



TELEFÔNICA BRASIL S.A.
Publicly-held Company
CNPJ/MF 02.558.157/0001-62 - NIRE 35.3.0015881-4

**MINUTES OF THE 165th MEETING OF THE FISCAL BOARD OF TELEFÔNICA BRASIL S.A.,
HELD ON SEPTEMBER 5, 2018**

1. DATE, TIME AND PLACE: September 5, 2018, at 10 a.m., at Telefônica Brasil S.A. ("Company") headquarters, located at Av. Eng. Luiz Carlos Berrini, 1376, Cidade Monções, capital of the State of São Paulo.

2. CALL NOTICE AND ATTENDANCE: The call notice was issued in accordance with the Company's Bylaws. The members of the Company's Fiscal Board ("Fiscal Board") who subscribe to these minutes attended the Meeting, under the terms of the Bylaws. Also, Ms. Carolina Simões Cardoso, the Director of Corporate Affairs, attended the Meeting as Secretary of the Meeting.

3. AGENDA AND DELIBERATION: After examining and debating on the matter on the Agenda, the Fiscal Board members, who attended the Meeting, deliberated unanimously, as described below:

DISTRIBUTION OF INTEREST ON OWN CAPITAL OF THE COMPANY: The proposal of distribution of Interest on Own Capital ("IOC") to be submitted to the deliberation of the Company's Board of Directors, in the following terms:

"Proposal of deliberation of IOC based on the net income accounted in the balance sheet of May 31, 2018, in the gross amount of R\$2,800,000,000.00 (two billion, eight hundred million reais), which is equivalent to R\$2,380,000,000.00 (two billion, three hundred and eighty million reais) net of income tax. The interest per share equals R\$ 1.55501324615 per common share (R\$ 1.32176125923 net of income tax) and R\$ 1.71051457077 per preferred share (R\$ 1.45393738515 net of income tax).

The Interest on Own Capital shall be credited individually to shareholders, in accordance to the shareholder registry book position by the end of September 17, 2018. After this date, the shares will be considered "ex-Interest on Own Capital".

The Interest on Own Capital will be imputed to the minimum mandatory dividend of the fiscal year 2018 ad referendum of the General Shareholders Meeting, and the payment will be carried out before the end of 2019, in a date to be defined by the Company's Board."



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The Fiscal Board members unanimously issued a favorable opinion to the proposal, according to which consider such document in accordance to the applicable legislation.

4. CLOSING: Since there was no other business to be transacted, the meeting was closed and these minutes were drawn-up. São Paulo, September 5, 2018.

Flávio Stamm

Fiscal Board Member

Cremênio Medola Netto

Fiscal Board Member

Charles Edwards Allen

Fiscal Board Member

Carolina Simões Cardoso

Secretary of the Meeting