.

The full 100Gbps optical layer is being expanded to provide more efficient capacity utilization.

We are also keep expanding our optical coverage in dozens of municipalities, both to increase availability and resilience, and to offer services.

Network Management

Our Officers inform that the Network Management projects are distributed throughout the following activities:

Develop planning activities and Operation Support Systems (OSS) projects that serve the fixed, mobile and data networks, with the continuous goal of improving the management and performance of the networks with the reduction of time to identify failures and root causes, reducing the repair and undue claims SLA;

Desenvolver projetos de integração de novos equipamentos, redes e sistemas aos atuais OSS da companhia em todas as suas camadas (supervisão e monitoração de falhas e desempenho, aprovisionamento, autenticação, etc.);

Updating the Network Management Center (NMC) management platforms to support new versions and the growth *forecast* of network and user elements, in particular FTTH, new versions and higher number of network and user components, by monitoring the capacity, performance, versions and stability of existing OSS platforms, with an infrastructure downsizing and streamlining of preventive and proactive maintenance to ensure possible expansions and high service availability.

Consolidate a fully integrated environment between the Systems (OSS/BSS) to fully offer services and digital service to our customers, as well as to optimize the internal operating service handling within the Company.

Access Network

Our Officers inform that the investments related to the access network are distributed to:

- Address recently built buildings with FTTH networks;
- Promote the technological evolution of the existing network to meet market requirements for fixed broadband;
- Promote cable upgrade and redundancy projects, including building redundant fiber optic routes and cables for linear routes or ring closures; and
- Expand the existing optical network (FTTH) to improve operational indicators in regions where the metal network is highly degraded;
- Migrate copper network customers to FTTH network by seeking higher speed broadband supply.
- Develop solutions in the customer's environment by focusing on improving the customer's experience.

In the access network, we highlight the fiber deployment project to the customer's home (FTTH) to support our Triple Play services offering, improve the service quality, and cut maintenance costs of the outside network until made of copper. The elected optical access network distribution technology is based on GPON networks (afterward evolving to XGS.PON) and is designed to support IPTV and high-definition video, VoIP, and high-speed Internet services.

We currently have an ongoing network capacity development project to increase the FTTH broadband supply up to 1GBps, in addition to the development of GPON to XGSPON solutions with an increase of the current network capacity from 2.5GBps to 10GBps.

Mobile Network

As a result of the compliance with the 4G LTE obligations to ANATEL for 2017, we implemented new 4G Stations in 2600 MHz or 1800 MHz, which served new municipalities in regions I, II and III, considering the data service, in addition to new 3G sites that enabled voice calls in these municipalities.

<u>Investments in Coverage capacity</u>

Since 2018, our investments have been focused on increasing data coverage based on regional 1800 MHz reframing according to market priorities seeking synergy in fixed-mobile networks. Our strategy also takes into account equipment modernization in order to be prepared for technological evolution with new 5G ready hardware.

The activities in 4G, 3G and 2G networks are associated to our strategic plan, which considers the standardization and equalization of suppliers, seeking synergy/technological development with integrated technologies (SINGLE RAN). Always following the expansion of

4G 1800 MHz coverage, according to the market priorities, 2G and 3G equipment is modernizing, integrating 4G/3G/2G technologies in single hardware platforms.

Among the important projects, we highlight the increase of the Mobile Network capacity with the progress in the project to readjust its 1800 MHz spectrum to offer 4.5G technology features. In 2018, we offered 4G coverage in 902 municipalities in Brazil, with 4.5G coverage in 25 of them.

In 2020, we reached the mark of 1035 cities with 4G coverage, including 87 cities with 4.5G coverage. These projects, associated with the investments that we have been making in our transport network and its great fiber capillarity in the country, will bring a continuous improvement in the data use experience.

We also maintained the expansion of our 4G LTE Network in order to comply with the coverage commitments set forth by the regulatory agency, in addition to the enabling of features for the purpose of improving user perception.

Mobile Infrastructure Sharing Agreements - RAN Sharing

We keep in our agreements the possibility of implementing RAN Sharing configuration, where there is a radio sharing configuration (Radio Access Network) by Oi and other Carriers, where LTE eNode B access and its transmission network are shared with TIM and Vivo, thus sharing coverage costs. This technique is pioneer in the Americas and has proven very efficient in increasing coverage with lower expansion costs.

This business model started in November 2012, when we entered into a memorandum of understanding with TIM for the joint use of elements of our 4G network under a 2600 MHz RAN *Sharing* model according to which we would invest in infrastructure in certain cities, while TIM would invest in infrastructure in other cities. At the end of 2013, we and TIM extended this memorandum by entering into the 2013 RAN *Sharing* Agreement, which is effective for 15 years. Under the initial terms of the 2013 RAN *Sharing* Agreement, we supplied 4G technology to more than 80% of urban areas in all Brazilian capitals and cities with over 500,000 inhabitants. In 2017, we expanded to cities with less than 100,000 inhabitants, reaching 813 cities with 4G coverage. In 2018 we expanded the 2013 RAN Sharing contract to include 1800 MHz frequencies, enabling us to use the TIM network for coverage expansion. This agreement allowed in 2019 the coverage expansion in 30 new cities using LTE 1800 MHz technology, with Oi using the TIM network in RAN SHARING configuration scenarios.

In June 2015, we entered into another memorandum of understanding with the joint use of 4G network elements under an RAN Sharing model in which Oi, TIM and Telefônica Brasil agreed to invest proportionally (50% from Telefônica Brasil, 25% Oi and 25% TIM) in sites in certain cities based on the respective 2600 MHz coverage obligations of each carrier. Agreement which we are referring to as the 2015 RAN Sharing Agreement, effective for 12 years. This agreement covered 427 cities in 2017 and there were no agreements in 2018 and 2019.

(a) (ii) sources of investment financing

Our Officers present below the sources of financing for the investments:

Our Officers inform that we and our subsidiaries historically use short- and long-term loans from development agencies and multilateral banks as a source of financing for capital investments, as well as the issue of debt securities in the domestic and international capital markets, which should be maintained as a strategy for financing capital investments for the next few years, in accordance with the restrictions of Law 11101/2005 and other laws to which we are subject, as well as the provisions of the Judicial Reorganization Plan and the Amendment to the Judicial Reorganization Plan.

(a) (iii) material disinvestments in progress and planned disinvestments

Our Officers clarify that, in the context of the judicial reorganization proceeding and in line with the strategic plan, they are pursuing options to maximize the value of our Transformation Actions and a sustainable business model emphasize the improvement of operating and financial performance. The main actions include the divestment of noncore assets with potential impact. The assets held for sale and initiatives taken, include: Towers, Data Center, Properties, etc.

As art of the ongoing planned divestments, on January 24, 2020, we sold and transferred all the shares issued by the Portuguese holding PT Ventures SGPS S.A. ("PT Ventures") to the Angolan company Sociedade Nacional de Combustíveis de Angola, Public Company - Sonangol E.P. ("Sonangol").

The total amount of the transaction was US$1 billion: (i) US$699.1 million was paid to Africatel by Sonangol on January 24, 2020, (ii) US$60.9 million already paid to Africatel prior to the transfer of PT Ventures' shares; and (ii) US$240 million, fully guaranteed by a guarantee letter issued by a first line bank, to be paid unconditionally by Sonangol to Africatel until July 31, 2020, with a minimum monthly flow of US$40 million assured to Africatel as from February 2020.

On February 21, 2020, we concluded the sale of the property located at 99 General Polidoro Street, Botafogo, in the city of Rio de Janeiro, for R$120.5 million, with the transfer of the referred property to the buyer and the financial settlement of the transaction.

Our Officers comment below on the acquisition of plants, equipment, patents, or other assets that should materially affect our production capacity:

b) acquisition of plants, equipment, patents, or other assets that should materially affect our production capacity

Our Officers inform that our capital investments related to fixed assets totaled R$7,265 million as at December 31, 2020, R$7,813 million as at December 31, 2019, and R$6,077 million in 2018. The table below shows our investments in the expansion and modernization of our facilities in the periods indicated:

Item	2020 (In millions on Brazilian reais)	2019 (In millions on Brazilian reais)	2018 (In millions on Brazilian reais)
Data transmission equipment	4,033	2,947	1,993
Installation services	770	742	539
Mobile networks and systems	544	905	820
Voice transmission	215	496	731
Information technology services	495	684	720
Telecommunications services infrastructure	414	429	500
Buildings and improvements	93	88	70
Network management system equipment	254	224	171
Backbone	488	630	304
Other	(41)	668	229
Total capital investments	**7,265**	**7,813**	**6,077**

Our Officers hereby inform that our investments for the one-year periods ended December 31, 2020, 2019 and 2018 included the following:

- We aimed investments of R$544 million in 2020, R$905 million in 2019, and R$820 million in 2018 to the mobility segment;
- Significant investments aimed primarily to the supply of broadband services in fiber, both aiming at the expansion of our network capillarity, and the increase of speeds available to customers. Additionally, the expansion of data network capacity, aimed at serving the corporate segment, contributed to total investments of R$4,033 million in 2020, R$2,947 million in 2018 and R$1,846 million in 2017 in data communication;
- In the voice segment, the investments made in 2020, 2019, and 2018 decreased from one year to the next. These decreases are explained by the existing downward trend in this market with the consequent replacement of this market by mobile telephony; and
- In order to support the aforementioned growth, we invested in telecommunications infrastructure, including transport networks (backbones), IT infrastructure, and network management platforms.

c) new products and services, pointing out: i) a description of ongoing researches already disclosed; ii) total amounts spent by we on surveys for the development of new goods or services; iii) projects under development already disclosed; iv) total amounts spent by us on the development of new goods or services.

Our Officers present below the new products and services, pointing out: i) a description of ongoing researches already disclosed; ii) total amounts spent by we on surveys for the development of new goods or services; iii) projects under development already disclosed; iv) total amounts spent by us on the development of new goods or services.

Innovation, research and development

Innovation has always been present in our DNA since our inception and has been the most important instrument for our growth, always focusing on the value perceived by our customers.

Innovative strategies and initiatives, such electing the GSM standard, the convergence strategies, and the SIM card Standalone and the initiative to unlock devices. We were the first carrier with a quadruple play offering, a package with four integrated solutions for fixed and mobile telephony, internet and TV, when Oi TV was launched. We were the first company to discontinue the fine for changing carrier and also the need to use several SIM cards for customers to make tariff-exempt on-net calls, innovating with an offering that allows customers to use minutes for any carrier, among others. These strategies became important competitive edges to drive growth and solidify the significant share that we have gained in the Brazilian market.

We will continue to conduct independent innovation, research and development activities in the telecommunications services and information and communication technology segments, for the purpose of leveraging the achievement of our strategic goals in addition to ensuring excellence in the operation and services delivery processes.

The innovation, research and development activities at Oi are referenced in the Oslo and Frascati manuals and use the open innovation model in service companies. Against this backdrop, we have been developing our Innovation Ecosystem in an integrated manner and by interacting with most of the entities that make up the Brazilian innovation system, in particular through partnerships with the innovation community, solutions and equipment providers, and national research centers. We will continue working as an innovation and R&D provider together with the partners in our system.

Created in 2009, our Innovation Program is based on the concept of open innovation, which advocates the development of innovation with the engagement of an ecosystem of partners, consisting of universities and research centers, technology suppliers and companies incubated in centers of excellence in technological innovation, working in partnership with Oi to design, develop and implement innovative solutions and projects in products, services and business processes.

We have established our performance as an innovation and R&D promoter in this ecosystem through:

- Cooperation and technological development arrangements with national research centers (STIs);
- Arrangements with education and research institutions and the National Education and Research Network (RNP);
- Partnerships with the telecommunication equipment industry using national technology;
- Partnerships with local suppliers with great innovation potential.

In the three-year period 2018-2020, we focused on structuring the digital transformation and open innovation, mapping and developing our partner ecosystem and developing and encouraging projects that are consistent with this new approach for the Company, including the following activities:

- Expanding Oi's digital transformation function;
- Initial dissemination of the innovation culture;
- Structuring our Innovation Ecosystem;
- Implementing project processes, monitoring and control;
- Creating *Oito* (Innovation and Entrepreneurship Hub) focused on open innovation in Rio de Janeiro;
- Entering into Celebration of Technological Cooperation Arrangements with public and private Science and Technology Institutes (STIs);
- Encouraging the development of new innovation and R&D projects through promotion initiatives;
- Intensifying project development with the involvement of STIs;
- Launching initiatives to increase the Innovation Ecosystem through internal and outside campaigns;
- Expanding our Innovation Ecosystem through initiatives to encourage the presentation of project proposals, such as the Call for Applications.

Innovation and Entrepreneurship Initiatives

In 2016, we filed with ANATEL a proposal to include Venture Capital investment practices as one of the R&D investment modalities for the purpose of leveraging the innovation potential in our business, a practice called Corporate Venturing. This activity is based on the incubation and acceleration of innovative projects that often come from Research, Development and Technological Innovation, generating new products and businesses with the possibility of profitable investments. The difference between the innovation model used by us until and the supplementary Corporate Venturing model, consists of keeping intellectual property in the start-up to be used in internal projects and products with greater added value for the company, thus generating new job opportunities, new ventures and businesses, continuous development and technological advances, promoting Brazil's economic growth.

In November 2017, in association with other companies and research centers, we launched Incubator Oito, a new entrepreneurship and innovation hub in Rio De Janeiro, with the view of creating an aggregating entrepreneurship and innovation center that is a benchmark in Rio de Janeiro in terms of creating new businesses, accelerating technological solutions, developing startups, and supporting social initiatives.

2018 marked the beginning of Oito's Incubation Program, where 7 startups were selected and participated in mentoring, training, and acceleration activities that took place at Oito co-work space. The year 2020 made us face absolutely atypical challenges due to the pandemic, forcing us to keep the space closed from March until the end of the year.

Through our Digital Initiatives, projects to increase operating efficiency continued to generate cost reductions in several areas, such as: Customer Service, Technical Support, E-commerce, and Billing. Besides the financial benefits, these initiatives resulted in the improvement of the customer experience. The year 2020 was also marked by the launch of innovative initiatives linked to the generation of new revenue for the Company, such as Oi's product marketplace, Oi Place, launched in the second half of the year, which offers to the market goods from different product categories offered by several major suppliers.

Completed Projects

During the first cycle of the Inova Program in 2011, six projects were approved. As for the 2012 cycle, nine projects were qualified to receive the financial incentives. In 2013, twenty-four projects were developed with the support of this program, 17 of which were fully paid with these funds. In 2014, 37 projects were fully paid with these funds. Twenty-five projects in 2015, twenty-three projects in 2016, ten projects in 2017, and nine projects in 2018 were fully paid with the Program's funds. In 2018, the Program was discontinued, leaving one project that was completed in 2019.

This process also involves the strategic and financial evaluation of the opportunities studied, the choice of the most promising opportunities and the definition of goals, targets, and design of projects that will be carried out.

In addition to these initiatives directly supported by the R&D area, there are other innovative initiatives developed and managed individually by our business and technology areas with the support of the innovation group, which contribute to the achievement of the specific goals and targets of our Strategic Plan.

The results expected in both contexts are:

- Improving project prioritization and investment allocation;
- Greater synergy between areas and segments in the development projects with similar requirements or features;
- Leveraging better competitive advantages and external perception of our innovative performance.

2020 Retrospective

In 2020, we strengthen our Digital Initiatives by leveraging the impacts on customer experience, the improvement of our operating efficiency, and the generation of new sources of revenue for the Company.

Among these initiatives, we focused on creating a marketplace for Oi and partner companies' products and services: Oi Place. On this platform, customers can find products with a greater focus on connectivity, aimed at making our customers' homes smarter, more connected, and secure, such as, for example, but not limited to, devices that allow them to control everything using their smartphones. At Oi Place there are also several smartphone, accessory, gaming, electronics, and computers options. All products are selected by our experts to enhance the customers' digital experience and are capable of providing a better user experience using Oi's connectivity products (fiber, mobile internet, etc.).

Throughout 2020, Oito started using a new methodology for investing in startups and produced the first case of a startup invested using this model that started providing services to us. Oi Marketplace was and continues to be developed by the accelerated startup SM Places, which has as its base the largest community of niche marketplaces in Latin America. With SM Places tools, business are able to create a complete marketplace and address any issue, from marketing-related issues (adding and editing Banners, Logos, institutional pages, friendly URLs, etc...), to handling the administrative side of the store (registering sellers, registering buyers, checking and changing order statuses, splitting payments per store, etc...), and also the management of the marketplace (creating products and services, restricted area for store owners' customers, management dashboard, etc...). The solutions and products developed by Oito's startups have the support and mentorship of our Innovation function to be tested and potentially adopted by our company, both for internal use and to become part of our portfolio of solutions offered to the market.

Against this backdrop, we have been developing our Innovation Ecosystem in an integrated manner and by interacting with most of the entities that make up the Brazilian innovation system, in particular through partnerships with the innovation community, solutions providers, and national research centers. We will continue working as an innovation and R&D provider together with the partners in our system.

Material goals for 2021

- ❑ Develop new product fronts in line with Oi's new positioning
- ❑ Reduce structural costs using scanning on five fronts: Sales and Marketing, IT, Organizational Processes, and Network;
- ❑ Support the efficiency strategy and operational streamlining;
- ❑ Develop new initiatives focused on improving customer experience;
- ❑ Intensify the incentive to the development of innovative and disruptive projects;
- ❑ Incubate new companies at Oito (Oi's Innovation and Entrepreneurship Hub) accelerating new ideas/innovation projects and R&D, focused on new products and/or new business models under a Corporate Venturing model;
- ❑ Foster a culture of innovation and entrepreneurship within Oi (Digital Enterprise).

10.9. Officers' comments on other factors that have materially influenced operating performance and have not been identified or commented on in the other items in this section

Our Officers clarify that there were no other factors that have materially influenced operating performance and have not been identified or commented on in the other items in this section

8.2. Information on Director compensation

(Items 13.1 to 13.16 of the Reference Form)

13.1 - Description of the compensation policy or practice, including of the non-statutory Board of Officers

Compensation policy or practice of the Board of Directors, Board of Officers and Fiscal Council, addressing the following aspects:

a. Objectives of the compensation policy or practice

The compensation Practices adopted by the Company have the following objectives:

- Attract, retain, and stimulate the high performance of its executives towards the development and conduction of the Company business strategies;
- Provide competitive compensation levels in relation to those adopted in the selected markets;
- Be aligned with the interests of Company managers, shareholders, stakeholders; and
- Be simple, transparent, and easy to understand to shareholders.

At the same time, the compensation strategy is suited to the current situation of the Company, marked by a deep transformation process, requiring more flexibility to attract and retain the professional profiles needed to achieve targets and dates sets in the Strategic Plan, and also to keep the efficient execution of the Company business. Thus, it pursues to be fit to the challenges faced by Oi, which are known to be harder than the Market average.

Board of Directors, advisory committees and Fiscal Council

The compensation philosophy and practices are applied to the members of the Board of Directors and their respective advisory committees.

The Company governance model, with its shareholding control spread in the market and the company situation of court-supervised reorganization, requires a Board of Directors working near the management staff and remarkable role for the definition and accompanying the strategy implementation. Due to these conditions, the Board members must dedicate more time than the average required in the market.

Board of Officers

The Company compensation strategy, for executive officers, aims to meet the objectives pointed as relevant by our shareholders, which are, to attract and retain the required talents, as well as to align interests to the long term strategic execution. Therefore, the strategy is intended to obtain competitive gains related to the market, as relevant part of a total linked to performance, especially, to achieve corporate and individual targets contracted annually, as well as a long term partnership.

The compensation practiced for Officers consists of the portion of fixed compensation (pro-labore and benefits) and variable compensation (short and long-term incentives), as detailed in the portions mentioned in the information on the composition of the compensation.

b. Compensation Structure

i. Description of the compensation elements and objectives of each of them

<u>BOARD OF DIRECTORS</u>

The members of the Board of Directors and respective committees receive fixed monthly fees. Additionally, in order to align Board members and company shareholders interests, and also to adjust the compensation of Oi Board to be closer to the comparable market, a long term incentive plan was set out based on stock for the Board of Directors (Stock Granting Plan to Board Of Directors) which was submitted to approval in the Extraordinary General Meeting, held on April 26th, 2019.

However, the execution of the approved plan was interrupted by court decision untill the completion of the court-supervised reorganization of the Company. Considering the reasonable probability of ending the the Court Supervised Reorganization before the end of 2021, it was necessary to provision in 2020 the amounts related to Long Term Incentives, as originally stated in the plan, as well as to include a provision for the values to be acknowledged in 2021, in the global compensation fund to be proposed to the shareholders.

Fixed Compensation

Estimated Self-Employment Income: The fixed compensation of management officers comprises fees, paid on monthly basis, that may vary according to the role performed by the member at Board and Committees. The fixed compensation could, theoretically, be adjusted according to the results of market surveys carried out periodically, by expert consulting, subject to assessment by human resources department and the Board itself, in order to maintain the competitiveness strategy of the Company.

However, since 2015, the Board of Directors has decided to maintain these fixed fees frozen. As a result, the amounts being paid today by Oi are outdated, according to the last survey carried out by the People, Nominations and Corporate Governance Committee, at the end of 2020, based on information from Korn Ferry, a specialized consulting firm.

Committees Attendance: Members of the Board of Directors who are in Advisory Committees of the Company receive a fixed additional monthly value, with the purpose of remunerating the activities related to such committee. This fixed monthly amount remunerates the additional responsibilities of the members of the committees within the scope of the responsibility assigned to the members.

Variable Compensation

The long-term share-based incentive plan for members of the Board of Directors was approved in the Extraordinary General Meeting held on April 26th, 2019. The purpose of such plan is to allow for the granting shares to officers, as part of their compensation, in order to foster their high engagement and commitment with strategic target performance of the Company, and also to adjust the compensation of the Oi Board, making it to be comparable to the market average, without cash disposal.

The grants of this Plan are suspended and will only be resumed after the Company leaves Judicial Recovery. The members of the Board of Directors holding these rights will then be granted on the respective grant dates in 2019, 2020 and 2021.

The Board itself manages the plan for the Board of Directors, but this prerogative applies only to eventually omitted cases. All elements of the Plan, defined and approved by the general meeting, can only be changed after new submission to the shareholders.

FISCAL COUNCIL

Fixed Compensation

Estimated Self-Employment Income: the compensation of the Fiscal Council is comprised, exclusively, by a fixed monthly compensation (fees). The objective of the compensation is to compensate each member within the scope of responsibility attributed to the Fiscal Council of the Company. Alternates will only receive compensation if they take office due to a vacancy, impediment or absence of the respective official member.

The practice at Oi is to propose a compensation for members of the Fiscal Council as percentage of average fixed compensation assigned to Statutory Directors. The compensation of the members of the Audit Committee is determined by the General Meeting of their election, observing the provisions of paragraph 3 of Art. 162 of the Business Corporations Act.

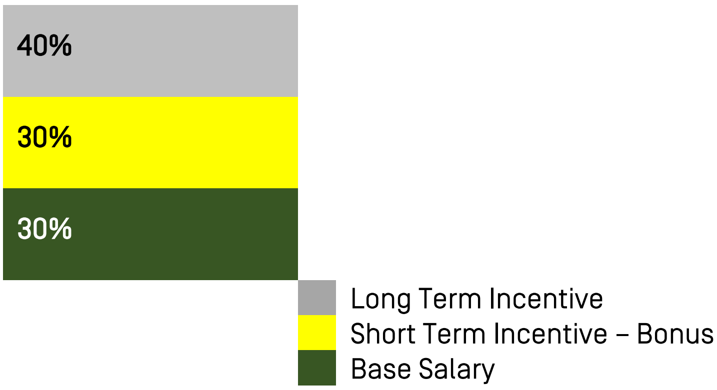
Variable Compensation

The members of the Audit Committee are not eligible to variable compensation.

BOARD OF OFFICERS

The compensation strategy at Oi embodies the purpose of total compensation positioning of the 3rd quartile of a comparable market, through more intense variation in installments, especially in the long term based on shares, as graphically demonstrated as follows:

EXECUTIVE COMPENSATION MIX



An additional incentive plan, linked to the successful and timely execution of the divesting processes provided in the Recovery Plan amended in 2020, will be extraordinarily granted in 2021, to a select group of executive officers, including statutory managers.

Next, we present details on each component of compensation of the Statutory Management.

Fixed Compensation

For Statutory Managers, the annual fixed compensation comprises 12 monthly payments and may be adjusted according to results of compensation surveys carried out from time to time. The adjustment will always be subject to assessments carried out by the human resources department and by the Board, through its People, Nominations and Corporate Governance Committee, in order to maintain the Company competitiveness strategy.

The Company's strategy consists in positioning the base wage of executives in line with the market average for balancing overhead and ensuring competitiveness to this portion of compensation.

The Company uses the Korn Ferry methodology of evaluation of offices as a tool to set both the internal balance, defining levels that group offices by size, complexity and impact in similar business, as well as for setting accurate standards for comparison with the market.

The salary ranges are defined in accordance with market reference with amplitudes (minimum and maximum) that allow recognizing the performance of the office holders relative to the market value of the position.

Direct and indirect benefits: the Company has a benefit policy compatible with market practices, which seeks to offer its employees medical, dental care, pharmacy assistance, group life insurance, meal allowances, private pension plan, among others, which, summed to the fixed and variable compensation make the compensation package both competitive and attractive in the market.

Post-Employment Benefits: The Company offers to all its employees the possibility of participating in the private pension plan, freely chosen by the employee, seeking to increase the attractiveness of his compensation package.

Variable Compensation

The variable compensation practiced for Statutory and Non-Statutory Directors is based on short and long term incentives, as detailed for these relevant portions:

Short Term Incentives ("Bonus"):

Short Term Incentives covers the annual participation in the outcome of the Company, defined by measurable indicators and goals derived from the business plan and annual budget approved by the Board of Directors.

In addition to recognizing and rewarding, the short-term incentive program works as a tool to ensure clarity and focus on key results indicators that ensure the excellence of the business plan execution.

In 2021, in addition to corporate and individual performance measurements, a performance index was added, related to complying with expected behavior and attitudes which are considered as fundamental for the cultural transformation process of the Company.

As already mentioned, the Company strategy for senior management, is to position total compensation in the 3rd quartile of the market, which would be reached for results in line with the business plan. The program may generate additional gain opportunity due to higher business outcomes and individual executives performance.

The target award levels for expected outcomes, as well as the maximum award levels, are defined by organizational level based on the values and compensation mix adopted in the market. Studies on which these definitions are based are carried out annually by specialized consulting firms, to be used by human resources and governance bodies.

Long-Term Incentives ("Stock-Based Compensation"):

The long term incentive plan based on stock for executives (Stock Grant Plan for Executives) was approved in the Extraordinary General Meeting held on April 26th, 2019, jointly with the above presented Board of Directors Plan. The purpose of the Executive Board plan, as well as the Board of Directors plan is to allow to grant shares in order to foster high engagement and commitment to achieve the Company's strategic goals, therefore, ensuring its alignment with the Company and shareholders' interests in the medium and long term. At the same time, it allows to competitively position the executive's compensation in relation to the market, without disposal of company cash.

An additional Long Term Incentive Plan based on shares for the Chief Executive Officer will be submitted for approval in the Extraordinary General Meeting, to be held on April 30th, 2021, and the amounts foreseen for this Plan are included in the respective tables of this document.

This Plan aims to foster high engagement of the Chief Executive Officer over its 4-year term and stimulate actions to the success of the Company's transformation plan, aiming reward exceptional performance, superior to the business plan.

Extraordinary Compensation ("Incentive For Divesting Processes"):

Given the extreme relevance of asset selling process for the sustainability of Oi as a company, the complexity of asset disposal and segregation procedures required to its performance, and the understanding that it is absolutely essential to comply with asset selling schedule provided in the amended Court-Supervised Reorganization Plan, the Board of Directors understands that it is necessary to structure additional incentive programs conditioned to the success and completion of divesting processes. Adding to that, there is a well-known challenge to retain professionals in these circumstances. The beneficiaries of the program are specific groups of executives responsible for strategic and operating management of the divesting processes.

The purpose of the incentive is to award those executives from whom a different and relevant contribution is expected, in order to achieve success in the divesting processes, besides the usual scope of their respective positions. These professionals have high capacity to affect the processes end results. A total of 101 executives and also 5 statutory directors are entitled to be beneficiaries of these plans.

The purpose of these additional plans is to acknowledge that divesting processes require additional endeavor from involved executive and teams. In addition to executing divesting, complying with strict schedules approved by creditors, it is necessary to maintain operations with high level of execution, while processing formalities and lead times required for legal approvals, from the moment of signing the transaction untill its settlement and effective delivery of the operation to the new owners.

Since there is no public reference of such kind in Brazil, the best parameter found to guide the total bonus pool, was a sample of transactions abroad. Data from an international consulting firm, Main Data Group was used, with information from a sampling of 109 transactions occurred abroad, within the period from 2016 to 2019. Even though the transactions are not similar to operations to be done by Oi, the sample size is representative.

The Company has identified as mean level a percentage of 0.25% of transaction value for total award for the involved key personnel. The award condition is that the value obtained by the Company from divesting to be at least, the lowest amount approved in the General Creditors Meeting. In addition, the payment is conditioned to the calculation of the final transaction amount and reception of financial funds in the Company cash.

In order to ensure the program effectiveness, the entitled executives are segmented by project and by step within each project. The awards' target percentage was defined for each entitled participant. A full list of beneficiaries was created by the CEO of Oi and is submitted for approval by the Board of Directors.

ii. Proportion of each element of total compensation relative to the last 3 fiscal years

The table below presents the proportion of each element in the total compensation of the managers of the Company in the periods therein indicated:

[percentage]	Board of Directors	Fiscal Council	Statutory Officers	Non-Statutory Officers
2020				
Fixed Compensation	57.63	100.00	27.85	35.56
Variable Compensation – Bonus	0.00	0.00	47.33	48.44
Variable Compensation – ILP	42.37	0.00	24.82	16.00
2019				
Fixed Compensation	100.00	100.00	28.53	64.02
Variable Compensation – Bonus	0.00	0.00	66.65	35.98
Variable Compensation – ILP	0.00	0.00	4.82	0
2018				
Fixed Compensation	100.00	100.00	16.10	43.04
Variable Compensation – Bonus	0.00	0.00	77.92	34.23
Variable Compensation – ILP	0.00	0.00	5.98	22.73

1. Considering as Fixed Compensation: Pro-Labore, direct, indirect and post-employment benefits.

2. Considered as Variable Remuneration - Bonus: All provisions actually made under the Short Term Incentive programs.

3. Considered as Variable Remuneration - ILP: All provisions effectively made under Long Term Incentive programs. Regarding the ILP of the Board of Directors, what is considered in 2020 refers to the accounting provision related to the 1st vesting of the program approved in 2019, whose shares will only be effectively delivered after the conclusion of the Judicial Reorganization. As for the Board's ILP in 2020, the proportion shown in the table considers only the value of the 1st vesting of the program granted in 2019, since before 2019 there was no plan based on actions operating on an ongoing basis.Therefore, In view of the fact that the plan provides for 3 successive annual grants, whose vesting may take place in 3 successive annual installments, only in 2022 should it be achieved at the rate that represents the desired remuneration strategy (which, as stated, intends to long-term variable remuneration represents around 40% of the total), which foresees the cumulative impact of grants.

iii. Methodology for calculation and adjustment of each of the elements of compensation

The compensation practices provide for the following calculation methodology for:

Fixed Compensation:

The fixed compensation of management officers comprises fees, paid on monthly basis, that may vary according to the role performed by the member at Board and Committees. The fixed compensation could, theoretically, be adjusted according to the results of market surveys carried out periodically, by expert consulting, subject to assessment by human resources department and the Board itself, in order to maintain the competitiveness strategy of the Company.

However, since 2015, the Board of Directors has decided to maintain these fixed fees frozen. As results, the almounts being paid today by Oi are outdated, according to the last survey carried out by the People, Nominations and Corporate Governance Committee, at the end of 2020, based on information from Korn Ferry, specialized consulting firm. For 2021, with purpose to partially reduce this difference to be comparable to the 3rd quartile in the market, the proposed global fund provides an adjustment of about 7% in fixed compensation for the Board in relation of the approved fund in 2020. It is important to highlight that this adjustment will not be applied linearly to all positions, but concentrated in those which the distortion is greater in relation to the market. As result, 45% or Board members will not have adjustment in their fixed compensation.

Members of the Board of Directors who are in Advisory Committees of the Company receive a fixed additional monthly value, with the purpose of remunerating the activities related to such committee. This additional amount uses additional percentages as parameters, practiced in the market for companies of similar size and capital structure, aligned to the Company compensation strategy.

The practice at Oi is to propose a compensation for members of the Fiscal Council as percentage of average fixed compensation assigned to Statutory Directors. For 2021, the management is not proposing compensation adjustment for Fiscal Council. The compensation of the members of the Audit Committee is determined by the General Meeting of their election, observing the provisions of paragraph 3 of Art. 162 of the Business Corporations Act.

For Statutory Managers, the annual fixed compensation comprises 12 monthly payments and may be adjusted according to results of compensation surveys carried out from time to time. The adjustment will always be subject to assessment carried out by the human resources department and by the Board, through its People, Nominations and Corporate Governance Committee, in order to maintain the Company competitiveness strategy.

The results of researches and studies that substantiate comparisons related to executive officer compensation installments, are based on data from Korn Ferry, a specialized consulting firm and is broadly used in the market. Currently, we use an universe of 89 companies of diverse segments, with similar compensation practices, and in most cases, compatible size and revenue, therefore comprising the comparison sampling.

Variable Compensation:

The variable compensation practiced for the Board of Directors is based on the adoption of a long-term incentive plan, approved at the Extraordinary General Meeting held on April 26th, 2019.

The variable compensation practiced for the Officers is based on the short and long-term incentives and, extraordinarily in 2021, by an additional incentive plan, as detailed in the said portions in the information on the composition of the compensation.It is noteworthy that the members of the Fiscal Council currently receive exclusively fixed remuneration.

Short-Term Incentives ("Bonus"):

The calculation of the bonus has indicating parameters for financial and quality performance indicators of Oi, such as Revenues, Expenses, Cash Balance and indicators that measure the quality of the services provided, defined on an annual basis by the Board of Directors. The calculation considers the performance of each of the indicators relative to the reaching of the respective goals set for the year, which may vary from 0% to 150%, set at 100% the projected amount (bonus target) if the goals set are met and 150% the maximum projected value (maximum bonus), if the maximum performance projected for the year is met.

It is noteworthy that the members of the Board of Directors and the Fiscal Council do not have installments of Short Term Incentives ("Bonus").

Long-Term Incentives ("Stock-Based Compensation"):

The long term incentive plan based on stock for executives (Stock Grant Plan for Executives) was approved in Extraordinary General Meeting held on April 26th, 2019, jointly with the above presented Board of Directors Plan. The purpose of the Executive Board plan, as well as the Board of Directors plan is to allow to grant shares in order to foster high engagement and commitment to achieve the Company's strategic goals, therefore, ensuring its alignment with the Company and shareholders' interests in the medium and long term. At the same time, it allows to competitively position the executive's compensation in relation to the market, without disposal of company cash.

An additional Long Term Incentive Plan based on shares for the Chief Executive Officer will be submitted for approval in the Extraordinary General Meeting, to be held on April 30, 2021, and the amounts foreseen for this Plan are included in the respective tables of this document.

The Long-Term Incentive Plan aims to foster high engagement of the Chief Executive Officer over its 4-year term, stimulate actions to the success of the Company's transformation plan, aiming to ensure the achievement of strategic goals and also seek alignment with shareholders in the medium and long term.

The details of the calculation rules are described in item 13.4 of this form.

Direct and indirect benefits: It considers the entire benefits package, with its calculation methodology and readjustment criteria guided by an evaluation carried out by the Company and within the scope of the People, Nominations and Corporate Governance Committee, pursuant to annual approval in a collective agreement. Further details of the benefits offered can be found in table 14.3 (b).

Post-Employment Benefits: On a monthly basis, the Company contributes with an amount equivalent to what is contributed by the employee to the private pension plan, in addition to fully paying the management fees and insurance defined by the plan. The plan does not provide for adjustments throughout its term.

iv. Reasons that justify the composition of the compensation

Oi's compensation strategy is to have greater aggressiveness in the variable installments in order to position the total remuneration in the 3rd quartile of the comparable Market. The short-term portion, in the case of the Directors, is linked to the achievement of performance indicators and a long-term variable portion, for some Directors and for the Board of Directors, is linked to the appreciation of the share price.

v. **The existence of members unpaid by the issuer and the reason behind this fact**

Not applicable.

c. Key performance indicators considered for determining each element of the compensation

Members of the Fiscal Council are currently only eligible to fixed compensation, and are not subject to performance indicators. As Board of Directors and Officers, they are eligible for variable compensation, and are subject to performance indicators, as detailed below.

Short-Term Incentive (Bonus)

The calculation of the bonus for executives uses, as parameters, a combination of financial indicators, customer satisfaction indicator and profitability indicator of the installed infrastructure, as already detailed previously.It is noteworthy that the members of the Board of Directors and the Fiscal Council are not entitled to installments of Short Term Incentives ("Bonus").

In 2021, in addition to corporate and individual performance measurements, a performance index was added, related to complying with expected behavior and attitudes which are considered as fundamental for the cultural transformation process of the Company.

Therefore, performance is measured by a combination of Corporate Goals, Individual Goals and Behavior Goals, as follows:

	Corporate Goals	Individual Goals	Behavioral Goals
CEO	70%	20%	10%
Other Statutory And Other Executive Levels	70%	20%	10%

In addition to acknowledging and awarding, the short term incentive program works as a tool to assure the clarity and focus on the key result indicators assuring the excellence in the performance of the business plan.

The program foresees the definition, on an annually basis and after the approval of the business plan, of the key outcome index, financial, and/or operational excellence indicators, measured for the purposes of compensation.

Corporate Goals 2021:

OPERATING CASH FLOW	30%	Measure of the amount of cash generated by the company's normal business operations
NET REVENUE	20%	Revenue related to sales of products and services which are the Oi strategy focus for Fiber, Mobility, Oi Solutions and Wholesale.
ROUTINE OPEX	20%	Continuous expenses for maintenance or operating structure improvement required for Oi to work, comprises the routine EBITDA reported to the market.
CONSUMER NPS (*)	20%	Consumer perception in relation to the Company, including customer in consumer segment, for products Fiber, Post-paid and Control.
FIBER TAKE-UP RATE	10%	Take-up rate between installed fiber and fiber connected to the customer's house, aiming to assess the profitability in the fiber installed park.

(*) Net Promoter Score – methodology to measure the customer favorability.

As already mentioned, the Company strategy for senior management, is to position total compensation in the 3rd quartile of the market, which would be reached for results in line with the business plan. The program may generate additional gain opportunity due to higher business outcomes and individual executives performance.

The target award levels for expected outcomes, as well as the maximum levels, are defined by organizational level based on the values and compensation mix adopted in the market. Studies on which these definitions are based are carried out annually by specialized consulting firms, for use by human resources and governance bodies.

Long-Term Incentives (Stock-Based Compensation)

The long-term incentive plans based on the actions of the Board of Directors and executives do not take into account the Company's performance indicators, but rather the evolution of Oi's share price in the market after the expected grant date and until the expected vestings in the plans.

The additional share-based Long Term Incentive Plan for the Chief Executive Officer, which will be submitted for approval to the Extraordinary General Meeting, to be held on April 30th, 2021, is conditioned to the achievement of specific transformation goals, which are intended identify an exceptional performance of the Company, superior to its business plan,,the success of the implementation of the Company's strategic transformation plan within the term of this Plan. the goals will be related to the growth and diversification of the Company's revenues, as well as to the increase in efficiency and productivity, at the implementation of a comprehensive cost reduction program that adapts to its new size and business model, the sustainable return on investments made during the transformation plan and the appreciation of the Company's shares.

d. How is the compensation structured to reflect the evolution of performance indicators

Members of the Fiscal Council are currently only eligible to fixed compensation, and are not subject to performance indicators. As for members of the board directores and Officers, they are eligible for variable compensation, and are subject to performance indicators, as detailed below.

Short-Term Incentive (Bonus):

The calculation form considers the performance of each of the indicators relative to the reaching of the respective goals set for the year, which may vary from 0% to 150%, set at 100% the projected amount (bonus target) if the goals set are met and 150% the maximum projected value (maximum bonus), in case of exceeding the targets, according to the upper achievement limits defined for each performance indicator.

Long-Term Incentives (**Stock-Based Compensation**):

The long-term share-based incentive plans do not take into account the Company's performance indicators, but the evolution of Oi's share price in the market after the date of the expected grant (s), corrected by the company's WACC (1) at each vesting.

(1) WACC – Weighted Average Cost of Capital – in 2021 is 9.34%.

The additional share-based Long Term Incentive Plan for the Chief Executive Officer, which will be submitted for approval to the Extraordinary General Meeting, to be held on April 30th, 2021, is conditioned to the achievement of specific transformation goals, which are intended identify an exceptional performance of the Company, superior to its business plan,,the success of the implementation of the Company's strategic transformation plan within the term of this Plan.

e. How does the compensation policy or practice aligns with the interests of the issuer in the short, medium and long terms

The Company’s compensation practices offers fair compensation to its executives in the comparative market, considering the scope of operations and the seniority of the office holder. The differentiated total gain opportunity arises of short, medium and long-term business results and of the individual performance of the executives in these results, in order to ensure the company’s ability to attract, retain and motivate executives, aligning their interests to the interests of the shareholders.

In this sense, the variable short-term incentive compensation is aligned to the Company’s short-term interests, while the long-term variable compensation is aligned to the

Company's and its shareholders' medium and long-term interests, in view of the period of 36 months in which the vestings related to each annual grant carried out in accordance with the plan occur of Long-Term Incentive in force and the horizon of 44 months in the additional stock-based Long-Term Incentives Plan for the Chief Executive Officer, will be submitted to the approval of the Extraordinary General Meeting, to be held on April 30, 2021, which provides for the delivery of shares only at the end of the contract.

f. Existence of compensation supported by subsidiaries, controlled entities or direct or indirect parent companies

Not applicable. There are no compensation portions received by managers and other persons mentioned in the header of item "13.1" of this Reference Form according to the office held at the issuer, supported by subsidiaries, controller entities or direct or indirect parent companies, notwithstanding compensation portions not related to the office held at the issuer as detailed in table "13.15" of this Reference Form.

g. Existence of any compensation or benefit attached to the occurrence of a given corporate event, such as sale of the controlling interest of the issuer

There is compensation attached to the occurrence of corporate events, with conditional clauses, projected for Statutory Officers. There is no projection for payment in 2021.

h. Practices and procedures adopted by the board of directors to define the individual compensation of the board of directors and board of executive officers, indicating:

i. the issuer's bodies and committees that participate in the decision-making process, identifying how they participate

People, Nominations and Corporate Governance Committee, advises the Board of Directors of Oi, participates in the decision-making process and is responsible for evaluating all the definitions regarding the remuneration of the Statutory Officers and the Members of the Board of Directors.

After the technical evaluation of the market research and the competitiveness of the compensation of the Officers and Board Members, the Committee defines a compensation proposal that is sent to the Board of Directors for deliberation and, subsequently, when necessary, to the General Meeting, as established in the Bylaws of the Company.

ii. criteria and methodology used to determine the individual remuneration, indicating whether studies are used to verify market practices and, if so, the criteria for comparison and the scope of these studies

Regarding the methodology used to determine the individual compensation of managers, the Company, with the support of independent and specialized consultants, uses studies to verify market practices. These studies encompass the analysis of the behavior and concession of benefits observed in an array of market leading, large-scale, cross-industry, companies with comparable billing and reach, comparing and aligning such market practices with what is effectively adopted internally.

As previously informed, the Company uses the Korn Ferry methodology of evaluation of offices as a tool to set both the internal balance, defining levels that group offices by size, complexity and impact in similar business, as well as for setting accurate standards for comparison with the market.

The results of researches and studies that substantiate comparisons related to executive officer compensation installments, are based on data from Korn Ferry, a specialized consulting firm and is broadly used in the market. Currently, we use an universe of 89 companies of diverse segments, with similar compensation practices, and in most cases, compatible size and revenue, therefore comprising the comparison sampling. As already described in the item referring to the composition of the compensation, the compensation strategy at Oi embodies the purpose of total compensation positioning of the 3rd quartile of a comparable Market.

From these results, the salary ranges are defined according to the market references amplitudes (minimum and maximum). That allows the company to recognize the performance of the position occupants, comparing with the market value of the position.

For the Board of Directors, the results of the surveys and studies that support the comparisons referring to the compensation installments are currently based on a universe of 81 companies from different segments, with specific compensation practices for the Boards, thus composing the comparison sample.

iii. How and how often the board of directors assesses the adequacy of the issuer's remuneration policy

The Board of Directors annually assesses the adequacy of the methodology, practices and procedures used for the individual remuneration of the directors. This assessment is carried out with the support of the People, Nominations and Corporate Governance Committee, which takes its recommendations based on a careful review of the results achieved with the adopted remuneration practices, in advice provided by specialized consultancies and in comparisons with the observed practices in the market.

13.2 - Total compensation of the Board of Directors, Statutory Officers and Fiscal Council recognized in the results on the last 3 fiscal years and projected for the current fiscal year

Total compensation projected for the Current Fiscal Year - Annual Amounts

	Board of Directors	Statutory Officers	Fiscal Council	Total
Number of members	11.00	5.00	5.00	21.00
Number of paid members	11.00	5.00	5.00	21.00
Fixed Annual Compensation				
Salary or Estimated Self-Employment Income	5,342,156.00	10,770,000.00	1,077,000.00	17,189,156.00
Direct and indirect benefits		470,977.06		470,977.06
Participation in committees	2,078,342.67			2,078,342.67
Others				
Description of other Fixed Remunerations				
Variable Compensation				
Bonus		19,305,000.00		19,305,000.00
Profit Sharing				
Participation in meetings				
Committees				
Others		29,541,916.81		29,541,916.81
Post-employment		529,022.94		529,022.94
Ceasing of the office				
Stock-based	6,585,431.74	17,144,792.06		23,730,223.80
Total compensation	**14,005,930.41**	**77,761,708.87**	**1,077,00.,00**	**92,844,639.28**

Note: Data reported according to the Compensation policy foreseen for 2021, already considering the most recent collegiate orientation that the employer's social security charges are not covered by the concept of "benefit of any nature" referred to in art. 152 of the Law of S.A., not including the amounts of global or individual compensation subject to approval by the general meeting. The details of the amounts related to social charges are given in item 13.16.
The line Others of Variable compensation includes the amounts that refer to Incentives for Divestment Processes as detailed in Item 13.1 of this Form.

Total Compensation for the Fiscal Year as of 12/31/2020 - Annual Amounts

	Board of Directors	Statutory Officers	Fiscal Council	Total
Number of members	10.08	5.08	4.00	19.17
Number of paid members	10.08	5.08	4.00	19.17
Fixed Annual Compensation				
Salary or Estimated Self-Employment Income	3,972,000.00	10,650,000.00	857,776.00	15,479,776.00
Direct and indirect benefits		225,756.42		225,756.42
Participation in committees	2,628,039.49			2,628,039.49
Others		20,858,559.80		20,858,559.80
Description of other Fixed Remunerations		- Severance pay		
Variable Compensation				
Bonus		19,382,556.46		19,382,556.46
Profit Sharing				
Participation in meetings				
Committees				
Others				
Post-employment		528,854.00		528,854.00
Ceasing of the office				
Stock-based	4,853,064.12	10,164,216.36		15,017,280.48
Total compensation	**11,453,103.61**	**61,809,943.04**	**857,776.00**	**74,120,822.65**

Note: The number of members corresponds to the annual average of the number of members of each body calculated monthly, as established by CVM Circular Letter. The reported compensation considers only the sitting members of the Board of Directors, as there were no alternate members in the year 2020.
Compensation reported in 2020 already considering the most recent collegiate orientation that the employer's social security charges are not covered by the concept of "benefit of any nature" referred to in art. 152 of the Law of S.A., not including the amounts of global or individual remuneration subject to approval by the general meeting. The detailed amounts related to social charges are reported in item 13.16.

Total Compensation for the Fiscal Year as of 12/31/2019 - Annual Amounts

	Board of Directors	Statutory Officers	Fiscal Council	Total
Number of members	10.17	4.42	4.08	18.67
Number of paid members	10.17	4.42	4.08	18.67
Fixed Annual Compensation				
Salary or Estimated Self-Employment Income	4,047,000.00	10,034,451.80	878,383.50	14,959,835.30
Direct and indirect benefits		232,709.53		232,709.53
Participation in committees	2,545,359.88			2,545,359.88
Others		8,770,742.04		8,770,742.04
Description of other Fixed Remunerations		- Severance pay		
Variable Compensation				
Bonus		25,350,966.93		25,350,966.93
Profit Sharing				
Participation in meetings				
Committees				
Others				
Post-employment		518,403.03		518,403.03
Ceasing of the office				
Stock-based		1,834,649.56		1,834,649.56
Total compensation	**6,592,359.88**	**46,741,922.89**	**878,383.50**	**54,212,666.27**

Note: The number of members corresponds to the annual average of the number of members of each body calculated monthly, as established by CVM Circular Letter. The reported compensation considers only the sitting members of the Board of Directors, as there were no alternate members in the year 2019.
Compensation reported in 2019 already considering the most recent collegiate orientation that the employer's social security charges are not covered by the concept of "benefit of any nature" referred to in art. 152 of the Law of S.A., not including the amounts of global or individual remuneration subject to approval by the general meeting. The detailed amounts related to social charges are reported in item 13.16.

Total Compensation for the Fiscal Year as of 12/31/2018 - Annual Amounts	Board of Directors	Statutory Officers	Fiscal Council	Total
Number of members	9.75	3.50	3.67	16.92
Number of paid members	9.75	3.50	3.67	16.92
Fixed Annual Compensation				
Salary or Estimated Self-Employment Income	5,249,693.28	8,047,644.29	695,952.00	13,993,289.57
Direct and indirect benefits		176,885.07		176,885.07
Participation in committees	1,438,157.54			1,438,157.54
Others		7,296,731.90		7,296,731.90
Description of other Fixed Remunerations		- Severance pay		
Variable Compensation				
Bonus		41,719,673.93		41,719,673.93
Profit Sharing				
Participation in meetings				
Committees				
Others				
Post-employment		397,316.35		397,316.35
Ceasing of the office				
Stock-based		3,201,602.46		3,201,602.46
Total compensation	**6,687,850.82**	**60,839,854.00**	**695,952.00**	**68,223,656.82**

Note: The number of members corresponds to the annual average of the number of members of each body calculated monthly, as established by CVM Circular Letter. The reported compensation considers only the sitting members of the Board of Directors, as there were no alternate members in the year 2018.
Compensation reported in 2018 already considering the most recent collegiate orientation that the employer's social security charges are not covered by the concept of "benefit of any nature" referred to in art. 152 of the Law of S.A., not including the amounts of global or individual remuneration subject to approval by the general meeting. The detailed amounts related to social charges are reported in item 13.16.

13.3 - Variable Compensation of the Board of Directors, Statutory Officers and Fiscal Council in the last 3 fiscal years, and the projections for the current fiscal year

Current Fiscal Year

	Board of Directors	Board of Officers	Fiscal Council	Total
Total Number of Members	11.00	5.00	5.00	21.00
Number of Paid Members	11.00	5.00	5.00	21.00
Relative to the Bonus:				
Minimum projected amount	-	-	-	-
Maximum projected amount	-	19,305,000.00	-	19,305,000.00
Amount projected if the targets in place are met	-	13,392,500.00	-	13,392,500.00
Relative to profit Sharing	-		-	
Minimum projected amount	-	-	-	-
Maximum projected amount	-	-	-	-
Amount projected if the targets in place are met	-	-	-	-

Note: The values in the table above do not include awards related to Extraordinary Compensation for Incentives for Divestment Processes as detailed in Item 13.1 of this Form and which has reported the amounts in the amount of 29.5MM in the Other Variable Remuneration line in the table 13.2.

Fiscal Year ended in December 2020

	Board of Directors	Board of Officers	Fiscal Council	Total
Total Number of Members	10.08	5.08	4.00	19.17
Number of Paid Members	10.08	5.08	4.00	19.17
Relative to the Bonus:				
Minimum projected amount	-	-	-	-
Maximum projected amount	-	18,535,000.00	-	18,535,000.00
Amount projected if the targets in place are met	-	13,210,000.00	-	13,210,000.00
Amount effectively recognized	-	19,382,556.46	-	19,382,556.46
Relative to profit Sharing	-		-	
Minimum projected amount	-	-	-	-
Maximum projected amount	-	-	-	-
Amount projected if the targets in place are met	-	-	-	-

Note: In the recognized value, the exceedance in relation to the maximum expected value is due to an Additional Incentive approved in 2020 for the Executives called "Additional Cash Generation Challenge", aiming at the achievement of specific goals with the objective of capturing results beyond those established in the Company's Bonus Program, and consequently contributing to the achievement of results in addition to those provided for in the Company's Operating Cash Flow budget.

Fiscal Year ended in December 2019

	Board of Directors	Board of Officers	Fiscal Council	Total
Total Number of Members	10.17	4.42	4.08	18.67
Number of Paid Members	10.17	4.42	4.08	18.67
Relative to the Bonus:				
Minimum projected amount	-	-	-	-
Maximum projected amount	-	35,068,921.82	-	35,068,921.82
Amount projected if the targets in place are met	-	24,617,197.68	-	24,617,197.68
Amount effectively recognized	-	25,350,966.93	-	25,350,966.93
Relative to profit Sharing	-		-	
Minimum projected amount	-	-	-	-
Maximum projected amount	-	-	-	-
Amount projected if the targets in place are met	-	-	-	-

Fiscal Year ended in December 2018

	Board of Directors	Board of Officers	Fiscal Council	Total
Total Number of Members	9.75	3.50	3.67	16.92
Number of Paid Members	9.75	3.50	3.67	16.92
Relative to the Bonus:				
Minimum projected amount	-	-	-	-
Maximum projected amount	-	43,007,727.94	-	43,007,727.94
Amount projected if the targets in place are met	-	38,637,761.14	-	38,637,761.14
Amount effectively recognized	-	41,719,673.93	-	41,719,673.93
Relative to profit Sharing	-		-	
Minimum projected amount	-	-	-	-
Maximum projected amount	-	-	-	-
Amount projected if the targets in place are met	-	-	-	-

The members of the Board of Directors and Fiscal Council are currently not eligible for short-term variable compensation.

13.4 - Stock-Based Compensation Plan of the Board of Directors and Statutory Officers, in force in the last fiscal year and projected for the current fiscal year

The long term incentive plan based on stock for executives (Stock Grant Plan for Executives) was approved in Extraordinary General Meeting held on April 26th, 2019, jointly with the above presented Board of Directors Plan. The purpose of the Executive Board plan, as well as the Board of Directors plan is to allow to grant shares in order to foster high engagement and commitment to achieve the Company's strategic goals, therefore, ensuring its alignment with the Company and shareholders' interests in the medium and long term. At the same time, it allows to competitively position the executive's compensation in relation to the market, without disposal of company cash.

However, the execution of the approved plan was interrupted by court decision untill the completion of the court-supervised reorganization of the Company. Considering the reasonable probability of ending the the Court Supervised Reorganization before the end of 2021, it was necessary to provision in 2020 the values related to Long Term Incentives, as originally stated in the plan, as wel as to include a provision for the values to be acknowledged in 2021, in the global compensation fund to be proposed to the shareholders.

As for the Stock Granting Plan to Executives, as approved by the 2019 AGE, grants were made in 2019 and 2020, and can only be vested under the terms of that Plan. The amounts forecasted for such a long-term incentive plan were included in the respective tables of this document, along with the other amounts subject to approval by the Meeting.

An additional Long Term Incentive Plan based on shares for the Chief Executive Officer will be submitted for approval in the Extraordinary General Meeting, to be held on April 30th, 2021, and the amounts foreseen for this Plan are included in the respective tables of this document.

a) General terms and conditions

Main Characteristics of the Stock Granting Plan to Executives:

APPROVAL	AGOE 2019
EFFECTIVE DATE	Upon approval
VALID TERM OF THE PLAN	2019 a 2021
BENEFICIARIES	Executive Board and other executives (1)
MAXIMUM LIMIT FOR DILUTION	1.5%
PROVIDED GRANTS	2019, 2020 and 2021
QUANTITY OF STOCKS PER GRANT	Annual Target (2) / Stock Price (3)
TRANSFERENCE OF SHARES (VESTING)	1/3 12 months after granted 1/3 24 months after granted 1/3 36 months after granted
MAXIMUM PERFORMANCE CONDITION OF THE PLAN	The total amount of shared granted is transferred to beneficiaries, if the share quote for 36 months from grant is equal or higher than the Company grant price corrected by WACC (4) at each vesting.
MINIMUM PERFORMANCE CONDITION OF THE PLAN (TRIGGER) (5) (6)	The share price maintenance on each annual date of fiscal year equal to the share price at the moment of grant. In this case, the beneficiaries has the right to receive 50% of the amount of shares of vesting.

1. The Board of Directors can approve as beneficiaries of this plan, directors and managers in critical positions to make feasible the business transformation or of key personnel with great expertise and direct or indirect (shared) responsibility for implementing the strategic plan.
2. The Annual Target is defined according to the executive's role at the grant date.
3. The reference price per share, for the purpose of determining the quantity of Shares that will be assigned to each beneficiary, will be equivalent to the weighted average of the stock quote (Price x Volume) in the market floor of the ninety consecutive days prior to the delivery date, as defined by the Executive Board.
4. WACC – Weighted Average Cost of Capital – in 2021 is 9.34%.
5. For intermediate results, where the stock price is between the trigger and the condition that entitles to receiving the full amount under the plan, the Beneficiaries will be entitled to an amount calculated by simple linear interpolation.
6. If the performance condition is not reached, the quantity of shares is accrued to be assessed in the next period of performance condition in the next year, untill the end of a term of 36 months, when the final assessment occurs.

Main Characteristics of the Stock Granting Plan to Board Of Directors:

APPROVAL	AGOE 2019
EFFECTIVE DATE	Upon approval
VALID TERM OF THE PLAN	2019 a 2021
BENEFICIARIES	Board of Directors (1)
MAXIMUM LIMIT FOR DILUTION	0.40%
PROVIDED GRANTS	2019, 2020 and 2021
QUANTITY OF STOCKS PER GRANT	Annual Target (2) / Stock Price (3)
TRANSFERENCE OF SHARES (VESTING)	1/3 12 months after granted 1/3 24 months after granted 1/3 36 months after granted
MAXIMUM PERFORMANCE CONDITION OF THE PLAN	The total amount of shared granted is transferred to beneficiaries, if the share quote for 36 months from grant is equal or higher than the Company grant price corrected by WACC (4) at each vesting.
MINIMUM PERFORMANCE CONDITION OF THE PLAN (TRIGGER) (5) (6)	The share price maintenance on each annual date of fiscal year equal to the share price at the moment of grant. In this case, the beneficiaries has the right to receive 50% of the amount of shares of vesting.

1. The Board of Directors can approve as beneficiaries of this plan, directors and managers in critical positions to make feasible the business transformation or of key personnel with great expertise and direct or indirect (shared) responsibility for implementing the strategic plan.
2. The Annual Target is defined according to the executive's role at the grant date.
3. The reference price per share, for the purpose of determining the quantity of Shares that will be assigned to each beneficiary, will be equivalent to the weighted average of the stock quote (Price x Volume) in the market floor of the ninety consecutive days prior to the delivery date, as defined by the Executive Board.
4. WACC – Weighted Average Cost of Capital – in 2021 is 9.34%.
5. For intermediate results, where the stock price is between the trigger and the condition that entitles to receiving the full amount under the plan, the Beneficiaries will be entitled to an amount calculated by simple linear interpolation.
6. If the performance condition is not reached, the quantity of shares is accrued to be assessed in the next period of performance condition in the next year, untill the end of a term of 36 months, when the final assessment occurs.

Main Characteristics of the Stock Granting Plan to the Chief Executive Officer:

This additional share-based Long Term Incentive Plan for the Chief Executive Officer will be submitted for approval by the Extraordinary General Meeting, to be held on April 30th, 2021.

APPROVAL	AGOE 2021
EFFECTIVE DATE	Upon approval
VALID TERM OF THE PLAN	2021 a 2024
BENEFICIARIES	Chief Executive Officer
PROVIDED GRANTS	2021
QUANTITY OF STOCKS PER GRANT	0.10% of the Company's total Share Capital on the date of approval of the Stock Grant Plan.
TRANSFERENCE OF SHARES (VESTING)	Partial or total transfer at the end of the Plan term.

b) Plan's Main Objectives

The long term incentive Plan of executives, like the plan of the Board of Directors, has purpose to allow to granting of the company shares in order to foster high engagement and commitment from beneficiaries, promoting the achievement of the Company's strategic goals, therefore, ensuring its alignment with the Company and shareholders' interests in the medium and long term. At the same time, it allows to competitively position regarding the executive's compensation, when comparing with Market standards, without disposal of additional company cash.

An additional Long Term Incentive Plan based on shares for the Chief Executive Officer will be submitted for approval in the Extraordinary General Meeting, to be held on April 30th, 2021, and the amounts foreseen for this Plan are included in the respective tables of this document.

The Long-Term Incentive Plan aims to foster high engagement of the Chief Executive Officer over its 4-year term, stimulate actions to the success of the Company's transformation plan, aiming to ensure the achievement of strategic goals and also seek alignment with shareholders in the medium and long term.

c) Form the plan contributes to these objectives

The long term incentive Plan for executives, like the plan for the Board of Directors, encourages meeting strategic goals, in addition to valuing the Company's shares. Therefore, the Program promotes the engagement and commitment of its executives on the short, medium and long term, allowing beneficiaries to share in the development of the Company and the opportunity of being rewarded for creating value to the shareholders.

The additional share-based Long Term Incentive Plan for the Chief Executive Officer, which will be submitted for approval to the Extraordinary General Meeting, to be held on April 30th, 2021, contributes to the objectives described above as it seeks to ensure the competitiveness of the compensation package of the Chief Executive Officer and align its objectives with those of the Company and the shareholders.

d) How the plan fits into the issuer's compensation policy

Both the Executive and Board of Directors Plans, are part of a set of awarding and alignment instruments for the members of the Board of Directors and Company Executives and complement the compensation strategy of OI, inserting a relevant portion that depends on the achieve, by Oi's actions, the performance goal.

These plans are considered long-term incentives, granted by the Company's will, non recurret disconnected from the ordinary remuneration of the members of the Board of Directors and Executives, since the payment to the beneficiaries is linked to the valuation of the share during the period of validity of the plan (2019-2021), without any contractionary nature.

The additional share-based Long Term Incentive Plan for the Chief Executive Officer, which will be submitted for approval to the Extraordinary General Meeting, to be held on April 30th, 2021, is part of a set of instruments included in the Company's compensation strategy, which comprises different portions of fixed and variable remuneration.

e) How does plan aligns the interests of the managers and of the issuer on the short, medium and long terms

The Executive Plan, as well as that of the Board of Directors, consider the valuation of the Company's shares (OIBR3) over the term of the Plans (2019-2021) with possibility of transfers to the beneficiaries. In this way, the plans align the interests of the managers and the Company's interests in the short, medium and long term, offering the beneficiaries the opportunity to be rewarded through the generation of value for the shareholders.

The additional share-based Long Term Incentive Plan for the Chief Executive Officer, which will be submitted for approval to the Extraordinary General Meeting, to be held on April 30th, 2021, aligns to the success of the Company's transformation process, insofar as it seeks to achieve strategic goals that add shareholder value in the medium and long term.

f) Maximum number of company stocks covered

The Executive Plan, as well as that of the Board of Directors, determine a maximum number of shares covered, as follows:

STOCK GRANTING PLAN TO OFFICERS: Under this Plan, beneficiaries may be granted grants granted annually for a period of three (3) years, representing no more than 1.5% (one point five per cent) of the Company's total share capital on the date of approval of the Stock granting Plan.

STOCK GRANTING PLAN TO THE BOARD OF DIRECTORS: Shares may be granted, within the scope of this Plan, in grants granted annually over three (3) years, shares representing not more than 0.40% (zero point forty per cent cent) of the Company's total share capital on the date of approval of the stock granting plan.

STOCK GRANTING PLAN TO THE CHIEF EXECUTIVE OFFICER: For the additional share-based Long Term Incentive Plan for the Chief Executive Officer, which will be submitted for approval by the Extraordinary General Meeting, to be held on April 30th, 2021, Under this Plan, shares representing 0.10% of the Company's total Share Capital may be granted to The Beneficiary, in a single grant, on the date of approval of the Stock Grant Plan.

It is important, however, to point out that no further dilution of the current shareholders is foreseen, with the implementation of this Plan, in relation to the limits already approved at the Extraordinary General Meeting held on April 26th, 2019 for the Stock Option Plans to the Executives and the Board administration. This is because there will be surpluses of shares in the Board of Directors' Stock Option Plan, whose maximum dilution limit of 0.40% of the Company's total share capital on the date of approval of the Plan will not be fully used.

g) Maximum number of stocks options to be granted

The Executive Plan, as well as that of the Board of Directors, as well as the Additional Plan for the Chief Executive Officer that will be submitted to the approval of the Extraordinary General Meeting, to be held on April 30th, 2021, do not provide for the granting of options.

h) Conditions for the acquisition of stocks

Both the Executive and the Board of Directors Plans, establishes that the right of the beneficiary to receive each of the plan's annual lots is always subject to the achievement performance conditions. In addition, it is necessary that beneficiary remains in the Company during the period between the share grant date and transference dates to beneficiaries (vestings), according to rates mentioned below, in the period of 2019 to 2021:

	Grants	**Vesting** (1st) Grant	**Vesting** (2nd) Grant	**Vesting** (3rd) Grant
2019	(1st) Grant			
2020	(2nd) Grant	1/3 (1st) Grant		
2021	(3rd) Grant	1/3 (1st) Grant	1/3 (2nd) Grant	
2022		1/3 (1st) Grant	1/3 (2nd) Grant	1/3 (3rd) Grant
2023			1/3 (2nd) Grant	1/3 (3rd) Grant
2024				1/3 (3rd) Grant

The Trigger, that sets the right to receive 50% of the full amount of set in the Plan, will be the maintenance of Oi share price (OIBR3) at a level not lower than the grant date, ie if the share price on each date is equal to or greater than the share price by the time of grant.

The Beneficiaries will be entitled to the full value of the plan if the share price (OIBR3), after 36 months of grant, is equal to or greater than the grant price adjusted by the company's WACC at the end of the period.

For intermediate results, when the share price (OIBR3) is between the trigger and the condition giving entitlement to receive the full value of the plan, the Beneficiaries will be entitled to a value calculated by simple linear interpolation.

By participating in the Long-Term Incentive Plan, the Beneficiaries will be eligible during the Plan's three (3) years (2019, 2020 and 2021) to receive the "Number of Shares", which may be delivered annually upon reaching of the performance condition.

The additional stock-based Long Term Incentive Plan for the Chief Executive Officer, which will be submitted for approval by the Extraordinary General Meeting, to be held on April 30, 2021, establishes that, the Beneficiary's right to receive the target number of Shares in this Plan is conditioned to the achievement of specific transformation goals, which are intended to measure the success of the implementation of the Company's strategic transformation plan within the term of this Plan and is also conditioned to the Beneficiary remaining in the exercise of his mandate during the period between the grant date and the expiration date of this Plan.

This Plan for the Chief Executive Officer provides for a single grant of shares, with a maximum limit of 0.10% of the capital stock on the date of approval of the Plan, whose vesting will be fully carried out at the end, provided that the performance targets established are achieved.

i) Criteria for setting the acquisition or exercise price

The Executive Plan, as well as that of the Board of Directors, establishes that:

The reference price per Share for purposes of determining the number of Shares (OIBR3) to be granted to each Beneficiary shall be equivalent to the weighted average share price (Price x Volume) of the trading sessions of the ninety calendar days prior to the grant date, as defined by the Board of Directors.

The reference price per Share for purposes of calculating performance attainment for release according to annual terms will be equivalent to the weighted average price of OIBR3 (Price x Volume) of the ninety-day trading sessions prior to the date of exercise of each year, as defined by the Board of Directors.

The additional stock-based Long Term Incentive Plan for the Chief Executive Officer, which will be submitted for approval by the Extraordinary General Meeting, to be held on April 30th, 2021, establishes that, the delivery of the target number of shares in this Plan is subject to the achievement of the specific goals of the transformation and not to the share price on the exercise date. Therefore, the only criterion that ensures the delivery of shares to the Beneficiary, is the total or partial achievement of the established goals.

j) Criteria for setting the exercise period

The Executive Plan, as well as that of the Board of Directors, establishes that, without prejudice to other conditions established in the plans and respective Grant Agreements, the Beneficiary's rights to receive each of the annual lots will always be subject to the performance condition and will only be fully acquired to the extent that the Beneficiary remains in the exercise of his / her mandate during the period between the date of grant and the dates of the transfer of shares to the Beneficiaries in the proportions mentioned below:

- 1/3 of the grant will be received in 12 months
- 1/3 of the grant will be received in 24 months
- 1/3 of the grant will be received in 36 months

The additional stock-based Long Term Incentive Plan for the Chief Executive Officer, which will be submitted for approval by the Extraordinary General Meeting, to be held on April 30th, 2021, establishes that, the exercise deadline will be 12/31/2024. This deadline was determined to give sufficient time for the assessment and evaluation of the Company's Transformation Plan established performance goals achievements and sustainability.

k) Settlement method

The Executive Plan, as well as that of the Board of Directors, establishes that, at the end of each period, the Board of Directors will verify compliance with the conditions established and to be provided for in the respective Grant Agreements and shall confirm the number of Shares to which the Beneficiary is entitled, and the Company shall transfer those Shares to the Beneficiary after due tax withholdings pursuant to item 12.9 below, including a reduction in the number of shares as a result of withholding of taxes , if applicable, within 60 (sixty) days, counted as from the end of each annual cycle.

The additional stock-based Long Term Incentive Plan for the Chief Executive Officer, which will be submitted for approval by the Extraordinary General Meeting, to be held on April 30th, 2021, establishes that, at the end of the period, the Board of Directors will verify compliance with the conditions set out in this Plan above and other conditions provided for in the respective Grant Agreement and will confirm the amount of Shares to which the Beneficiary will receive, and the Company will transfer the Shares to the Beneficiary after the due withholding taxes pursuant to terms of the contract signed, including through reduction in the number of shares, if applicable, within 90 (ninety) days.

l) Restrictions on the transfer of shares

Not applicable.

m) Criteria and events that, when verified, will cause the suspension, alteration or extinction of the plan

The Executive Plan, as well as that of the Board of Directors, establishes that:

I In the event of (a) a substantial change in the company control, resulting in a change in the composition of Oi's Board of Directors where more than half of its members will represent a single controlling group, or (b) holding of a public offering for the delisting of the Company, the Beneficiaries will be entitled to receive, within 60 (sixty) days from the occurrence of the event established in this clause: (a) of the Shares whose acquisition rights have already been acquired by the Beneficiaries, but have not been effectively transferred by the Company or by a company controlled by it; and of all Shares whose acquisition rights have not yet been acquired by the Beneficiaries, so that such rights will be automatically anticipated.

In addition to the foregoing, the right to receive the Shares in accordance with the applicable Plans and Granting Agreement will automatically terminate and without any right to indemnification, and all of its effects will cease to be in full force and effect if the Company is dissolved, liquidated or if you have your bankruptcy decreed.

The additional stock-based Long Term Incentive Plan for the Chief Executive Officer, which will be submitted for approval by the Extraordinary General Meeting, to be held on April 30th, 2021, establishes that:

In the event of (a) a substantial change in the company's control, materialized in a change in the composition of the Board of Directors of Oi where more than half of its members come to represent a single controlling group, or (b) conducting a public offering of delisting of the Company, the Beneficiary will be entitled to receive, within 90 (ninety) days of the occurrence of the event established in this clause: (a) of the Shares whose acquisition rights have already been acquired by the Beneficiary, but which have not been effectively transferred by the Company or by a company controlled by it; and (b) the totality of the Shares, adjusted for the achievement of the performance targets to date, whose acquisition rights have not yet been acquired by the Beneficiary, so that such rights will be automatically anticipated.

n) Effects of the departure of the trustee from the issuer's bodies over their rights under the stock option plan

The Executive Plan, as well as that of the Board of Directors, establishes that:

STOCK GRANTING PLAN TO OFFICERS:

In the event that the self-interest beneficiary becomes detached from the Company's staff on its own initiative, or if the beneficiary is dismissed by the Company for just cause, no payment will be due for any balance relating to unexercised portions, even if on a monthly pro rata basis.

Should the beneficiary be dismissed at the Company's initiative or in the case of retirement, before the plan closes, the balance of the working period, pro rata month, at the end of the cycle will be due at the same time as the other participants.

In the event of death or permanent disability of the Beneficiary, 100% of the shares granted to him and / or his legal heirs at the moment of termination will be due.

STOCK GRANTING PLAN TO THE BOARD OF DIRECTORS:

Should the beneficiary resign, be dismissed or in case of termination, before the end of the program, the balance of the period worked, pro rata month, at the end of the cycle will be due at the same time as the other participants.

In the event of death or permanent disability of the Beneficiary, 100% of the shares granted to him and / or his legal heirs at the moment on a monthly pro rata basis.

STOCK GRANTING PLAN TO THE CHIEF EXECUTIVE OFFICER: For the additional share-based Long Term Incentive Plan for the Chief Executive Officer, which will be submitted for approval by the Extraordinary General Meeting, to be held on April 30th, 2021, the rules are:

In the event that the self-interest beneficiary becomes detached from the Company's staff on its own initiative, or if the beneficiary is dismissed by the Company for just cause, no payment will be due for any balance relating to unexercised portions, even if on a monthly pro rata basis.

Should the beneficiary be dismissed at the Company's initiative or in the case of retirement, before the plan closes, the balance of the working period, pro rata month, at the end of the cycle will be due, up to ninety (90) days after the date of termination.

In the event of death or permanent disability of the Beneficiary, will be entitled to receive, at the moment of Termination of the pro rata temporis amount of the award adjusted for the achievement of the performance targets to date.

13.5 - Stock-Based Compensation of the Board of Directors and Statutory Officers in the last 3 fiscal years, and the projections for the current fiscal year

The majority of the information in the table below do not apply to the plans that was submitted and approved at the Extraordinary General Meeting, held on April 26th, 2019..They do not give right to options.

Stock-Based Compensation projected for the Current Fiscal Year - Annual Amounts			
	Board of Directors	Statutory Officers	Total
Number of members [1]	11.00	5.00	16.00
Number of paid members [2]	0.00	5.00	5.00
Weighted Average Price in the Fiscal Year:			
Outstanding options in the beginning of the fiscal year	Not applicable	Not applicable	-
Options lost during the fiscal year	Not applicable	Not applicable	-
Options exercised during the fiscal year	Not applicable	Not applicable	-
Options expired during the fiscal year	Not applicable	Not applicable	-
Potential dilution in case of exercise of all granted options	-	-	-

([1]) The total number of members corresponds to the annual average number of expected members of the said management body pursuant the terms of item 13.2.
([2]) The number of remunerated members corresponds to the expected total number of directors eligible for the granting
of shares held on 12/30/2020.

Stock-Based Compensation for the Fiscal Year as of 12/31/2020 - Annual Amounts			
	Board of Directors	Statutory Officers	Total
Number of members [1]	10.08	5.08	15.17
Number of paid members [2]	0.00	5.00	5.00
Weighted Average Price in the Fiscal Year:			
Outstanding options in the beginning of the fiscal year	Not applicable	Not applicable	-
Options lost during the fiscal year	Not applicable	Not applicable	-
Options exercised during the fiscal year	Not applicable	Not applicable	-
Options expired during the fiscal year	Not applicable	Not applicable	-
Potential dilution in case of exercise of all granted options[3]		0.12%	0.12%

([1]) The total number of members corresponds to the annual average number of expected members of the said management body pursuant the terms of item 13.2.
([2]) The number of remunerated members corresponds to the expected total number of directors eligible for the granting
of shares held on 12/30/2020.
([3]) The dilution informed above corresponds to the maximum foreseen and approved for the granting of the stock program implemented on 12/30/2020 considering only the Statutory Officers.

Stock-Based Compensation for the Fiscal Year as of 12/31/2019 - Annual Amounts			
	Board of Directors	Statutory Officers	Total
Number of members [1]	0.00	4.42	4.42
Number of paid members [2]	0.00	5.00	5.00
Weighted Average Price in the Fiscal Year:			
Outstanding options in the beginning of the fiscal year	-	Not applicable	-
Options lost during the fiscal year	-	Not applicable	-
Options exercised during the fiscal year	-	Not applicable	-
Options expired during the fiscal year	-	Not applicable	-
Potential dilution in case of exercise of all granted options[3]	-	0.25%	0.25%

([1]) The total number of members corresponds to the annual average number of expected members of the said management body pursuant the terms of item 13.2.
([2]) The number of remunerated members corresponds to the expected total number of directors eligible for the granting
of shares held on 12/30/2019.
([3]) The dilution informed above corresponds to the maximum foreseen and approved for the granting of the stock program implemented on 12/30/2019 considering only the Statutory Officers.

Stock-Based Compensation for the Fiscal Year as of 12/31/2019 - Annual Amounts			
	Board of Directors	Statutory Officers	Total
Number of members [1]	0.00	3.50	3.50
Number of paid members [2]	0.00	0.00	0.00
Weighted Average Price in the Fiscal Year:			
Outstanding options in the beginning of the fiscal year	-	-	-
Options lost during the fiscal year	-	-	-
Options exercised during the fiscal year	-	-	-
Options expired during the fiscal year	-	-	-
Potential dilution in case of exercise of all granted options	-	-	-

The majority of the information in the table below do not apply to the plans that was submitted and approved at the Extraordinary General Meeting, held on April 26th, 2019..They do not give right to options.

Current Fiscal Year			
	Board of Directors	Statutory Officers	Total
Granting of stock call options (Incentive Granting) [1]			
Granting date (Date when the Incentive is Granted)	-	-	-
Number of options granted	-	-	-
Term for the options to allow exercise	-	-	-
Maximum term for exercising options	-	-	-
Stock transfer restriction plan	-	-	-
Fair value of the options on the date of each granting event (Incentive Value)	-	-	-

([1]) There was still no stock plan for the current fiscal year, which should occur in December.

Fiscal year ended on 12/31/2020			
	Board of Directors	Statutory Officers	Total
Granting of stock call options (Incentive Granting)			
Granting date (Date when the Incentive is Granted)	-	30/12/2020	-
Number of options granted [1]	-	7,029,711	7,029,711
Term for the options to allow exercise	-	30/12/2023	-
Maximum term for exercising options	-	-	-
Stock transfer restriction plan	-	Not applicable	-
Fair value of the options on the date of each granting event (Incentive Value) [2]	-	14,200,000	14,200,000

([1]) The number of shares in this line refers to the total number of shares granted at the end of 2020.

([2]) Refers to the total fair value of the shares granted considering the average value of the share on the grant date of R$ 2.02.

Fiscal year ended on 12/31/2019	Board of Directors	Statutory Officers	Total
Granting of stock call options (Incentive Granting)			
Granting date (Date when the Incentive is Granted)	-	30/12/2019	-
Number of options granted [1]	-	14,947,377	14,947,377
Term for the options to allow exercise	-	30/12/2022	-
Maximum term for exercising options	-	-	-
Stock transfer restriction plan	-	Not applicable	-
Fair value of the options on the date of each granting event (Incentive Value) [2]	-	14,200,000	14,200,000

([1]) The number of shares in this line refers to the total number of shares granted at the end of 2019.

([2]) Refers to the total fair value of the shares granted considering the average value of the share on the grant date of R$ 0.95.

Fiscal year ended on 12/31/2018	Board of Directors	Statutory Officers	Total
Granting of stock call options (Incentive Granting)			
Granting date (Date when the Incentive is Granted)	-	-	-
Number of options granted	-	-	-
Term for the options to allow exercise	-	-	-
Maximum term for exercising options	-	-	-
Stock transfer restriction plan	-	-	-
Fair value of the options on the date of each granting event (Incentive Value)	-	-	-

13.6 - Information on outstanding options held by the Board of Directors and by the Statutory Officers at the end of the last fiscal year

There are no outstanding options held by the Board of Directors and by the Statutory Officers.

13.7 - Options exercised and stocks delivered relative to stock-based compensation of the Board of Directors and by the Statutory Officers in the last 3 fiscal years

No options were exercised and there was no delivery of shares related to the Company's share-based compensation within the scope of the Plan approved for the Board of Directors. The Long-Term Incentive Plan approved for the Executives provides for the transfer of shares to their beneficiaries. However, in view of practical obstacles that prevented the Company from issuing shares in a timely manner to meet the 1st vesting of Shares in the 2019-2021 Plan, the Parties, by mutual agreement, decided that, for the purpose of delivering Shares related to the Plan, and consequent settlement of all the obligations of said 1st vesting, the Company could fulfill its obligation to the Beneficiary with the payment in cash, through credit in a current account of an amount corresponding to the Number of shares to which the Beneficiary would be entitled on the date of the exercise, determined considering the quotation of the Company's common shares (OIBR3) at the close of the trading session, up to 3 (three) business days previous to the payment date.

In view of the impediment described above, the Board of Directors authorized the Company to evaluate a process for issuing new shares, as possible, in an amount sufficient to cover all potential future vestings related to the Programs of the Board of Directors and of the Executives.

Exercised Options - Fiscal Year ended 12/31/2020.		
	Board of Directors	Statutory Officers
Number of members [1]	10.08	5.08
Number of paid members [2]	0.00	5.00
Exercised Options		
Number of shares	-	-
Weighted average exercise price	-	-
Difference between the exercise value and the market value of the shares related to the options exercised	-	-
Delivered shares		
Number of shares delivered	-	-
Weighted average acquisition price	-	0.95
Difference between the acquisition price and the market value of the shares acquired [3]	-	1.09

([1]) The total number of members corresponds to the annual average of the number of members of the aforementioned management body calculated monthly under the terms of item 13.2.

([2]) the number of remunerated members corresponds to the total of eligible shares granted on 12/30/2019.

([3]) Difference between the acquisition value and the market value of the acquired shares considers the value of the share in the grant x the value of the share on the payment date of the 1st vesting (R$ 2.04)

13.8 - Information necessary for understanding the data disclosed in items 13.5 to 13.7 - Pricing method for the value of stocks and options

Not Applicable.

13.9 – Report the number of shares or quotas directly or indirectly held, in Brazil or abroad, and other securities convertible into shares or quotas, issued by the issuer, its direct or indirect controllers, subsidiaries or companies under shared control, by members of the Board of Directors, Statutory Officers or the Fiscal Council, grouped by body.

The members of the Board of Directors, Statutory Officers and the Fiscal Council hold shares in relation to the Company only, not holding any share interest in the subsidiaries.

Shares issued by the Company - December 31, 2020

Shareholders	**CS**	**PS**
Board of Directors	2	5
Statutory Officers	2,509	0
Fiscal Council	188	2
Total	**2,699**	**7**

13.10 - Information on the current pension plans granted to members of the Board of Directors and by the Statutory Officers

The Company is the sponsor of Pension Plans PBS-Telemar, PBS-Tele Norte Celular, CELPREV and TCSPREV. However, no one of the members of the Board of Directors, Statutory Officers and Fiscal Council belong to said Plans and they are closed for new adhesions.

The information presented in the table below and in item 13.2 of this Reference Form refer to the Pensin Plan TelemarPrev sponsored by the Company in conjunction with Oi Móvel S.A. And Telemar Norte Leste S.A., pursuant with Section 14 of this Reference Form.

	Board of Directors	Statutory Officers
Number of members	11	6
Number of paid members	1	6
Plan Name	TelemarPrev	TelemarPrev
Number of managers eligible for retirement	0	3
Conditions for early retirement	N/A	50 years of age and 5 years of Attachment to the Benefit Plan
Updated amount of accumulated contributions in the pension plan up to the closing of the last fiscal year, deducted of the portion relative to contributions made directly by the managers	R$ 0.00	R$ 3,580,693.07
Total accumulated amount of contributions made during the last fiscal year, deducting the portion relative to contributions made directly by the managers	R$ 0.00	R$ 542,796.67
Possibility of early redemption and conditions	N/A	According to the Time of Membership with the Benefit Plan. Maximum 80% of contributions made by the Sponsor

13.11 - Maximum, minimum and average individual compensation of the Board of Directors, Statutory Officers and Fiscal Council

Annual Amounts

	Statutory Officers			Board of Directors			Fiscal Council		
	12/31/2020	12/31/2019	12/31/2018	12/31/2020	12/31/2019	12/31/2018	12/31/2020	12/31/2019	12/31/2018
Number of members	5.08	4.42	3.50	10.08	10.17	9.75	4.00	4.08	3.67
Number of paid members	5.08	4.42	3.50	10.08	10.17	9.75	4.00	4.08	3.67
Amount of the highest compensation (Reais)	20,866,287	16,089,894	17,828,295	1,272,000	1,272,000	1,043,968	214,444	217,332	183,688
Amount of the lowest compensation (Reais)	7,175,206	4,867,686	13,220,363	474,996	460,190	423,608	214,444	199,221	183,688
Average compensation amount (Reais)	12,159,333	10,583,077	17,382,815	654,549	648,429	685,933	214,444	215,114	189,805

Comments

Statutory Officers	
12/31/2020	- The number of members was calculated as specified in Official Letter CVM/SEP/# 02/2018. - The number of members was calculated by the annual average calculated on a monthly basis. - The value of the lowest individual annual compensation was verified excluding the members of the Statutory Officers who held office for at least 12 (twelve) months. - In calculating the highest compensation, the member paid the highest compensation held office for 01 (one) month in the fiscal year. - In calculating the highest remuneration and the average remuneration value, in addition to the recurring amounts, termination amounts recognized in the year of 20120 due to the dismissal of a member of the statutory executive board were considered.
12/31/2019	- The number of members was calculated as specified in Official Letter CVM/SEP/# 02/2018. - The number of members was calculated by the annual average calculated on a monthly basis. - The value of the lowest individual annual compensation was verified excluding the members of the Statutory Officers who held office for at least 12 (twelve) months. - In calculating the highest compensation, the member paid the highest compensation held office for 10 (ten) months in the fiscal year. - In calculating the highest remuneration and the average remuneration value, in addition to the recurring amounts, termination amounts recognized in the year of 2019 due to the dismissal of a member of the statutory executive board were considered
12/31/2018	- The number of members was calculated as specified in Official Letter CVM/SEP/# 02/2018. - The number of members was calculated by the annual average calculated on a monthly basis. - The value of the lowest individual annual compensation was verified excluding the members of the Statutory Officers who held office for at least 12 (twelve) months. - In calculating the highest compensation, the member paid the highest individual compensation held office for 12 (Twelve) months in the fiscal year.

Board of Directors	
12/31/2020	- The number of members was calculated as specified in Official Letter CVM/SEP/# 02/2018. - The number of members was calculated based on the verified annual average. - The amount of the lowest individual annual compensation was calculated disregarding Board of Directors members to held office for less than 12 (twelve) months. - In calculating the highest compensation, the director paid the highest compensation held office for 12 (twelve) months in the fiscal year.
12/31/2019	- The number of members was calculated as specified in Official Letter CVM/SEP/# 02/2018. - The number of members was calculated based on the verified annual average. - The amount of the lowest individual annual compensation was calculated disregarding Board of Directors members to held office for less than 12 (twelve) months. - In calculating the highest compensation, the director paid the highest compensation held office for 12 (twelve) months in the fiscal year.
12/31/2018	- The number of members was calculated as specified in Official Letter CVM/SEP/# 02/2018. - The number of members was calculated based on the verified annual average. - The amount of the lowest individual annual compensation was calculated disregarding Board of Directors members to held office for less than 12 (twelve) months. - In calculating the highest compensation, the director paid the highest compensation held office for 12 (twelve) months in the fiscal year.

Fiscal Council	
12/31/2020	- The number of members was calculated as specified in Official Letter CVM/SEP/# 02/2018. - The number of members was calculated by the annual average calculated on a monthly basis. - The amount of the lowest individual annual compensation was calculated disregarding Board of Directors members to held office for less than 12 (twelve) months. - In calculating the highest compensation, the director paid the highest compensation held office for 12 (twelve) months in the fiscal year.
12/31/2019	- The number of members was calculated as specified in Official Letter CVM/SEP/# 02/2018. - The number of members was calculated by the annual average calculated on a monthly basis. - The amount of the lowest individual annual compensation was calculated disregarding Board of Directors members to held office for less than 12 (twelve) months. - In calculating the highest compensation, the director paid the highest compensation held office for 12 (twelve) months in the fiscal year.
12/31/2018	- The number of members was calculated as specified in Official Letter CVM/SEP/# 02/2018. - The number of members was calculated by the annual average calculated on a monthly basis. - The amount of the lowest individual annual compensation was calculated disregarding Board of Directors members to held office for less than 12 (twelve) months. - In calculating the highest compensation, the director paid the highest compensation held office for 12 (twelve) months in the fiscal year.

13.12 - Compensation or indemnity mechanisms for managers in case of removal from office or retirement

Statutory Officers have contracts that establish indemnity in the event of removal from office during their term of office, but there are no conditions signed in the contract that establish indemnities in case of retirement.

There is no forecast for the application of this mechanism for 2021.

On this date, the Company has contracted D&O Insurance as a method of protection for its managers, through which Oi is obliged to pay a premium, while the insurer analyzes the claims, identifying those who would or would not be covered by the policy, and then pay compensation to the managers (or to the company itself, when the company has already directly compensated its managers).

The amount of the D&O Insurance premium contracted by the Company for the year 2021 was USD 4,831,626.85.

The D&O insurance guarantees payment of financial losses resulting from claims made against the insured by virtue of harmful acts for which they are accountable, and includes coverage for statutory responsibilities, civil and disqualification of the administrator role exercise.

The Company also has indemnity contracts in force and, as is usual in commitments of this nature, there is no global or annual limit on guaranteed coverage.

The Company's Loss Replacement Policy, which establishes procedures that shall govern the indemnity contracts to be entered into, and the model of the indemnity contract were approved by the shareholders at the Annual and Extraordinary Shareholders' Meeting held on April 26th, 2019 and were duly filed with the CVM.

For more information about this, we suggest you consult item 12.11 of the Reference Form.

13.13 – Relative to the last 3 fiscal years, indicate the rate of total compensation held by managers and members of the Fiscal Council who are parties related to the controlling shareholders

Considering the termination of shareholders' agreements applicable to the Company, and adding to that the fact that there are no shareholders with the ability to individually control Oi, the Company ceased to have a defined controlling shareholder.

Fiscal Year ended on December 31,			
	2020	**2019**	**2018**
Board of Directors	0.00%	0.00%	0.00%
Statutory Officers	0.00%	0.00%	0.00%
Fiscal Council	0.00%	0.00%	0.00%

13.14 – Relative to the last 3 fiscal years, inform the compensation of the managers and members of the Fiscal Council, grouped by body, received for any reason other than the office they hold

There was no payment of compensation to members of the Board of Directors, Statutory Officers and Fiscal Council for any reason other than the office they hold.

13.15 - Relative to the last 3 fiscal years, the amounts recognized in the results of direct or indirect controlling shareholders, of entities under joint control and entities controlled by the issuer, as compensation of members of the Board of Directors, Statutory Officers or Fiscal Council of the issuer, grouped by body, specifying for what reason these amounts were attributed to these individuals

2020	Board of Directors	Statutory Officers	Fiscal Council	Total
Direct and indirect controllers	-	-	-	-
Subsidiaries of the Company	-	-	-	-
Entities under common control	-	-	-	-
2019	**Board of Directors**	**Statutory Officers**	**Fiscal Council**	**Total**
Direct and indirect controllers	-	-	-	-
Subsidiaries of the Company	-	-	-	-
Entities under common control	-	-	-	-

2018	Board of Directors	Statutory Officers	Fiscal Council	Total
Direct and indirect controllers	-	-	-	-
Subsidiaries of the Company	-	-	-	-
Entities under common control	-	-	-	-

13.16 - Other relevant information

Considering the most recent collegiate orientation that the employer's social security charges are not covered by the concept of "benefit of any nature" referred to in art. 152 of the Law of S.A., not including the amounts of global or individual compensation subject to approval by the general meeting, we detail here the amounts related to social charges that are no longer informed in item 13.2.

Fiscal Year ended on December 31,				
	Current	2020	2019	2018
Total Reported Compensation	92,844,639.28	74,120,822.65	54,212,666.27	68,223,656.82
Total Social Charges	3,965,498.13	14,237,444,.1	10,246,277.85	13,716,432.81
Total	**96,810,137.41**	**88,358,266.76**	**64,458,944.12**	**81,940,089.63**

BACK

8.3. Information on nominees to the Board of Directors and Fiscal Council [Items 12.5 to 12.10 of the Reference Form]

12.5/6 – Show in a table

<u>Board of Directors:</u>

<table>
<tr><th>Name</th><th>Date of Birth</th><th>Managing Entity</th><th>Date Elected</th><th>Term Expires</th><th>Other titles and positions at the issuer</th></tr>
<tr><td>Armando Lins Netto</td><td>12/15/1968</td><td>Board of Directors</td><td>4/30/2021</td><td>4/30/2023 [2 years]</td><td>People, Nomination and Governance Comittee // Innovation and Digital Transformation Committee</td></tr>
<tr><th>CPF</th><th>Occupation</th><th>Elective Title</th><th>Date of investiture</th><th>Elected by Controlling Entity</th><th>Independent Member</th></tr>
<tr><td>294.857.702-00</td><td>Engineer</td><td>Board of Directors</td><td></td><td>No</td><td>Yes</td></tr>
<tr><th colspan="3">Consecutive Terms</th><th colspan="3">Percentage Attendance at Meetings</th></tr>
<tr><td colspan="3">2</td><td colspan="3">100.00%</td></tr>
<tr><th colspan="6">Professional background / Independence criteria:</th></tr>
<tr><td colspan="6">Born on 12/15/1968, Netto has a bachelor's degree in Mechanical Engineering from Universidade Federal do Pará [UFPA - 1990], a master's degree in Mechanical Engineering from the Universidade Estadual de Campinas [UNICAMP - 1993] and a PhD in Mechanical Engineering from the University of California, Berkeley [UCB - 1999]. He has been the CEO of Fleetcor in Brazil since June 2014 where he is responsible for all business and companies in the region, Netto also worked at TIVIT, a multinational digital solutions company based in Brazil, as Vice-President responsible for business and technology services from December 2006 to May 2014. Prior to that, he was Executive Officer in the banking sector of Unisys from August 2004 until November 2006 and a consultant at McKinsey & Company at the São Paulo and London offices from October 1999 to January 2004.
In the past five years, he has had no criminal conviction, any unfavorable judgment in CVM administrative proceedings, nor any adverse non-appealable decision, either judicially or administratively, that could have suspended or hindered the practice of professional or commercial activity.
Independent Member, according to the definition of "Independent Member" as described in B3's Novo Mercado [New Market] regulations, which has been adopted by the Company's Corporate Charter in its Article 24.</td></tr>
<tr><td colspan="6">Convictions: 0</td></tr>
<tr><td>Type of conviction:</td><td>Not applicable</td><td>Conviction description</td><td colspan="3">Not applicable</td></tr>
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<tr><td>Claudia Quintella Woods</td><td>8/26/1975</td><td>Board of Directors</td><td>4/30/2021</td><td>4/30/2023 (2 years)</td><td>Audit, Risks and Controls Committee // Innovation and Digital Transformation Committee</td></tr>
<tr><th>CPF</th><th>Occupation</th><th>Elective Title</th><th>Date of investiture</th><th>Elected by Controlling Entity</th><th>Independent Member</th></tr>
<tr><td>098.823.117-41</td><td>Business Administrator</td><td>Boar of Directors</td><td></td><td>No</td><td>Yes</td></tr>
<tr><th colspan="3">Consecutive Terms</th><th colspan="3">Percentage Attendance at Meetings</th></tr>
<tr><td colspan="3">2</td><td colspan="3">100.00%</td></tr>
<tr><th colspan="6">Professional background / Independence criteria:</th></tr>
<tr><td colspan="6">With a background in strategic planning, marketing and sales, and proven expertise in digital start-ups and multinationals, Claudia Woods is a Bachelor of Arts by Bowdoin College, with double major in Environmental Sciences and Spanish, and secondary focus on Economics. She has a master's degree in Business Administration from the COPPEAD institute of Universidade Federal do Rio de Janeiro (UFRJ) and completed the specialization program Building Ventures in Latin America, from Harvard Business School. She has been the General Officer of Uber Brasil since February 2019, having also served as the Retail Officer of Banco Original and as the Executive Superintendent Officer of Digital Channels (Corporative and Retail) of that bank. Formerly, she held the positions of CEO of Webmotors.com, Marketing and Digital Officer of Walmart.com, CEO of Netmovies, Marketing and Intelligence Officer for Latin America of Clickon, General Officer of Predicta, Product Senior Manager of L'Oréal Brazil, Marketing Relationship Manager of Ibest Company, and Senior Advisor of Kaiser Associates.
In the past five years, she has had no criminal conviction, any unfavorable judgment in CVM administrative proceedings, nor any adverse non-appealable decision, either judicially or administratively, that could have suspended or hindered the practice of professional or commercial activity.
Independent Member, according to the definition of "Independent Member" as described in B3's Novo Mercado (New Market) regulations, which has been adopted by the Company's Corporate Charter in its Article 24.</td></tr>
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<tr><td>Eleazar de Carvalho Filho</td><td>7/26/1957</td><td>Board of Director</td><td>4/30/2021</td><td>4/30/2023 (2 years)</td><td></td></tr>
<tr><td>CPF</td><td>Occupation</td><td>Elective Title</td><td>Date of investiture</td><td>Elected by Controlling Entity</td><td>Independent Member</td></tr>
<tr><td>382.478.107-78</td><td>Economist</td><td>Chairman of the Board of Directors</td><td></td><td>No</td><td>Yes</td></tr>
<tr><td colspan="3">Consecutive terms</td><td colspan="3">Percentage Attendance at Meetings</td></tr>
<tr><td colspan="3">3</td><td colspan="3">100.00%</td></tr>
<tr><td colspan="6">Professional background / Independence criteria:</td></tr>
<tr><td colspan="6">Born on July 26th, 1957, he is a founding partner of Virtus BR Partners - an independent financial consulting company - and Sinfonia Capital. Before founding Virtus BR Partners, Eleazar was partner and CEO of Unibanco Investment Bank, President of BNDES, and CEO of UBS Brasil. Previously, Eleazar was responsible for the Corporate Finance division of Banco Garantia at the Rio de Janeiro office, Director and Treasurer of Alcoa Alumínio, and Director of the international area of Crefisul (Citigroup). Eleazar has extensive experience as a director of major listed companies in Brazil and abroad, and was a member of the boards of Brookfield Renewable Partners L.P, Tele Norte Leste Participações, Petrobras, Companhia Vale do Rio Doce, Eletrobrás, Alpargatas, among others, and was also Chairman of BHP Billiton Brazil. Eleazar is currently a director at Brookfield Renewable Corporation, TechnipFMC plc and the Companhia Brasileira de Distribuição (Pão de Açúcar/Cnova N.V. Group). He is also the president of the Brazilian Symphony Orchestra Foundation's curator council. Eleazar has a degree in Economics from New York University, with a Master’s Degree in International Relations from The Johns Hopkins University.
In the past five years, he has had no criminal conviction, any unfavorable judgment in CVM administrative proceedings, nor any adverse non-appealable decision, either judicially or administratively, that could have suspended or hindered the practice of professional or commercial activity.
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Name	Date of Birth	Managing Entity	Date Elected	Term Expires	Other titles and positions at the issuer
Henrique José Fernandes Luz	8/06/1955	Board of Directors	4/30/2021	4/30/2023 (2 years)	Coordinator of the Audit, Risks and Controls Committee // People, Nomination and Governance Comittee
CPF	**Occupation**	**Elective Title**	**Date of investiture**	**Elected by Controlling Entity**	**Independent Member**
343.629.917-00	Bachelor of Science in Accounting and Independent Auditor	Board of Directors		No	Yes

Consecutive Terms	Percentage Attendance at Meetings
2	100.00%

Professional background / Independence criteria:

Born on June 8th, 1955, serves as a member of the Boards of Directors of Burger King do Brasil, Maringá Group (composed of closed companies from the steel and energy sectors), Oi S.A. and IRB RE. Chairman of the Board of Directors of IBGC - Brazilian Institute of Corporate Governance. He was a partner and a member of the executive leadership committee of PwC - PricewaterhouseCoopers in a 43-year career until 2018. Graduated in Accounting Science in 1978 from the School of Political and Economic Sciences of Rio de Janeiro (Candido Mendes University Ensemble), attended several courses and executive programs at Harvard, Darden, London (Ontario) Business School, Universidad de Buenos Aires and Singularity University. He also serves as Vice President of the Board of São Paulo´s Modern Art Museum, IBEF São Paulo - Brazilian Institute of Finance Executives, of the Dorina Nowill Foundation for the Blind; he is also a member of the boards of the National Children's and Youth Book Foundation and the Modern Art Museum – MAM Rio. Academician, holder of Chair 59 of the Brazilian Academy of Accounting Sciences.

In the past five years, he has had no criminal conviction, any unfavorable judgment in CVM administrative proceedings, nor any adverse non-appealable decision, either judicially or administratively, that could have suspended or hindered the practice of professional or commercial activity.

Independent Member, according to the definition of "Independent Member" as described in B3's Novo Mercado (New Market) regulations, which has been adopted by the Company's Corporate Charter in its Article 24.

Convictions: 0

Type of conviction:	Not applicable	**Conviction description:**	Not applicable

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Name	Date of Birth	Managing Entity	Date Elected	Term Expires	Other titles and positions at the issuer
Luís Maria Viana Palha da Silva	2/18/1956	Board of Director	4/30/2021	4/30/2023 (2 years)	Transformation, Strategy and Investment Committee
CPF	**Occupation**	**Elective Title**	**Date of investiture**	**Elected by Controlling Entity**	**Independent Member**
073.725.141-77	Economist	Board of Directors		No	Yes
Consecutive Terms			**Percentage Attendance at Meetings[3]**		
1			100.00%		
Professional background / Independence criteria:					
Born on 2/18/1956, he is currently Chairman of the Board of Directors and Chief Executive Officer of Pharol, SGPS, S.A. (He was a member of the Board of Directors of Oi between September 2015 and March 2018). He was Vice President of the Board of Directors and Executive Committee of GALP Energia, SGPS, SA from 2012 to 2015. He was a Member of the Board of Directors and Audit Committee of NYSE Euronext, from 2012 to 2013. He worked at Jerónimo Martins, SGPS, AS as CFO, from 2001 to 2004, and as CEO from 2004 to 2010. In 2011, he served in that company as a non-executive member of the Board of Directors and President of the Corporate Responsibility Committee. He served as CFO of CIMPOR – Cimentos de Portugal from 1995 to 2001 and as Secretary of State for Commerce of the Government of Portugal, from 1992 to 1995, responsible for external economic relations – Commerce and Investment – and for the supervision of Domestic Commerce, food security and antitrust. Previously, he served as CFO of COVINA, Companhia Videira Nacional, from 1987 to 1992. He has a bachelor's degree in Economics from Instituto Superior de Economia, 1978 and in Business Management from Universidade Católica Portuguesa, 1981. He has a specialization in Administration (Advanced Management Program) from University of Pennsylvania – Wharton School of Economics, 2005. In the past five years, he has had no criminal conviction, any unfavorable judgment in CVM administrative proceedings, nor any adverse non-appealable decision, either judicially or administratively, that could have suspended or hindered the practice of professional or commercial activity. Independent Member, according to the definition of "Independent Member" as described in B3's Novo Mercado (New Market) regulations, which has been adopted by the Company's Corporate Charter in its Article 24.					
Convictions: 0					
Type of conviction:	Not applicable	**Conviction description**	Not applicable		

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<tr><td>Marcelo Pavão Lacerda</td><td>7/23/1960</td><td>Board of Directors</td><td>4/30/2021</td><td>4/30/2023 (2 years)</td><td></td></tr>
<tr><th>CPF</th><th>Occupation</th><th>Elective Title</th><th>Date of investiture</th><th>Elected by Controlling Entity</th><th>Independent Member</th></tr>
<tr><td>333.979.450-20</td><td>Systems Analyst</td><td>Board of Directors</td><td></td><td>No</td><td>Yes</td></tr>
<tr><th colspan="3">Consecutive Terms</th><th colspan="3">Percentage Attendance at Meetings</th></tr>
<tr><td colspan="3">N/A</td><td colspan="3">N/A</td></tr>
<tr><th colspan="6">Professional background / Independence criteria:</th></tr>
<tr><td colspan="6">Marcelo Pavão Lacerda has been a member of the Board of Directors of Carrefour Brasil group, since June 27, 2017, and member of the Human Resource and Strategy Committees. Marcelo Lacerda is co-founder of NutecInformatica, founded in 1986, which became ZAZ and, in 1999, took on the name Terra. Terra was the largest internet company of Latin America in 2001, operating in 19 countries. At Terra, Marcelo served in several executive positions in Brazil, Spain and the United States. Marcelo is co-founder of the digital advertising agency F.biz, having acquired ownership of this Company in 2008. In 2011, WPP acquired a majority interest in F.biz. Marcelo was founder and held an executive position at Blue Interactive, a Cable TB company with operations in 23 cities, fully sold in 2016 to CLARO S.A. (AmericaMovil). He is also founder and Chairman of the Board of Magnopus, a computer graphics company with headquarters in Los Angeles, CA. Marcelo studied Electrical Engineering and Computer Science at Universidade Federal do Rio Grande do Sul.
In the past five years, he has had no criminal conviction, any unfavorable judgment in CVM administrative proceedings, nor any adverse non-appealable decision, either judicially or administratively, that could have suspended or hindered the practice of professional or commercial activity.
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<tr><td>Marcos Bastos Rocha</td><td>8/26/1964</td><td>Board of Directors</td><td>4/30/2021</td><td>4/30/2023 (2 years)</td><td>Transformation, Strategy and Investment Committee // Audit, Risks and Controls Committee</td></tr>
<tr><th>CPF</th><th>Occupation</th><th>Elective Title</th><th>Date of investiture</th><th>Elected by Controlling Entity</th><th>Independent Member</th></tr>
<tr><td>801.239.967-91</td><td>Engineer</td><td>Board of Directors</td><td></td><td>No</td><td>Yes</td></tr>
<tr><th colspan="3">Consecutive Terms</th><th colspan="3">Percentage Attendance at Meetings</th></tr>
<tr><td colspan="3">3</td><td colspan="3">100.00%</td></tr>
<tr><th colspan="6">Professional background / Independence criteria:</th></tr>
<tr><td colspan="6">Born on August 26th, 1964, bachelor's degree in Electronic Engineering in 1985, from Instituto Militar de Engenharia - IME, with an MBA in Finance from the Catholic Pontifical University in Rio de Janeiro - PUC-RJ in 1989 and Executive MBA in Management - PDG/EXEC - SDE/IBMEC, in 1993. He is currently Chairman of the Board of Directors of Paranapanema S.A. (since March 2020), Independent Member of the Board of Directors of IRB Brazil RE (since March 2019), Member of the Board of Directors of Invepar S.A. (since September 2019), Member of the Board of Directors of GRU Airport (since November 2019) and Board Member of Brazil Fast Food Corporation since 2009. He has also been a Senior Partner of DealMaker, since July 2015. He was Non-Executive Senior Advisor to Roland Berger Strategy Consultants from September 2015 to December 2019. He was also a Member of the Board of BC2 Construtora from April 2016 to May 2019 and an Alternate Member of the Board of Directors of Light S.A. from September 2018 to April 2019. From 2010 to 2015, Rocha was Administrative and Financial Vice-President of Invepar - Investimentos e Participações em Infraestrutura and Member of the Board of Directors of the portfolio companies. He was a tax advisor at Abril Educação between 2012 and 2015. From 2008 to 2009, he was Executive Director of Finance, RI, and IT, as well as Executive Director of Shared Services, HR, and IT at Globex Utilities. He held the position of Chief Executive Officer at Banco Investcred Unibanco S.A.- Pontocred from 2005 to 2008 and Chief Financial and Investor Relations Officer at Sendas S.A. from 2003 to 2005. He was Chief Financial Officer at the following companies: Horizon Telecom International (2001-2002), GVT - Global Village Telecom (2001) Global Telecom S.A. (2000 – 2001), Brazil Fast Food Corp (Bob's) (1996 -1998) and Chief Financial Officer at Sony Music Entertainment (1998-1999). From 1991 to 1996, Rocha was Controller at Cyanamid Química do Brasil.

In the past five years, he has had no criminal conviction, any unfavorable judgment in CVM administrative proceedings, nor any adverse non-appealable decision, either judicially or administratively, that could have suspended or hindered the practice of professional or commercial activity.
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<tr><td>Marcos Grodetzky</td><td>11/24/1956</td><td>Board of Directors</td><td>4/30/2021</td><td>4/30/2023 (2 years)</td><td>Audit, Risks and Controls Committee // People, Nomination and Governance Comittee</td></tr>
<tr><th>CPF</th><th>Occupation</th><th>Elective Title</th><th>Date of investiture</th><th>Elected by Controlling Entity</th><th>Independent Member</th></tr>
<tr><td>425.552.057-72</td><td>Economist</td><td>Vice-President of the Board of Directors</td><td></td><td>No</td><td>Yes</td></tr>
<tr><th colspan="3">Consecutive Terms</th><th colspan="3">Percentage Attendance at Meetings</th></tr>
<tr><td colspan="3">3</td><td colspan="3">100.00%</td></tr>
<tr><th colspan="6">Professional background / Independence criteria:</th></tr>
<tr><td colspan="6">Born on November 24, 1956, he serves as Vice-President of the Board of Directors of Oi S.A. since September 2018 and member of said Board since January 2018. Previously he served as alternate member of the Board of Directors of Oi S.A. from September 2015 until July 2016 and as effective member from July 2016 until September 2016. He is currently an independent member of the Board of Directors of Constellation Oil Services, Vicunha Aços and Elizabeth S.A. Indústria Têxtil and Chairman of the Board of Directors of Burger King Brazil. He is a founding partner of Mediator Assessoria Empresarial Ltda., a company that, since 2011, acts with mediation between companies and shareholders, in addition to offering strategic and financial consulting services. Until October 2013, Marcos Grodetzky was Executive Chairman of DGB S.A., a logistics holding company belonging to Grupo Abril S.A. and parent company of the companies: Dinap - Distribuidora Nacional de Publicações, Magazine Express Comercial Imp e Exp de Revistas, Entrega Fácil Logística Integrada, FC Comercial e Distribuidora, Treelog S.A. - Logística e Distribuição, DGB Logística e Distribuição Geográfica and TEX Courier (Total Express). From 2002 to 2011, he was vice president of finance and investor relations for Telemar/Oi, Aracruz Celulose/Fibria and Cielo S.A. He has a bachelor's degree in Economics from the Federal University of Rio de Janeiro in 1978 and participated in the Senior Management Program of INSEAD /FDC in 1993.
In the past five years, he has had no criminal conviction, any unfavorable judgment in CVM administrative proceedings, nor any adverse non-appealable decision, either judicially or administratively, that could have suspended or hindered the practice of professional or commercial activity.
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<tr><td>Maria Helena dos Santos Fernandes de Santana</td><td>6/23/1959</td><td>Board of Directors</td><td>4/30/2021</td><td>4/30/2023 (2 years)</td><td>Coordinator of the People, Nomination and Governance Comittee // Audit, Risks and Controls Committee</td></tr>
<tr><th>CPF</th><th>Occupation</th><th>Elective Title</th><th>Date of investiture</th><th>Elected by Controlling Entity</th><th>Independent Member</th></tr>
<tr><td>036.221.618-50</td><td>Economist</td><td>Board of Directors</td><td></td><td>No</td><td>Yes</td></tr>
<tr><th colspan="3">Consecutive Terms</th><th colspan="3">Percentage Attendance at Meetings</th></tr>
<tr><td colspan="3">2</td><td colspan="3">100.00%</td></tr>
<tr><th colspan="6">Professional background / Independence criteria:</th></tr>
<tr><td colspan="6">Born on June 23, 1959, she serves as a member of the board of directors and chairman of the audit committee of XP Inc., a financial services company listed on Nasdaq. She was a trustee of the International Financial Reporting Standards Foundation, between January 2014 and December 2019. She was a member of the board of directors of Bolsas y Mercados Españoles - BME, a stock exchange in Spain, between April 2016 and June 2020; as a member of the audit committee of Itau Unibanco Holding S.A., financial services holding company between June 2014 and July 2020 and as a member of the board of directors of Companhia Brasileira de Distribuição, a retail company, between February 2013 and June 2017; a member of the board of directors of Totvs S.A, information technology company, between April 2013 and March 2017; a member of the board of directors of CPFL Energia S.A., an energy company, between April 2013 and April 2015. She was president between July 2007 and July 2012 and director, between July 2006 and July 2007, of the Brazilian Securities and Exchange Commission ("CVM"). She served as Chairperson of the Executive Committee of IOSCO - International Organization of Securities Commissions between 2011 and 2012. She worked at B3 between July 1994 and May 2006, since 2000 she has been responsible for supervising listed companies, attracting new companies and implementing the New Market. She has a bachelor's degree in Economics from the University of São Paulo.
In the past five years, she has had no criminal conviction, any unfavorable judgment in CVM administrative proceedings, nor any adverse non-appealable decision, either judicially or administratively, that could have suspended or hindered the practice of professional or commercial activity.
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<tr><td>Paulino do Rego Barros Junior</td><td>6/04/1956</td><td>Board of Directors</td><td>4/30/2021</td><td>4/30/2023 (2 years)</td><td>Coordinator of the Transformation, Strategy and Investment Committee // Innovation and Digital Transformation Committee</td></tr>
<tr><th>CPF</th><th>Occupation</th><th>Elective Title</th><th>Date of investiture</th><th>Elected by Controlling Entity</th><th>Independent Member</th></tr>
<tr><td>995.054.798-91</td><td>Engineer</td><td>Board of Directors</td><td></td><td>No</td><td>Yes</td></tr>
<tr><th colspan="3">Consecutive Terms</th><th colspan="3">Percentage Attendance at Meetings</th></tr>
<tr><td colspan="3">2</td><td colspan="3">100.00%</td></tr>
<tr><th colspan="6">Professional background / Independence criteria:</th></tr>
<tr><td colspan="6">Born on June 4th, 1956, he has been member of the Board of Directors of Oi S.A. since September 2018. He served from September 2017 to April 2018 as interim CEO of Equifax, Inc. Headquartered in Atlanta, Equifax is a global leader in technology and information solutions, operating in 24 countries and employing approximately 10,000 people worldwide. Previously, Paulino led the company's business in the Asia-Pacific region (from July to September 2017) and, from November 2015 to June 2017, led the company's business of U.S. Information Solutions (USIS), Equifax's largest business unit. From April 2010 to October 2015, he led Equifax's international business unit in charge of Latin America, Europe, Asia-Pacific and Canada. Before joining Equifax, in November 2008, he founded PB & C - Global Investments (LLC), an international consulting and investment firm, which he has presided since its creation. From January 2007 to November 2008, he was President of Global Operations at AT & T. He held several executive positions at BellSouth Corporation from December 2000 to January 2007, before BellSouth was acquired by AT & T in January 2007, including Corporate Product Director, President of BellSouth Latin America, Regional Corporate Vice President Latin America, and Planning and Operations Director of BellSouth International. From February 1996 to December 2000 he worked at Motorola Inc., he held the position of Corporate Vice President and Chief Executive Officer - Latin America Group and the position of Corporate Vice President and Chief Operating Officer - Market Operations - Americas, for the mobile telephony business unit. He also held various positions at The NutraSweet Company, as well as Monsanto Company in the US and Latin America. Between 2012 and 2015 he also served on the Advisory Board of Cingular Wireless, Converged Services Group, Alianza - BellSouth Corporation Latino Association - President, NII Holdings (NASDAQ: NIHD) - Adviser and member of the Risk Committee, and is currently part of the newly created McKinsey & Company, Inc. - Crisis Response Advisory Board. From 2006 to 2010 he served on the Audit and Finance Committee of Westminster Schools and the Red Cross (Red Cross) Georgia-US chapter between 2005 and 2008, both non-profit organizations. He has a degree in mechanical and electrical engineering from the School of Industrial Engineering and the School of Engineering of São José dos Campos, in São Paulo, and a master's degree in business administration (MBA) by Washington University in St. Louis.
In the past five years, he has had no criminal conviction, any unfavorable judgment in CVM administrative proceedings, nor any adverse non-appealable decision, either judicially or administratively, that could have suspended or hindered the practice of professional or commercial activity.
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Roger Solé Rafols	4/10/1974	Board of Directors	4/30/2021	4/30/2023 (2 years)	Coordinator of the Innovation and Digital Transformation Committee // Transformation, Strategy and Investment Committee
CPF	**Occupation**	**Elective Title**	**Date of investiture**	**Elected by Controlling Entity**	**Independent Member**
057.977.907-69	Business Administrator	Board of Directors		No	Yes
Consecutive Terms			**Percentage Attendance at Meetings**		
2			100.00%		
Professional background / Independence criteria:					
Born on April 10th, 1974, with 23 years of experience in telecommunications, in the areas of marketing, product development, innovation, strategy and P&L management. Rafols is Vice President of Marketing (CMO) of WeWork, since April 2020. Previously, he served as CMO for Sprint Corporation from 2015 to 2020, where he played a key role in the company's turnaround and merger process with T-Mobile. Before that, he held the positions of Vice President of Marketing (CMO) (2009-2015) and Director of Consumer Marketing (2009-2011) at Tim Brasil. Previously, he was a Marketing Director (2006 to 2008) and Director of Value-Added Products and Services (2001 to 2006) at Vivo, having also worked at DiamondCluster, currently Oliver Wyman (1996 to 2001). He has a Bachelor's and Master's Degree in Business Administration from ESADE - Escuela Superior de Administración y Dirección de Empresas, Barcelona, and Graduate Degree in Audiovisual Business Management by UPF - Universitat Pompeu Fabra, Instituto Desarrollo Continuuo (IDEC), Barcelona. He also attended an MBA exchange program at UCLA - University of California, Los Angeles; Advanced Management Program (Senior Management Development Program) at IESE Business School, University of Navarra, Sao Paulo-Barcelona; and executive education program in Finance and Value Creation Strategy at Wharton, University of Pennsylvania. In the past five years, he has had no criminal conviction, any unfavorable judgment in CVM administrative proceedings, nor any adverse non-appealable decision, either judicially or administratively, that could have suspended or hindered the practice of professional or commercial activity. Independent Member, according to the definition of "Independent Member" as described in B3's Novo Mercado (New Market) regulations, which has been adopted by the Company's Corporate Charter in its Article 24.					
Convictions: 0					
Type of conviction:	Not applicable	**Conviction description:**	Not applicable		

1 The attendance percentage in the meetings considers the current term, which started on October 16, 2020.
2 The Company's Capital Stock is dispersed
3. Mr. Palha´s tenure became effective on January 19, 2021.

FISCAL COUNCIL:

Effective members:

Name	Date of Birth	Managing Entity	Date Elected	Term Expires	Other titles and positions at the issuer
Alvaro Bandeira	6/22/1950	Fiscal Council	04/30/2021	Until the 2022 Annual General Meeting	N/A
CPF	**Occupation**	**Elective Title**	**Date of investiture**	**Elected by Controlling Entity**	**Independent Member**
266.839.707-34	Economist	Effective member		No	Yes
Consecutive Terms			**Percentage Attendance at Meetings**		
5			100.00%		

Professional background / Independence criteria:

Álvaro has been the Chief Economist of Corretora Modalmais since 2015, the year he joined the institution. Between 2011 and 2015, he was the Chief Economist of Órama, leading the analysis team. He held the same position for more than ten years at Ágora Corretora, being also a Managing-Member. He was President of Bolsa Brasileira de Futuros (BBF), President of APIMEC, both nationally and regionally, and five terms as Member of the Board of BVRJ and BM&F, in addition to being a former member of the Audit Committee of Souza Cruz. Álvaro has given lectures in several Conferences related to Capital Markets and personal finance, in addition to giving lectures at universities and companies on topics related to this market. He is also a regular columnist in several media vehicles of the economic area, as well as on websites on financial education, such as Dinheirama and Infomoney. In the latter, he participated in a weekly interactive program on a forum with more than 400 logged individuals. Currently he is a daily columnist in two editions of Band News FM. With more than 40 years of expertise in the Capital Markets, Alvaro has a bachelor's degree in Economics from UFRJ and a graduate degree from Coppe-UFRJ.

In the past five years, he has had no criminal conviction, any unfavorable judgment in CVM administrative proceedings, nor any adverse non-appealable decision, either judicially or administratively, that could have suspended or hindered the practice of professional or commercial activity.

Independent Member, according to the definition of "Independent Member" in paragraph 1 of Art. 40 of the Articles of Incorporation of the Company.

1 The attendance percentage in the meetings considers the current term, which started on October 16, 2020.
2 The Company's Capital Stock is dispersed
3. Mr. Palha´s tenure became effective on January 19, 2021.

Name	Date of Birth	Managing Entity	Date Elected	Term Expires	Other titles and positions at the issuer
Daniela Maluf Pfeiffer	5/30/1970	Fiscal Council	04/30/2021	Until the 2022 Annual General Meeting	N/A
CPF	**Occupation**	**Elective Title**	**Date of investiture**	**Elected by Controlling Entity**	**Independent Member**
018.613.777-03	Administrator	Effective member		No	Yes
Consecutive Terms			**Percentage Attendance at Meetings**		
4			100.00%		
Professional background / Independence criteria:					

Born on May 30th, 1970, Daniela has been a member of DXA Investments, a asset management company, since January 2018. She was a member of Canepa Asset Brasil, also an asset manager responsible for the relationship with investors from January 2014 to October 2017. She also served as member of Nova Gestão de Recursos, an investment company, from October 2011 to June 2013. Currently, Daniela is not a member of any public company management entity. Previously, Daniela was a member of the Audit Committee of Banco Sofisa S.A., from April 2014 to April 2017; member of the Audit Committee of Viver Incorporadora e Construtora S.A., from April 2011 to April 2017; member of the Audit Committee of Banco Panamericano S.A., from September 2010 to April 2014; member of the Audit committee of Santos Brasil S.A., from 2003 to 2005; member of the Board of Directors of Brasil Telecom S.A., from 2003 to 2005; member of the Board of Directors of Telemig Celular S.A., from 2003 to 2005; member of the Board of Directors of Amazônia Celular S.A., from 2003 to 2005; member of the Audit Committee of Amazônia Celular S.A from 1998 to 2002 and member of the Audit Committee of Telemig Celular S.A from 1998 to 2001. Member of the Audit Committee certified by IBGC; she has a bachelor's degree in Business Administration from UFRJ in 1992, with an MBA in Business Management from FGV, concluded in 2019.
In the past five years, she has had no criminal conviction, any unfavorable judgment in CVM administrative proceedings, nor any adverse non-appealable decision, either judicially or administratively, that could have suspended or hindered the practice of professional or commercial activity.
Independent Member, according to the definition of "Independent Member" in paragraph 1 of Art. 40 of the Articles of Incorporation of the Company.

1 The attendance percentage in the meetings considers the current term, which started on October 16, 2020.
2 The Company's Capital Stock is dispersed
3. Mr. Palha´s tenure became effective on January 19, 2021.

Name	Date of Birth	Managing Entity	Date Elected	Term Expires	Other titles and positions at the issuer
Pedro Wagner Pereira Coelho	6/29/1948	Fiscal Council	04/30/2021	Until the 2022 Annual General Meeting	N/A
CPF	**Occupation**	**Elective Title**	**Date of investiture**	**Elected by Controlling Entity**	**Independent Member**
258.318.957-34	Accountant	Effective member		No	Yes
Consecutive Terms			**Percentage Attendance at Meetings**		
5			100.00%		
Professional background / Independence criteria:					

Pedro has been the Audit Committee Chairman of Magnesita Refratários S/A since April 2008, member of the Audit Committee of Parnaíba Gás Natural S/A since October 2015, and member of the Audit Committee of Estácio Participações S/A since April 2012. He served in the external auditing area of PriceWaterhouseCoopers Auditores Independentes, from October 1978 to April 1981, and in the controllership department of Banco de Investimentos Garantia S/A from May 1982 to July 1997. He was also Chairman of the audit committee of Lojas Americanas S.A (sales and retail), Tele Norte Leste Participações S.A (telecommunications), Telemar Participações S.A (telecommunications), TAM S.A (transport), and Enersul – Energética do Matogrosso do Sul (power). In the last 5 years, he has served as member of Carpe Diem – Consultoria, Planejamento e Assessoria Empresarial Ltda. (company engaged in Tax and Accounting Counseling, Planning, Corporate Planning and Counseling, Enterprises, and Interest Holding). He has a bachelor's degree in Business Administration from Sociedade Universitária Augusto Motta – SUAM, in 1978, and in Accounting from Faculdade – SOMLEI, in 1980.

In the past five years, he has had no criminal conviction, any unfavorable judgment in CVM administrative proceedings, nor any adverse non-appealable decision, either judicially or administratively, that could have suspended or hindered the practice of professional or commercial activity. Independent Member, according to the definition of "Independent Member" in paragraph 1 of Art. 40 of the Articles of Incorporation of the Company.

1 The attendance percentage in the meetings considers the current term, which started on October 16, 2020.
2 The Company's Capital Stock is dispersed
3. Mr. Palha´s tenure became effective on January 19, 2021.

<u>Alternate members:</u>

Name	Date of Birth	Managing Entity	Date Elected	Term Expires	Other titles and positions at the issuer
Patricia Valente Stierli	5/19/1956	Fiscal Council	04/30/2021	Until the 2022 Annual General Meeting	N/A
CPF	**Occupation**	**Elective Title**	**Date of investiture**	**Elected by Controlling Entity**	**Independent Member**
010.551.368-78	Administrator	Alternate member of Mr. Pedro Wagner Pereira Coelho		No	Yes
Consecutive Terms			**Percentage Attendance at Meetings**		
3			0.00%		
Professional background / Independence criteria:					
Currently, Patricia Valente Stierli is (a) a member of the Fiscal Council of Eletrobras - Centrais Elétricas S.A., acting as financial expert (2017 - 2019 Term); (b) a member of the Board of Directors of PPE Fios Esmaltados S.A. (2018 - 2019 Term); (c) member of the Audit Committee of Sociedade Beneficiente de Senhoras- Hospital Sírio Libanês (2018 - 2021 Term), and (c) a substitute member of the Audit Committee of Centro de Integração Empresa Escola CIEE (2018 - 2019 Term). Formerly, Patricia served as: (a) Member of the Audit Committee of Bardella S.A. Indústrias Mecânicas (Terms 2015, 2016, and 2017 until October 2018); (b) Member of the Board of Directors of Pettenati S.A. Indústria Têxtil (2015 Term); (c) Substitute Member of the Audit Committee of Dohler S.A. (2017 - 2018 Term); and (d) member of the Board of Directors and Audit Committee in public companies, representing minority shareholders (four years). In addition, Patricia has a solid background in the area of third-party resource management, having acted as a Statutory Officer for 6 years, focused on management and institutional and retail customers. Patricia was Financial Officer for 3 years, responsible for the accounting, tax, budget, treasury, and human resource areas. Patricia has a bachelor's degree in Business Administration from Escola de Administração de Empresas de São Paulo - Fundação Getúlio Vargas (FGV), having completed the specialization program in Administration from CEAG Undergraduates (MBA) - EAESP/FGV and specialization in Controllership from GVPEC. In the past five years, she has had no criminal conviction, any unfavorable judgment in CVM administrative proceedings, nor any adverse non-appealable decision, either judicially or administratively, that could have suspended or hindered the practice of professional or commercial activity. Independent Member, according to the definition of "Independent Member" in paragraph 1 of Art. 40 of the Articles of Incorporation of the Company.					

1 The attendance percentage in the meetings considers the current term, which started on October 16, 2020.
2 The Company's Capital Stock is dispersed
3. Mr. Palha´s tenure became effective on January 19, 2021.

Name	Date of Birth	Managing Entity	Date Elected	Term Expires	Other titles and positions at the issuer
Salete Garcia Pinheiro	3/23/1955	Fiscal Council	04/30/2021	Until the 2022 Annual General Meeting	N/A
CPF	**Occupation**	**Elective Title**	**Date of investiture**	**Elected by Controlling Entity**	**Independent MemberB**
299.484.367-68	Accountant	Alternate member of Ms. Daniela Maluf Pfeiffer		No	Yes
Consecutive Terms			**Percentage Attendance at Meetings**		
0			N/A		

Professional background / Independence criteria:

Salete Garcia Pinheiro is a member of the Board of Directors and Audit Committee of HPX Corp, a company listed with the SEC, Audit Committee member at BR Distribuidora and Jereissati Participações, and member of the Audit Committee at BNDES, HDI Seguros and Icatu Seguros. She was independent auditor at PwC from 1979 to 2018, 23 years of which as audit partner Certified by the IBGC to serve on Boards of Directors and Audit Committees. She is certified by the CFC to perform Audit of Financial Institutions. Salete has 38 years of experience working at PricewaterhouseCoopers ("PwC"), a global audit and consulting firm, 23 years of which as a partner. She participated in the executive team of PwC in Brazil being in charge of the human resource area at the Rio de Janeiro office from 1995 to 2000; from 2003 to 2008, she was appointed to lead the company's operations in the north and northeast regions. From 2008 to 2018, she served as partner to review the quality of companies in the financial and energy sectors, as well as leading the operation of expading the office's business focusing on family groups, aiming to prepare them to better access credit and attract investors. She had technical responsibility on audit examination projects of financial statements prepared in accordance with the Accounting Pronouncements Committee (CPC) standards and the International Financial Reporting Standards (IFRS) for public and private companies, as well as audit of multinational clients according to USGAAP. Based on the results of the audit work performed, she issued reports with recommendations for improvement of internal controls, accounting processes and ellaboration of reports on the financial statements. As a person with technical responsibility and project leader, she participated in presentations to Audito committees and Boards of Directors showing the results of the work performed. Major areas of activity: Financial Market (Banks, Securities Distributor, Brokers, Stock Market and Investment Funds), mainly at Banco BBM, Banco CR2, Banco Modal, Nations Bank, Fundos NYMellon and Banco do Brasil; Insurance companies (Bradesco Seguros, Bradesco Saúde, Axa Seguradora, Azul Seguros and Prudential); Energy: Wind Power Generation, Distribution and Projects (Rio Energy, Cemar currently Equatorial, Neoenergia, and others), Fuel Distribution (SAT which merged with ALE currently ALESAT); Consumer Products (J.Macêdo and Piraquê), Civil Construction (João Fortes Engenharia, and others); Infrastructure (Companhia Estadual de Águas e Esgoto do Rio de Janeiro - Cedae, Gaspetro and Companhia Distribuidora de Gás do Rio de Janeiro - currently Naturgy, MRS Logística S.A., SERB currently Ciclus); Shopping Centers (Aliansce Shopping Center (listed company) and family groups Ancar and Grupo JCPM). Salete Garcia Pinheiro has a bachelor's degree in Accounting, with an MBA in Finance from IBMEC and an extension course in business from the University of Ontario, Canada.
In the past five years, she has had no criminal conviction, any unfavorable judgment in CVM administrative proceedings, nor any adverse non-appealable decision, either judicially or administratively, that could have suspended or hindered the practice of professional or commercial activity.
Independent Member, according to the definition of "Independent Member" in paragraph 1 of Art. 40 of the Articles of Incorporation of the Company.

1 The attendance percentage in the meetings considers the current term, which started on October 16, 2020.
2 The Company's Capital Stock is dispersed
3. Mr. Palha´s tenure became effective on January 19, 2021.

Name	Date of Birth	Managing Entity	Date Elected	Term Expires	Other titles and positions at the issuer
Wiliam da Cruz Leal	10/3/1956	Fiscal Council	04/30/2021	Until the 2022 Annual General Meeting	N/A
CPF	**Occupation**	**Elective Title**	**Date of investiture**	**Elected by Controlling Entity**	**Independent Member**
245.579.516-00	Advisor	Alternate member of Mr. Alvaro Bandeira		No	Yes
Consecutive Terms			**Percentage Attendance at Meetings**		
4			0.00%		
Professional background / Independence criteria:					
Wiliam has vast experience in Corporate Governance, Corporate Sustainability, Enterprise Risk Management, Internal Controls, Technology, and Information Security. Since 2011 he has been the Managing-Member of Cruz Leal Gestão Empresarial Ltda., a consulting firm specialized in motivation, leadership, technology, corporate governance and sustainability. Member of the Board of Directors certified by IBGC – Instituto Brasileiro de Governança Corporativa, since 2009. He worked at Tele Norte Leste Participações S.A., a company of the telecommunications area, from 2000 to 2009, having also served as the Executive Manager of Corporate Governance, Manager of Internal Controls and Special Projects, and System Audit. William also worked at Banco do Brasil S.A. from 1975 to 2000, as an Executive Change Manager and Consulting Information Technology Analyst. He has a bachelor's degree in Mechanical Engineering from Fundação de Ensino Superior de Itaúna, State of Minas Gerais, in 1980. In the past five years, he has had no criminal conviction, any unfavorable judgment in CVM administrative proceedings, nor any adverse non-appealable decision, either judicially or administratively, that could have suspended or hindered the practice of professional or commercial activity. Independent Member, according to the definition of "Independent Member" in paragraph 1 of Art. 40 of the Articles of Incorporation of the Company.					

1 The attendance percentage in the meetings considers the current term, which started on October 16, 2020.
2 The Company's Capital Stock is dispersed
3. Mr. Palha´s tenure became effective on January 19, 2021.

12.7 – Disclose the information mentioned in item 12.5 related to the members of the statutory committees, as well as the audit, risk, finance and compensation committees, even if these committees or bodies are not statutory

No new members of statutory committees nor audit, risk, financial and compensation committees will be elected at the Meeting.

In items 12.5 and 12.8 were also informed the Advisory Committees of the Board of Directors in which the candidates that compose the slate indicated by the Company's Management for the Board of Directors participate.

12.8 – Regarding each of the individuals of the slate indicated by the Company's Management for the Board of Directors who were members of the Board Advisory Committees, show in a table, the attendance percentage in the meetings held by the respective body during the same period, which happened after investiture in the position:

Name	Total meetings (current term)	Percentage Attendance at Meetings
AUDIT, RISKS AND CONTROLS COMMITTEE		
Henrique José Fernandes Luz (Coordinator)	9	100%
Claudia Quintella Woods	9	100%
Marcos Bastos Rocha	9	100%
Marcos Grodetzky	9	100%
Maria Helena dos Santos Fernandes de Santana	9	100%
PEOPLE, NOMINATION AND GOVERNANCE COMITTEE		
Maria Helena dos Santos Fernandes de Santana (Coordinator)	11	100%
Armando Lins Netto	11	100%
Henrique José Fernandes Luz	11	82%
Marcos Grodetzky	11	100%
TRANSFORMATION, STRATEGY AND INVESTMENT COMMITTEE		
Paulino do Rego Barros Jr (Coordinator)	6	100%
Luís Maria Viana Palha da Silva[3]	2	100%
Marcos Bastos Rocha	6	100%
Mateus Affonso Bandeira	2	100%
Roger Solé Rafols	6	100%
INNOVATION AND DIGITAL TRANSFORMATION COMMITTEE		
Name	**Total meetings (current term)**	**Percentage Attendance at Meetings**
Roger Solé Rafols (Coordinator)	5	100%
Armando Lins Netto	5	100%
Claudia Quintella Woods	5	100%
Mateus Affonso Bandeira	2	100%
Paulino do Rego Barros Jr	5	100%

1 The attendance percentage in the meetings considers the current term, which started on October 16, 2020.
2 The Company's Capital Stock is dispersed

3. Mr. Palha´s tenure became effective on January 19, 2021.

12.9 – Marital Status, Common-Law Marriage, or Kinship to the second degree:

a. Company administrators

None.

b. (i) Company administrators, and (ii) Company administrators of directly- or indirectly-controlled companies.

None.

c. (i) administrators of the Company or of its direct or indirect subsidiaries, and (ii) direct or indirect controlling entities of the Company

None.

d. (i) Company administrators, and (ii) administrators of the Company's direct or indirect controlling entities.

None.

12.10 – Hierarchical relationship, provision of services, or control held, in the past three fiscal years, between Company administrators and:

a. Entities directly or indirectly controlled by the Company

None.

b. Direct or indirect controlling entity of issuing company

None.

c. If relevant, supplier, customer who is a debtor or creditor of the Company, its subsidiaries or controlling entities or subsidiaries of any such persons

None.

1 The attendance percentage in the meetings considers the current term, which started on October 16, 2020.
2 The Company's Capital Stock is dispersed
3. Mr. Palha´s tenure became effective on January 19, 2021.

BACK

8.4 Attachment 13 of CVM Instruction no. 481

1. Provide a copy of the proposed plan

2. Inform the main characteristics of the proposed plan, identifying:

a. Potential beneficiaries

The current Company Chief Executive Officer is the single beneficiary of this Long Term Share-Based Remuneration Plan.

b. Maximum number of stock options to be granted

Non-Applicable, given that stock options will not be granted as a result of the Plan.

c. Maximum number of shares covered by the plan

The maximum number of shares to be delivered to the beneficiary of the Plan at the end of the period, considered to be between the grant date and the date defined for the transfer of shares, cannot exceed 0.10% of the Company's total capital stock on the date of the approval of the Stock Granting Plan.

d. Purchase conditions

The beneficiary's right to receive the target number of shares of the Long-Term Incentive Plan is conditioned to the achievement of specific goals of the Company transformation Plan. It is also a pre-condition that the beneficiary remains in the exercise of his mandate during the period between the grant date and the shares transfer date.

This Plan will adopt performance goals intended to measure the successful implementation of the Company's strategic transformation plan in the period of validity of this Plan. These goals will be related to the growth and diversification of the Company's revenue, as well as its efficiency and productivity increase. The goals is the implementation of a comprehensive cost reduction program to make it adequate to the Company future size and business model, the sustainable return on investments made during the transformation plan and the appreciation of the Company's shares.

e. Detailed criteria for setting the exercise price

The delivery of the target number of shares in this Plan is subject to the achievement of the specific goals of the transformation and not to the share price on the exercise date. Therefore, the only criterion that ensures the delivery of shares to the Beneficiary, is the total or partial achievement of the established goals.

f. Criteria for setting the exercise period

The exercise deadline will be 12/31/2024. This deadline was determined to give sufficient time for the assessment and evaluation of the Company's Transformation Plan established performance goals achievements and sustainability.

g. Stock Option settlement

Non-Applicable. This Plan does not include stock options distribution.

h. Criteria and events that, when verified, will cause the suspension, alteration or extinction of the plan

In the event of public offering for the delisting of the Company, the Plan will be automatically extinguished.

Also, in the event of changes in the number, type or class of shares of the Company due to bonuses, splits, reverse splits or conversion of shares of one type or class into another, as well as in cases of corporate events, the Company Board of Directors shall assess the need of adjustments in the current Plan. The intention is to avoid distortions and losses to the Company and the companies controlled by it or to the Participants.

3. Justify the proposed plan, explaining:

a. The main objectives of the plan

The Long-Term Incentive Plan has the objective of promoting the Chief Executive Officer high engagement level over its 44-month term, stimulating his actions towards the Company's Transformation Plan success so to guarantee the achievement of strategic goals and the alignment with shareholders in the medium and long term.

b. How the plan contributes to these objectives

The Long-Term Incentive Plan contributes to the objectives described above as it seeks to ensure the competitiveness of the compensation package of the Chief Executive Officer and align its objectives with those of the Company and the shareholders.

c. How the plan inserts into the company's compensation policy

The Long-Term Incentive Plan is part of a set of instruments included in the Company's compensation strategy, which comprises different portions of fixed and variable remuneration.

The target value of the award, is defined as to maintain the competitiveness of the compensation of the CEO according to the company's strategy of seeking positioning in the 90th percentile (P90) in comparison to Oi's reference market for this position, determined by surveys performed by a specialized consultant company, in the event of exceptional performance, with results that go beyond those provided for in the Company's business plan..

d. How the plan aligns the interests of the beneficiaries and the company in the short, medium and long term

The Long-Term Incentive Plan aligns to the success of the Company's transformation process in the next 4 years, insofar as it seeks to achieve strategic goals that add shareholder value in the medium and long term.

4. Estimate the company's expenses resulting from the plan, according to the accounting rules that address this issue

In accordance with the applicable legislation and the characteristics of the Long-Term Incentive Plan, the Plan will be accounted until the end of its term and must, necessarily, observe the achievement of the defined transformation goals.

The Company estimates an expense over the 44-month period of R $ 10,800,000.00 (ten million and eight hundred thousand reais), based on the target number of shares that the Plan proposes to allocate to the Chief Executive Officer.

BACK

8.4 Share-Based Compensation Plan

OI S.A.

STOCK GRANTING PLAN TO THE CHIEF EXECUTIVE OFFICER

This Stock Granting Plan to the Chief Executive Officer is governed by the provisions below and applicable law.

1. Definitions

1.1. The expressions below, when used here with initials in capital letters, have the meanings available below:

"Shares" means the common shares issued by the Company, granted to the Beneficiaries and subject to the restrictions provided for in this Plan and in the respective Concession Agreement;

"General Shareholders' Meeting of the Company" is the highest organ of society from where they emanate, through the deliberative power of the partners, the decisions that will govern the company and affect the lives of all shareholders.

"Beneficiary" means the current Chief Executive Officer of OI in favor of which the Company will grant Shares, under the terms of this Plan;

"Company" means OI SA, a publicly held company, headquartered at Rua Humberto de Campos, nº425, CEP 22.430-190, in the Municipality of Rio de Janeiro, State of Rio de Janeiro, registered with CNPJ/MF under nº 76.535.764/0001-43 and NIRE under number 33.3.0029520-8;

"Grant Agreement" means the private instrument for the granting of Shares to be celebrated between the Company and the Beneficiary, through which the Company grants Shares to the same;

"Grant Date" means, unless otherwise expressly provided for in the Concession Agreement, the date of entry into force of the Plan that will occur with the signature of a specific contractual instrument;

"Resignation" means the end of the legal relationship between the Chief Executive Officer and the Company, for any reason, including, the resignation, removal, , permanent disability or death. ,... , -

"Trigger" minimum result to be achieved for the partial achievement of specific transformation goals.

"IRRF" means Withholding Income Tax.

"Plan" means this Stock Granting Plan to the Chief Executive Officer;

2. Objectives of the Plan

2.1. The Long-Term Incentive Plan aims to foster high engagement of the Chief Executive Officer over its 44-month term, stimulate actions to the success of the Company's transformation plan, aiming to ensure the achievement of strategic goals and also seek alignment with shareholders in the medium and long term.

3. Plan Administration

3.1. The Plan shall be administered by the Board of Directors.

3.2. In order to comply with the general conditions of the Plan and the guidelines set by the Company's General Meeting, the Board of Directors, to the extent permitted by law and by the Company's Bylaws, shall have broad powers to take all necessary and appropriate measures for the administration of the Plan, including:

(a) authorize the granting of Shares to the Beneficiary, under the terms of the approved plan and conditions set out in the applicable Grant Agreement;

(b) authorize the granting of treasury shares to satisfy the delivery of the Shares, pursuant to the Plan, the applicable Grant Agreements and the applicable law and regulations;

(c) set goals related to the performance of the Beneficiary and/or the Company, in order to establish objective criteria for the receipt of Shares, knowing that the Board of Directors may, exceptionally, change or modify such goals to avoid distortions arising from unforeseen events and/or scenarios by the Company.

(d) take other necessary steps for the administration of this Plan, including guidance from the Board of Directors regarding its proper implementation;

(e) propose amendments to this Plan and submit them for approval of the Extraordinary General Meeting.

4. Granting shares

4.1. Exclusively in 2021, the Company's Board of Directors may approve the Granting of shares to the Chief Executive Officer in which will define a (a) target amount of Shares that will be granted to the Beneficiary. The amount of Shares that will be effectively delivered will depend on the fulfillment of the goals set by the Board of Directors, as provided in this Plan and (b) the other terms and conditions for the acquisition of rights related to the Shares.

4.2. The granting of Shares is made by the conclusion of a Concession Agreement between the Company and the Beneficiary, which shall follow the rules of the corresponding Plan and will specify, without prejudice to other conditions determined by the Board of Directors: (a) the Target of Shares subject to the grant; (b) the terms and conditions for the acquisition of rights related to the Shares; (c) performance metrics; and (d) the incidence of taxes on the delivery of shares.

4.3. The share transfer to the Beneficiary will only take place after the implementation of the conditions and deadlines set in this Plan and in the Grant Agreement. The granting of the right to receive the shares does not guarantee the Beneficiary any rights to the Shares or even represents the guarantee of its receipt.

4.4. The Shares delivered to the Beneficiary shall have the rights set in this Plan and Grant Agreement, knowing that the Beneficiary will not have any of the Rights and Privileges of the Company's shareholders, in particular, for receiving dividends and JCP related to the Shares, until the date of the effective transfer of ownership of the Shares to the Beneficiaries.

5. Shares subjected to the Plan

5.1. Under this Plan, shares representing 0.10% of the Company's total Share Capital may be granted to The Beneficiary, in a single grant, on the date of approval of the Stock Grant plan.

5.2. The Company, subject to applicable law and regulations, will transfer the Shares through private operation under the terms and conditions of the applicable Grant Agreement, in order to fulfill the granting of Shares under this Plan.

5.3. The Shares received pursuant to the Plan shall retain all rights relevant to its kind after effective receipt by the Beneficiary, with the reservation of any provision to the contrary established by the Board of Directors. Until the effective receipt of the Shares under this Plan and its Grant Agreement, the Beneficiary have no right in relation to the Shares granted, including, without limitation, the economic rights related to such shares.

5.4. The Beneficiary shall assume in the Grant Agreement the obligation to comply with applicable legislation and other policies of the Company for the negotiation of Shares.

6. Obtaining Rights Related to Shares

6.1. The Beneficiary's right to receive the target number of Shares in this Plan is conditioned to the achievement of specific goals of the Company transformation Plan, which are intended to measure the success of the implementation of the Company's strategic transformation plan within the term of this Plan. The goals will be related to the growth and diversification of the Company's revenues, as well as to the increase in efficiency and productivity, at the implementation of a comprehensive cost reduction program that adapts to its new size and business model, the sustainable return on investments made during the transformation plan and the appreciation of the Company's shares.

6.2. The Beneficiary's right to receive the target number of Shares in this Plan is also conditioned to the Beneficiary remaining in the exercise of his mandate during the period between the grant date and the expiration date of this Plan

6.3. The Trigger, which will entitle to receive a partial amount of the shares granted by the Plan, will be conditioned to the partial achievement of performance goals.

6.4. The delivery of the Shares will take place at the end of the term of the Plan, according to the achievement of the specific goals of the transformation.

6.5. The volume of shares to be granted, equivalent to 0.10% of the Company's Capital Stock, is defined with the objective of maintaining the competitiveness of the compensation of the Chief Executive Officer in accordance with the company's strategy of seeking positioning in the 90th percentile (P90) compared to Oi's reference market for Chief Executive Officer, calculated based on remuneration surveys prepared by specialized consultants.

6.6. At the end of the period, the Board of Directors will verify compliance with the conditions set out in this Plan above and other conditions provided for in the respective Grant Agreement and will confirm the amount of Shares to which the Beneficiary will receive, and the Company will transfer the Shares to the Beneficiary after the due withholding taxes pursuant to item 10.9 below, including through reduction in the number of shares, if applicable, within 90 (ninety) days..

6.7. In addition to the provisions of item 8 of this Plan, the right to receive the Shares under this applicable Plan and Grant Agreement will be automatically extinguished and without any right to indemnification, ceasing all its full-fledged effects if the Company is dissolved, liquidated or if its bankruptcy is declared.

7. Hypothesis of Termination of the Company and its effects

7.1. If, at any time, the Beneficiary disconnect from the Company:

(i) In the event of Dismissal of Beneficiary (a) upon dismissal for just cause or removal from his/her position for violating the duties and responsibilities of the Administrator, (b) at the request of the Beneficiary (including voluntary resignation or resignation from the position of administrator) the Beneficiary will lose any and all rights related to the Shares under this Grant Plan and Agreement, which will be automatically extinguished on the date of termination , in full, regardless of notice or notification, and without the right to any indemnification to the Beneficiary.

(ii) In the event of Dismissal of the Beneficiary due to (a) dismissal by the Company without just cause, (b) removal from the position of administrator without any violation of his duties and responsibilities or (c) due to retirement, the Beneficiary will be entitled to (a) a pro rata temporis amount of the award, adjusted by the achievement of performance targets to date, taking into account for the aforementioned pro rata calculation the number of complete months in which such Beneficiary worked at the Company in relation to the number of months until the end of the Plan, the right to the remaining Shares will automatically be extinguished on the date of Termination, in full right, regardless of prior notice or notification, and without the right to any indemnity to the Beneficiary. The delivery of the Shares to the Beneficiary will take place up to 90 (ninety) days after the termination date.

(iii) In the event of Dismissal of the Beneficiary due to (a) death or (b) permanent disability, the heirs or legal successors, for the hypothesis described in (a), or the legal representative, for the hypothesis described in (b), will be entitled to receive, at the moment of Termination of the pro rata temporis amount of the award adjusted for the achievement of the performance targets to date.

8. Corporate Events

8.1. In the event of public offering of delisting of the Company, the Plan will be automatically extinguished.

9. Term of the Plan

9.1. The Plan will enter into force after its approval by the Company's General Meeting and the effective granting of the Shares and will remain in force for a period of 4 (four) years, at the end of which the delivery of the Shares provided for in the Granting Agreement may take place, however, be extinguished, at any time, by decision of the General Meeting.

10. General Provisions

10.1. The granting of Shares under the Plan will not prohibit the Company from canceling its registration as a publicly-held company and / or from engaging in corporate reorganization operations, such as transformation, incorporation, merger, spin-off and merger of shares. In these cases, the terms and conditions of the Plan and the Concession Contract must be respected, and the Board of Directors and/or the governance bodies of the companies controlled by the Company, when applicable, assess whether it will be necessary to propose adjustments to the Company's General Meeting. on the plan.

10.2. In the event of changes in the number, type or class of shares of the Company due to bonuses, splits, reverse splits or conversion of shares of one type or class into another, or conversion into shares of other securities issued by the Company, as well as in the case of corporate events, the Company Board of Directors shall assess the need of adjustments in the current Plan, in order to to avoid distortions and losses to the Company or to the beneficiary.

10.3. If any calculation resulting from this Plan results in a fraction of an action (and not a whole number), it will be rounded up.

10.4. No provision of the Plan or Action granted under the Plan shall grant the Beneficiary the right to remain as Chief Executive Officer of the Company, nor will it interfere, in any way, with the right of the Company, at any time and subject to legal and contractual conditions, to terminate and/or interrupt the link with the Beneficiary.

10.5. The Beneficiary must expressly adhere to the terms of the Plan by signing the Concession Agreement.

10.6. Any significant legal change regarding the regulation of corporations, publicly-held companies, labor laws and / or the tax effects of a share granting plan may lead to a full review of the Plan and the Granting Agreement.

10.7. This Plan must be governed and interpreted under the Laws of the Federative Republic of Brazil, and any disputes, controversies arising from or related to the Plan will be submitted to the forum to be established in the respective Concession Agreement.

10.8. Omitted cases will be regulated by the Board of Directors. Any Share granted in accordance with the Plan is subject to all terms and conditions set forth herein, terms and conditions which will prevail in the event of inconsistency regarding the provisions of any contract or document mentioned in this Plan.

10.9. The Company is authorized to make the retention of any taxes levied on possibly the Plan, including the IRRF and can operationalize the retention of withholding tax and other taxes on the total number of shares by reducing the total number of Shares.

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