

**TIM PARTICIPAÇÕES S.A.**

Publicly-Held Company

Corporate Taxpayer's ID (CNPJ/ME):

02.558.115/0001-21

Corporate Registry (NIRE): 33 300 276

963

TIM S.A.

Publicly-Held Company

Corporate Taxpayer's ID (CNPJ/ME):

02.421.421/0001-11

Corporate Registry (NIRE):

33.300.324.631

MATERIAL FACT**CORPORATE REORGANIZATION APPROVAL**

TIM PARTICIPAÇÕES S.A. ("Company" or "TPAR") (B3: TIMP3; NYSE: TSU) and TIM S.A. ("TSA" and, together with TPAR, "Companies" or "TIM"), in compliance with Article 157 of Law No. 6,404/76 ("Brazilian Corporate Law"), the provisions of CVM Instruction No. 358/02, the provisions of CVM Instruction No. 565/15, hereby inform its shareholders, the market in general and other interested parties, in connection with the information disclosed by the Companies in a Material Fact dated July 29th, 2020, that, on the date hereof, the Extraordinary Shareholders' Meetings of the Companies ("EGMs") approved, by majority of votes, the merger of TPAR into TSA, pursuant to the terms of the *Protocolo e Justificação de Incorporação* executed by the Companies' managements on July 29, 2020 (respectively, "Merger Protocol" and "Merger").

In accordance with the Merger Protocol, the effectiveness of the Merger is conditioned on the listing of TSA on the special corporate governance segment of B3 S.A. – Brasil, Bolsa, Balcão ("B3"), called Novo Mercado. Once the condition precedent has been satisfied, the Merger will become effective for all purposes, with TPAR being extinguished and succeeded, on a universal basis, in all rights and obligations, by TSA, pursuant to Article 227 of the Brazilian Corporate Law.

The shares issued by TPAR will continue to be traded on the Novo Mercado until the application for registration of listing of TSA's shares on the Novo Mercado is granted by B3 and the Merger is consummated. After the conclusion of such processes, on a date to be duly informed by the Companies, the shares issued by TPAR will be effectively replaced by common shares issued by TSA.

TSA will begin to trade its shares on B3 with the ticker "TIMS" and will have American Depositary Receipts ("ADRs") traded on the New York Stock Exchange - New York Stock Exchange ("NYSE") with the ticker "TIMB".

The Merger will entitle dissenting shareholders of TPAR to exercise withdrawal rights. Thus, TPAR hereby informs its shareholders and the market in general the conditions for the exercise of withdrawal right:



1. Shareholders Entitled to Exercise the Withdrawal Right

Pursuant to Articles 137 and 230 of the Brazilian Corporate Law, the exercise of the withdrawal right will only be granted to the shareholders of TPAR: **(i)** who dissented or abstained from the resolution, or did not attend to the Extraordinary Shareholders' Meeting of TPAR, held on the date hereof, that approved the Merger ("EGM of TPAR"); **(ii)** that kept the title of their shares uninterrupted from the closing of the trading session on July 29, 2020, date in which the Material Fact informing about the Merger was disclosed, until the date of the effective exercise of the right of withdrawal; and **(iii)** that expressly state its intention to exercise its withdrawal right within thirty (30) days from the publication of the minutes of the EGM of TPAR held on the date hereof.

The shares acquired from July 30, 2020 (inclusive) - including by means "rent of shares" - will not be grant its holder the right of withdrawal in connection with the Merger.

2. Amount of Reimbursement

Pursuant to article 45, paragraph 1, of the Brazilian Corporate Law, the shareholders of TPAR who dissented or abstained from the resolution, or did not attend to the EGM of TPAR will be entitled to the reimbursement of their shares at the price of R\$ 9.33 (nine reais and thirty-three cents) per share, based on the equity value of TPAR, verified in the Quarterly Information of TPAR related to March 31, 2020, however its payment shall depend on the consummation of the Merger, as per article 230 of the Brazilian Corporate Law.

3. Term for the Exercise of the Withdrawal Right

The shareholders of TPAR that intend to exercise the withdrawal right shall have a thirty (30) days term counted from the publication of the minutes of the EGM of TPAR to expressly state their intention to do so, with respect to the totality of TPAR's shares held by the relevant shareholder on the closing of the trading session on July 29, 2020. The withdrawal right will cease to exist for to the shareholder that does not exercise the withdrawal right within the fixed term.

The abovementioned term of thirty (30) days shall will be counted from the September 3rd, 2020, date on which the minutes of the EGM of TPAR that approved the Merger shall be published in the TPAR's disclosure newspapers and shall terminate on October 3rd, 2020 (including).

4. Proceedings to Exercise the Withdrawal Right

The entitled shareholders whose shares are deposited with B3, who wish to exercise the withdrawal right, shall do through their custody agents, with sufficient advance in order to be able to take the necessary measures to exercise the withdrawal right, subject to the rules and operational procedures of B3.

The entitled shareholders whose shares are deposited with Banco Bradesco S.A. ("Bookkeeping Agent"), depository institution of the book-entry shares of TPAR, shall attend,



within the abovementioned term of thirty (30) days, any branch of the Bookkeeping Agent, during its local bank time, with a written and notarized document stating the exercise of their withdrawal right, indicating the number of shares held and the banking information for credit, as well as the following documents: **(a) natural person**: identity card (RG), Brazilian Individual Taxpayers' Registry (CPF), updated proof of address; and **(b) legal entity**: certified copy of the amended and restated bylaws or articles of incorporation, CNPJ register card, corporate act granting representation powers and certified copies of the identity card (RG), Brazilian Taxpayers' Registry (CPF) and updated proof of address of the relevant representatives.

The shareholders represented by an attorney-in-fact shall submit, in addition to the abovementioned documents, the relevant power of attorney, which shall contain special powers to the attorney-in-fact to exercise the withdrawal right and request the reimbursement of the shares.

5. Additional Information

Pursuant to Article 137, paragraph 3, of the Brazilian Corporate Law, the management of TSA may call a shareholders' meeting to ratify or reconsider the Merger, in the event that the payment of the reimbursement of the shares of the dissident shareholders that exercise the right of withdrawal may compromise the financial stability of TPAR.

The dissenting shareholders of TPAR may request the issuance of a special balance sheet of TPAR, pursuant to the terms of Article 45, paragraph 2, of the Brazilian Corporate Law. In this case, once the Merger is consummated, and after the deadline established for the Merger to be reconsidered pursuant to the terms described above, the shareholder that requests the preparation of a special balance sheet will receive 80% of the reimbursement amount, and the balance, if any, will be paid within 120 (one hundred and twenty) days from the approval by the TPAR's Shareholders' Meeting.

The date and payment method of the reimbursement amount regarding the shares subject to the exercise of the withdrawal right shall be informed after the expiration of the withdrawal's term referred above.

Any doubts and/or clarifications on the proceedings for the right of withdrawal may be send to TPAR Investor Relations website (<http://ri.tim.com.br/>).

The Merger Protocol, as well as other relevant documents in connection with the Merger, are available to the respective shareholders of the Companies, in accordance with the applicable law and regulations, and may be consulted at the respective headquarters of the Companies. These documents are also available at the website of CVM (www.cvm.gov.br), of B3 (www.b3.com.br) and on the TPAR Investor Relations website (<http://ri.tim.com.br/>).



Rio de Janeiro, August 31st, 2020.

TIM Participações S.A.

Adrian Calaza
Chief Financial Officer and
Investor Relations Officer

TIM S.A.

Adrian Calaza
Chief Financial Officer and
Investor Relations Officer