

**NOMINATION POLICY FOR MEMBERS OF THE BOARD OF DIRECTORS,
COMMITTEES AND STATUTORY BOARD****NOMINATION POLICY FOR MEMBERS OF THE BOARD OF DIRECTORS,
COMMITTEES AND STATUTORY MANAGEMENT****1. PURPOSE, PRINCIPLES AND APPLICABILITY**

- 1.1. This "Nomination Policy for Members of the Board of Directors, Committees and Statutory Management" ("Policy"), was approved at the Board of Directors' meeting of **ALGAR TELECOM S.A.** ("Company"), held on October 16, 2017, and defines the criteria for the composition of the Company's Board of Directors, Advisory Committees and Management, valuing the best corporate governance practices, with due transparency.
- 1.2. This Policy is based on the principles of: (i) the corporate governance guidelines of the Company's bylaws, as amended ("Bylaws"); (ii) the "*Code of Conduct*" applicable to companies who are part of the Company's economic group, whose adoption was ratified at the Company's Board of Directors Meeting held on October 16, 2017 ("Code of Conduct"); (iii) Law 6,404, dated December 15, 1976, as amended ("Corporations Law"); (iv) the IBGC Code of Best Corporate Governance Practices; the Brazilian Code of Corporate Governance; and (v) the Novo Mercado Listing Regulation issued by B3 S.A. – Brasil, Bolsa, Balcão approved by the CVM Board on September 5, 2017 ("Novo Mercado Regulation").

2. BOARD OF DIRECTORS*A. Nomination Criteria for Members of the Board of Directors*

- 2.1. The Board of Directors is a collegiate body whose performance depends on the respect and understanding of the characteristics of each of its members, without implying the lack of debates of ideas. The composition of the Board should be based on the diversity of knowledge, experiences, behaviors, cultural aspects, age and gender, enabling the Company to benefit from multiple points of view and a decision-making process that fosters higher quality and safety.
- 2.2. The Company's Board of Directors must be composed with a minimum of five (5) and at maximum of seven (7) effective members, with no alternate members, all elected and dismissed by resolutions taken at Shareholders' Meetings, and will have a unified term of two (2) years, with the possibility of re-election.
- 2.3. At least one-third (1/3) of the members of the Board of Directors must be Independent Members, as defined in B3's Novo Mercado Regulation, and the profile of the independent members will be deliberated at the General Shareholders' Meeting in which they were elected, being also considered as independent members those elected pursuant to article 141, paragraph 4 and 5, and article 239 of the Brazilian Corporations Law.

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2.4. The candidates nominated as members to the Company's Board of Directors must comply with the following criteria, in addition to legal and regulatory requirements and the requirements set forth in the Company's Bylaws. The candidates must:

- (i) not be a director at the Company;
- (ii) be aligned and committed with the values and culture of the Company and its Code of Conduct;
- (iii) have a credible reputation;
- (iv) have an academic background that is compatible with his/her duties as member of the Board of Directors, as foreseen in the Bylaws;
- (v) have professional experience in diverse areas;
- (vi) not have a conflict of interest with the Company; and
- (vii) have the availability to be adequately dedicated to the role and its implied responsibilities, which goes beyond attending board meetings and prior reading of documentation.

B. Procedures for the Nomination of Members to the Board of Directors

2.5. The nomination of members to the Board of Directors may be done by management or by any shareholder of the Company, under the terms of the Brazilian Corporations Law.

2.6. Shareholders wishing to nominate candidates to the Board of Directors may notify the Company, in writing, with the full name and qualification of the candidates, within 30 days prior to the General Shareholders' Meeting that will elect the Company's new Board of Directors.

2.7. Pursuant to article 3 of CVM Instruction 367, dated May 29, 2002 ("CVM Instruction 367"), shareholders who submit the nomination of a member to the Board of Directors must also present, simultaneously:

- (i) a copy of a release declaration, pursuant to CVM Instruction 367, or a personal declaration from the shareholder stating that the nominee has conditions to undertake such role, indicating any exceptions; and
- (ii) the nominee's résumé, with his/her qualifications, professional experiences, academic background, current professional activity, and positions held on

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boards of directors, tax or advisory boards in other companies and the compliance with the requirements of item 2.4 of this Policy.

- 2.8. The re-election of directors must be based on their annual performance reviews.
- 2.9. Compliance with the requirements established in items 2.3, 2.4 and 2.8 of this Policy shall be verified by the Human Talent and Corporate Governance Committee and, if fulfilled, the candidate's name shall be voted at the Company's General Shareholders' Meeting. The election of members to the Company's Board of Directors shall be held in accordance with the Bylaws and applicable legislation.

3. MANAGEMENT**A. Nomination Criteria for Members of Management**

- 3.1. The Board of Directors shall nominate for Management professionals who have the ability to harmoniously combine the interests of the Company, shareholders, managers and stakeholders, as well as the Company's social and environmental responsibility, based on the principals of law and ethics. The nomination for the position should also aim at the creation of a group aligned with the Company's principles and values for diversity, including gender diversity, and its occupation should be held by a professional with complementary skills and abilities to implement strategies, meet challenges and achieve the Company's objectives.
- 3.2. The statutory management, with a renewable term of three (3) years, shall be comprised of at least four (4) and a maximum of ten (10) Directors, being: (a) one (1) Chief Executive Officer; (b) 1 (one) Business Vice President; (c) 1 (one) Chief Financial Officer; (d) one (1) Investor Relations Officer; (e) 1 (one) Wholesale Business Director; and (f) other Executive Operational Directors in conformity with the terms established by the Board of Directors, as defined in the Company's Bylaws.
- 3.3. The re-election of directors must be based on their annual performance reviews, which considers the director's current and potential performance, in addition to his/her leadership abilities required for the Company.
- 3.4. The candidates nominated as Directors must comply with the following criteria, as per the role to be assumed. The candidates must:
- i. be aligned and committed with the values and culture of the Company and its Code of Conduct;
 - ii. have a credible reputation;

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- iii. have an academic background that is compatible with his/her duties for the role, as foreseen in the Bylaws;
- iv. have knowledge and professional experience compatible with the role in which his/she has been nominated for;
- v. have the necessary skills to implement strategies, meet challenges and achieve the Company's objectives; and
- vi. not have any conflict of interest with the Company.

B. Procedures for the Nomination of Members of Management

The nomination of members for director positions at the Company, including as Chief Executive Officer, should preferably be made among the executives that are part of the Company's Potential Successors Program for the specific position. The Chief Executive Officer shall nominate the other directors to be appointed by the Board of Directors.

- 3.5. Compliance with the requirements established in item 3.4 of this Policy shall be verified by the Human Talent and Corporate Governance Committee and, if fulfilled, the candidate's name shall be voted at the Company's General Shareholders' Meeting. The election of members to the Company's Board of Directors shall be held in accordance with the Bylaws and applicable legislation.

4. NON-STATUTORY COMMITTEES**A. Nomination Criteria for Members of Non-Statutory Committees**

- 4.1. The Company may, at the sole discretion of the Board of Directors, install or discontinue advisory committees to the Company's Board of Directors ("Committees"). These Committees are not provided for in the Company's Bylaws and therefore will comply with the criteria set forth in this Policy, as well as the guidelines and attributions approved by the Company's Board of Directors upon its installation.
- 4.2. The Committees shall be constituted with at least one member of the Board of Directors, and may include external specialists, who are not board members, all appointed and removed by the Board of Directors, with a unified term of one (1) year, renewable for indefinite period, or until the discontinuation of the Committee, whichever occurs first.
- 4.3. The members of the committees shall not have alternates.

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- 4.4. The nomination for members to the committees by the Board of Directors will take place at the first meeting after the General Shareholders' Meeting.
- 4.5. The coordinator of the committee will be the spokesperson for the Committee and should be a member of the Board of Directors, preferably as an independent member.
- 4.6. As defined in B3's Novo Mercado Regulation, approved by the CVM on September 5, 2017, Audit and Risk Management Committees must be composed of at least three (3) members, of which:
- (i) at least one (1) must be an independent member, as defined in B3's Novo Mercado Regulation, approved by the CVM on September 5, 2017;
 - (ii) at least one (1) of member must have experience in matters related to corporate accounting, pursuant to the regulations issued by the CVM, which provides for the registration and exercise of the independent audit activity for securities and defines the duties and the responsibilities of audited entities in their relationship with the independent auditors; and
 - (iii) the same member of the Audit and Risk Management Committee may accumulate the two characteristics provided for in items (i) and (ii) above
- 4.7. The members elected for Committees by the Board of Directors, whether or not they are board members, must comply with the following criteria, in addition to what is established in item 4.6 above for the Audit and Risk Management Committee. The members must:
- (i) be aligned and committed with the values and culture of the Company and its Code of Conduct;
 - (ii) have a credible reputation;
 - (iii) have an academic background that is compatible with the attributions of the committee in which the member was nominated for;
 - (iv) have knowledge and professional experience compatible with the field;
 - (v) not have any conflict of interest with the Company; and
 - (vi) have the availability to be adequately dedicated to the role and its implied responsibilities, which goes beyond attending board meetings and prior reading of documentation.

B. Procedures for the Nomination of Members of Non-Statutory Committees

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- 4.8. The nomination of candidates for members of the Company's Committees may be made by any member of the Board of Directors and Management, up to **thirty (15)** working days prior to the Board of Directors' meeting which will indicate the composition of a new Committee.
- 4.9. The re-election of committee members must be based on their annual performance reviews.
- 4.10. Compliance with the requirements established in item 4.7 of this Policy shall be verified by the Human Talent and Corporate Governance Committee, being also consulted by the coordinator of the committee in exercise and, if such Committee is already installed and if the requirements are met, the candidate's name will be voted at a Board of Directors' meeting and the appointment will occur by majority vote.

5. GENERAL PROVISIONS

- 5.1. This Policy and its application must be accompanied by the Human Talent and Corporate Governance Committee.

6. TERM

This Policy shall be enforced on the date of its approval and may only be modified by resolution from the Company's Board of Directors and may be viewed by accessing <http://ri.algartelem.com.br/governanca-corporativa/codigos-e-politicas>, then selecting "*Nomination Policy for Members of the Board of Directors, Committees and Statutory Management* "

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