



STATE SECRETARIAT FOR INFRASTRUCTURE AND ENVIRONMENT

**INTERNATIONAL BIDDING PROCESS**

**CONCESSION FOR THE USE OF PUBLIC ASSETS COMPRISING  
URBAN PARKS DR. FERNANDO COSTA - ÁGUA BRANCA, CÂNDIDO PORTINARI AND VILLA LOBOS  
CONTRACT DRAFT**

**INTERNATIONAL BIDDING PROCESS NO. 02/2021**

**SÃO PAULO – SP**

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**CONCESSION CONTRACT NO. [•]/[•]**

On day [•] of month [•] of [•], by means of this instrument:

On the one hand, as the GRANTING AUTHORITY, the **STATE OF SÃO PAULO**, by means of its **STATE SECRETARIAT FOR INFRASTRUCTURE AND ENVIRONMENT**, a Direct Public Administration entity of the State of São Paulo established through State Decree no. 24.932 of March 24, 1986, and regulated by State Decree no. 64.132 of March 11, 2019, headquartered in the State of São Paulo, in the Municipality of São Paulo, at [•], hereunder represented by the Secretary for Infrastructure and Environment, Mr. [•], bearer of RG (ID card) no. [•] and registered under CPF/ME (Individual Taxpayer ID) no. [•], appointed by decree of appointment issued by the Governor, published in the Official Gazette (DOE/SP) on [•] of [•] of [•], and on the other hand, as the **CONCESSIONAIRE**, [•], a limited liability company headquartered in the State of São Paulo, in the Municipality of São Paulo, at [•], registered under CNPJ (Corporate Taxpayer ID) no. [•], hereunder represented by its Articles of Incorporation, and by its [•], Mr. [•], bearer of RG (ID card) no. [•] and registered under CPF (Individual Taxpayer ID) no. [•].

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**WHEREAS:**

- A) pursuant to State Law no.17.293 of October 15, 2020, the State of São Paulo, which in this CONCESSION CONTRACT is denoted as the GRANTING AUTHORITY, was authorized to commission to the private sector the right to use the PARKS, whose perimeter is described in ANNEX I;
- B) the State of São Paulo Privatization Program's Council (CDPED) approved this commissioning at its 280. Joint Meeting pertaining to the 264a. Ordinary Meeting held on December 20, 2021;
- C) to make this decision effective, the GRANTING AUTHORITY proceeded to carry out a bidding process as INTERNATIONAL BIDDING PROCESS No. 02/2021, regulated, as applicable, State Law No. 6.544, of November 22, 1989; State Law No. 17.293, of October 15, 2020; Federal Law No. 8.666, of June 21, 1993; Federal Law No. 8.987, of June 13, 1993; February 1995; State Law No. 7.835, of May 8, 1992; State law No. 10.177, of December 30, 1998, as well as by any additional regulations governing the matter;
- D) the INTERNATIONAL BIDDING PROCESS Nº 02/2021 was won by [•], according to the decision published in the Official Gazette (DOE/SP) on the date of [•], and as a result, a SPECIFIC PURPOSE COMPANY was established, which hereby signs this CONCESSION CONTRACT as the CONCESSIONAIRE;
- E) the above-mentioned PARTIES mutually resolve to sign this CONCESSION CONTRACT, which shall be governed by the clauses and conditions set forth hereunder.

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**CHAPTER I – GENERAL PROVISIONS**

**CLAUSE ONE – DEFINITIONS**

- 1.1. For purposes of this CONTRACT and ANNEXES, unless clearly stated otherwise, all terms, sentences and expressions listed below, when used in this CONTRACT and ANNEXES, and written in capital letters or with initial capital letters, be understood and construed in accordance with the following meanings, and may be used both in their plural and singular forms, without this entailing any change to their meaning.

**CLAUSE TWO – INTERPRETATION OF CONTRACT**

- 2.1. For purposes of this CONTRACT, except where clearly stated otherwise:
- I. all definitions of this CONTRACT have the meanings that are attributed to them in Annex XIV, regardless of being in plural or singular forms;
  - II. all references in this CONTRACT made to designate Clauses or any additional items refer to Clauses or additional items of this CONTRACT, except when clearly stated otherwise;
  - III. pronouns of both genders are to be construed as comprising, as the case may be, all additional types of pronouns;
  - IV. all references to this CONTRACT or to any other document related to this CONCESSION are to be construed as comprising any potential amendments and/or addenda that may be entered into between both PARTIES;
  - V. any and all references made to the legislation and to regulations are to be construed as being the legislation and regulations, regardless of the federation branch, in effect at the time of the actual case that applies to them, and shall additionally account for their amendments;
  - VI. use of the terms "including" or "included" in this CONTRACT means "including, but not limiting to", or "included, but not limited to";
  - VII. all deadlines set forth in this CONTRACT are to be construed as accounting for calendar days unless the use of working days is clearly designated hereunder. Should deadlines fall on weekends, holidays, or SIMA non-working days, the deadline shall be automatically postponed to the following working day.
  - VIII. deadlines counted on months shall always follow calendar months, subject to the following rules:
    - a. in the event that the initial milestone of the respective deadline is verified until, and including, day 10 (ten) of the concerning month, it shall be deemed that the first month of the respective deadline will be concluded until the end of the concerning calendar month (for instance, if the event denoting the deadline's initial milestone falls on day 07 (seven) of the month of January, both PARTIES are to consider that the first month of the deadline is January, with said first month of the deadline being deemed concluded until the last day of January, thereby enabling counting of deadlines based on months to always follow the calendar from there on; in other words, February shall be the second month of the deadline, March shall be the third, and so on, until the end of the deadline).
    - b. in the event that the respective deadline is verified until, and including, day 11 (eleven) of the concerning month, until the last day of the referred calendar month, the initial milestone of the concerning deadline shall be counted starting from the first day of the subsequent month (thus, if, for instance, the initial milestone of the deadline falls on day 21 (twenty-one) of March, the first month of the concerning deadline shall be considered until the last day of

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the subsequent month when the starting event of the deadline count is verified, in other words, the first month of the illustrative deadline would therefore extend until the end of April of the respective year, thereby enabling the deadline to be counted pursuant to the calendar from there on; in other words, May would be the second month of the deadline, June would be the third, and so on, until the end of the deadline).

- IX. all references to the CONTRACT allude both to this document and to other documents denominated ANNEXES, subject to interpretation regulations set forth under this Clause.
- X. CONTRACT and ANNEX clause headings are not to be used for purposes of either applying or interpreting them.

2.2. Any potential disputes resulting from application and/or interpretation of the provisions and/or documents related to this transaction are to be settled as follows:

- I. the wording of this CONTRACT shall take precedence, prevailing over all other contract-related documents;
- II. wording of ANNEXES shall come second in this priority order, whereas in the event that there are any differences between them, the ANNEXES listed in the following order shall prevail:
  - 1. ANNEX II;
  - 2. ANNEX III;
  - 3. ANNEX I;
  - 4. ANNEX IV;
  - 5. ANNEX VI;
  - 6. ANNEX XV;
  - 7. ANNEX XIII;
  - 8. ANNEX XIV;
  - 9. ANNEX V;
  - 10. ANNEX IX;
  - 11. ANNEX VII;
  - 12. ANNEX VIII;
  - 13. ANNEX X;
  - 14. ANNEX XI; and
  - 15. ANNEX XVI.

2.3. The interpretation and application of the contractual provisions shall:

- I. be consistent with the CONTRACT's socio-economic purpose, to the detriment of the literal meaning evoked by the language used herein;
- II. strive to attain an equal result for both PARTIES, employing, to this end, an economic-financial

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standpoint;

- III. uphold the initial risk allocation specified in this CONTRACT;
- IV. foster the setting under which the CONTRACT was signed as well as the end purposes intended by all PARTIES;
- V. take into account the whole set of contract provisions, as opposed to individually interpreting specific clauses; and
- VI. favor good faith in all transactions hereunder and ensure that the PARTIES work together harmoniously.

**CLAUSE THREE – APPLICABLE LEGISLATION AND GENERAL CONDITIONS OF THE CONTRACT**

- 3.1. This CONTRACT is governed by the rules set forth in the body of this text and its ANNEXES, as well as by State Law No. 17.293, of October 15, 2020; and, where applicable, by State Law No. 6.544, of November 22, 1989; Federal Law No. 8.666, of June 21, 1993; Federal Law No. 8.987, of February 13, 1995; State Law No. 7.835, of May 8, 1992; and State Law No. 10.177, of December 30, 1998.
- 3.2. Unless provided for otherwise in this CONTRACT, the base date for sums denoted in this CONTRACT shall be September/2021, which, according to the case and appropriateness, shall be adjusted for inflation using the IPC/FIPE Consumer Price Index, or any other index that may potentially replace it.

**CLAUSE FOUR – ANNEXES**

- 4.1. The following ANNEXES comprise this CONTRACT and the NOTICE, for all intents and purposes:

I	CONCESSION AREA
II	CONTRACT PROVISIONS
III	ENGINEERING SCHEDULE
IV	PERFORMANCE INDICATORS
V	INSPECTION AND PENALTIES SCHEDULE
VI	TERM OF DELIVERY OF THE PUBLIC ASSET
VII	ACCOUNT MANAGEMENT CONTRACT DRAFT – CENTRALIZER ACCOUNT
VIII	SPECIFIC PURPOSE COMPANY DOCUMENTS
IX	PAYING IN OF CAPITAL STOCK
X	DEMobilIZATION AND TRANSITION GUIDELINES
XI	INSURANCE PLAN AND INSURANCE POLICIES
XII	BIDDING PROCESS MODELS
XII	HISTORICAL, CULTURAL AND ENVIRONMENTAL HERITAGE INSTITUTION GUIDELINES
XIV	DEFINITIONS
XV	B3 PROCEDURES MANUAL
XVI	USE PERMIT CONTRACT No. 03/2020/ GS

**CHAPTER II – ON THE CONCESSION**

**CLAUSE FIVE – ON THE OBJECT OF THE CONCESSION**

- 5.1. The purpose of this CONCESSION is to commission investment, conservation, operations, maintenance and commercial activities concerning the CONCESSION AREA to a CONCESSIONAIRE, corresponding to the territorial grounds located within the PARKS' perimeters, in accordance with the perimeters described and specified in ANNEX I, including projects design, carrying out works execution



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and investments, rendering services and running environmental education, recreation, culture, sports, culture and tourism activity operations, including all their related services, and subject to the conditions set out in ANNEXES II and III, this CONTRACT, the MANAGEMENT PLANS as well as the Applicable Legislation.

- 5.2. The CONCESSIONAIRE is free to operate the CONCESSION AREA at its own discretion, provided the provisions of ANNEX II are met, as well as:
- I. upholding the nature of peoples' communal use and the purposes for creating the PARKS;
  - II. complying with the guidelines, standards and procedures laid out in the PARKS' MANAGEMENT PLANS, this CONTRACT and ANNEXES, as well as State Law no. 17.293 of October 15, 2020;
  - III. INTERVENTIONS entailing demolition, renovation or construction works of new permanent facilities fulfill the provisions of ANNEXES II, III, XVII, and have been given the GRANTING AUTHORITY's prior approval, as per the terms of ANNEX II; and
  - IV. fulfilling and developing the assumptions specified in ANNEXES V, VI, and VII.
- 5.2.1. The approval prescribed in subsection III of Clause 5.2 above aims to assess whether INTERVENTIONS and activities carried out may impact scenery as well as the PARKS' end purpose, their concerning MANAGEMENT PLANS and current CONCESSION AREA public amenities, and may be preceded by the GRANTING AUTHORITY's hearing of agencies or entities having jurisdiction on the matter, thereby not holding neither the GRANTING AUTHORITY in any way accountable nor changing the risk matrix provided for under this CONTRACT, nor removing the obligation of the CONCESSIONAIRE to procure approval of all competent agencies or entities for the INTERVENTIONS to be carried out.
- 5.3. The CONCESSIONAIRE's performance of the following activities comprise the object of the CONCESSION:
- I. projects design and works execution related to MANDATORY MINIMUM INVESTMENTS sums and ADDITIONAL INVESTMENTS, as well as potential NONMANDATORY INVESTMENTS, following the guidelines of the INTERVENTION PLAN to be drafted based on the rules established in this CONTRACT, and particularly, ANNEXES II and III;
  - II. securing short and/or long-term FUNDING throughout this CONTRACT's entire term;
  - III. securing approvals, authorizations and ENVIRONMENTAL PERMITS required to enforce the CONTRACT object;
  - IV. securing, investing, and managing all financial funds required for the performance of all duties covered by the CONCESSION;
  - V. procuring an INDEPENDENT RAPPORTEUR to appraise the standard and performance of services rendered by the CONCESSIONAIRE, under the terms of this CONTRACT and ANNEXES;
  - VI. undertaking conservation, running, maintenance, and economic operation activities of the CONCESSION AREA throughout the CONTRACT's entire term;
  - VII. supplying goods and services required to fulfill the obligations covered by the CONTRACT object; and
  - VIII. carrying out preventive and corrective maintenance of CONCESSION ASSETS, so as to keep them in full operating conditions and able to fulfill all obligations provided for under the CONTRACT.

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- 5.4. The CONCESSIONAIRE shall ensure access the GRANTING AUTHORITY representatives' access to the CONCESSION AREA, aimed at enabling said individuals to carry out all duties pertaining to their corporate positions, including the exclusive state regulatory powers.
- 5.5. The CONCESSION AREA, all permitted activities and uses, as well as the MANDATORY MINIMUM INVESTMENTS and CONCESSION costs, are provided for and specified in ANNEXES I, II and III.
- 5.6. Notwithstanding the provisions of this CONTRACT and ANNEXES, the CONCESSIONAIRE shall comply with the following contract milestones:
- I. within 90 (ninety) days effective the DATE OF SIGNATURE, the CONCESSIONAIRE shall submit its PLAN FOR MANAGEMENT AND OPERATION proposal to the GRANTING AUTHORITY, under the terms of ANNEX II, which shall comprise ANNEX II and must always be kept up-to-date during the TERM of the CONCESSION;
  - II. within 180 (one hundred and eighty) days effective the DATE OF SIGNATURE, the CONCESSIONAIRE shall submit its INTERVENTION PLAN proposal to the GRANTING AUTHORITY, under the terms of ANNEX II, which, after the GRANTING AUTHORITY signs off on it, shall comprise ANNEX III and always be kept up-to-date during the TERM of the CONCESSION;
  - III. within 150 (one hundred and fifty) days effective the DATE OF SIGNATURE, the CONCESSIONAIRE must develop VISUAL BRAND PROJECT for the CONCESSION AREA, under the terms of annex II considering all future communication, as well as in the signage elements of the CONCESSION AREA;
  - IV. within 210 (two hundred and ten) days effective the DATE OF SIGNATURE, the CONCESSIONAIRE shall propose a COMMUNICATION, DISSEMINATION AND ENVIRONMENTAL EDUCATION PLAN, in accordance with ANNEX II, that addresses the actions and interventions to be carried out by the CONCESSIONAIRE related to education, environmental interpretation, engagement and education for sustainability in the CONCESSION AREA;
  - V. within 90 (ninety) days effective the DATE OF SIGNATURE, and provided the conditions set forth in this NOTICE are upheld, the PARTIES shall sign the TERM OF DELIVERY OF THE PUBLIC ASSET; and
  - VI. within 72 (seventy-two) months effective the DATE OF SIGNATURE of the TERM OF DELIVERY OF THE PUBLIC ASSET, the CONCESSIONAIRE shall complete funding of its MANDATORY MINIMUM INVESTMENTS, under the provisions of this CONTRACT, ANNEXES II and III, and notwithstanding the need to comply with specific deadlines set forth in the concerning documents for deliveries and completions related to specific investments.

**CLAUSE SIX – ON THE GRANT**

- 6.1. The sum owed by the CONCESSIONAIRE for commissioning CONCESSION AREA operations is made up of the FIXED GRANT and the VARIABLE GRANT, pursuant to the rules laid out in this CONTRACT and ANNEXES:
- I. the FIXED GRANT, set at R\$ [•] ([•]), on the base date of September/2021, was paid for by the CONCESSIONAIRE, with sums adjusted for inflation using the IPC/FIPE Consumer Price Index, as a requirement for signing this CONTRACT; and
  - II. the VARIABLE GRANT, to be paid in accordance with ANNEX IV, calculated at 2,5% (two point five percent) of the REVENUE received by the CONCESSIONAIRE, effective the start of the 1]th (first) month, starting from the date of signature of the TERM OF DELIVERY OF THE PUBLIC ASSET.

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- 6.1.1. The CONCESSION price described in Clause 6.1 above is not to be mistaken for any sum potentially owed by the CONCESSIONAIRE to the GRANTING AUTHORITY for inspection activities falling under its scope, particularly INSPECTION FEES described in Clause 14.
- 6.1.2. Should it default on its payment obligations, as per the conditions and deadlines set forth hereunder, the CONCESSIONAIRE shall be subject to being enforced all concerning penalties, notwithstanding the GRANTING AUTHORITY's option to execute guarantees provided by the CONCESSIONAIRE, in addition to enforcing penalties and potentially terminating the CONCESSION.
- 6.2. This CONCESSION presumes that an ADEQUATE SERVICE will be rendered, this being deemed any service rendered in a manner consistent with this CONTRACT, while complying with the PERFORMANCE INDICATORS set out in ANNEX IV.
- 6.3. For its performance of the contract object, the CONCESSIONAIRE shall have the right to collect compensation that is consistent with the services and activities that it provides to USERS, subject to the guidelines of this CONTRACT and ANNEXES, the MANAGEMENT PLANS, and the applicable legislation.

**CLAUSE SEVEN – ON THE CONCESSION TERM**

- 7.1. The CONCESSION TERM is 30 (thirty) years, effective the date of signature of the TERM OF DELIVERY OF THE PUBLIC ASSET.
  - 7.1.1. The PARTIES shall undertake their best efforts to execute the TERM OF DELIVERY OF THE PUBLIC ASSET within the shortest time frame possible.
  - 7.1.2. The deadline specified in Clause 7.1 may exceptionally be extended at the GRANTING AUTHORITY's sole discretion in order to recover the CONTRACT's economic-financial balance, under the circumstances provided for in this CONTRACT, or otherwise to ensure the continuity of services rendered under the terms of article 16 of State Law no. 16.933/2019.
    - 7.1.2.1. The deadline specified in Clause 7.1 may also be extended upon a GRANTING AUTHORITY-issued discretionary decision, aimed at including investments not originally provided for under the CONTRACT and ANNEXES, pursuant to articles 4 and onwards of State Law no. 16.933/2019, and subject to legal requirements required for early extension of the CONCESSION, and provided the arrangement's economic-financial balance is upheld.
    - 7.1.2.2. Enforcement of Clause 7.1.2.1 shall not waiver the CONCESSION's required eligibility as a project suited for early extension by the competent State of São Paulo body or entity, as specified in article 2 of State Law no. 16.933/2019.
  - 7.1.3. Any potential extension of the final CONCESSION CONTRACT term shall be carried out upon signing an Amendment to the contract, in accordance with the contents of its clauses and the legislation in force at its date of execution.
- 7.2. The CONTRACT may be terminated in advance in the following circumstances, provided the rules set forth hereunder are complied with:
  - I. upon either PARTY's initiative, in the event of fortuitous or force majeure events coming to fruition, whenever said events are uninsurable as per the rules set out in this CONTRACT, and whose irreparable consequences extend for over 90 (ninety) days or, otherwise, for a term mutually agreed upon by both PARTIES, upon ensuring that said effects may irreversibly jeopardize CONCESSION operations;
  - II. upon the CONCESSIONAIRE's initiative, if the GRANTING AUTHORITY unilaterally enforces

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restrictions on prices and events practiced by the CONCESSIONAIRE at the CONCESSION AREA, other than those provided for under this CONTRACT and its ANNEXES, notwithstanding the CONCESSIONAIRE's option to exercise its right to economic-financial recovery over the option of early termination;

- III. upon the CONCESSIONAIRE's initiative, whenever TRIGGERING EVENTS impact the CONCESSION, resulting solely from risks referred to in subsections XXXVI or XXXVII of Clause 23.1 come to fruition, and attributed to the CONCESSIONAIRE, and which, whether individually or jointly lead to a situation in which even potential adjustments of sums charged by the CONCESSIONAIRE to USERS fail to generate the necessary REVENUE for the CONCESSIONAIRE to be able to successfully operate the CONCESSION AREA;
  - IV. upon the GRANTING AUTHORITY's initiative, in case economic-financial triggering event(s) take(s) place, the risk of which has/have been attributed to the GRANTING AUTHORITY, whenever the future impact of the event(s), brought to present value on the base date of September 2021, using criteria provided in Clause 27.527.5, is projected to exceed the sum of R\$ 6,500,000.00 (six million and five hundred thousand reais), fixed as provided in Clause 3.2; and
  - V. upon either PARTY's initiative, at the end of the deadline specified in Clause 8.1 or that of any of its extensions, in the event that any requirement set forth under Clause 8.1.2 fails to be met within the deadline specified in .
- 7.2.1. In the event specified in Clause 7.2, subsection III, in case the CONCESSIONAIRE conveys its intent to terminate the CONTRACT early, the GRANTING AUTHORITY may choose, at its own discretion, to take on all future economic-financial effects of past event(s) that denote risk(s) foreseen under subsections(s) XXXVI and XXXVI of Clause 23.1, and consequently restore the CONTRACT, thereby preventing its early termination.
  - 7.2.2. In order for the early contract termination prerogative referred to in subsection II of Clause 7.2 to be enforced, only restrictions on sums charged by the CONCESSIONAIRE stemming from GRANTING AUTHORITY-made decisions relating specifically to the CONCESSION shall be considered, and provided the economic-financial impact borne by the CONCESSIONAIRE as a result of said resolve exceeds 15% (fifteen percent) of CONCESSIONAIRE revenue, using REVENUE collected from CASH GENERATING UNITS from the CONCESSION AREA in the last 12 (twelve) months prior to the GRANTING AUTHORITY's ruling as a baseline for the estimation, adjusted for inflation in the manner provided in Clause 3.2.
  - 7.2.3. Regarding specific GRANTING AUTHORITY-issued rulings addressed in Clause 7.2.1, whose economic-financial impact is lower than the one set forth for enforcing the option of early termination of the CONCESSION, the CONCESSIONAIRE shall have the right to request recovery of the CONTRACT's economic-financial balance.
  - 7.2.4. In the event provided for in clause 7.2, subsection VI, that may occur in the course of any collection of the IPTU on one or more PARKS corresponding to the portion(s) of the CONCESSION AREA, the GRANTING AUTHORITY may opt for the exclusion of the portion(s) impacted by the collection of the IPTU, as an alternative to the early termination of the CONCESSION, performing the corresponding recovery of the CONTRACT's economic-financial balance.

**CLAUSE EIGHT – ON TRANSFERRING THE PUBLIC ASSET TO THE CONCESSIONAIRE**

- 8.1. Direct ownership of the CONCESSION AREA shall be transferred to the CONCESSIONAIRE after conditions specified in Clause 8.1.2 are put in place, within a term of 90 (ninety) days starting from the DATE OF SIGNATURE of this CONTRACT, upon signing of the TERM OF DELIVERY OF THE PUBLIC ASSET, from which date the CONCESSIONAIRE shall be solely responsible for holding ownership of, and use of, the CONCESSION AREA, subject to the provisions of this CONTRACT and ANNEXES.

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- 8.1.1. The TERM OF DELIVERY OF THE PUBLIC ASSET is to be submitted along with a PHOTOGRAPHIC REPORT AND DESCRIPTIVE MEMORANDUM concerning all current CONCESSION AREA facilities, public amenities, assets and buildings, which is to be drafted by the CONCESSIONAIRE and approved by the GRANTING AUTHORITY. After the TERM OF DELIVERY OF THE PUBLIC ASSET is signed and both the PHOTOGRAPHIC REPORT AND DESCRIPTIVE MEMORANDUM are approved, these shall then comprise ANNEX VI.
- 8.1.1.1. While drafting the PHOTOGRAPHIC REPORT AND DESCRIPTIVE MEMORANDUM, the CONCESSIONAIRE shall make note, in its own records, of any potential signs of flaws or non-compliances verified at the CONCESSION AREA's current facilities, public amenities, assets and buildings where INTERVENTIONS related to MANDATORY MINIMUM INVESTMENTS sums are set to take place.
- 8.1.1.2. The CONCESSIONAIRE shall submit the PHOTOGRAPHIC REPORT AND DESCRIPTIVE MEMORANDUM to the GRANTING AUTHORITY within 55 (fifty-five) days, starting from the DATE OF SIGNATURE.
- 8.1.1.3. The GRANTING AUTHORITY shall either object to, or consent, to the contents of the PHOTOGRAPHIC REPORT AND DESCRIPTIVE MEMORANDUM within 20 (twenty) days, starting from the date the CONCESSIONAIRE submitted said report, and may request any adjustments. Any potential resubmissions of the PHOTOGRAPHIC REPORT AND DESCRIPTIVE MEMORANDUM are to take place within 15 (fifteen) days, effective the date the GRANTING AUTHORITY issued its ruling, which, in turn, is to make a final decision within a term not to exceed 15 (fifteen) days, effective receipt of the new version of the PHOTOGRAPHIC REPORT AND DESCRIPTIVE MEMORANDUM.
- 8.1.1.3.1. Should there be any disagreement with regard to the GRANTING AUTHORITY's potential rejection of part of the contents of the PHOTOGRAPHIC REPORT AND DESCRIPTIVE MEMORANDUM, the CONCESSIONAIRE may initiate dispute settlement proceedings, as provided for under Chapter XI of this CONTRACT.
- 8.1.1.3.2. Notwithstanding the provisions of Clause 8.1.1.3.1, until the final decision in arbitration proceedings or court decision not subject to an appeal with suspensive effect, the GRANTING AUTHORITY's decision regarding the non-approval of part of the content of the PHOTOGRAPHIC REPORT AND DESCRIPTIVE MATERIAL shall be in force, the CONCESSIONAIRE shall observe it in the fulfillment of its contractual obligations.
- 8.1.1.4. The CONCESSIONAIRE may not allege, at a later date, any defects and non-compliances in the facilities, equipment, assets and existing buildings in the CONCESSION AREA, which were not pointed out in the PHOTOGRAPHIC REPORT AND DESCRIPTIVE MEMORIAL, being forbidden the compensation or recomposition of the economic-financial CONTRACT, except, exclusively, in the case of hidden defect.
- 8.1.2. In addition to the provisions of Clause 8.1.1 above, the following are conditions for signing the TERM OF DELIVERY OF THE PUBLIC ASSET:
- I. Proof that the CONCESSIONAIRE has successfully secured all insurance policies provided for under Clause Thirty-Six of this CONTRACT, in accordance with the defined INSURANCE PLAN;
  - II. the CONCESSIONAIRE having submitted its Plan for management and operation; and
  - III. The GRANTING AUTHORITY termination of all contracts signed for purposes of using and commercially operating grounds, as well as approvals and further legal relationships kept by the GRANTING AUTHORITY with third parties at the CONCESSION AREA, targeted towards operating either commercial or related activities procured, except for the use permit whose



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area is identified in ANNEX I and mentioned in Clause 8.1.3.2, in addition to deploying measures to deliver the CONCESSION AREA free and clear to the CONCESSIONAIRE, notwithstanding the CONCESSIONAIRE's option to take over the CONCESSION AREA upon the GRANTING AUTHORITY waiving the fulfillment of said condition, whether in whole or in part.

- 8.1.3. Any and all contracts listed in Clause 8.1.2, subsection III, may be subrogated by the CONCESSIONAIRE if the CONCESSIONAIRE, until fulfillment of the duty foreseen under Clause 8.1.2, subsection III, sends a petition to the GRANTING AUTHORITY requesting said subrogation, which shall require the contracted party's consent, subject to the hypothesis of Clause 8.1.3.2.
  - 8.1.3.1. The personal subrogation addressed in Clause 8.1.3 above shall transfer all rights, obligations, actions, guarantees and privileges resulting from the original legal relationship to the CONCESSIONAIRE, thereby dismissing the GRANTING AUTHORITY's obligations and responsibilities, notwithstanding any potential renegotiations of the contract's conditions by the CONCESSIONAIRE and the individual constituting part of the original legal relationship.
  - 8.1.3.2. The CONCESSIONAIRE must fully subrogate, through a formal instrument of subrogation to be signed until the signing of the TERM OF DELIVERY OF THE PUBLIC ASSET, the permission to use the "Roda Gigante de Observação" (Observation Wheel) located in the CANDIDO PORTINARI PARK, embodied in the PERMIT OF USE, for a 10 (ten) years minimum term.
    - 8.1.3.2.1. From the subrogation, the TERM OF PERMISSION will be governed by private law rules.
    - 8.1.3.2.2. In the instrument of subrogation, referred to in Clause 8.1.3.2, it must be obligatorily provided the need for prior consent of the GRANTING AUTHORITY for any termination of the TERM OF PERMISSION before the end of the 10 (ten) years term, originally provided for in the TERM OF PERMISSION, which must be necessarily motivated.
    - 8.1.3.2.3. In the hypothesis of termination, the CONCESSIONAIRE will be obligated, before the GRANTING AUTHORITY, to maintain a structure with similar characteristics, at least, until the advent of the original final 10 (ten) years term foreseen in the terminated TERM OF PERMISSION.
- 8.1.4. The GRANTING AUTHORITY shall have the right to unilaterally extend the deadline specified in Clause 8.1 only once, for a term equal to or greater than 90 (ninety) days, upon prior notification sent to the CONCESSIONAIRE within 30 (thirty) days of the date set for signing the TERM OF DELIVERY OF THE PUBLIC ASSET.
  - 8.1.4.1. Any potential recurrent extension after the final deadline set for enforcing the unilateral extension addressed in Clause 8.1.4 above is to be agreed upon by the PARTIES, and preceded by one PARTY's prior notification to the other, as the case may be, within 5 (five) working days effective the date defined for signing the TERM OF DELIVERY OF THE PUBLIC ASSET.
- 8.1.5. Any and all instances where the deadline specified in Clause 8.1 elapses as well as, if applicable, potential extensions stemming from the provisions of Clauses 8.1.4 and 8.1.4.1, without, however, the TERM OF DELIVERY OF THE PUBLIC ASSET having been signed, shall be deemed a breach of contract by the liable PARTY.
  - 8.1.5.1. Should the GRANTING AUTHORITY be accountable for the delay, or should said delay result from any event whose risk was assigned to it, the CONCESSIONAIRE shall be entitled to economic-financial recovery of the CONTRACT.

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- 8.1.5.2. Should the CONCESSIONAIRE be accountable for the delay, or should said delay result from any event whose risk was assigned to it, a penalty shall be enforced as per the terms of ANNEX V, notwithstanding economic-financial recovery of the CONTRACT in favor of the GRANTING AUTHORITY, where applicable.
- 8.1.5.3. Should the delay stem from both PARTIES' breach of conditions laid out in Clause 8.1.2, the deadline set out in Clause 8.1 shall be deemed extended, the PARTIES not being entitled to the economic-financial recovery of the CONTRACT.
- 8.1.6. In the event that any of the conditions set out in Clause 8.1.2 are failed to be met, in whole or in part, within the deadline specified in Clause 8.1, constituting a default of the respective obligation by the liable PARTY, or additionally, at the end of any potential extensions granted under the terms of Clause 8.1.4:
- I. either PARTY shall have the right to request early termination of the CONTRACT at the end of the term set out in Clause 8.1, or of any of its extensions, governed by clause 8.1.4, disclosing this to the other PARTY as per the provisions of Clause 7.2, subsection V, and with compensation due to be estimated in accordance with the terms of Clause Fifty, notwithstanding the enforcement of any potential fines upon the CONCESSIONAIRE should it have failed to comply with any of the conditions specified in Clause 8.1.2, subsections I and II; or
  - II. upon mutual agreement, the parties may choose to proceed with the CONTRACT, upon signing the TERM OF DELIVERY OF THE PUBLIC ASSET, provided all minimum conditions laid out in Clause 8.1.2, subsections I and II, are met, notwithstanding economic-financial recovery of the CONTRACT.
- 8.1.7. Effective the DATE OF SIGNATURE, and provided this does not lead to any negative impact whatsoever on on-site activities, CONCESSIONAIRE representatives shall have access cleared to the CONCESSION AREA upon prior request and scheduling made with the GRANTING AUTHORITY, for purposes of undertaking any activities related to the CONCESSION's future operations, as well as for carrying out all required procedures needed to draft the PHOTOGRAPHIC REPORT AND DESCRIPTIVE MEMORANDUM addressed in Clause 8.1.1.
- 8.2. Direct ownership of current CONCESSION AREA facilities and public assets, excepting any asset or public amenity whose ownership is not transferred to the CONCESSIONAIRE, as per the terms of ANNEX I or ANNEX II, is to be transferred to the CONCESSIONAIRE at the same time that the TERM OF DELIVERY OF THE PUBLIC ASSET is signed.
- 8.2.1. Without prejudice to the provisions of Clause 8.1, in compliance with the cession of specific areas destined to activities, whose execution has already been duly authorized by the GRANTING AUTHORITY prior to the publication of the Notice, the following areas must be made available by the CONCESSIONAIRE, as determined by the GRANTING AUTHORITY, until November 30, 2022, in VILLA-LOBOS PARK:
- I. Villa Ambiental (Environmental Village);
  - II. Área do Mirante (Observation Deck Area).
- 8.2.2. In case the TERM OF DELIVERY OF THE PUBLIC ASSET is signed before the dates indicated in Clause 8.2.1 above, the mentioned areas will be transferred to the responsibility of the CONCESSIONAIRE, who will not be able to hinder the use of the areas mentioned above, being the GRANTING AUTHORITY responsible for managing the intended activities.
- 8.3. Once the TERM OF DELIVERY OF THE PUBLIC ASSET has been signed, and until the CONCESSION is terminated, the CONCESSIONAIRE shall be solely responsible for undertaking all activities, investments, and costs included in the object of the CONCESSION, whereas the CONCESSIONAIRE

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shall additionally be in charge of running all CONCESSION AREA operations, in accordance with method and restrictions set out in the CONTRACT and its ANNEXES, the MANAGEMENT PLANS, and the applicable legislation.

**CLAUSE NINE - ON THE ESTIMATED CONTRACT VALUE**

- 9.1. The ESTIMATED CONTRACT VALUE is set at 90,219,844.04 (ninety million, two hundred and nineteen thousand, eight hundred and forty-four reais, and four cents) on the base date of September, 2021.
- 9.2. The ESTIMATED CONTRACT VALUE is for reference purposes only, and cannot be claimed by either PARTY as grounds for requesting recovery of the CONTRACT's economic-financial balance, or for any other end purpose that entails using the ESTIMATED CONTRACT VALUE as a baseline for other compensations, indemnifications and the like.

**CLAUSE TEN – ON COMPENSATION**

- 10.1. CONCESSIONAIRE REVENUE is deemed any and all sums collected by the CONCESSIONAIRE, except only for those specified in Clause 10.1.1, particularly those relating to direct or indirect CONCESSION AREA operations, pursuant to this CONTRACT, the CONCESSION AREA, and including, but not limited to, CASH GENERATING UNIT operations, as well as other related assets and rights, such as, but not restricting itself to, image rights and sponsorships.
  - 10.1.1. For purposes of this CONTRACT, financial market investments, sums collected from insurance policies and from compensation or pecuniary fines arising out of contracts that the CONCESSIONAIRE enters into with third parties shall not be deemed REVENUE, except for any potential compensation that third parties owe to the CONCESSIONAIRE, and whose sums would originally be deemed REVENUE for purposes of this CONTRACT.
- 10.2. The CONCESSIONAIRE states that it is aware of all sums, risks and conditions related to collecting REVENUE, while further acknowledging that these suffice to compensate all investments, costs and expenses related to the object of this CONTRACT, so that the conditions originally provided for hereunder are able to ensure economic-financial balance of the CONCESSION.
- 10.3. Throughout the TERM OF THE CONCESSION, the CONCESSIONAIRE may explore, in the CONCESSION AREA, activities for the generation of REVENUE, as well as remunerate itself through the use of assets and rights related to the PARKS, as set forth in the CONTRACT and ANNEXES, observing the following:
  - I. The REVENUE resulting from the exploration of such activities must be deposited by the CONCESSIONAIRE in the CENTRALIZING BANK ACCOUNT, according to the provisions of ANNEX XII;
  - II. the performance of the activities that generate REVENUE must not impair the quality of the execution of the CONTRACT object, thereby ensuring the obligation to provide an ADEQUATE SERVICE; and
  - III. the eventual contracts carried out by the CONCESSIONAIRE for the purposes of REVENUE operation will observe, as the case may be, the TRANSACTION POLICY WITH RELATED PARTIES.
- 10.4. The CONCESSIONAIRE is prohibited from either directly or indirectly operating the CONCESSION AREA's economic activities in any way that includes:
  - I. undertaking activities or advertising that violate the current legislation, particularly environmental legislation, whose content is that of a political or religious nature, or which may hinder use and



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operations of the CONCESSION AREA;

- II. marketing *naming rights* in any way that changes the official corporate name of the PARKS and Ruth Cardoso Orchidarium; and
- III. operating the ticket office or charging USERS to access the PARKS' recreational, sports and sightseeing grounds, given their nature as an urban park destined for public use, notwithstanding the option to charge USERS for tickets in order to allow them access to events, buildings, services or special activities.

10.4.1. Celebrating religious ceremonies, such as weddings and baptisms, in the CONCESSION AREA is not included in the prohibition specified in Clause 10.4, subsection I.

10.5. Notwithstanding the provisions of Clause 10.4, all advertising-related activities undertaken are to comply with the current legislation and regulations of the Conselho Nacional de Autorregulação Publicitária (National Council for Advertising Self-Regulation – CONAR), and cannot have any religious or political nature or reference any type of slander, discrimination or prejudice of any kind, including racial, ethnical, creed, gender, sexual, social or racial discrimination.

10.6. Marketing of *naming rights* is permitted for specific areas, enclosures, public amenities, trails, and other CONCESSION AREA grounds, provided that, in addition to fulfilling Clause 10.4 guidelines, as the case may be, it is not opposing to the applicable legislation governing law, does not impair any third party rights and upholds copyrights.

10.7. All contracts related to the CONCESSIONAIRE's operations of REVENUE are to be executed in writing and submitted to the GRANTING AUTHORITY acknowledgment, within 15 (fifteen) days from its execution.

10.7.1. Any contract that the CONCESSIONAIRE enters into with third parties are to be governed by private law, with no legal relationship whatsoever to be established between the third parties and the GRANTING AUTHORITY.

10.7.1.1. The compensation method shall be freely agreed upon by the CONCESSIONAIRE and the other contracting party, with any and all types of discriminatory or abusive practices being strictly forbidden, as per the terms of the current legislation.

10.7.1.2. In carrying out its REVENUE operations, the CONCESSIONAIRE is required to:

- I. undertake its activities with high standards and efficiently, and request any and all parties procured by it to act accordingly, in attention to its primary purpose of suitability for the provision of the ADEQUATE SERVICE, without, however, putting at risk safety and quality standards of activities undertaken at the CONCESSION AREA;
- II. ensure that any competition in the REVENUE operation, directly by the CONCESSIONAIRE or by third parties, does not jeopardize the provision of ADEQUATE SERVICE and the safety and quality standards of the activities undertaken at the CONCESSION AREA;
- III. hold itself accountable for any and all legal breaches or infractions of specific regulations, answering to third parties and to all competent inspection and regulatory organizations, except for the GRANTING AUTHORITY; and
- IV. comply with the GRANTING AUTHORITY's current competition laws and standards in all instances where they require, restrict or condition operations of any given activity;
- V. acknowledge that the verification of any operations aiming at reducing REVENUE by the CONCESSIONAIRE will result in the use, by the GRANTING AUTHORITY, of other

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forms of calculating the estimation base on which the rates inherent to the collection of the VARIABLE GRANT and the INSPECTION FEES will apply, notwithstanding the application of penalties provided for in the contract and in ANNEX V.

- 10.7.2. Without prejudice to the GRANTING AUTHORITY's option to either decide on, or give its explicit consent to, as addressed in Clause 10.7.3, the CONCESSIONAIRE shall, upon expiry of the CONCESSION TERM, enforce all applicable measures required for delivering grounds subject to the GRANTING AUTHORITY's REVENUE operations free and clear of any liens or encumbrances.
- 10.7.3. No contract signed between the CONCESSIONAIRE and third parties whose purpose is for operating REVENUE within this CONTRACT may exceed the CONCESSION TERM, unless the GRANTING AUTHORITY has awarded a clear decision or approval, whereas the CONCESSIONAIRE shall be solely and fully responsible, as a consequence of contracts of similar nature, for any and all taxes, charges, obligations, liens, encumbrances, residual amounts or other sources charged by its subcontractors, with the CONCESSIONAIRE being further prohibited from burdening the GRANTING AUTHORITY with this responsibility, as well as charging it for any sum that it deems it is owed as a result of contracts signed with individuals.
- 10.7.3.1. The approval provided for under Clause 10.7.3 above may not be granted, under any circumstance whatsoever, for contracts to be entered into with RELATED PARTIES, and it shall further be conditional upon the GRANTING AUTHORITY's appropriate proceedings, whereas any denial shall not trigger recovery of the CONTRACT's economic-financial balance.
- 10.7.3.2. Once the approval set forth under Clause 10.7.3 is granted, retaining the CONTRACT at hand shall also be clearly granted in case of early termination of the CONCESSION, subject to the provisions of Clause 10.9.
- 10.7.3.3. Contracts previously approved under the terms of Clause 10.7.3 shall foresee recurrent compensation in equal or increasing installments throughout their entire term, and shall be adjusted for inflation using the official inflation index, whereas advancing installments that exceed the CONCESSION TERM shall be prohibited.
- 10.7.3.4. In the event that the commercial contract signed between the CONCESSIONAIRE and third parties foresees variable compensation corresponding to the turnover of the business, said compensation shall have an equal or increasing percentage value and a continuous recurrence throughout the entire contract.
- 10.7.3.5. In the event that the commercial contract signed between the CONCESSIONAIRE and third parties foresees compensation methods that are distinct to those specified in this Clause, this fact shall then be reported in the approval request specified in Clause 10.7.3, and shall be subject to the GRANTING AUTHORITY's approval.
- 10.7.4. In the event that contracts with terms exceeding that of the CONCESSION TERM are entered into, the following conditions are to be complied with, in addition to the approval foreseen under Clause 10.7.3, which shall be conditional upon the GRANTING AUTHORITY's pertinent proceedings:
- I. the GRANTING AUTHORITY shall comprise the deal as an Intervener, whereas the CONCESSIONAIRE shall not be entitled to any type of compensation, in any way whatsoever, throughout the entire time that exceeds the CONCESSION term;
  - II. compensation perceived by the CONCESSIONAIRE throughout the remaining term of the CONCESSION shall be proportional to compensation foreseen for the GRANTING AUTHORITY in the time frame immediately after the end of the CONCESSION term, as per the terms of Clauses 10.7.3.3 to 10.7.3.5; and
  - III. after the CONCESSION TERM has elapsed, compensation shall be due to the GRANTING

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AUTHORITY, whereas commercial requirements and the form of contract shall be subject to requirements initially agreed upon with the CONCESSIONAIRE, and any and all changes that entail reducing or increasing said requirements to the detriment of the GRANTING AUTHORITY shall be prohibited.

- 10.8. Any potential losses suffered by the CONCESSIONAIRE, prevention of REVENUE as well as any other failure in successfully operating the CONCESSION AREA may not be brought up for purposes of reviewing the CONTRACT or for recovering its economic-financial balance, whereas the CONCESSIONAIRE shall be accountable for taking on the full risk of its performance, except for any risks specifically attributed to the GRANTING AUTHORITY under this CONTRACT.
- 10.9. In the event of termination of the CONCESSION, including due to early termination events, the GRANTING AUTHORITY or SUCCESSOR may report contracts executed by the CONCESSIONAIRE whose end purpose is to use CONCESSION AREA grounds, including those that have successfully secured the approval specified in Clause 10.7.3, ensuring compensation in the event of investments made not yet amortized by the CONCESSIONAIRE or a third party, regardless of the contract having been signed without the GRANTING AUTHORITY's express approval.
  - 10.9.1. Regarding contracts executed by the CONCESSIONAIRE whose term exceeds the end of the CONCESSION TERM, without the necessary approval specified in Clause 10.7.3, compensation shall be estimated using the straight-line amortization method from the start of the enterprise's operations, until the CONCESSION TERM has elapsed.
  - 10.9.2. In the case of the permission to use the "Observation Wheel", embodied in the TERM OF PERMISSION, which will be subrogated by the CONCESSIONAIRE, no compensation will be due for investments originally provided for in the TERM OF PERMISSION, even if the GRANTING AUTHORITY opts to terminate the instrument of subrogation, in the event of early termination of the CONCESSION.

**CLAUSE ELEVEN – ON OPERATION OF LINKED ACCOUNTS**

- 11.1. As a condition for signing this CONTRACT, the CONCESSIONAIRE opened a CENTRALIZER ACCOUNT at the DEPOSITARY BANK, endeavoring to ensure that all REVENUE earned within the CONCESSION TERM is transferred entirely to the CENTRALIZER BANK ACCOUNT.
  - 11.1.1. The PARTIES agree that the full CONCESSIONAIRE REVENUE, paid into the CENTRALIZER ACCOUNT, as specified in this CONTRACT and prior to the CONCESSIONAIRE transferring said revenue to the free transaction bank account, shall be deducted of sums relating to the VARIABLE GRANT and INSPECTION FEES, in addition to any sum owed to the GRANTING AUTHORITY under this CONTRACT, already in net value and due after, as the case may be, the end of ordinary administrative proceedings, and subject to the conditions of this CONTRACT and ANNEXES.
  - 11.1.2. After all deductions described in Clause 11.1.1 above have been made, the remaining balance is to be immediately transferred to the CONCESSIONAIRE-held free transaction bank account.
- 11.2. After all due administrative proceedings have concluded, the CONCESSIONAIRE may be given a fine, whereas any action taken by the CONCESSIONAIRE that may be deemed fraud concerning the mandatory transfer of its REVENUE to the CENTRALIZER ACCOUNT or fictitiously reducing the CONCESSIONAIRE's REVENUE may lead to initiating proceedings to terminate the CONCESSION.
  - 11.2.1. In addition to any losses and damages incurred by the GRANTING AUTHORITY or the DEPOSITARY BANK, as provided for in the account management contract, in the event of non-compliance with duties concerning depositing or transferring REVENUE-resulting amounts, the CONCESSIONAIRE shall be subject to paying a 2% (two percent) non-compensatory fine as well as 12% (twelve percent) interest in arrears per year, both owed to the GRANTING AUTHORITY

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and estimated based on the sum that failed to be deposited or transferred into the CENTRALIZER ACCOUNT, in addition to monetary restatement adjustments for inflation using the IPC/FIPE Consumer Price index, *estimated on a daily pro rata basis*, as appraised by the GRANTING AUTHORITY, and which, to this end, the GRANTING AUTHORITY is required to notify the DEPOSITARY BANK.

- 11.3. The CENTRALIZER ACCOUNT shall be held by the CONCESSIONAIRE and have restricted transactions, whereas any and all charges and fees relating to transactions with the DEPOSITARY BANK are to be borne by the CONCESSIONAIRE, pursuant to the terms of ANNEX VII.
- 11.4. The CONCESSIONAIRE shall open a CENTRALIZER ACCOUNT at the DEPOSITARY BANK, as set forth under the contract draft enclosed in ANNEX VII. Should any change be made to the terms and conditions submitted in the aforementioned draft, opening of the account shall require the GRANTING AUTHORITY's prior consent.

**CLAUSE TWELVE – ON THE FIXED GRANT**

- 12.1. As a condition for signing this CONTRACT, the CONCESSIONAIRE or the GRANTEE(S) of the BIDDING PROCESS, as specified in the NOTICE, carried out payment of the amount due as the FIXED GRANT in the sum R\$ [•] ([•])

**CLAUSE THIRTEEN – ON THE VARIABLE GRANT**

- 13.1. The CONCESSIONAIRE shall pay the GRANTING AUTHORITY, effective the date of signature of the TERM OF DELIVERY OF THE PUBLIC ASSET, and throughout the remaining term of the CONCESSION, a VARIABLE GRANT corresponding to 2.5% (two point five percent) of its REVENUE, subject to additional performance variations specified in Clause 13.3 and ANNEX IV.
  - 13.1.1. Collection and payment of sums due as the VARIABLE GRANT, subject to the maximum monthly frequency, are laid out in ANNEX IV, with both PARTIES needing to take all necessary steps to ensure its fulfillment.
- 13.2. In the event that an undue decrease in VARIABLE GRANT revenue is verified, resulting from any operation aimed at fictitiously reducing the CONCESSIONAIRE's REVENUE, the GRANTING AUTHORITY may, upon taking over this REVENUE from third party/parties, use the gross revenue collected from third parties that exploited activities generating said REVENUE as an estimation base to compute the VARIABLE GRANT, including for purposes of the PERFORMANCE INDICATORS, notwithstanding its option to enforce all applicable penalties.
- 13.3. Each year, as of the 25th (twenty-fifth) month of the CONTRACT being in effect, and starting from the date of signature of the TERM OF DELIVERY OF THE PUBLIC ASSET, the VARIABLE GRANT may be increased from 0 to 2.5 p.p (zero to two point five percentage points) added to the original percentage due, conditional upon fulfilling the CONCESSION AREA's PERFORMANCE INDICATORS, under the terms of ANNEX IV.
  - 13.3.1. The GRANTING AUTHORITY shall, in accordance with the provisions of ANNEX VII, notify the DEPOSITARY BANK, in accordance with the defined method and frequency, on the percentage to be deducted from the CONCESSIONAIRE's REVENUE for each one-year term.
  - 13.3.2. The CONCESSIONAIRE's fulfillment of PERFORMANCE INDICATORS is to be appraised in accordance with the provisions of Clause Fifteen of this CONTRACT and ANNEX IV, and may impact the annual percentage to be deducted as the VARIABLE GRANT.

**CLAUSE FOURTEEN – ON INSPECTION FEES**

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- 14.1. The CONCESSIONAIRE shall pay the GRANTING AUTHORITY INSPECTION FEES corresponding to 0.5% (five tenths percent) of its REVENUE throughout the entire CONCESSION TERM.
- 14.1.1. Collection and payment of INSPECTION FEES-related sums, subject to the maximum monthly frequency, are laid out in ANNEX VII, whereas both PARTIES shall take all necessary steps to fulfill them.
- 14.2. The provisions of Clauses 13.2 and Clause 13.2.1 apply to INSPECTION FEES.

**CLAUSE FIFTEEN – ON THE INDEPENDENT RAPPOREUR**

- 15.1. The CONCESSIONAIRE shall secure a company or consortium of companies to carry out the role of INDEPENDENT RAPPOREUR, for purposes of assessing compliance with this CONTRACT's PERFORMANCE INDICATORS.
- 15.2. The INDEPENDENT RAPPOREUR shall, in the performance of its activities, undertake all necessary measures to fulfill its duties, carrying out market surveying and research and field measurements as well as collecting information from the PARTIES, and shall therefore be cleared access to all CONCESSION-related information and documents.
- 15.3. The INDEPENDENT RAPPOREUR's assessment shall use ANNEX IV as its baseline. The INDEPENDENT RAPPOREUR's reports are to be submitted to the PARTIES on a yearly basis, subject to the provisions of Clause 15.14, up to the 5th (fifth) working day of the CONTRACT's anniversary month, effective the date of signature of the TERM OF DELIVERY OF THE PUBLIC ASSET.
- 15.3.1. PERFORMANCE INDICATORS, with the corresponding adjustment for inflation applied to the VARIABLE GRANT, shall only be applied as of 25th (twenty-fifth) month effective the date of signature of the TERM OF DELIVERY OF THE PUBLIC ASSET, subject to the rules laid out in ANNEX IV concerning the start of the assessment.
- 15.3.2. The PARTIES shall be granted a 10 (ten) working day term, as of receipt of the report alluded to in Clause 15.3, to bring forth any potential disagreements as to how the INDEPENDENT RAPPOREUR assesses and verifies the PERFORMANCE INDICATORS. In the event that neither PARTY submits any disagreement, the PERFORMANCE INDICATORS shall apply according to how they were appraised and described in the report.
- 15.3.3. The INDEPENDENT RAPPOREUR shall be granted a 03 (three) working day term to either approve or deny any potential amendments brought forth by the PARTIES.
- 15.3.4. Any potential disputes or differences between the PARTIES regarding the contents of the INDEPENDENT RAPPOREUR-issued report may be submitted to dispute settlement proceedings provided for under Chapter XI of this CONTRACT, notwithstanding enforcement of the PERFORMANCE INDICATORS as appraised in the report's final version, or for purposes of paying the VARIABLE GRANT, until an agreement is reached or, in the event of lack thereof, until an arbitration ruling settles the matter.
- 15.3.4.1. Any and all potential disputes or differences between the PARTIES regarding the INDEPENDENT RAPPOREUR-issued report are in no way whatsoever an impediment to the CONCESSIONAIRE's payment of the VARIABLE GRANT.
- 15.3.4.2. Should there be a need to make payments of any potential lower or greater sums than those due be verified at the end of the dispute settlement proceedings, payment of these sums from one PARTY to the other PARTY is to take place in the month after the dispute is settled, with all sums due to be adjusted for inflation using the IPC/FIPE Consumer Price Index



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between the date foreseen for payment of the VARIABLE GRANT that is the subject of the dispute or difference, and the date that the actual verified difference owed is paid or received.

- 15.3.4.3. In the circumstances laid out in Clause 15.3.4.2 above, in which case the difference is found to be detrimental to the CONCESSIONAIRE, settling said payment shall preferably take place waiving the option to withhold the sum corresponding to the VARIABLE GRANT in the following time frame(s), which is to be notified to the DEPOSITARY BANK.
- 15.3.4.4. In the circumstances laid out in Clause 15.3.4.2, in which case the difference is found to be detrimental to the GRANTING AUTHORITY, settling said payment shall preferably take place by increasing the withheld sum of the corresponding VARIABLE GRANT in the following time frame(s), which is to be notified to the DEPOSITARY BANK, while complying with the final deadline specified in Clause 43.8.
- 15.3.5. If, due to the deadlines involved in the procedure established by this Clause, the VARIABLE GRANT is to be paid without considering the result of the PERFORMANCE INDICATORS' assessment, the eventual difference in the VARIABLE GRANT value must be compensated in the subsequent period, by means of a notification from the GRANTING AUTHORITY to the DEPOSITARY BANK.
- 15.4. For purposes of transacting with the INDEPENDENT RAPPORTEUR, the CONCESSIONAIRE shall submit to the GRANTING AUTHORITY's prior approval, within 150 (one hundred and fifty) days from the DATE OF SIGNATURE of the CONTRACT, a list with at least 3 (three) certified expert companies or consortia of companies to carry out the role of the INDEPENDENT RAPPORTEUR, subject to the requirements set forth under this Clause Fifteen.
  - 15.4.1. The GRANTING AUTHORITY shall, within 15 (fifteen) consecutive days, starting from the CONCESSIONAIRE's submission of the list, pursuant to the terms of Clause 15.3.5, officially approve the companies or consortia of companies designated to carry out the role of the INDEPENDENT RAPPORTEUR, and which meet all requirements provided for in this CONTRACT.
  - 15.4.2. The GRANTING AUTHORITY may, using justified grounds to do so, remove companies and/or consortia of companies from the list that potentially hold conflicts of interest with the rendering of services that is the object of this CONTRACT, thus being able to jeopardize its severability and impartiality.
  - 15.4.3. If the GRANTING AUTHORITY fully rejects the list of candidates submitted by the CONCESSIONAIRE or officially approves less than 3 (three) companies or consortia of companies, the CONCESSIONAIRE shall submit another list with additional names, and keep doing so, until the GRANTING AUTHORITY officially approves a number of at least 3 (three) companies or consortia of companies to carry out the role of the INDEPENDENT RAPPORTEUR, thereby resetting the deadline initially set in this Clause Fifteen, upon the GRANTING AUTHORITY's rejection.
  - 15.4.4. The GRANTING AUTHORITY's rejection of potential candidates for the role of the INDEPENDENT RAPPORTEUR submitted by the CONCESSIONAIRE shall always be reasoned and grounded, pointing out the requirement(s) not met by the CONCESSIONAIRE's candidates.
  - 15.4.5. In the event that at least 03 (three) companies or consortia of companies are officially approved, while taking into account any potential additional appointments deemed necessary, the GRANTING AUTHORITY shall, within 15 (fifteen) days as of the minimum official approval required, choose one of the companies or consortia of companies officially approved, for the CONCESSIONAIRE to procure as the INDEPENDENT RAPPORTEUR.
  - 15.4.6. In the event that the GRANTING AUTHORITY has chosen, pursuant to the Clause 14.4.5 above, a company or consortia of companies to carry out the role of the INDEPENDENT

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RAPPOREUR, the CONCESSIONAIRE shall prove that the procurement was officially signed within the 10 (ten)-day time frame following said choice, regardless of the contract determining that the start of its term shall only take place effective the fulfillment of time milestones specified in ANNEX IV.

- 15.4.7. In the event that the GRANTING AUTHORITY fails to object to, or submit a choice, within the deadline specified in Clause 15.4.5, the CONCESSIONAIRE shall have the right to choose and procure one of the companies or consortia of companies that were officially approved by the GRANTING AUTHORITY, within a term of (5) days from the end of the deadline specified in Clause 15.4.5, with the latter having the option to enforce its rights provided for under Clause 15.6.1.
- 15.5. The CONCESSIONAIRE may, at each annual verification cycle, recommend, using justified grounds to do so, the GRANTING AUTHORITY to replace the procured INDEPENDENT RAPPOREUR, provided there are at least 3 (three) officially approved companies or consortia of companies remaining in the list.
  - 15.5.1. Currently, at least 60 (sixty) days before the date of delivery of the report produced by the INDEPENDENT RAPPOREUR on the annual assessment of the PERFORMANCE INDICATORS, the CONCESSIONAIRE may submit new names of companies or consortia of companies to carry out the role of the INDEPENDENT RAPPOREUR for the GRANTING AUTHORITY's official approval, in addition to those already officially approved, and subject to the same deadline set out in Clause 15.3.5.
  - 15.5.2. The list of companies or consortia of companies officially approved under the terms of Clause 15.5.1 shall be effective starting from the verification cycle immediately after the one in which the GRANTING AUTHORITY has granted its official approval, and for the term during which the official approval remains in place.
- 15.6. The INDEPENDENT RAPPOREUR shall be replaced with another one included in the GRANTING AUTHORITY's officially approved list, as per Clause 15.4 if, throughout the CONTRACT's term, it fails to meet the requirements specified in this Clause.
  - 15.6.1. The GRANTING AUTHORITY shall have the option to require the CONCESSIONAIRE to replace the INDEPENDENT RAPPOREUR, by submitting duly grounded technical reasons, and in compliance with the choice for companies or consortia of companies included in the officially approved list.
- 15.7. Replacement of the INDEPENDENT RAPPOREUR shall not exempt it from any of the responsibilities it has taken on until that time.
- 15.8. The INDEPENDENT RAPPOREUR shall meet the following requirements:
  - I. be fully impartial and have no conflict of interest whatsoever with regard to the PARTIES comprising this CONTRACT;
  - II. have provenly undertaken services of a related nature in enterprises or projects attuned to the purpose of the CONCESSION;
  - III. submit a Work Plan evidencing the methodology to be applied to assess the CONCESSIONAIRE's fulfillment in complying with the provisions of the CONTRACT, using ANNEX IV for reference purposes;
  - IV. have a technical staff made up of bachelor degree experts professionally trained in fields related to the scope of operations that is the purpose of the CONCESSION.
- 15.9. Technical capacity of INDEPENDENT RAPPOREUR team members, as addressed in subsection IV of

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Clause 15.8, shall also include:

- I. a statement made by each appointed staff member in which he/she agrees to be a part of the team;
- II. each appointed staff member's resumé, including at least the following information: full name, date of birth, nationality, intended position, work relationship, education, extension and postgraduate courses, list of services or projects he/or she has worked in, naming each client;
- III. statement declaring that he/she will carry out his or her duties in an impartial manner and with technical independence in regard to the CONTRACT's PARTIES.

15.10. Legal entities/or consortia falling under any of the following conditions may not be procured to carry out the role of the INDEPENDENT RAPPORTEUR:

- I. which are currently temporarily suspended from partaking in bidding processes or impeded from transacting with the direct or indirect Administration of the State of São Paulo, as per the terms of article 87, subsection III, and article 88 of Federal Law no. 8.666/1993, or article 7 of Federal Law no. 10.520/2002, or article 47 of Federal Law no. 12.462/2011;
- II. which have been deemed ineligible to bid or transact with the Public Administration of any federal body, pursuant to the terms of article 87, subsection IV, of Federal Law no. 8.666/1993;
- III. which have been disqualified, with a judgment transited in rem judicatan, due to environmental crimes committed, as provided for under article 10 of Federal Law no. 9.605/1998;
- IV. which have a sanction, banning them from partaking in bidding process or procurement processes, in records alluded to by article 22 of Federal Law no. 12.846/2013 and article 5 of State Decree no. 60.106/2014;
- V. which have been prohibited by CADE's Plenary Sitting to participate in bidding processes conducted by the Public Administration due to economic crimes committed, as per the terms of article 38, subsection II, of Federal Law no. 12.529/2011;
- VI. which are banned from transacting with the Public Administration due to restrictive sanctions enforced resulting from administrative environmental breaches committed, as per the terms of article 72, paragraph 8, subsection V, of Federal Law no. 9.605/1998;
- VII. which have been banned from transacting with Public Authorities after being sentenced for administrative misconduct actions, as per the terms of article 12 of Federal Law no. 8.429/1992;
- VIII. which has been deemed ineligible by the Plenary Sitting of the Tribunal de Contas do Estado de São Paulo (The Audit Court of the State of São Paulo) to transact with the Public Administration, as per the terms of article 108 of Complementary State Law no. 709/1993;
- IX. which has been suspended temporarily, banned or deemed ineligible to bid or transact with the Public Administration due to non-compliance with the Information Access Law, under the terms of article 33, subsections IV and V, of Federal Law no. 12.527/2011 and article 74, subsections IV and V, of State Decree no. 58.052/2012;
- X. which are a cooperative corporation, due to the prohibition stated in paragraph 1 of article 1 of State Decree no. 55.938/2010, whose wording was drafted in State Decree no. 57.159/2011;
- XI. which are currently undergoing court or out of court restructuring proceedings, except if proven that the court restructuring plan was accepted or the out of court restructuring plan was approved, as well as insolvency, temporary bankruptcy management system or intervention, and



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furthermore, whose bankruptcy has been filed in a court ruling;

- XII. which currently have an ongoing contract with the CONCESSIONAIRE, except if they are an INDEPENDENT RAPPOREUR in this CONTRACT, in the event of renewal;
  - XIII. be an associated, subsidiary or affiliate company, not be under common control in regard to the CONCESSIONAIRE, or belong to its ECONOMIC GROUP or to a group of its shareholders;
  - XIV. be subject to liquidation, intervention or Special Temporary Bankruptcy Management - RAET proceedings or have filed for bankruptcy; and
  - XV. whose partners have either a direct or indirect share in the board or in the CONCESSIONAIRE's shareholding structure; and
  - XVI. which are a RELATED PARTY of the CONCESSIONAIRE or if its direct and/or indirect shareholders.
- 15.11. The company itself or the consortium of companies themselves, as well as members of the related technical team, may certify experience requirements that the INDEPENDENT RAPPOREUR needs to fulfill.
- 15.12. The CONCESSIONAIRE shall be responsible for making all payments to the INDEPENDENT RAPPOREUR, without any cost to be borne by the GRANTING AUTHORITY.
- 15.13. The PARTIES are free to request, at any time, information or explanations straight from the INDEPENDENT RAPPOREUR, while always submitting a copy of said request to the other PARTY.
- 15.14. The PARTIES state that the activity to be carried out by the INDEPENDENT RAPPOREUR shall consist in supporting oversight of the CONTRACT and, to this end, the INDEPENDENT RAPPOREUR shall submit its technical findings and appraisals together, and at the same time, to the GRANTING AUTHORITY and to the CONCESSIONAIRE, whereas neither the GRANTING AUTHORITY nor the CONCESSIONAIRE shall have the right to request acknowledgment or approval of its contents as a condition for submitting them.

**CLAUSE SIXTEEN – ON THE CONCESSION ASSET REGIME**

- 16.1. The CONCESSION is comprised of:
- I. the CONCESSION AREA, pursuant to the terms of ANNEX I, with all buildings and facilities therein, except for those clearly pointed out as not comprising the purpose of the CONCESSION, pursuant to the terms of ANNEXES I, II and III, and used by the GRANTING AUTHORITY;
  - II. all public amenities, machinery, apparatus, accessories and facilities in general, as well as all other assets related to the CONCESSION AREA's operations and maintenance transferred to the CONCESSIONAIRE or added by it to the CONCESSION AREA throughout the CONCESSION TERM;
  - III. real or personal property acquired, included, prepared or built by the CONCESSIONAIRE throughout the CONCESSION TERM, as well as any and all improvements, regardless of whether these are useful or decorative, physical or intellectual accessions introduced at the CONCESSION AREA throughout the entire CONCESSION TERM due to construction works or investments made by the CONCESSIONAIRE, irrespective of these resulting from NON-MANDATORY INVESTMENTS, and which are employed in the CONCESSION AREA's operations and maintenance;

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- IV. all MANDATORY MINIMUM INVESTMENTS sums, as well as ADDITIONAL INVESTMENTS potentially required throughout the entire CONCESSION TERM, and NON-MANDATORY INVESTMENTS, including real property necessary for operating the CONCESSION AREA as the CONCESSIONAIRE operates them, linked to them;
  - V. any distinguishing brands or signs used by the CONCESSIONAIRE to make reference to the CONCESSION AREA or to any of its public amenities or sights, with the sole exception of those associated with the CONCESSIONAIRE's corporate image and to contracts executed with third parties whose term expires before the end of the CONCESSION TERM, including, under the scope of reversibility ownership and the right to access any websites and apps used by the CONCESSIONAIRE specifically for CONCESSION-related purposes.
- 16.1.1. All specifications regarding assets to be added to the CONCESSION, and which relate to MANDATORY MINIMUM INVESTMENTS sums, in addition to specifications regarding requirements for carrying out investments and INTERVENTIONS at the CONCESSION AREA, are described in ANNEXES II and III, and are to be fulfilled by the CONCESSIONAIRE, under risk of breach of contract and being subject to all applicable penalties.
- 16.2. All assets that comprise or which shall futurely comprise this CONCESSION, except for those verified by the GRANTING AUTHORITY during the specific proceedings addressed in Clause 55.2, shall be deemed REVERTIBLE ASSETS for purposes of this CONTRACT and the applicable legislation, and all concerning provisions shall apply to them.
  - 16.2.1. All assets encompassing this CONTRACT as REVERTIBLE ASSETS shall be owned by the CONCESSIONAIRE or the GRANTING AUTHORITY, subject to all applicable legal and accounting standards.
- 16.3. Ownership, custody, maintenance and surveillance of assets comprising the CONCESSION are the CONCESSIONAIRE's responsibility, effective the date of signature of the TERM OF DELIVERY OF THE PUBLIC ASSET, which shall be submitted along with the PHOTOGRAPHIC REPORT AND DESCRIPTIVE MEMORANDUM addressed in Clause 8.1.1.
  - 16.1.1. The CONCESSIONAIRE shall not have the right to refuse any real property received falling within the scope of Clause 16.1, even if they deem them unserviceable, except in the event that an agreement is reached with the GRANTING AUTHORITY.
  - 16.1.2. After receiving the GRANTING AUTHORITY's approval, the CONCESSIONAIRE may dispose or discard real property deemed unserviceable for operations of the CONCESSION AREA.
- 16.4. The CONCESSIONAIRE undertakes to keep in perfect conditions of use, conservation, and safety, at its sole expense, all CONCESSION ASSETS throughout the entire CONCESSION TERM, carrying out, to this end, all necessary repairs, renovations and adaptations for purposes of ensuring the quality and sound performance of all activities foreseen under this CONCESSION.
- 16.5. The CONCESSIONAIRE is entirely free to recommend, on its behalf, any legal and/or arbitration measures to ensure or recover CONCESSION ASSET ownership.
- 16.6. The CONCESSIONAIRE is solely responsible for devising and keeping the REVERTIBLE ASSETS' INVENTORY up-to-date throughout the CONCESSION TERM.
  - 16.6.1. The CONCESSIONAIRE is to devise the REVERTIBLE ASSETS' INVENTORY after all MANDATORY MINIMUM INVESTMENTS-related INTERVENTIONS are completed, or upon the end date of the 72 (seventy-two month) deadline, starting from signing of the TERM OF DELIVERY OF THE PUBLIC ASSET, for completion of all MANDATORY MINIMUM INVESTMENTS sums, as set out in Clause 5.6, subsection V, whichever takes place first, and which shall be conditional upon the GRANTING AUTHORITY's approval, and after which it shall comprise, as an addition, ANNEX VI.

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- 16.6.1.1. The CONCESSIONAIRE is to complete devising the REVERTIBLE ASSETS' INVENTORY within 90 (ninety) days, starting from the aforementioned circumstance in Clause 16.6.1 above.
- 16.6.2. The CONCESSIONAIRE undertakes to regularly update REVERTIBLE ASSETS' INVENTORY, which shall take place at least every 12 (twelve) months, with it being hereby agreed upon that any and all actions verified which may denote either an attempt or actual consummation of fraud, whether due to deceit or negligence, in denoting REVERTIBLE ASSETS, shall be deemed a breach subject to the penalties laid out in this CONTRACT, notwithstanding the enforcement of any additional sanctions provided for under the current legislation.
- 16.6.3. The REVERTIBLE ASSETS' INVENTORY shall not replace the CONCESSION AREA's current assessment of conditions as brought by the PHOTOGRAPHIC REPORT AND DESCRIPTIVE MEMORANDUM on current facilities, public amenities, assets, and buildings of the CONCESSION AREA, addressed in Clause 8.1.1, for purposes of designating costs, duties, responsibilities and risk allocation originally provided for under this CONTRACT.
- 16.7. All CONCESSION-related ASSETS are to be duly recorded in the CONCESSIONAIRE's bookkeeping, so as to readily allow the GRANTING AUTHORITY to find them, including their status as strictly personal assets, while applying the same accounting standards.
- 16.8. At the end of REVERTIBLE ASSETS' useful lives, the CONCESSIONAIRE is to immediately replace them with new and similar assets of equal or greater quality, while upholding its duty to keep rendering the services that are the object of this CONTRACT and, above all, its duty to always keep them in par with the latest technological advancements as well as fulfilling the PERFORMANCE INDICATORS, subject to the applicable contractual provisions.
- 16.8.1. The GRANTING AUTHORITY, at its own discretion, may exempt the CONCESSIONAIRE from its duty to replace certain REVERTIBLE ASSETS at the end of their useful lives, in case it proves said replacement is not required to provide an ADEQUATE SERVICE, for purposes of fulfilling PERFORMANCE INDICATORS, and to operate the CONCESSION AREA the same way and with the same traits as operated by the CONCESSIONAIRE.
- 16.9. Replacing any REVERTIBLE ASSET throughout the CONCESSION TERM shall not entitle either PARTY to request recovery of the CONTRACT's economic-financial balance.
- 16.9.1. At the DATE OF SIGNATURE of this CONTRACT, the CONCESSIONAIRE states that all necessary sums for restocking, replacing and carrying out regular maintenance services for the REVERTIBLE ASSETS have already been included in its BID PRICE, reason being why no compensation of any kind shall be owed, whereas any due restocking, maintenance or replacement of REVERTIBLE ASSETS by the CONCESSIONAIRE shall not be deemed contractual imbalance.
- 16.10. All investments originally provided for under this CONTRACT and ANNEXES, including maintenance and replacement of REVERTIBLE ASSETS, shall be depreciated and amortized by the CONCESSIONAIRE during the CONCESSION TERM, while taking into account potential extensions, whereas there shall be no right to request or claim compensation for potential balances not yet amortized at the end of the CONCESSION TERM, with regard to said assets.
- 16.10.1. In the event of early termination of the CONTRACT, amortization of investments made by the CONCESSIONAIRE shall be subject to the provisions of Chapter IX.
- 16.11. The CONCESSIONAIRE awards, free of charge and definitely to the GRANTING AUTHORITY and to future CONCESSION AREA SUCCESSORS, its approval for them to use research studies, projects and other studies of intellectual nature developed and employed while devising the project and their respective intellectual property rights (including the right to make and use any work or projects

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stemming from them), including in future concession contracts, and without any restrictions that condition or impair the continuity of services rendered, their upgrading and/or review.

- 16.11.1. The CONCESSIONAIRE authorizes the GRANTING AUTHORITY to use all collected and shared information as part of its oversight activities for research, development and transparency purposes, in addition to improving its oversight activities.
- 16.12. The disposal, encumbrance or transfer of REVERTIBLE ASSETS to third parties, in any way whatsoever, shall require the GRANTING AUTHORITY's prior consent, pursuant to the terms of this CONTRACT, except when it entails replacing real property, aimed at keeping the respective useful life under the terms specified in Clause 16.8.
  - 16.12.1. Should its approval be required, the GRANTING AUTHORITY shall issue its ruling on the disposal, encumbrance or transfer of any kind of CONCESSION-related REVERTIBLE ASSETS by the CONCESSIONAIRE to third parties within a period that takes into account the challenges posed by those specific circumstances, not to exceed 60 (sixty) days, effective receipt of prior approval granted by the CONCESSIONAIRE.
  - 16.12.2. The GRANTING AUTHORITY is free, throughout the CONCESSION TERM, to notify the CONCESSIONAIRE on any situation where prior approval, as addressed in Clause 16.12, is not required, provided all requirements set forth in this notification are fulfilled.
  - 16.12.3. All REVERTIBLE ASSET-related legal transactions that the CONCESSIONAIRE is currently engaged in with third parties are to clearly mention that said REVERTIBLE ASSETS are tied to the CONCESSION.
  - 16.12.4. Any and all disposals or acquisitions of real property deemed REVERTIBLE ASSETS, and which the CONCESSIONAIRE intends on carrying out in the last 48 (forty-eight) months of the CONCESSION TERM, are to be signed off by the GRANTING AUTHORITY.
    - 16.12.4.1. The GRANTING AUTHORITY is to issue a written statement within fifteen (15) days upon the CONCESSIONAIRE's request, whereas it shall be deemed that approval has been awarded should the GRANTING AUTHORITY fail to come forward with any opinion.
- 16.13. CONCESSION ASSETS, including real and personal property secured by the CONCESSIONAIRE in any way to operate the CONCESSION AREA, shall be deemed non-marketable assets and may not for any reason whatsoever, be assigned, disposed of, encumbered, leased, loaned for use or as a security, or in any other way be granted permission to occupy, attach, seize them or employ any related measure for them, except for circumstances provided for in this CONTRACT.
- 16.14. Assets employed or used by the CONCESSIONAIRE that are not included in the INVENTORY, according to the procedure set forth under Clause 16.6.1, and which are further not deemed REVERTIBLE ASSETS, shall be deemed exclusively personal assets and may be freely used and transferred by the CONCESSIONAIRE, notwithstanding its duty to fulfill the PERFORMANCE INDICATORS as well as other provisions of this CONTRACT.

**CLAUSE SEVENTEEN – ON INTERVENTIONS**

- 17.1. The CONCESSIONAIRE undertakes to carry out, at its sole risk, whether by itself or by means of third parties, the MANDATORY MINIMUM INVESTMENTS sums specified in ANNEX II, and complying with all conditions set forth under ANNEX III, within the deadlines and in accordance with Clause 5.6, notwithstanding its option to make any NON-MANDATORY INVESTMENTS that it deems necessary for the full performance of this CONCESSION.
  - 17.1.1. The CONCESSIONAIRE is to, within a term of 180 (one hundred and eighty) days effective the DATE OF SIGNATURE, submit its INTERVENTION PLAN to the GRANTING AUTHORITY, which

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shall include the PHYSICAL-EXECUTIVE SCHEDULE and bring an in-depth description, by means of initial, intermediate and final milestones, for each of the INTERVENTIONS planned by the CONCESSIONAIRE, including MANDATORY MINIMUM INVESTMENTS sums and NON-MANDATORY INVESTMENTS.

- 17.2. The CONCESSIONAIRE is responsible for devising and keeping engineering projects and designs up-to-date for all construction works, INTERVENTIONS and investments that may require so, in compliance with the conditions and specifications of ANNEX III.
- 17.3. The GRANTING AUTHORITY's approval, sign off or receipt of CONCESSIONAIRE-submitted plans, projects or studies shall not burden the GRANTING AUTHORITY with any responsibility whatsoever, shall not change the risk matrix originally provided for under this CONTRACT, and shall further not exempt the CONCESSIONAIRE, whether totally or partially, from any of its obligations stemming from this CONTRACT or from any relevant legal or regulatory provisions, with it to remain responsible for any potential shortcomings or flaws in the project or in the quality of services rendered.
  - 17.3.1. The CONCESSIONAIRE may not raise any objections if the GRANTING AUTHORITY makes any exceptions or claims aimed at waiving all or part of its contractual obligations, based on facts arising out of any contractual relationships made with potential subcontractors.
- 17.4. All milestones and stages, including initial and intermediate milestones laid out in the INTERVENTION PLAN devised to monitor the progress of MANDATORY MINIMUM INVESTMENTS sums made, shall be duly and timely met by the CONCESSIONAIRE, under risk of being enforced sanctions under this CONTRACT, in addition to any other applicable consequences set forth under the current legislation.
  - 17.4.1. Delays in fulfilling milestones set for attaining the MANDATORY MINIMUM INVESTMENTS, both those signaling the start as well as those signaling the end of each construction stage of construction works, may result in penalties being enforced upon the CONCESSIONAIRE, notwithstanding the option to reschedule the PHYSICAL-EXECUTIVE SCHEDULE, subject to the rules specified in Clause 42.6.
- 17.5. Together with devising or reviewing the INTERVENTION PLAN, the CONCESSIONAIRE is to carry out any potential reviews deemed necessary in the respective INSURANCE PLAN, which shall point out a list of undertakings and instruments that the CONCESSIONAIRE needs to sign in order to unconditionally ensure the fulfillment of all of its obligations and investments.
  - 17.5.1. Successfully securing all corresponding insurance policies and guarantees specified in Clause 37.3 is a condition for starting each investment or construction work stage.
- 17.6. All MANDATORY MINIMUM INVESTMENTS sums are to be completed within the term specified in Clause 5.6, subsection VI, whereas the following consequences shall apply should this deadline be exceeded:
  - I. whether due to reasons attributable to risk factors or responsibilities taken on by the GRANTING AUTHORITY under this CONTRACT, the CONCESSIONAIRE's right to recover the CONTRACT's economic-financial balance, subject to the proceedings and conditions laid out in Chapter III;
  - II. whether, due to any other reason whatsoever, penalties specified in ANNEX V are enforced upon the CONCESSIONAIRE, notwithstanding the economic-financial recovery of the CONTRACT in the event provided for in Clause 25.2.2, and the option to terminate the CONCESSION.
  - 17.6.1. In the event of the term specified in Clause 5.6, subsection VI being exceeded due to reasons attributable to risk factors or due to both PARTIES' responsibility, recovery of economic-financial balance provided for in subsection I of Clause 17.6 shall only take into account, as the case may be, for the delay period persisting after delay risk factors or the CONCESSIONAIRE's responsibility have elapsed, whereas the latter shall be imposed penalties specified in subsection II of Clause



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17.6 for the time frame it contributed to with the delay.

**CLAUSE EIGHTEEN – ON THE PARKS’ OPERATIONS AND WORKING CONDITIONS**

- 18.1. The CONCESSIONAIRE is required to carry out the CONCESSION AREA operations and keep them constantly and permanently running, while fulfilling minimum operating and conservation conditions at its own risk, and complying with the concerning legislation, the provisions of this CONTRACT, particularly the deadlines provided for under Clause 5.6, the ANNEXES, the PARKS’ MANAGEMENT PLANS, and the best practices known for these activities, in addition to the PERFORMANCE INDICATORS.
- 18.2. The CONCESSIONAIRE is to, within 90 (ninety) days effective the DATE OF SIGNATURE, submit its PLANS FOR MANAGEMENT AND OPERATION to the GRANTING AUTHORITY, which shall include all of the CONCESSIONAIRE’s procedures and operating, management and maintenance routines for the CONCESSION AREA, subject to the provisions of ANNEX II.
- 18.3. The CONCESSIONAIRE shall, effective the date of signature of the TERM OF DELIVERY OF THE PUBLIC ASSET, take over all CONCESSION AREA operations until this CONTRACT is terminated.

**CLAUSE NINETEEN – ON MECHANISMS FOR UPHOLDING THE UPDATEDNESS AND INCLUDING NEW TECHNOLOGIES**

- 19.1. The CONCESSIONAIRE shall keep technologies up-to-date in the commercial operations of the object of this CONTRACT, thus defined as the need to keep its public amenities and facilities always current and up-to-date, and as set forth under Clause 19.9, proceeding the same way with its procedures to render services and carry out activities related to CONCESSION AREA operations, provided the updated technology is needed due to (I) obsolescence of CONCESSION ASSETS specified in Clause Sixteen and onwards (II) the need to fulfill the PERFORMANCE INDICATORS as well as any additional requirements set forth under this CONTRACT and ANNEXES.
- 19.2. The CONCESSIONAIRE is to introduce, irrespective of any other GRANTING AUTHORITY-issued decision, all necessary measures to fulfill its contractual obligations, including with regard to the PERFORMANCE INDICATORS, subject to the provisions of this CONTRACT and ANNEXES.
- 19.3. The CONCESSIONAIRE is to take into account CONCESSION ASSETS’ useful lives as well as their proper use and working conditions, and shall further, whenever needed, replace them with more technologically advanced assets and public amenities with equal or better operating and working conditions to those replaced, regardless of the GRANTING AUTHORITY-issued decision.
- 19.4. Any and all situations in which the CONCESSIONAIRE, in fulfillment of the provisions of Clause 19.3, and aimed at fulfilling the PERFORMANCE INDICATORS and other requirements set forth under the CONTRACT and its ANNEXES, carries out updates and improvements to CONCESSION ASSETS, whenever these are made available by their respective manufacturers or services required for their proper functioning, encompass the requirement for keeping technology always up-to-date.
- 19.5. CONCESSION ASSETS shall be deemed technologically obsolete whenever significant losses to their initial functions are verified throughout the CONCESSION TERM or, additionally, whenever they are unable to fulfill the PERFORMANCE INDICATORS as well as additional requirements established in the CONTRACT and ANNEXES.
  - 19.5.1. Should any asset be found to be obsolete, the CONCESSIONAIRE may suggest a deadline for meeting the aforementioned requirements, while taking into account all concerning useful lives and/or deadlines for replacing said assets, whereas, either way, the replacement shall take place, at the latest, until the end of the CONTRACT’s term.

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- 19.6. Potential cases of poor conservation or lack of maintenance of CONCESSION ASSETS by the CONCESSIONAIRE are not included within the scope of Clause 19.5, with said cases to be regulated by specific rules provided for under this CONTRACT and ANNEXES.
- 19.7. Any CONCESSIONAIRE-related expenses and investments made aimed at ensuring that the CONCESSION is up-to-date, including fulfilling the PERFORMANCE INDICATORS and additional requirements specified in the CONTRACT and ANNEXES, shall be amortized within the CONCESSION TERM, and shall not entitle the CONCESSIONAIRE to any right to claim compensation or to recover economic-financial balance.
- 19.8. The provisions of Clauses 19.1 to 19.7 of this CONTRACT are not to be mistaken for the option that the CONCESSIONAIRE has, at its own discretion or upon a GRANTING AUTHORITY-issued ruling, to introduce and deploy technological innovations.
- 19.9. Subject to the provisions of Clause Nineteen and for purposes of the CONTRACT, technological innovations are deemed any technology which, at the time that the CONCESSIONAIRE potentially introduced or deployed them, constitutes state-of-the-art technology and which is not commonly used throughout the commercial park segment, environmental assets, ecotourism, leisure, events or other assets intended for public use, and whose use, despite having the potential to provide gains in efficiency and productivity for the CONCESSION, is key in fulfilling the PERFORMANCE INDICATORS as well as other points initially provided for under the CONTRACT and ANNEXES.
- 19.10. The CONCESSIONAIRE shall be entirely free to introduce, throughout the CONCESSION TERM, any technological innovations pertaining to CONCESSION AREA operations, subject to the provisions of Clause Nineteen, without the CONCESSIONAIRE being entitled to any recovery of the CONTRACT's economic-financial balance, except if the CONCESSIONAIRE suggests the introduction to the GRANTING AUTHORITY and the latter approves it, and provided the request explicitly states it is conditioned to the CONTRACT's economic-financial recovery.
- 19.10.1. Failure by the GRANTING AUTHORITY to speak up on the matter shall not be deemed a consent given, and may not be brought up by the CONCESSIONAIRE as grounds for potentially requesting any economic-financial recovery of the CONTRACT.
- 19.11. The CONCESSIONAIRE's introduction of technological innovations, if decided as such by the GRANTING AUTHORITY, shall trigger recovery of the CONTRACT's economic-financial balance, in accordance with the provisions of Clause Twenty-Seven.
- 19.11.1. In the event described in Clause 19.11, the GRANTING AUTHORITY is to update the PERFORMANCE INDICATORS so as to account for performance improvements should this apply, with regard to specific technological innovations having been incorporated.
- 19.12. Introduction of technological innovations due to a GRANTING AUTHORITY-issued ruling, under any circumstance and in compliance with the provisions of Clause 19.10, may only take place within the scope of ORDINARY REVIEWS or, exceptionally, EXTRAORDINARY REVIEWS, pursuant to Clauses Twenty-Nine and Thirty, and shall trigger recovery of the CONCESSION's economic-financial balance.
- 19.13. The provisions of this Clause Nineteen shall not exempt the CONCESSIONAIRE from its duties of introducing, deploying and bearing any and all procedural and/or operating measure-related costs, including those of tax, labor and/or environmental nature determined by different SIMA inspection agents, whereas the CONCESSIONAIRE shall not be entitled to any right to compensation or to recovery of economic-financial balance if these decisions fail to denote the GRANTING AUTHORITY's risk or responsibility factor, under the terms of this CONTRACT.

**CHAPTER III – ON OBLIGATIONS OF THE PARTIES AND THE ECONOMIC FINANCIAL BALANCE OF THE CONTRACT**

**CLAUSE TWENTY – MAIN RIGHTS AND OBLIGATIONS OF THE CONCESSIONAIRE**

- 20.1. The following are the main rights and obligations of the CONCESSIONAIRE, notwithstanding any other obligations specified in this CONTRACT and ANNEXES as well as the duty to meet the PERFORMANCE INDICATORS, in accordance with the rules of this CONTRACT:
- I. to use and operate the CONCESSION AREA in accordance with the provisions of this CONTRACT, ANNEXES, the PARKS' MANAGEMENT PLANS, and the applicable legislation;
  - II. to carry out the MANDATORY MINIMUM INVESTMENTS sums specified in ANNEXES II and III, in addition to any potential NON-MANDATORY INVESTMENTS and ADDITIONAL INVESTMENTS, taking full accountability and preventing any liability whatsoever from falling upon the GRANTING AUTHORITY, particularly with regard to all tax, labor, social security and criminal-related matters, even in instances where construction works and investments are not directly undertaken by the CONCESSIONAIRE, while complying with all timeliness and standards requirements set forth in this CONTRACT;
  - III. to use the CONCESSION AREA as it deems fit, operating it with entrepreneurial and management freedom of its activities, provided said activities comply with its end purpose, the PARKS' MANAGEMENT PLANS, the PARKS' Use Bylaws, if any, municipal and state regulations governing the matter, and which do not breach any prohibitions provided for under the CONTRACT and ANNEXES;
  - IV. to bear all electricity and water expenses as well as those related to all amenities within the CONCESSION AREA, in addition to all taxes potentially levied upon these activities;
  - V. to clear access, at all times, to GRANTING AUTHORITY personnel in charge of inspecting its facilities and places where CONCESSION-related activities are being undertaken;
  - VI. to provide all information requested, whether by the GRANTING AUTHORITY or by any other public authority and PARKS' Advisory Council, within the set deadlines and frequencies;
  - VII. to submit to the GRANTING AUTHORITY, annually, within 90 (ninety) days after each anniversary of the CONTRACT, an annual overview on all activities undertaken, which must be shared by the GRANTING AUTHORITY with the PARKS' Advisory Councils, object of this CONCESSION;
  - VIII. attend, whenever requested with a minimum antecedence of 10 (ten) working days by the GRANTING AUTHORITY or by the Advisory Councils, the periodic meetings of the PARKS' Advisory Councils object of this CONCESSION;
  - IX. to take all measures and timely and regularly secure, at its own expense, all permits related to environmental and urban-related legislation, as well as other specific approvals needed for the regular performance of its activities, including approvals granted by historical, cultural and environmental heritage institutions;
  - X. to endeavor to protect the environment and keep CONCESSION ASSETS in sound conditions;
  - XI. to foster scientific research, technological innovation and environmental conservation activities;
  - XII. to notify all companies procured to provide services related to the purpose of the CONCESSION, with regard to anything deemed relevant for the performance of activities within the scope hereunder, this CONTRACT's provisions, all regulations applying to undertaking activities they were procured for, and provisions relating to environmental protection as well as for using and operating the CONCESSION AREA;



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- XIII. to repair any and all damages caused to the CONCESSION AREA in communications routes, water and sewer pipes, energy grids, gas, telecommunications and all concerning devices as well as any other INTERFERENCES, as per Clause 20.3, in addition to any third party-owned assets resulting from CONCESSION operations, whereas it shall have the right to request, under any circumstances where damages are caused either by the GRANTING AUTHORITY's negligence or willful misconduct, or which result from its risk or responsibility factors, recovery of the CONTRACT's economic-financial balance due to expenses related to said repairs needed;
- XIV. to make the payment of the FIXED GRANT, the VARIABLE GRANT and INSPECTION FEES, in addition to any other sums potentially owed to the GRANTING AUTHORITY;
- XV. to notify the GRANTING AUTHORITY whenever it is served process or summoned in any lawsuit, administrative or arbitration proceedings stemming from CONTRACT-related issues, including procedural terms and deadlines, in addition to employing its best efforts to uphold common interests, thereby carrying out all procedural acts required to that end;
- XVI. to hold the GRANTING AUTHORITY harmless from any litigation, thereby taking on, upon the Judiciary's approval, the role of the party, whereas whenever this replacement is rejected or upheld jointly and severally, taking over the case and sponsorship of any potential lawsuit filed by third parties as a consequence of carrying out this CONTRACT's object;
- XVII. to retain, throughout the CONCESSION TERM, all QUALIFICATION and eligibility CONDITIONS required in the BIDDING PROCESS that are needed for continuation of CONCESSION AREA operations;
- XVIII. to fulfill legal requirements related to labor, social security, occupational safety and health laws for their employees, and holding themselves accountable for all social contribution, labor and social security costs accrued for the workforce employed, as well as insurance coverage for occupational accidents;
- XIX. to keep, at the GRANTING AUTHORITY's disposal, if requested, a copy of all contracts that the CONCESSIONAIRE entered into with third parties concerning outsourced services, as well as those concerning CONCESSION ASSET-related REVENUE operations, funding, acquisitions and services, whereas non-compliance with the current duty due to a supposed confidentiality of the aforementioned contracts shall be prohibited, in which case transfer of the respective confidentiality shall be ensured, by means of documentation delivered, to whomever has access;
- XX. to send a copy of contracts that the CONCESSIONAIRE entered into with third parties concerning services and activities that generate or may generate REVENUE immediately after they are signed, and keep them at the GRANTING AUTHORITY's disposal, if requested;
- XXI. to keep and retain all CONCESSION AREA assets, public amenities and facilities in perfect working order, carry out all replacements of equipment needed due to these being worn out or technologically outdated, in addition to carrying out repairs or upgrading required for adjusted activities and services to be properly carried out and retained, as set forth under this CONTRACT;
- XXII. to reimburse, compensate and hold the GRANTING AUTHORITY harmless from any and all claims or losses which it may suffer due to, among other things;
  - a. disbursements resulting from legal or arbitration rulings of any kind, regardless of being accrued with additional interest rates and legal fees, to fulfill obligations originally attributable to the CONCESSIONAIRE, including labor claims brought forth by employees or third parties associated with the CONCESSIONAIRE, as well as damages to USERS or rulings issued by control and inspection entities;
  - b. any act committed by the CONCESSIONAIRE, its administrators, employees, agents, service providers or third parties whose services it has secured or any other individual or

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legal entity bound to it;

- c. tax, labor, social security or occupational safety issues concerning CONCESSIONAIRE employees and third parties hired;
- d. environmental damages caused by the CONCESSIONAIRE at the CONCESSION AREA and surrounding areas;
- e. procedural expenses, attorney fees and any other costs it may potentially need to bear due to the occurrence of events described in this subsection;
- f. the CONCESSIONAIRE's liability shall persist even after the CONTRACT's expiry, whereas the GRANTING AUTHORITY shall be free to seek compensation from the CONCESSIONAIRE's partners according to corporate law, in the event that the legal entity is liquidated.

- XXIII. to retain bookkeeping and financial statements audited by an independent auditor, in accordance with accounting standards used in Brazil, pursuant to regulations issued by the Conselho Federal de Contabilidade (Federal Accounting Council – CFC), and the Interpretações, Orientações e Pronunciamentos do Comitê de Pronunciamentos Contábeis (Interpretations, Guidelines and Pronouncements of the Accounting Pronouncements Committee – CPC);
- XXIV. to follow up on any and all potential proposals for changes to the PARKS' MANAGEMENT PLANS which may lead to the event provided for under Clause 24.1, subsection VI, as well as notifying the GRANTING AUTHORITY on the impact caused by said changes to this CONTRACT before the changes are approved;
- XXV. to keep the contract's PERFORMANCE BOND in effect as well as all necessary insurance policies, pursuant to the terms of this CONCESSION CONTRACT;
- XXVI. to establish a permanent OMBUDSPERSON'S OFFICE to receive and process complaints and recommendations made by PARK USERS or by third parties impacted by its operations;
- XXVII. to make sure that signage featuring easy to read signs with information on telephone numbers, other emails and addresses of all concerning OMBUDSMAN are put up in readily accessible areas throughout all facilities and access areas where CONCESSION AREA USERS are allowed access, thereby making it clear that the company at hand is not the GRANTING AUTHORITY;
- XXVIII. to introduce measures aimed at preventing and discouraging USERS from inadequately feeding animals;
- XXIX. to provide an environmentally sustainable destination for all waste generated as well as enforcing proper management aimed at attaining energy efficiency and reducing water consumption at all grounds awarded under the concession;
- XXX. upon carrying out its activities, to immediately notify the authorities as soon as it becomes aware of any and all incidents which may jeopardize the CONCESSION AREA's landscape;
- XXXI. to introduce all reasonable steps aimed at preventing any type of damage or accidents to CONCESSION AREA USERS, employees, outsourced personnel or individuals associated in any way whatsoever to the CONCESSIONAIRE, or to any individuals who find themselves within the CONCESSION AREA, in addition to introducing its own first aid or outpatient care proceedings it is able to put in place to mitigate any damages that have occurred or to assist injured people inside the CONCESSION AREA, after which it shall immediately notify all competent bodies;
- XXXII. to take all reasonable steps required to prevent any kind of theft, robbery, damage or injury to

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CONCESSION AREA USERS, employees, outsourced personnel or individuals associated in any way whatsoever to the CONCESSIONAIRE, or to any individuals who find themselves inside the CONCESSION AREA;

- XXXIII. to submit all data and information needed to verify the PERFORMANCE INDICATORS to the INDEPENDENT RAPPORTEUR;
- XXXIV. to put in place and retain, within a 360 (three hundred and sixty) day term as of the DATE OF SIGNATURE, and retain throughout the CONCESSION TERM, a *compliance* program within its scope consisting of internal integrity, auditing and reporting mechanisms and procedures for disclosing breaches, as well as the effective enforcement of codes of ethics and conduct, policies and guidelines aimed at recognizing and rectifying misappropriation of funds, frauds, breaches and illegal activities committed against the PUBLIC ADMINISTRATION, all under the scope of Federal Law no. 12.846/2013 (Anti-Corruption Law), while additionally introducing integrity mechanisms as described in articles 41 and 42 of Federal Decree no. 8.420/2015 and State Decree no. 60.106/2015, or any other Law or regulations that may potentially replace or amend them;
- XXXV. to provide, throughout the entire CONCESSION term, permits from tangible and/or intangible asset heritage preservation institutions needed for current and future landmark designations in the grounds, as well as to deal with any and all financial-economic impacts regarding landmark designations that already existed on the date the NOTICE was published, while additionally taking into account CONDEPHAAT Resolution SC no. 25/1996 and no. 53/2015, and CONPRES Resolution no. 17/2004, which address Dr. Fernando Costa Park as a heritage site;
- XXXVI. to take all steps needed to mitigate and control epidemiological or health hazards at the CONCESSION AREA, resulting from internal or external factors, and notwithstanding the enforcement of additional provisions provided for under the CONTRACT for circumstances that constitute fortuitous or force majeure events;
- XXXVII. to fulfill the requirements and bear all expenses related to licensing or approval proceedings required for placing MANDATORY MINIMUM INVESTMENTS sums or those relating to any INTERVENTIONS or funding undertaken by the CONCESSIONAIRE;
- XXXVIII. to keep the CONCESSION AREA clean and tidy;
- XXXIX. to fulfill any potential requirements and bear all costs related to the Municipality of São Paulo Law no. 15.150/2010, as well as any potential requirements and costs related to the Municipality of São Paulo Law no. 16.402/2016, including requirements and costs that may be eventually determined due to facilities, equipment and assets located in the PARKS;
- XL. to be entitled to retaining economic-financial balance, as per the terms of this CONTRACT;
- XLI. to submit to the GRANTING AUTHORITY, whether spontaneously or upon the latter's request, any documents or information, in addition to any rulings issued in related lawsuits or arbitration proceedings, even when said documents are of a confidential nature, to lawsuits and/or information, in which case confidentiality shall be transferred to whomever accesses it, provided they correspond, whether directly or indirectly, to activities undertaken by the CONCESSIONAIRE under the CONTRACT, and irrespective of whether the GRANTING AUTHORITY is a part thereof or not;
- XLII. notwithstanding the other obligations set forth in the CONTRACT, ANNEXES and applicable regulations to the PARKS management, submit to the GRANTING AUTHORITY, within 15 (fifteen) days from the end of each semester, counting from the signing of the TERM OF DELIVERY OF PUBLIC ASSET, its schedule of activities and events to be held in the CONCESSION AREA for the subsequent period, without prejudice to the possibility of including new events and rescheduling of those already provided for in its schedule, as long as such

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rescheduling is notified to the GRANTING AUTHORITY immediately upon confirmation, subject to the specific provisions of "major events", provided for in ANNEX II, and without prejudice to the need, where applicable, to obtain prior authorization from the Advisory Council, in accordance with ANNEX II;

- XLIII. to redo, overhaul or amend, whether by itself or using third parties, without any costs to burden the GRANTING AUTHORITY, or regarding the performance of any service subject to this CONTRACT OBJECT, any and all construction works or services specifically attributed to the CONCESSIONAIRE, or which stem from obligations that it took on whether hereunder or in any potential amendments to the contract, including as any ADDITIONAL INVESTMENTS potentially undertaken inadequately or in breach of quality standards set forth in this CONTRACT, any potential amendments and ANNEXES, and subject to all GRANTING AUTHORITY-set deadlines;
- XLIV. to answer to the GRANTING AUTHORITY and third parties for CONCESSIONAIRE-undertaken investment and construction work standards and safety, including with regard to any potential ADDITIONAL INVESTMENTS made, thereby holding itself fully accountable for them, their useful life having full working and operating conditions, in light of requirements provided for under the legislation or by the GRANTING AUTHORITY as a consequence of the CONTRACT;
- XLV. upon request and clear of access restrictions, to provide the GRANTING AUTHORITY or other State of São Paulo Direct or Indirect Administration public servers which, for purposes of carrying out their specific duties, need to take note of, with any and all CONCESSION-related documents and information, allowing full and unrestricted access to inspections and audits, even when said documents are of a confidential nature, in which case confidentiality shall be transferred to whomever accesses it;
- XLVI. to secure, invest and manage all funds required to undertake activities and investments within the scope of this CONTRACT;
- XLVII. to collect all taxes levied upon its activities and comply with tax laws while endeavoring to pursue increasingly efficient means, pursuant to the methods provided for under the legislation;
- XLVIII. to take on all duties and deploy all necessary steps to meet the needs of employees injured on the job or suffering from sudden illness, according to the applicable law;
- XLIX. to annually renew documents certifying compliance with INSS and FGTS-tax related obligations, as well as compliance with Federal, State and Municipal Treasury Offices throughout this CONTRACT's entire term, submitting all documentation to the GRANTING AUTHORITY;
- L. to prove to the GRANTING AUTHORITY, upon request and within 10 (ten) working days, that all payments legally required for any and all charges related to services under its scope of responsibility have been settled, including INSS and FGTS-owed taxes, as well as all applicable fees and taxes;
- LI. to answer, on its own behalf or that of its administrators, employees, representatives, subcontractors, service providers or any other individual or legal entity associated with the CONTRACT object, to the GRANTING AUTHORITY and third parties, provided the causal link for any and all damages caused as a consequence of the CONCESSIONAIRE's acts of commission or omission is proven, and anytime they result from carrying out construction works and rendering services under their direct or indirect responsibility, and not waiving or downsizing said GRANTING AUTHORITY's duty to inspect or oversee the CONTRACT;
- LII. to draft and submit to the GRANTING AUTHORITY any potential necessary INSURANCE PLAN reviews stemming from ORDINARY REVIEWS or EXTRAORDINARY REVIEWS, and which are to bring an in-depth description of insurance policy and guarantee conditions described in Clause 37.3 that the CONCESSIONAIRE is to procure, subject to the timetable for forecasted investments, thereby unconditionally ensuring all risks included in its performance;

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- LIII. to immediately give notice upon verifying any environmental liabilities and/or breaches at the CONCESSION AREA;
  - LIV. to keep all services rendered compliant with the rulings of Federal Law no. 6.514/1977, as regulated under Directive no. 3.214/1978 of the Ministry of Labor (and subsequent modifications), as well as specific engineering, safety and occupational health standards;
  - LV. to disclose to USERS ahead of time, including by posting on the CONCESSIONAIRE's homepage, the timetable of construction works expected to be undertaken at the CONCESSION AREA, thereby ensuring users to be able to predict its operating conditions;
  - LVI. to provide written notification to the GRANTING AUTHORITY, within 24 (twenty-four) hours, on any and all atypical events or accidents verified at the CONCESSION AREA, notwithstanding immediate notification sent by any suitable means;
  - LVII. to deny or suspend any current construction works or services potentially harmful to USERS and third parties' safety and assets;
  - LVIII. to make sure that all REVENUE is transferred into the CENTRALIZER ACCOUNT;
  - LIX. to keep the INVENTORY up-to-date throughout the entire CONCESSION TERM, providing all applicable information; and
  - LX. to comply with, and ensure, that environmental protection laws are complied with, by taking all necessary steps to prevent and/or remedy any potential environmental damages, regardless of whether the triggering event occurred before or after the execution of the TERM OF DELIVERY OF PUBLIC ASSET, and without prejudice to the right to economic-financial recovery in the case of allocation of the corresponding risk to the GRANTING AUTHORITY.
- 20.2. The CONCESSIONAIRE may undergo winding-up proceedings whilst any type of responsibility stemming from obligations specified in Clause 20.1 is still in place, regardless of the CONTRACT having been terminated.
- 20.3. The CONCESSIONAIRE's duty to deal with any and all INTERFERENCES specified in subsection XIII of Clause 20.1 shall not negatively hamper the CONCESSIONAIRE's right to recover the CONTRACT's economic-financial balance, in the event that the risk pertaining to the respective INTERFERENCES is attributable to the GRANTING AUTHORITY, and provided the recovery's remaining arguments are met.
- 20.4. The CONCESSIONAIRE's duty to secure, throughout the CONCESSION TERM, permits from tangible and/or intangible heritage preservation institutions needed for landmark designations and future entries enforced upon the CONCESSION AREA after the date the NOTICE was published, as provided for under subsection XXXV of Clause 20.1, shall not negatively hamper the right to economic-financial recovery, in the event that the risk pertaining to the respective entry or landmark designation is attributable to the GRANTING AUTHORITY, and provided the recovery's remaining arguments are met.

**CLAUSE TWENTY-ONE – ON THE MAIN RIGHTS AND OBLIGATIONS OF THE GRANTING AUTHORITY**

- 21.1. The following are the main rights and obligations of the GRANTING AUTHORITY, notwithstanding other obligations set forth in this CONTRACT:
- I. upon signing the TERM OF DELIVERY OF THE PUBLIC ASSET, to transfer direct ownership and control of the CONCESSION AREA to the CONCESSIONAIRE, under the terms of this CONTRACT and ANNEXES;
  - II. to endeavor, even under circumstances which are the CONCESSIONAIRE's sole responsibility, to



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employ its best efforts to help secure all necessary permits and approvals for the CONCESSIONAIRE, so that the latter is able to perform the CONTRACT object, particularly, but not limited to, working alongside historical, cultural and landscaping heritage preservation institutions, which shall additionally entail it participating in joint meetings and sending any potential objections required;

- III. to oversee construction works to be undertaken at the CONCESSION AREA, for purposes of verifying proper fulfillment of the contract object, and to employ its best efforts to shorten deadlines for securing necessary approvals;
- IV. to oversee fulfillment of standards and rules relating to the performance of the CONCESSION's purpose;
- V. to oversee the adequate performance of the CONTRACT, while endeavoring to uphold sound CONCESSION operations, which shall include receiving, investigating and referring USER claims and complaints to the permanent OMBUDSMAN of the PARKS, in addition to applying, as the case may be, all applicable measures, notwithstanding additional regulation, inspection and monitoring prerogatives laid out in this CONTRACT and the applicable legislation;
- VI. to inspect all grounds to ensure whether the public use asset awarded has been kept in sound conditions, in addition to evaluating technical resources that the CONCESSIONAIRE uses in its CONCESSION operations;
- VII. to carry out regular accounting, economic and financial audits, or any other deemed relevant as well as, should it deem suitable, by hiring a dedicated auditing company for the CONCESSIONAIRE's bookkeeping and records, aimed at preventing any and all situations that might jeopardize CONCESSION operations, as well as the CONCESSION AREA's proper maintenance and public use, notwithstanding its prerogative to carry out its oversight duties within its scope of attributes;
- VIII. to duly substantiate all its rulings, authorizations, approvals, requests or any other acts carried out within the scope of this CONTRACT;
- IX. to oversee the CONCESSIONAIRE's standards and performance in fulfilling this CONTRACT object;
- X. pursuant to the program devised alongside the CONCESSIONAIRE, to monitor drafting of engineering designs and studies, while employing its best efforts to shorten deadlines required for securing necessary approvals;
- XI. to provide corporate support for all necessary arrangements alongside other public entities, whenever the performance of services falling under their responsibility interferes with activities provided for under this CONTRACT object, without, however, this entailing any changes to risks taken on by either PARTY under the terms of this CONTRACT;
- XII. to endeavor to retain the CONTRACT's economic-financial balance, while taking into account, among other things, the need to uphold the CONCESSIONAIRE's solvency and liquidity whenever obligations not originally provided for under the CONTRACT are enforced, as well as deploying economic-financial balance restructuring proceedings;
- XIII. to preserve and manage according to good faith, the CONCESSION AREA during the time frame ranging from the DATE OF SIGNATURE of the CONTRACT to the signing of the TERM OF DELIVERY OF THE PUBLIC ASSET by the PARTIES, in addition to clearing CONCESSIONAIRE representatives' access to the CONCESSION AREA whenever said access does not hinder activities held on-site, aimed at helping to conduct research studies, inspections and procedures required for securing permits and approvals to carry out INTERVENTIONS;

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- XIV. to intervene in the CONCESSION, resume or terminate it under the conditions laid out in this CONTRACT and in the applicable legislation;
- XV. to unilaterally change the CONTRACT, pursuant to all legal terms and subject to the provisions of this CONTRACT, while retaining the CONCESSION's economic-financial balance;
- XVI. to notify, at its discretion, the financial institution or insurance company in charge of executing the PERFORMANCE BOND, in addition to the CONCESSIONAIRE's financing bodies in instances where intervention, expropriation or termination proceedings are initiated;
- XVII. to work together with the CONCESSIONAIRE's financial bodies, within the scope of its corporate activities, by providing information and clarifications aimed at helping to ensure the feasibility of investment funding, thereby enabling full performance of the purpose of the CONCESSION;
- XVIII. to enforce all legal and regulatory penalties, regardless of the deadlines provided for under the contract, as well as contract penalties, as set forth under the CONTRACT and its ANNEXES;
- XIX. to give notice to the CONCESSIONAIRE, setting a deadline for it to remedy flaws or breaches verified while carrying out activities that are the purpose of the CONCESSION, regardless of initiating corresponding sanctioning administrative proceedings;
- XX. to conduct ORDINARY REVIEWS and EXTRAORDINARY REVIEWS;
- XXI. to provide written notice to the CONCESSIONAIRE on enforcing any potential penalties upon it, ensuring it the right to defense, as per the terms of this CONTRACT; and
- XXII. to devise its best efforts and work together with the CONCESSIONAIRE on matters and issues concerning CONCESSION-related lawsuits, administrative or arbitration proceedings, of which it is not a party, by providing all required information and submitting documentation or attending meetings, hearings or audiences, as the case may be, while always endeavoring to ensure continuity of activities rendered under the CONCESSION and keeping the CONTRACT compliant with its deadlines and conditions.

**CLAUSE TWENTY-TWO – ON THE MAIN RIGHTS AND OBLIGATIONS OF USERS**

- 22.1. Notwithstanding provisions of the applicable legislation, the following are rights and obligations of CONCESSION USERS:
- I. to receive an ADEQUATE SERVICE, in accordance with quality and performance standards specified in this CONTRACT and ANNEXES;
  - II. to receive information from the GRANTING AUTHORITY and the CONCESSIONAIRE for purposes of upholding individual or collective interests, and for proper use of the CONCESSION AREA;
  - III. to receive information from the CONCESSIONAIRE about prices charged at the CONCESSION AREA;
  - IV. to engage with the CONCESSIONAIRE through distinct systems and relationship channels, particularly by the OMBUDSMAN and social-media customer services, among others;
  - V. to notify the GRANTING AUTHORITY and the CONCESSIONAIRE on any and all breaches that they have become aware of concerning services rendered, management of the CONCESSION AREA and other CONCESSION AREA-related visitor and public use requirements;
  - VI. to notify all relevant authorities on any unlawful acts committed by the CONCESSIONAIRE, its outsourced personnel/SUBCONTRACTED parties or third parties, in its performance of the

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CONCESSION;

- VII. to help keep all CONCESSION ASSETS, through which services are rendered, in sound conditions;
  - VIII. to draw on, if possible, facilities suited to individuals with disabilities or reduced mobility, including the elderly, under the terms provided for under current guidelines;
  - IX. to fulfill all legal and regulatory duties related to CONCESSION AREA visitor and public use matters;
  - X. to be covered by insurance policies provided for under this CONTRACT, as applicable; and
  - XI. to uphold all CONCESSIONAIRE-set safety instructions and guidelines for using CONCESSION AREA attractions, particularly, but not limited to, water, adventure and ecotourism activities.
- 22.2. Upon performing this CONTRACT object, the CONCESSIONAIRE, as per the terms of Federal Law no. 13.709/2018, shall be deemed a PERSONAL DATA CONTROLLER or a PERSONAL DATA OPERATOR, insofar as the TREATMENT OF PERSONAL DATA to be carried out falls either within the scope of the provisions of subsection VI or those of subsection VII of article 5 of that Law, and shall further comply with Federal Law no. 13.709/2018 while complying with, but not limiting itself to, the duties and guidelines set out below.
- 22.2.1. The CONCESSIONAIRE is to keep PERSONAL DATA in an interoperable and structured system, which shall be made available to the PERSONAL DATA HOLDER upon request made at a disclosed website, whereas the PERSONAL DATA HOLDER shall be entitled to:
- I. an easy and free of charge check on the type and duration of the TREATMENT, in addition to a check on the entirety of his or her PERSONAL DATA;
  - II. accuracy, clarity, relevance and updating of PERSONAL DATA as need may be, and for fulfilling the end purpose of his or her TREATMENT, with the user having the right to request that incomplete, inaccurate or outdated data be corrected, as well as being able to request that unnecessary, excessive or data that fails to be treated in accordance with this CONTRACT object and with Federal Law no. 13.709/2018 be kept anonymous, blocked or removed;
  - III. clear, accurate and readily accessible information on the TREATMENT to be carried out, as well as on the concerning treatment agents, while upholding trade and industrial secrets.
- 22.2.2. CONCESSIONAIRE staff members designated to handle the TREATMENT OF PERSONAL DATA are to sign a confidentiality, liability and use term.
- 22.2.3. The CONCESSIONAIRE is required to devise a Data Privacy Program, which is to be submitted to the GRANTING AUTHORITY within a 1 (one) year term starting from the DATE OF SIGNATURE, and which shall further comply with the following standards, without, however, restricting itself to them:
- I. specify which PERSONAL DATA the CONCESSIONAIRE is allowed to and/or should treat, signalling the end purpose of its TREATMENT, pursuant to the terms of article 6, subsection I of Federal Law no. 13.709/2018;
  - II. describe the TREATMENT OF PERSONAL DATA undertaken by the CONCESSIONAIRE, specifying all concerning operations, procedures and scope that apply, what this includes without, however, restricting itself to it, signalling when the data will be shared and in under which conditions, subject to the provisions of article 7 of Federal Law no. 13.709/2018;



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- III. describe the type of service provided to the PERSONAL DATA HOLDER holding the rights foreseen under Federal Law no. 13.709/2018;
  - IV. a secure plan for disposing data and information upon the end of the TREATMENT OF PERSONAL DATA, except when there is a requirement to keep said data and information needed due to legal, regulatory or contractual obligations.
- 22.2.3.1. Up to 60 (sixty) days after the CONCESSIONAIRE has submitted its program, the GRANTING AUTHORITY shall verify whether said CONCESSIONAIRE-drafted Data Privacy Program provides for all information required for the assessment described in Clause 22.2.3.
  - 22.2.3.2. Within this same deadline, the GRANTING AUTHORITY is to notify the CONCESSIONAIRE on the inadmissibility of the drafted Data Privacy Program should it verify a lack of information required for the assessment, by means of a duly reasoned notification.
  - 22.2.3.3. Should it receive a notification addressing said inadmissibility, the CONCESSIONAIRE is to submit the Data Privacy Program again to the GRANTING AUTHORITY within 60 (sixty) days, with said program to be subjected to a new admissibility stage.
  - 22.2.3.4. In the event that the Data Privacy Program is found to be inadmissible, the GRANTING AUTHORITY shall assess the CONCESSIONAIRE-drafted Data Privacy Program within 60 (sixty) days.
  - 22.2.3.5. The assessment undertaken by the GRANTING AUTHORITY shall examine the following obligations provided for under the CONTRACT and ANNEXES, and in compliance with Federal Law no. 13.709/2018, either finding the assessed obligation to be compliant or, in case it verifies any non-compliance with contractual or legal provisions, rejecting it or requesting that changes be made to it.
  - 22.2.3.6. The CONCESSIONAIRE's start of its Data Privacy Program shall be conditional upon the GRANTING AUTHORITY's prior approval, pursuant to the terms of Clause 22.2.3.2.1.
- 22.2.4. The CONCESSIONAIRE is required to appoint an INDIVIDUAL IN CHARGE, who may be a third party specifically hired to carry out said duties.
- 22.2.5. Should any change be made to the Data Privacy Program, the CONCESSIONAIRE is required to notify the GRANTING AUTHORITY in advance, so that the latter is able to assess whether said change is feasible or not, following the procedures set out in Clause 22.2.3.
  - 22.2.5.1. In the event that the change to the Data Privacy Program addressed in Clause 22.2.3 comes to fruition, PERSONAL DATA HOLDERS are to be notified by means of a notice published on the website, as described in Clause 22.2.1.
- 22.2.6. The CONCESSIONAIRE is accountable for any and all potential damages caused to the GRANTING AUTHORITY and to PERSONAL DATA HOLDERS stemming from their TREATMENT in non-compliance with Federal Law no. 13.709/2018, this contract, the GRANTING AUTHORITY's standards and rulings, or with any end purpose other than the purpose of the CONCESSION.
- 22.2.7. The CONCESSIONAIRE is prohibited from transferring and/or sharing any PERSONAL DATA it has access to, resulting from this CONTRACT, to third parties, except when required for purposes of the performance of the CONTRACT itself.
- 22.2.8. In case transfer and/or sharing of PERSONAL DATA with third parties is required for purposes of the performance of the CONTRACT, the CONCESSIONAIRE shall notify the GRANTING AUTHORITY on this need in advance, in addition to letting PERSONAL DATA HOLDERS know this information.

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- 22.2.9. Whenever required, the CONCESSIONAIRE shall be responsible for drafting an impact report for safeguarding personal data as addressed in Federal Law no. 13.709/2018, in addition to fulfilling any other legal obligation concerning safeguarding of PERSONAL DATA that may apply to them;
- 22.2.10. While taking into account the principles provided for under the *caput* of article 6 of Federal Law no. 13.709/2018 and regarding PERSONAL DATA, the CONCESSIONAIRE is to introduce adequate safety, technical and administrative measures to safeguard data and information from unauthorized access as well as from accidental or unlawful instances relating to destruction, loss, changes or notifications of data, or any other type of improper or unlawful treatment.
- 22.2.11. Upon request, the CONCESSIONAIRE is to provide the GRANTING AUTHORITY with all information deemed necessary related to the performance of this CONTRACT object for the GRANTING AUTHORITY's fulfillment of obligations attributable to it, resulting from Federal Law no. 13.709/2018.
- 22.2.12. The CONCESSIONAIRE is to immediately notify the GRANTING AUTHORITY on the occurrence of any safety incident related to PERSONAL DATA, as well as sharing all mitigation and recovery measures put in place.
- 22.2.13. The CONCESSIONAIRE is prohibited from transferring PERSONAL DATA outside the Brazilian territory without the GRANTING AUTHORITY's prior and written consent, as well as without the CONCESSIONAIRE successfully proving that it adequately safeguards this data, with the CONCESSIONAIRE further being accountable for complying with the full scope of protection or privacy laws from other country(ies) that may potentially apply.
- 22.2.14. At the end of the CONCESSION TERM, all PERSONAL DATA the CONCESSIONAIRE had access to, including any potential copies of PERSONAL DATA treated under this CONTRACT, are to be fully and immediately provided to the GRANTING AUTHORITY or, upon a grounded request, within 30 (thirty) days after its closing date, whereas the CONCESSIONAIRE may not, under any circumstance whatsoever, remain in possession of said PERSONAL DATA, with the CONCESSIONAIRE further being required to certify, in writing, to the GRANTING AUTHORITY that it has fulfilled said obligation.

**CLAUSE TWENTY-THREE – ON THE RISKS OF THE CONCESSIONAIRE**

- 23.1. The CONCESSIONAIRE takes on full responsibility for all risks intrinsic to operating and rendering services and activities provided for under this CONTRACT object, except only for those that are clearly in opposition to this CONTRACT, and including the following major risks:

**Engineering, Construction and Operating Risks**

- I. errors, omissions or changes in engineering designs, or in studies conducted to assist them, including those needed to assess data and projects disclosed by the GRANTING AUTHORITY, including the CONCESSIONAIRE's execution and/or technological approach;
- II. urban and environmental restrictions regarding projects that the CONCESSIONAIRE took into consideration while devising its BID PRICE;
- III. risks arising out of the technology(s) or approach(es) employed to undertake activities that are the purpose of the CONCESSION, as well as the failure of technological innovations introduced by the CONCESSIONAIRE;
- IV. embargo of construction works or activities foreseen under the purpose of the CONCESSION;
- V. mistakes in construction works and investments provided for in this CONTRACT, including damages

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resulting from safety issues at the construction site;

- VI. project or design errors, errors in forecasting costs and/or expenses, errors in estimating the time needed to complete construction works, or mistakes made while planning and undertaking activities that are the purpose of the CONCESSION, construction work or public amenity defects, as well as flaws or breaches caused by the CONCESSIONAIRE, third parties or subcontractor companies procured by it, even in events requiring the GRANTING AUTHORITY's prior approval;
- VII. any and all issues arising out of the CONCESSIONAIRE's relationship with its subcontractors or outsourced personnel, including in regard to business partnerships resulting thereof;
- VIII. interfacing and aligning construction works, public amenities and systems with one another, as well as with GRANTING AUTHORITY-owned assets and public amenities;
- IX. securing permits, licenses and/or approvals of any kind, to be issued by administrative authorities required to carry out MANDATORY MINIMUM INVESTMENTS sums and any potential ADDITIONAL INVESTMENTS, including ENVIRONMENTAL PERMITS as deadlines and costs entailing said proceedings, in addition to any potential court rulings suspending its execution, except in instances where failure to secure, or delay, stems solely from a GRANTING AUTHORITY-led action or omission, or the licensing body's breach of legal obligations enforced upon it;
- X. .securing permits, licenses and/or approvals of any kind, to be issued by administrative bodies and required for making any potential NON-MANDATORY INVESTMENTS, including ENVIRONMENTAL PERMITS, in addition to deadlines and costs entailing said proceedings, as well as any potential court rulings suspending its enforcement, except in instances where said failure, or delay, stems solely from a GRANTING AUTHORITY action or omission;
- XI. cost, investment or revenue variations due to public facility use, disruptions or lack of availability, such as electrical power and water;
- XII. any PUBLIC ADMINISTRATION entity-led interventions, including its concessionaires, licensees and public service authorized representatives or economic activity assignees, for purposes of performing activities that are the purpose of the CONCESSION;
- XIII. all risks intrinsic to performing the purpose of the CONCESSION with the standards required under this CONTRACT, including, but not limited to, funding, costs or additional expenditures required for fulfilling PERFORMANCE INDICATORS as a result of their performance, aimed at fulfilling the requirement to uphold the updatedness in the performance of activities that are the CONTRACT object, as well as technical standards and rules provided for under the legislation or this CONTRACT;
- XIV. economic inefficiencies or losses resulting from failure, negligence, ineptitude or omission in performing activities that are the purpose of the CONCESSION;
- XV. issues, delays or inconsistencies in providing material, inputs or services needed for carrying out activities that are the object of the CONCESSION CONTRACT;
- XVI. visible errors or defects in the CONCESSION AREA and in CONCESSION ASSETS not identified by the CONCESSIONAIRE in the PHOTOGRAPHIC REPORT AND DESCRIPTIVE MEMORANDUM, approved by the GRANTING AUTHORITY pursuant to Clause Eighth;
- XVII. additional costs or delays stemming from geological circumstances at the CONCESSION AREA that could have been planned for by means of disclosing public access documentation, even if this negatively impacts INTERVENTIONS made concerning STARTING MINIMUM INVESTMENTS sums and ADDITIONAL INVESTMENTS, and which have been undertaken as a conventional engineering solution;
- XVIII. additional costs or delays stemming from geological circumstances at the CONCESSION AREA,

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regardless of the forecast option by means of checking public-domain documentation affecting NON-MANDATORY INVESTMENTS;

- XIX. embargo of the enterprise or court rulings affecting or suspending construction works or CONCESSION AREA operations due to the CONCESSIONAIRE and/or its subcontractors' non-compliance with guidelines and requirements stemming from proceedings required to secure permits, or any acts of commission or omission by the CONCESSIONAIRE that conflict with the provisions of this CONTRACT, the MANAGEMENT PLANS and the PARKS' Use Bylaws, and/or the applicable legislation;
- XX. any and all sums potentially due, including action for damages to CONCESSION AREA USERS, employees, outsourced personnel or individuals associated in any way whatsoever to the CONCESSIONAIRE, or to any individuals who find themselves inside the CONCESSION AREA, even if caused by an accident, and except if due to a circumstance that is directly attributable to the GRANTING AUTHORITY;
- XXI. treatment, costs and delays stemming from INTERFERENCES potentially verified while carrying out NON-MANDATORY INVESTMENTS, and concerning all consequences relating to them, including any costs arising out of the need to remove or move items elsewhere, as well as any additional costs related to any other potential measures needed;
- XXII. flooding or inundation that hinders or temporarily suspends the CONCESSIONAIRE's activities and/or damages CONCESSION ASSETS, except if the CONCESSIONAIRE proves that it has put in place all microstraining and monitoring measures at the CONCESSION AREA as specified in ANNEX III, in addition to flooding incidents proven to have occurred due to a lack of works execution and local municipal and/or state-level microstraining interventions enforced;
- XXIII. wrong estimates provided in the schedule for executing investments, delays in meeting construction work schedules as well as any other deadline set forth in this CONTRACT, particularly in regard to final milestone deadlines listed in current schedule(s), in all instances where said delay concerns duties and risks that were not clearly assigned to the GRANTING AUTHORITY;
- XXIV. safety and health of workers at the CONCESSION AREA who are employed by the CONCESSIONAIRE, its subcontractors or third parties, including with regard to safety of construction sites;

**Economic-Financial Risks**

- XXV. REVENUE forecasts accounted for in the BID PRICE, whereas any type of recovery of the CONTRACT's economic-financial balance shall be inadmissible due to amendments, lack of acknowledgment or due to losses resulting from failure to achieve the forecasted REVENUE;
- XXVI. prices charged by the CONCESSIONAIRE or by third parties that have transacted with the CONCESSIONAIRE to operate CONCESSION AREA activities;
- XXVII. robbery, theft or destruction-related expenses, regardless of being only partial, resulting from any event or loss of CONCESSION ASSETS;
- XXVIII. the CONCESSIONAIRE's financial and/or fundraising ability, as well as loan and financing cost variations to be secured by the CONCESSIONAIRE for purposes of carrying out activities, making investments or defraying operations that are the purpose of the CONCESSION;
- XXIX. USER number variations compared to forecasted numbers made in projections made by the CONCESSIONAIRE or the GRANTING AUTHORITY;
- XXX. variations in REVENUE collected by the CONCESSIONAIRE concerning any forecast made by the CONCESSIONAIRE or the GRANTING AUTHORITY;

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- XXXI. forecast errors and potential variations concerning input, operating, maintenance, funding and personnel expenditure costs, or any other cost borne by the CONCESSIONAIRE while carrying out activities that are the purpose of the CONCESSION, whether over time or in regard to any forecast made by the CONCESSIONAIRE or the GRANTING AUTHORITY, even in circumstances where there has been prior notification, consent or approval by the GRANTING AUTHORITY;
- XXXII. reductions in the total amount collected as REVENUE due to the absence of electronic records or due to any type of fraud committed by USERS, who take advantage of any activity carried out by the CONCESSIONAIRE, including due to lack of electricity, public amenity defects, acts of vandalism and any other events whose risk has been attributed to the CONCESSIONAIRE under the terms of this CONTRACT, except for cases where the risk of the event resulting in REVENUE reduction perceived is solely attributed to the GRANTING AUTHORITY;
- XXXIII. costs corresponding to taxes and other duties levied upon CONCESSIONAIRE-executed activities;
- XXXIV. inefficiencies or economic losses arising out of errors, negligence, defects, omissions, or from the CONCESSIONAIRE's own activities in its fulfillment of the purpose of the CONCESSION;
- XXXV. changes in the macroeconomic context, cost of debt variations, changes in current market interest rates, and exchange rate variations;
- XXXVI. establishment, dismissal or amendment of any taxes or legal fees, regardless of these having a direct or indirect impact on CONCESSIONAIRE revenue and expenses, or those of its subcontractors;
- XXXVII. changes made to the legislation and general-scope state regulations made by any federation branch, and unspecific to the CONCESSION or the CONCESSIONAIRE, regardless of constituting a government authority act affecting the CONTRACT, and provided they are unrelated to aforementioned risks already clearly and specifically taken on by the GRANTING AUTHORITY within the scope of this CONTRACT;
- XXXVIII. posterior verification of errors or omissions in the BID PRICE or in any other CONCESSIONAIRE forecast or assumption, or in surveying or research assisting them, including those required for assessing data and projects disclosed by the GRANTING AUTHORITY;
- XXXIX. damages, whether intentional or not, caused to CONCESSION ASSETS resulting from acts of vandalism, depredation, theft, graffiti or any other act committed by USERS or third parties;
- XL. USER or third party defaults in payments owed to the CONCESSIONAIRE;
- XLI. establishment or changes to ticket exemptions or benefits granted to USERS when it comes to sums charged by the CONCESSIONAIRE, or by any other PUBLIC ADMINISTRATION body having jurisdiction on the matter, with the sole exception of GRANTING AUTHORITY enforcements on price restrictions practiced by the CONCESSIONAIRE, specifically intended for the CONCESSION.

**Legal Risks**

- XLII. unpredictable factors, predictable factors of unmeasurable consequences, fortuitous or force majeure events which, under normal market conditions, can be insured by policies available in Brazil if, at the time that the risk comes to fruition, said risk is insurable for at least 24 (twenty-four) months, up to the threshold level of average insurance policy prices normally applying to the market by at least two insurance companies, regardless of whether the CONCESSIONAIRE secured their services or not;
- XLIII. general or local collective strikes and labor disputes by CONCESSIONAIRE employees, its suppliers, subcontractors or outsourced personnel;



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- XLIV. public, administrative, environmental and criminal liabilities for any damages that may be caused to third parties, or caused by third parties, whether these individuals work for the CONCESSIONAIRE, its employees, agents, outsourced personnel or subcontracted companies, resulting from executing activities that are the purpose of the CONCESSION;
- XLV. the CONCESSION and CONCESSIONAIRE's corporate, financial, economic, tax and bookkeeping planning;
- XLVI. funding, costs and expenses resulting from landmark designation and entries already enforced upon existing CONCESSION AREA tangible and intangible assets, up to the date that the NOTICE is published;
- XLVII. funding, costs and expenses needed to bring any document or property into compliance potentially required in licensing or approval procedures, or by state bodies holding jurisdiction over CONCESSION AREA operations.
- XLVIII. impacts arising out of the establishment, revocation or review of regulatory standards issued by the GRANTING AUTHORITY or by any other agency or entity in charge of regulating activities that are the purpose of the CONCESSION, when strictly procedural;
- XLIX. third party-filed lawsuit costs against the GRANTING AUTHORITY, against the CONCESSIONAIRE or subcontractors resulting from performance of the CONTRACT object, including any action for damages caused to USERS and third parties, except if due to a circumstance attributable directly to the GRANTING AUTHORITY;
- L. embargo of events, sanctions, or any other consequences resulting from non-compliance with the limit of public attraction of events, provided for in the agreement entered into in Public Civil Action No. 0018822-78.2000.8.26.0053, while in effect;
- LI. rescission or any other form of termination, for any reason, of the TERM OF PERMISSION or any instrument that may replace it;
- LII. all risks related to eventual requirements and costs related to the Municipality of São Paulo Law no. 15.150/2010, and/or the Municipality of São Paulo Law no. 16.402/2016, including requirements and costs that may eventually be determined due to facilities, equipment and assets located in the PARKS;
- LIII.

**Environmental Risks**

- LIV. fines or offsetting payments for environmental damages caused while rendering activities that are the purpose of the CONCESSION;
- LV. embargo of the enterprise, new costs, non-compliance with deadlines, the need to approve projects again with the competent bodies, including the GRANTING AUTHORITY, issuance of new approvals by competent bodies due to the CONCESSIONAIRE and/or its subcontractors' non-compliance with any and all requirements arising out of the procedure to secure ENVIRONMENTAL PERMITS, including any potential offsetting payments;
- LVI. any potential ENVIRONMENTAL PERMIT-related mitigating and offsetting measure;
- LVII. any environmental liabilities and/or breaches whose potential signs of defects and non-compliances meet any of the following requirements: (a) which are identified as the responsibility of the CONCESSIONAIRE, in ANNEXES II and III; or (b) which, having not been identified as a

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responsibility of the CONCESSIONAIRE, in ANNEXES II or III, have not been reported by the CONCESSIONAIRE through notes in the PHOTOGRAPHIC REPORT AND DESCRIPTIVE MEMORIAL, in the form as approved by the GRANTING AUTHORITY, in the terms of Clause Eight, regardless of the date of their origin; and

- LVIII. retaining ownership over the CONCESSION AREA, as well as direct and indirect costs and deadlines for solving squatting or occupation events of CONCESSION AREA property, resettlements and relocations, provided that, in any of these events, occupation, disseisin, trespassing or imminent events came to fruition after the TERM OF DELIVERY OF THE PUBLIC ASSET was signed.
- 23.2. The CONCESSIONAIRE clearly states to be fully aware of the nature and extent of risks taken on by it under the CONTRACT, and has additionally taken such risks into account while devising its BID PRICE.
- 23.3. The CONCESSIONAIRE is fully responsible for carrying out thorough surveying and for acknowledging all risks taken on by it in the performance of its duties within the scope of this CONTRACT, and shall deploy any and all solutions, proceedings and methods it deems to be best suited and effective to mitigate risks assumed, taking responsibility for any resulting consequences.
24. The list of risks expressly attributed to the CONCESSIONAIRE in Clause 23.1 is not exhaustive, so that any and all risks that have not been expressly allocated to the GRANTING AUTHORITY, in Clause 24.1 or in other contractual provisions that unambiguously point in this direction, will be treated as risks assumed by the CONCESSIONAIRE, not giving rise, if materialized, to the recovery of the economic and financial balance of the CONTRACT in favor of the CONCESSIONAIRE.

**CLAUSE TWENTY-FOUR – ON RISKS OF THE GRANTING AUTHORITY**

- 24.1. Notwithstanding other risks clearly taken on by the GRANTING AUTHORITY in other Clauses of this CONTRACT, the GRANTING AUTHORITY takes on the following CONCESSION-related risks:
- I. all positive or negative economic-financial impacts resulting from unilateral changes made to MANDATORY MINIMUM INVESTMENTS sums, setting forth ADDITIONAL INVESTMENTS, setting forth new assignments, changing any duty that the CONCESSIONAIRE is responsible for, or changing any of the CONTRACT's enforcement conditions, provided that, as a direct result of said change, a change in costs or in REVENUE is ascertained for the CONCESSIONAIRE, whether for more or for less;
  - II. economic and financial impacts resulting from the prohibition to sell alcoholic beverages in the CONCESSION AREA, for consumption in controlled establishments;
  - III. visible errors or defects in the CONCESSION AREA and in CONCESSION ASSETS, reported by the CONCESSIONAIRE in the PHOTOGRAPHIC REPORT AND DESCRIPTIVE MEMORANDUM as approved by the GRANTING AUTHORITY pursuant to Clause Eight;
  - IV. environmental liabilities resulting from activities undertaken at the CONCESSION AREA prior to signing the TERM OF DELIVERY OF THE PUBLIC ASSET, provided that, cumulatively, the corresponding evidence of defects and non-conformities: (a) are not identified as the CONCESSIONAIRE's responsibility in ANNEXES II or III; and (b) have been reported by the CONCESSIONAIRE in the PHOTOGRAPHIC REPORT AND DESCRIPTIVE MEMORANDUM, which has been approved by the GRANTING AUTHORITY pursuant to Clause Eight;
  - V. court or administrative rulings preventing or precluding the CONCESSIONAIRE from operating the CONCESSION AREA, collecting CONCESSION REVENUE, or from works execution stemming from MANDATORY MINIMUM INVESTMENTS sums or ADDITIONAL

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INVESTMENTS, except in cases where the CONCESSIONAIRE has given rise to said ruling, or under the circumstances provided for under Clause 23.1, subsection XX;

- VI. changes in the PARKS' MANAGEMENT PLANS and in the PARKS' Use Bylaws, except in relation to the foreseen in sub-clause 24.1.1, provided that, as a direct result of said change, there is an alteration in costs or in REVENUE for the CONCESSIONAIRE, whether for more or for less;
- VII. impacts on the CONCESSION AREA or on CONCESSIONAIRE activities as a consequence of naturally caused soil movements;
- VIII. unpredictable factors, predictable factors of unmeasurable consequences, fortuitous or force majeure events which, under normal market conditions, are unable to be insured by policies available in Brazil and, at the time that the risk comes to fruition, if said risk is uninsurable for at least 24 (twenty-four) months in the Brazilian insurance market by at least two insurance companies, or in regard to an installment exceeding the average of sums insurable by insurance policies commonly applying to the market;
- IX. damages caused to CONCESSION ASSETS, the CONCESSIONAIRE, third parties or USERS, whenever these result from risks attributed to the GRANTING AUTHORITY coming to fruition or due to its fault;
- X. archaeological or paleontological discoveries made in the CONCESSION AREA that are not noted in public records until the date the NOTICE is published, as well as costs associated with the said event;
- XI. costs related to handling any unperceived INTERFERENCE potentially verified while making the MANDATORY MINIMUM INVESTMENTS or ADDITIONAL INVESTMENTS, as well as all consequences related to them, subject to the provisions of Clause 20.3, and except for INTERFERENCES described in ANNEXES, those pointed out in public-domain documents and those whose rearrangement results from enforcing NON-MANDATORY INVESTMENTS;
- XII. changes made by the GRANTING AUTHORITY to PERFORMANCE INDICATORS that cause proven and impacts on CONCESSIONAIRE costs, these being greater than those incurred in the event that the the CONTRACT object is carried out under current and proper circumstances;
- XIII. any ruling enforced upon the CONCESSIONAIRE to force it to introduce new technological innovations, pursuant to the provisions of Clause 19.10, and which cause proven impacts on CONCESSIONAIRE costs, these being greater than those incurred in the event that services rendered at the CONCESSION AREA are carried out under current and proper circumstances;
- XIV. any cost related to handling hidden defects verified at any time by the CONCESSIONAIRE at the CONCESSION AREA, provided these result from activities undertaken before the TERM OF DELIVERY OF THE PUBLIC ASSET was signed, and which additionally could not have been verified by the CONCESSIONAIRE, by means of undertaking reasonably requested proceedings;
- XV. delays or non-performance of CONCESSIONAIRE obligations resulting from the GRANTING AUTHORITY's delay or omission in carrying out activities and obligations attributed to it under this CONTRACT;
- XVI. delays in the works resulting due to delays in securing ENVIRONMENTAL PERMITS, authorizations, licenses or permits from organs of the PUBLIC ADMINISTRATION, including those of competence of the bodies that protect the historical heritage, required for the installation or operation of the MINIMUM OBLIGATORY INVESTMENTS or of the ADDITIONAL INVESTMENTS, when resulting from GRANTING AUTHORITY-led action or omission, or due to licensing bodies' breach of legal duties attributable to them;

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- XVII. delays stemming from failure to secure permits, licenses and/or approvals of any kind, to be issued by administrative entities and which are required for carrying out mandatory assignments that are the purpose of the CONCESSION, in addition to potential court rulings suspending its enforcement, unless these stem, in either one of the above-mentioned circumstances, from acts of omission or commission committed by the CONCESSIONAIRE;
  - XVIII. funding, costs and expenses arising out of landmark designations and entries for existing tangible and intangible CONCESSION AREA assets after the date the NOTICE is published, and which lead to effective impacts on CONCESSIONAIRE REVENUE or costs;
  - XIX. closing the CONCESSION AREA or significant restrictions on operating conditions enforced by state bodies due to external factors in all instances where the CONCESSIONAIRE is unable to put in place measures aimed at mitigating risks to a threshold that allows proper functioning of said facilities;
  - XX. state-owned company actions geared specifically towards the CONTRACT that burden the CONTRACT's performance, except when the action or fact constitutes a risk that has already been specifically and clearly attributed to the CONCESSIONAIRE under this CONTRACT.
  - XXI. flooding or inundations that hinder or temporarily suspend CONCESSIONAIRE activities and/or damage CONCESSION ASSETS, strictly in instances where the CONCESSIONAIRE is able to prove that it took all microstraining and monitoring measures at the CONCESSION AREA specified in ANNEX III, and that said flooding came about due to a lack of municipal and/or state jurisdiction local microstraining works execution and interventions;
  - XXII. additional costs or delays stemming from geological events at the CONCESSION AREA that could not have been accounted for by means of public-domain documentation, and which impact making INTERVENTIONS related to MANDATORY MINIMUM INVESTMENTS sums and potential ADDITIONAL INVESTMENTS, provided conventional engineering solutions have been put in place;
  - XXIII. in compliance with the provisions of item 3.2 of ANNEX II, changes made to projects and/or construction works due to GRANTING AUTHORITY or other public authority-issued requests, except if said changes are due to non-compliances with the project and/or construction works with the legislation in force at the time the investment was made, or with information provided for under the CONTRACT or ANNEXES; and
  - XXIV. impacts due to establishing, revoking or reviewing regulatory standards issued by the GRANTING AUTHORITY or by any other body or organization with regulatory powers over activities that are the purpose of the CONCESSION, except when these are strictly of a procedural nature;
- 24.1.1. Any consensual change in the PARKS' working hours will not result in recovery in favor of any of the PARTIES.
  - 24.1.2. In the event provided for under Clause 24.1, subsection XIX, the GRANTING AUTHORITY's responsibility shall be restricted to economic-financial impacts that would be borne by the CONCESSIONAIRE after all reasonably requested measures to mitigate epidemiological or health hazard risks have been put in place, up to a threshold that enables the proper working, whether fully or in part, of the aforementioned facilities, while additionally being subject to the duty foreseen under Clause 52.5.
  - 24.1.3. The risk of an eventual hypothesis of taxation of the IPTU (Property Tax) over the CONCESSION AREA shall be assumed by the GRANTING AUTHORITY, observing the provisions of this Clause and the prerogative mentioned in Clause 7.2, subsection IV, and regardless of the validity of the exemption granted by the Municipal Law no. 17.719, of November 26, 2021.

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- 24.1.3.1. The effective disbursement by the CONCESSIONAIRE, or deposit in court, of amounts for the collection of property taxes (IPTU), charged on the CONCESSION AREA, according to Clause 24.1.2, will entail the economic-financial recovery as a way to mitigate the economic-financial impacts on the CONTRACT, subject to the provisions below.
- 24.1.3.2. Once communicated of the IPTU charges, the CONCESSIONAIRE shall inform the GRANTING AUTHORITY immediately, so that the latter, if desired, may initiate procedures eventually established, or take other applicable measures, in order to avoid the collection of the tax or suspend its enforceability.
- 24.1.3.3. The CONCESSIONAIRE must prove that it has taken all measures within its reach to have the non-taxation declared or to suspend the enforceability of the IPTU payment, due to the fact that the area is involved in the rendering of a public service, according to whether such actions are appropriate in the face of laws and/or normative guidelines, doctrinal positions, opinions of public lawyers or judicial precedents in force.
- 24.1.3.4. The compensation will be carried out in terms of the amount spent to pay the IPTU.
- 24.1.3.5. In case of reconsideration, suspension or annulment by a higher court of law of an act or decision that has determined the collection of the IPTU, it will be incumbent upon the GRANTING AUTHORITY to recover the economic-financial balance, in an amount identical to the value that the CONCESSIONAIRE has recovered, observing, after the effective recovery of the value by the CONCESSIONAIRE until the effective reimbursement by the GRANTING AUTHORITY, the monetary update of the involved amounts, and the adjustment of the values by the real gross interest rate of sale of the National Treasury Notes - B Series (NTN-B), *ex-ante* the deduction of Income Tax, with maturity compatible with the date of the referred payment, published by the Secretariat of the National Treasury, considering the average of the quotations available in the 12 (twelve) months prior to the compensation payment date.
- 24.1.3.6. The payment of the amounts spent as collection of the IPTU, under the terms of Clause 24.1.3, must be carried out by the GRANTING AUTHORITY in a bank account owned and freely operated by the GRANTING AUTHORITY, within thirty (30) days after the communication from the GRANTING AUTHORITY, after the exhaustion of the measures provided for in Clause 24.1.2.3.

**CLAUSE TWENTY-FIVE – ON MAINTAINING ECONOMIC-FINANCIAL BALANCE OF THE CONTRACT**

- 25.1. Whenever the conditions of the CONTRACT are met, its economic-financial balance shall be deemed to have been maintained.
- 25.2. Economic-financial imbalance of the CONTRACT is deemed to have occurred whenever either PARTY endures effects, whether positive or negative, stemming from any event whose risk has not been allocated to it in this CONTRACT, and which provenly leads to the CONTRACT's economic-financial imbalance.
  - 25.2.1. Assessments undertaken to recover the CONTRACT's economic-financial balance presume that the CONTRACT's full economic conditions will be verified, although they are restricted to offsetting economic and financial effects resulting from events leading to contractual imbalance, as per the terms of this Clause, while additionally taking into account, for purposes of achieving this intended offsetting, all economic-financial, tax and accounting effects stemming from the chosen recovery measure.
  - 25.2.2. Moreover, the CONTRACT shall be deemed to be imbalanced in the event that either PARTY collects benefits due to non-compliance or delays in complying with the duties awarded to it, without prejudice to the incidence of the PERFORMANCE INDICATORS and the enforcement of the



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applicable penalties, as the case may be.

- 25.2.3. The CONTRACT shall also be deemed to be imbalanced in the event that the CONCESSIONAIRE is assigned obligations originally attributed to the GRANTING AUTHORITY or, still, in the event that obligations originally attributed to the CONCESSIONAIRE are assigned to the GRANTING AUTHORITY.
- 25.2.4. Should the TRIGGERING EVENT come to fruition, recovery of the CONTRACT's economic-financial balance shall only apply to its imbalanced installment claimed, whereas the requesting party shall be required to prove the precise extent it claims for recovery, even if it draws on estimates to prove the event's effective impact in instances where there is a lack of data enabling to measure it.
- 25.2.5. In addition to circumstances provided for under Clause 25.2, recovery of the CONTRACT's economic-financial balance shall also apply in the event that the GRANTING AUTHORITY enforces unilateral changes upon the conditions for executing the CONTRACT, provided that, as a direct consequence of said change, an effective change in CONCESSIONAIRE costs or REVENUE is verified, whether for more or for less.
- 25.2.6. NON-MANDATORY INVESTMENTS shall not lead to the CONTRACT's economic-financial recovery, even if the GRANTING AUTHORITY has consented to them.
- 25.3. In construing and applying any and all circumstances provided for under this CONTRACT that require an assessment on the PARTY to whom a specific risk intrinsic to the CONCESSION has been assigned, the contract's rules are to be considered in their full extent and taking the context into account, so that risks allocated contractually are construed as genera and their derivations, and specifications and variants are to be accounted for as fully comprising said risk assessed.
  - 25.3.1. The PARTIES agree that in the comprehensive assessment of risks taken on under the CONTRACT to each PARTY, pursuant to the terms of Clause 25.3 above, related circumstances deemed any and all circumstances sharing a related nature or traits shall be deemed to comprise a same risk, as well as in those in which there is a similarity with regard to characterization and mitigation requirements concerning the risk currently under assessment, with regard to risks clearly provided for under this CONTRACT.
  - 25.3.2. All risks whose assignment has been drafted in Clause 25.3, regardless of whether indirectly, are to be considered, for all end purposes, as risks originally assigned under the CONTRACT, whereas the PARTY to whom the risk was assigned shall take on all their effects and handle them should they potentially come to fruition.
  - 25.3.3. The provisions of Clause 25.3 may not, under any circumstance whatsoever, be construed or applied for purposes of changing the original risk allocation provided for in this CONTRACT, which shall be deemed the risk allocation set out in Clauses Twenty-Three, Twenty-Four and 25.3 of this CONTRACT.

**CLAUSE TWENTY-SIX – ON IDENTIFYING EVENTS THAT TRIGGER ECONOMIC-FINANCIAL IMBALANCE OF THE CONTRACT**

- 26.1. The procedure for recovering economic-financial balance may be initiated either upon the CONCESSIONAIRE's request, or as decided by the GRANTING AUTHORITY, whereas the requesting PARTY shall be responsible for proving the TRIGGERING EVENT's occurrence and for identifying it in a timely manner.
  - 26.1.1. The requesting PARTY shall point out the TRIGGERING EVENT and notify the other PARTY within a period not to exceed 180 (one hundred and eighty) days of said event coming to fruition, aimed at upholding current contractual relations and enabling proper handling of the TRIGGERING

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EVENT's consequences.

- 26.1.2. In instances where the requesting PARTY verifies a hidden defect, the deadline set forth in Clause 26.1.1 above shall start counting from the date of its knowledge.
- 26.1.3. Within the deadline specified in Clause 26.1.1, the requesting PARTY shall notify the other PARTY on the incidence of the verified TRIGGERING EVENT, even if it discloses temporary sums and estimates subject to reviews, notwithstanding the option to include additional preliminary instructions for the prosecution after said deadline has elapsed, in events where the TRIGGERING EVENT persists for a long period of time, or for any other reason whereby submission of the request for economic-financial recovery set out in all documents required under Clause 26.2 or 26.7 is not possible.

**On Requests Initiated by the CONCESSIONAIRE**

- 26.2. Whenever the request for recovering economic-financial balance is initiated by the CONCESSIONAIRE, said request is to be submitted by means of a grounded request and shall be sent together with all documentation required to justify the admissibility of the request, including with respect to the following points:
  - 26.2.1. Accurate verification of the TRIGGERING EVENT sent together, if applicable, with evidence proving that the responsibility is attributable to the GRANTING AUTHORITY;
  - 26.2.2. As the case may be, a request for an EXTRAORDINARY REVIEW, provided a potential compromise of the CONCESSIONAIRE's solvency or continuity in the execution/rendering of its services is proven to have occurred due to a TRIGGERING EVENT coming to fruition.
    - 24.1.3.7. A potential jeopardy of the CONCESSIONAIRE's solvency in its execution/rendering of its services shall be deemed to have occurred, among other circumstances to be appraised by the GRANTING AUTHORITY as a result of risks assigned to the GRANTING AUTHORITY coming to fruition or circumstances that are not attributable to the CONCESSIONAIRE;
      - I. there is a pending risk of defaulting with obligations, early maturation date or speeding up maturity dates of investments procured with FINANCIERS; or
      - II. one or more TRIGGERING EVENTS with an added impact exceeding 5% (five percent) of the accumulated REVENUE in the 12 (twelve) months prior to said event(s) coming to fruition; or
      - III. a TRIGGERING EVENT coming to fruition in the 2 (two) first years of the CONCESSION.
  - 26.2.3. The total intended quantity of imbalances effectively verified in the cash flow, signalling the date when each of them occurred, or estimate thereof in case of ADDITIONAL INVESTMENTS, for purposes of computing recovery of the CONTRACT's economic-financial balance, as laid out in Clause 27.1 and onwards, and depending on the TRIGGERING EVENT.
  - 26.2.4. Proof of expenditures, whether direct or indirect, effectively incurred by the CONCESSIONAIRE due to the TRIGGERING EVENT that gave rise to the request, submitted along with a brief overview explaining the accounting and tax regimes that apply to the REVENUE or allegedly unbalanced expenses.
  - 26.2.5. In case any potential future imbalances are assessed, a detailed statement of requirements and threshold levels used for estimating TRIGGERING EVENT impacts on the CONCESSIONAIRE's cash flow.

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- 26.3. Upon receiving the CONCESSIONAIRE's request, the GRANTING AUTHORITY shall, within a term not to exceed 60 (sixty) days, issue a statement on the admissibility of said request, in addition to appraising whether the procedure for recovering the CONTRACT's economic-financial balance may be processed extraordinarily.
- 26.3.1. Should the GRANTING AUTHORITY choose not to endorse or accept the request submitted in accordance with the terms of Clause 26.2.2, the contents of the request are to be discussed in the ensuing ORDINARY REVIEW.
- 26.3.2. The deadline specified in Clause 26.3 may be extended upon submission of a grounded request whereby counting of the deadline may be suspended should adjustments or additions be required for investigative proceedings.
- 26.4. All CONCESSIONAIRE obligations shall remain fully in force whilst the GRANTING AUTHORITY proceeds to appraise requests for recovering economic-financial balance, particularly obligations concerning payment of the VARIABLE GRANT and INSPECTION FEES, notwithstanding measurement of the PERFORMANCE INDICATORS.

**On access to information required for verifying claimed imbalances**

- 26.5. For purposes of appraising requests brought either by the CONCESSIONAIRE or the GRANTING AUTHORITY, either PARTY is free, at all times, to secure specific technical and/or economic reports.
- 26.5.1. At the respondent PARTY's discretion, a dedicated organization with certified technical capacity may carry out an audit to acknowledge the circumstances that led to the request for recovering economic-financial balance, which shall further include participation of both PARTIES as well as the due transparency required for submitting a technical rebuttal, whether by themselves or by means of a corresponding entity, with all costs to be borne by the PARTY responsible for securing the services of the dedicated organization, regardless of the outcome of the request for recovering economic-financial balance.
- 26.6. The GRANTING AUTHORITY, or whomever it appoints, shall be cleared access to all CONCESSIONAIRE information, assets and facilities, or to those of any third party secured by it for purposes of appraising sums claimed by the CONCESSIONAIRE in potential requests for recovering economic-financial balance.

**On Requests Initiated by the GRANTING AUTHORITY**

- 26.7. The request for recovering economic-financial balance brought by the GRANTING AUTHORITY shall be notified to the CONCESSIONAIRE, sent along with a copy of all concerning technical reports and studies and including, as the case may be, a proposal to process the request during EXTRAORDINARY REVIEW proceedings, based on the potentially significant impact that the recovery may have on the CONCESSION.
- 26.7.1. Upon receipt of the notification on the TRIGGERING EVENT, the CONCESSIONAIRE shall have 60 (sixty) days to submit a grounded statement addressing the request for recovering the CONTRACT's economic-financial balance that was submitted by the GRANTING AUTHORITY in its notification, under risk of tacit consent to the request, while additionally granting it, within the same deadline, the right to speak up on the request to process it during an EXTRAORDINARY REVIEW.
- 26.7.2. In consideration of the CONCESSIONAIRE's reply to the GRANTING AUTHORITY's request, the latter shall have 30 (thirty) days to appraise the admissibility of recovering economic-financial balance as well as eventually processing it during an EXTRAORDINARY REVIEW.

**On events or grounds that do not trigger CONTRACT imbalance**

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- 26.8. Recovery of economic-financial balance to the benefit of the CONCESSIONAIRE shall not apply in the following circumstances:
- I. whenever losses incurred are due to negligence, recklessness, malpractice, defectiveness or omission in carrying out CONCESSION AREA economic operation activities and addressing risks attributable to it;
  - II. whenever, regardless of the manner or the extent, the CONCESSIONAIRE may have contributed, whether directly or indirectly, to the event that triggered the imbalance; or
  - III. whenever the occurrence of events that triggered the CONCESSIONAIRE's request neither effectively gives rise to any impact on the contract's conditions nor results in effective losses due to the CONTRACT's economic-financial imbalance estimation.
- 26.9. The PARTIES shall employ their best efforts to prevent events that trigger requests for recovering economic-financial balance from coming to fruition, or should preventing these events from taking place be impossible, to mitigate their impacts.
- 26.10. Upon verifying the occurrence of any TRIGGERING EVENT related to risks described in Clause Twenty-Three and Clause Twenty-Four, the PARTIES shall, to the extent possible, agree upon, in good faith, all measures required for mitigating losses caused by the TRIGGERING EVENT, which shall be taken into account while measuring the CONTRACT's economic-financial imbalance.
- 26.10.1. Should the TRIGGERING EVENT addressed in Clause 26.10 call for immediate steps to be taken, or if the PARTIES fail to successfully agree upon the above-mentioned mitigation measures, the PARTIES are to take all reasonable steps within their grasp to mitigate losses caused by the TRIGGERING EVENT, which are to be taken into account while measuring the CONTRACT's economic-financial imbalance.
- 26.10.2. For purposes of Clause 26.10.1, reasonable measures, in the case of the CONCESSIONAIRE, are deemed any and all measures expected from a company working diligently in related circumstances.
- 26.10.3. Should it be evidenced that the PARTY that failed to enforce mitigating steps for avoiding losses, as alluded to in Clauses 26.10 and 26.10.1, subject to the provisions of Clause 26.10.2, the sum of losses that could have been verifiably avoided if said steps had been taken, shall be deducted from sums due by the other PARTY for recovering economic-financial balance.
- 26.11. Should it be proven that more than one PARTY contributed, whether directly or indirectly, to a TRIGGERING EVENT coming to fruition due to both PARTIES' negligence, recklessness or omission, recovery of economic-financial balance shall only take into account the sum of losses that the aggrieved PARTY did not cause.

**CLAUSE TWENTY-SEVEN – ON RECOVERING ECONOMIC-FINANCIAL BALANCE**

- 27.1. During each EXTRAORDINARY REVIEW or each ORDINARY REVIEW, requests submitted by both PARTIES deemed admissible shall be assessed jointly in order to offset both positive and negative economic-financial impacts resulting from TRIGGERING EVENTS.
- 27.2. Any potential recovery of the CONTRACT's economic-financial balance to the benefit of one of the PARTIES shall necessarily take into account any and all potential impacts to the benefit of the other PARTY.
- 27.3. Recovery of the CONTRACT's economic-financial balance as a whole, or with regard to any specific TRIGGERING EVENT, shall be carried out so as to make the Net Present Value of Cash Flow balances

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attained equal to zero, while taking into account the Discount Rate projected for each TRIGGERING EVENT, as set forth under this Clause:

- 27.3.1. Should TRIGGERING EVENTS stemming from cancelations, delays or advancements of the MANDATORY MINIMUM INVESTMENTS described in ANNEX II come to fruition, recovery shall take place taking into account: (I) the provisions of Clause 25.2.2; (II) amounts attributed to MANDATORY MINIMUM INVESTMENTS sums in research studies on which the CONCESSION was based on, pursuant to the defined physical-executive distribution; (III) operating costs and revenue corresponding to said MANDATORY MINIMUM INVESTMENTS sums; and (IV) a 8.99% (eight point ninety-nine percent) Discount Rate per year.
  - 27.3.1.1. Economic-financial recovery addressed in Clause 27.3.1, with regard to advanced MANDATORY MINIMUM INVESTMENTS sums, shall only take place if said advanced sums result from risk factors or the GRANTING AUTHORITY's responsibility, whereas there shall be no economic-financial recovery if the advanced sum results from risk factors or due to the CONCESSIONAIRE's responsibility, or if it takes place upon its own undertaking.
  - 27.3.1.2. The economic-financial recovery addressed in Clause 27.3.1, with regard to overdue MANDATORY MINIMUM INVESTMENTS sums stemming from risk factors or the CONCESSIONAIRE's responsibility, is only to be carried out if the net economic-financial impact caused by the overdue payment favors the CONCESSIONAIRE, while taking into account the economic-financial impact due to postponing funding sums, as well as all corresponding operating costs and revenue, notwithstanding the enforcement of penalties foreseen under the CONTRACT and ANNEX VII, whereas no economic-financial recovery shall take place if overdue investments lead to a net economic-financial impact that is detrimental to the CONCESSIONAIRE.
- 27.3.2. Should any other TRIGGERING EVENT come to fruition, recovery of economic-financial balance shall take place by establishing a marginal cash flow, whilst taking into account: (I) positive or negative marginal cash flows estimated based on differences between incidents either with or without the concerning TRIGGERING EVENT; (II) marginal cash flows required for recovering economic-financial balance; and (III) the estimated Discount Rate specified in Clause 27.5.3.
  - 27.3.2.1. TRIGGERING EVENTS consistent with ADDITIONAL INVESTMENTS are to take into account, for purposes of estimating recovery of the CONTRACT's economic-financial balance, the estimated Discount Rate, in accordance with Clause 27.5.3, at the date of signature of the concerning amendment, as well as all costs agreed upon in this agreement.
  - 27.3.2.2. Any other TRIGGERING EVENT circumstance is to take into account, for purposes of estimating recovery of the CONTRACT's economic-financial balance, the Discount Rate estimated for the date of the TRIGGERING EVENT's occurrence, pursuant to Clause 27.5.3.
  - 27.3.2.3. In the event that a TRIGGERING EVENT comes to fruition, as provided for under Clause 27.3.2, and which persists for over a year, the Discount Rate addressed in Clause 27.5.3 shall be considered for purposes of estimating recovery of the CONTRACT's economic-financial balance, computed for the contract year in which the TRIGGERING EVENT first came to fruition, and which shall apply throughout the entire TRIGGERING EVENT term.
- 27.4. Each recovery of economic-financial balance shall entail the definition of a Discount Rate for that estimation, which shall be permanent throughout the entire CONCESSION term, in accordance with current fees for TRIGGERING EVENTS considered therein.

**Recovery of Economic-Financial Balance using Marginal Cash Flows**

- 27.5. The following procedures shall be undertaken while devising the Marginal Cash Flow, for purposes of recovering TRIGGERING EVENTS' economic-financial balance, pursuant to the terms of Clause 27.3.2:



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- 27.5.1. Recovery of economic-financial balance shall be carried out so that the Net Present Value of the Marginal Cash Flow foreseen for the event that triggered the recovery is null, while considering, on the same base date: (I) marginal cash flows resulting from the event that triggered the recovery, and (II) marginal cash flows resulting from recovery of economic-financial balance.
- 27.5.1.1. For purposes of estimating marginal cash flows' Net Present Value, a Discount Rate shall be applied to each new contract year. Should the start of the contract year not fall on the 1st day of the month, the 1st day of the following month shall be considered for applying the Discount Rate.
- 27.5.2. For purposes of determining cash flows of marginal expenditures, the best information available shall be used to portray actual and effective current conditions, aimed at estimating investment amounts, costs and expenses, in addition to any potential REVENUE as well as other earnings stemming from the TRIGGERING EVENT.
- 27.5.2.1. The CONCESSIONAIRE shall submit estimates showing the extent of the imbalance, even in instances where the request is brought by the GRANTING AUTHORITY, and using, to this end, the best public and/or private sector price references available at the time the request was submitted.
- 27.5.2.2. Excepting the circumstance provided for under Clause 27.3.1, said information shall preferably be based on current public prices charged, or any other document that may potentially replace them, whereas lack of more updated information and at the GRANTING AUTHORITY's discretion, on forecasts laid out in research studies on which the CONCESSION was based on or other standards, such as, for instance, those used and published in Brazilian and foreign engineering journals.
- 27.5.2.3. The GRANTING AUTHORITY shall have the right to request the CONCESSIONAIRE to prove that sums needed for making ADDITIONAL INVESTMENTS are to be estimated based on market prices, while taking into account the overall cost of construction works or related activities in Brazil, or based on cost systems that use the project's specific appraised market prices as inputs, either way by means of a summarized budget devised using efficient or parametric methodology.
- 27.5.3. The real annual Discount Rate to be used to compute the sum of the Present Value addressed in Clauses 27.3.2.1 and 27.3.2.2 shall be composed of gross interest rate averages for the sale of IPCA+ Treasury Notes with biannual interest (NTN-B) in the last 12 (twelve) months or, in the absence of it, any other that may potentially replace it, *ex-ante* the deduction of Income Tax and due on 2050, or with a maturity date more attuned to the date of the contract term, and issued by the Secretaria do Tesouro Nacional (National Treasury Office), assessed at the start of each contract year and added with a *spread* or surcharge on interest corresponding to 4.60 p.p. (four point six percentage points) per year, over a 252 (two hundred and fifty-two) working-day period.
- 27.5.4. In circumstances where the CONTRACT's economic-financial balance is recovered by extending the CONCESSION TERM, the methodology used to appraise revenue and expenses related to the extended term shall take into account the provisions of this Clause:
- 27.5.4.1. The REVENUE forecast and definition of cash inflows will be based on the actual REVENUE data of the CONCESSIONAIRE in the CONCESSION AREA, considering the twenty-four (24) months immediately prior to the date of the recomposition processing, multiplied by the growth rate of these same REVENUES for the last twenty-four (24) months, except in the occurrence of extreme events that have affected these values in a timely manner. In order to carry out the aforementioned forecasts, each CASH GENERATION UNIT's economic operations undertaken by the CONCESSIONAIRE are to be considered, with the last CASH GENERATING UNIT's start date of operations to be used as a retroactive threshold, or, instead, the start date when the last investment was made by the CONCESSIONAIRE or by third parties, and which may have lead to considerable variations in CONCESSION-related

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REVENUE or costs.

- 27.5.4.2. Average sums shall be used as a baseline for purposes of extending the CONCESSION TERM, without, however, being subject to any variation or other types of changes.
- 27.5.4.3. The following shall be considered for purposes of estimating the CONCESSIONAIRE's cost and expense forecasts, as well as for setting the cash outflow, starting from the marginal cash flow's initial term, including all deadline extensions already officially granted, in order to determine the term to be extended:
  - 27.5.4.3.1. Cost and expense-related sums estimated by the CONCESSIONAIRE in the 24 (twenty-four) months immediately prior to the cash flow's base date, using the last CASH GENERATING UNIT's start date of operations as a retroactive threshold or, instead, the start date when the last investment made by the CONCESSIONAIRE or by third parties was made, and which may have led to considerable variations in the REVENUE or CONCESSION-related costs. Average sums shall be used as a baseline for purposes of extending the CONCESSION TERM, without, however, being subject to any variation or other types of changes.
  - 27.5.4.3.2. Conservation and maintenance-related costs and expenses for any potential ADDITIONAL INVESTMENTS, as well as any potential REVENUE generated, shall also be considered for purposes of estimating the Marginal Cash Flow.
- 27.5.4.4. All forecasted REVENUE, expense and cost sums shall be considered according to the day they were introduced as a risk to the CONCESSIONAIRE, and are not to be reviewed or reconsidered under any circumstances whatsoever.
- 27.5.4.5. For purposes of recovering economic-financial balance due to events unrelated to changes made to tax or accounting laws, taxes and accounting implications of any kind that effectively incur throughout the entire CONCESSION TERM, including term extensions officially granted, and irrespective of the PARTY that has taken on the risk of changing tax or accounting laws.
- 27.5.4.6. For purposes of the Marginal Cash Flow, amortization and depreciation estimates shall be made based on the governing regulations and law.
- 27.5.4.7. VARIABLE GRANT and INSPECTION FEES installments provided for in this CONTRACT may, upon the GRANTING AUTHORITY's discretion, be retained throughout the extension term and included in the Marginal Cash Flow that is the purpose of this methodology.
- 27.5.5. For purposes of defining the sum to be recovered, any and all effects resulting from direct and indirect taxes that effectively incur on the marginal cash flow shall be considered.

**CLAUSE TWENTY-EIGHT– ON MODALITIES FOR RECOVERING ECONOMIC-FINANCIAL BALANCE OF THE CONTRACT**

- 28.1. The GRANTING AUTHORITY shall have, among the following modalities, the option of choosing the modality through which the CONTRACT's economic-financial recovery is to be undertaken:
  - I. extension or reduction of the CONCESSION TERM;
  - II. reimbursement or compensation;
  - III. review of VARIABLE GRANT or INSPECTION FEES sums;
  - IV. changes in CONTRACT, ANNEX and/or NOTICE-provided obligations or deadlines;

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- V. combination of the above modalities or any other permitted under the legislation, at the GRANTING AUTHORITY's discretion.
- 28.2. In addition to modalities listed in Clause 28.1, recovery of the CONTRACT's economic-financial balance may also be carried out through the following modalities, being conditioned, in these cases, to the CONCESSIONAIRE's prior consent:
- I. donation in quittance of assets and/or assignment of equity revenue;
  - II. either PARTY's assumption of costs attributed under the CONTRACT to the other PARTY;
  - III. undertaking REVENUE operations past the CONCESSION TERM;
  - IV. combination of the above modalities or any other permitted under the legislation.
- 28.3. Observing the rules established in this CONTRACT, the Granting Authority may only use the extension of the CONCESSION TERM as a means for recovering the economic-financial balance of the CONTRACT, described in subsection I of the Clause 28.1 above, from the 20th (twentieth) year of the CONTRACT, and eventual economic-financial imbalances can only be recovered by the other means established in this Clause.
- 28.4. Recovery of the CONTRACT's economic-financial balance shall be made official upon issuance of an Amendment to this CONTRACT.

#### **CHAPTER IV – ON CONTRACT REVIEWS**

##### **CLAUSE TWENTY-NINE – ORDINARY CONTRACT REVIEW**

- 29.1. ORDINARY CONCESSION REVIEW proceedings are to be carried out at each four year-cycle, effective the DATE OF SIGNATURE of the TERM OF DELIVERY OF THE PUBLIC ASSET, which may lead to:
- I. review of PERFORMANCE INDICATORS and goals set, aimed at setting forth proper commercial incentives needed to foster an ongoing improvement in the performance of activities that are the purpose of the CONCESSION;
  - II. review of the CONCESSIONAIRE-drafted INSURANCE PLAN;
  - III. ADDITIONAL INVESTMENTS being included, always in compliance with the CONTRACT's economic-financial balance.
- 29.2. All requests for ADDITIONAL INVESTMENTS placed for the CONCESSION shall mainly take place during ORDINARY REVIEWS, so as to enhance planning and execution of ADDITIONAL INVESTMENTS, regardless of said demands resulting from events that took place or were verified before ORDINARY REVIEWS were held.
- 29.2.1. Should there be any urgent requests which, whether due to technical, economic-financial, safety or public interest reasons call for immediate intervention, and which cannot await the end of the 48 (forty-eight) month contractual cycle term for each ORDINARY REVIEW, these ADDITIONAL INVESTMENTS shall be put in place by means of an EXTRAORDINARY REVIEW, which shall, in turn, uphold all terms and procedures set forth under this CONTRACT and the applicable legislation and regulations.
  - 29.2.2. Only ADDITIONAL INVESTMENT requests ruled by the GRANTING AUTHORITY shall be able to

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trigger the CONTRACT's economic-financial recovery, meaning that placing any investment not originally provided for under this CONTRACT or its ANNEXES as a result of a CONCESSIONAIRE-led initiative shall not serve as grounds for claiming any potential economic-financial recovery.

- 29.2.3. ADDITIONAL INVESTMENTS determined by the GRANTING AUTHORITY, in a unilateral way, whose value exceeds, at the moment of its demand, an amount equivalent to R\$ 766,006.00 (seven hundred and sixty-six thousand, six reais) in the base date of September 2021, updated according to Clause 3.2.
- 29.3. The implementation of NON-MANDATORY INVESTMENTS and/or investments not foreseen in this CONTRACT or in its ANNEXES, at the initiative of the CONCESSIONAIRE, cannot be the basis for any plea for economic-financial recovery.
- 29.4. Review of PERFORMANCE INDICATORS may take place during ORDINARY REVIEWS, whereas the GRANTING AUTHORITY shall have the right to request, in accordance with methods specified in Clause 29.6 and onwards, and for purposes of introducing novel technologies, that PERFORMANCE INDICATORS be suited as per ANNEX IV or, additionally, that new PERFORMANCE INDICATORS be established to convey current, updated and innovative standards for rendering works and services execution that are this CONTRACT object.

**On Conducting Ordinary Reviews**

- 29.5. Pursuant to the scope of ORDINARY REVIEW proceedings, the PARTIES shall submit a report bringing the proposal for reviewing PERFORMANCE INDICATORS, the technical assessment concerning the INSURANCE PLAN's suitability as well as any potential review requirements, in addition to review proposals or adding CHARGES to the CONCESSION, all duly grounded and including economic-financial impact forecasts and expected improvements, if applicable, for the CONCESSION's numerous interested parties.
- 29.6. With regard to PERFORMANCE INDICATORS' ORDINARY REVIEWS, the PARTIES shall carry out a joint assessment on current indicators and goals set, taking into account a constant pursuit for improvement when it comes to carrying out activities that are the purpose of the CONCESSION, and setting a reasonable deadline for suiting all new standards required, leading to:
  - 29.6.1. Redefining PERFORMANCE INDICATORS that prove to be ineffective, aimed at fostering CONCESSIONAIRE activities and services to be carried out in accordance with standards expected by the GRANTING AUTHORITY and USERS;
  - 29.6.2. Reviewing goals set for each PERFORMANCE INDICATOR, based on data compiled from regular performance assessments and with the requirement of setting them at an equal or higher baseline compared to that of the current standard in force, while always endeavoring to fulfill the goal of fostering continued improvement when it comes to the standards of activities rendered by the CONCESSIONAIRE; and/or
  - 29.6.3. Establishing new PERFORMANCE INDICATORS in the event that the GRANTING AUTHORITY requests new performance standards due to the creation of novel technological innovations or to suit these to Brazilian or international standards.
- 29.7. The ORDINARY REVIEW shall preferably be held with the intent of preceding discussions concerning drafting of the Annual Budget Law, which shall come into effect the year after the ORDINARY REVIEW.
- 29.8. The ORDINARY REVIEW may not in any way whatsoever impact the risk matrix originally provided for under this CONTRACT, notwithstanding a potential specific distribution of risks applied to ADDITIONAL INVESTMENTS potentially included in the CONTRACT.
- 29.9. Upon completion of ORDINARY REVIEW proceedings, and after ordinary administrative proceedings during which the CONCESSIONAIRE was allowed broad participation and the right to adversarial

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proceedings have elapsed, the GRANTING AUTHORITY shall be accountable for setting new contract guidelines, subject to restrictions and proceedings specified in this Clause, whereas if the CONCESSIONAIRE disagrees to this, it shall have the right to enforce dispute settlement methods specified in this CONTRACT.

- 29.10. The provisions laid out in Clause Twenty-Seven shall apply to deadlines and disputes between the PARTIES within the scope of the ORDINARY REVIEW.
- 29.11. ORDINARY REVIEW proceeding results addressed in this Clause shall be made official by means of an Amendment to the CONTRACT, and may trigger the CONTRACT's economic-financial recovery, whose recovery proceedings are to comply with the rules of this CONTRACT.

**CLAUSE THIRTY – EXTRAORDINARY CONTRACT REVIEWS**

- 30.1. Either PARTY is free to request an EXTRAORDINARY CONTRACT REVIEW in case of effective or pending occurrences of TRIGGERING EVENTS whose consequences are deemed serious enough to require evaluating and taking urgent measures, applying the provisions of this Clause to the EXTRAORDINARY REVIEW and, where applicable, ORDINARY REVIEW provisions.
- 30.2. Should EXTRAORDINARY REVIEW proceedings be brought by a CONCESSIONAIRE-filed request, the latter shall provide all necessary assistance to prove to the GRANTING AUTHORITY that failure to immediately address the TRIGGERING EVENT shall entail extraordinary aggravating circumstances and its harmful consequences, subject to the conditions of Clause 26.2.2.1.
- 30.3. The GRANTING AUTHORITY shall have a 60 (sixty) day term, starting from the moment the CONCESSIONAIRE-filed request is made official, to appraise whether the grounds submitted would entail immediate handling of the matter or not, as well as whether the severity of consequences would justify dismissing ordinary CONTRACT REVIEW proceedings, substantiating the need to not wait for the time interval required before the next ORDINARY REVIEW takes place.

**CHAPTER V – ON THE CONCESSIONAIRE**

**CLAUSE THIRTY-ONE – ON THE LEGAL FRAMEWORK OF THE SPE**

- 31.1. The CONCESSIONAIRE's articles of incorporation shall signal the fact that its specific and exclusive corporate purpose, throughout the entire CONTRACT term, shall be the performance of the purpose of this CONCESSION, to be headquartered and legally domiciled in the State of São Paulo.
  - 31.1.1. The SPE's time limit shall be attuned to the performance of this CONTRACT, until it is fully liquidated.
  - 31.1.2. The CONCESSIONAIRE's articles of incorporation shall include a Clause that:
    - I. prohibits changes to its corporate purpose, except for purposes of including activities concerning REVENUE operations, and provided they relate to activities that are this CONTRACT object;
    - II. submits all deeds described in Clause 41.1 to the GRANTING AUTHORITY's prior approval;
    - III. submits loans or bonds secured whose amortization terms exceed the CONCESSION CONTRACT's final term to the GRANTING AUTHORITY's prior approval.
    - IV. provides for the GRANTING AUTHORITY-appointed intervener's decision-making power; and



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V. prohibits duties ensured by rights stemming from the CONCESSION from being procured, insofar as thresholds capable of jeopardizing operations and continuity of the purpose of the CONCESSION.

31.1.3. The CONCESSIONAIRE is free to operate, whether directly or indirectly, including by means of subsidiary companies, any and all activities that generate REVENUE, subject to the rules of this CONTRACT and ANNEX VII.

31.2. The CONCESSIONAIRE shall comply with corporate governance standards and introduce standardized accounting and financial statements, especially those relating to transactions made with RELATED PARTIES, in accordance with accounting practices used in Brazil, and based on Brazilian Corporate Law (Federal Law no. 6.404 of December 15, 1976 and amendments), and Accounting Standards issued by the Conselho Federal de Contabilidade (Federal Accounting Council – CFC).

31.2.1. The CONCESSIONAIRE's bookkeeping and financial information and statements are to be audited by a reputable and dedicated independent auditing company with certified expertise.

31.2.2. The dedicated auditing company shall additionally verify compliance with all provisions concerning RELATED PARTIES, as set forth under Clauses 31.8 to 31.10, regardless of the CONCESSIONAIRE's current accounting or governance system.

31.3. The CONCESSIONAIRE's minimum paid-up capital stock shall be set at R\$ 9,000,000.00 (nine million), on the base date of September 2021.

31.3.1. For purposes of signing this CONTRACT, the CONCESSIONAIRE proved that it paid up its capital stock in Brazilian currency in the amount of at least R\$ 1,800,000.00 (one million, eight hundred thousand reais), on the base date of September 2021, as required under the NOTICE.

31.3.2. The remaining capital stock to be paid up, to be disbursed in current Brazilian currency, shall comply with the provisions of ANNEX IX.

31.3.3. Subject to the provisions of ANNEX IX, the CONCESSIONAIRE is to adjust the sum to be paid up of its remaining capital stock for inflation, each time it is paid up, whether fully or in part, using the following equation:

$$CS_t = CS_0 \times (IPC_{t-2}/IPC_0)$$

Where:

CS<sub>t</sub>: capital stock adjusted for inflation;

CS<sub>0</sub>: capital stock on the base date used for the estimation;

IPC<sub>t-2</sub>: IPC/FIPE Consumer Price Index of the second month prior to the capital stock's date of adjustment for inflation in the contract year; and

IPC<sub>0</sub>: IPC/FIPE Consumer Price Index for the base date.

31.3.4. The CONCESSIONAIRE undertakes to keep the GRANTING AUTHORITY continually updated on the SPE's shareholders' compliance with capital stock paid up, thereby enabling the GRANTING AUTHORITY to carry out all necessary procedures and auditing to verify the circumstances.

31.3.5. The CONCESSIONAIRE may not, throughout the CONCESSION TERM, reduce its capital stock below the minimum threshold specified in this Clause without the GRANTING AUTHORITY's prior and clear consent.

31.3.5.1. In the event that the CONCESSIONAIRE has reduced its capital stock below the minimum threshold specified in Clause 31.3, it shall be notified by the GRANTING AUTHORITY to make new financial contributions, in an amount corresponding to the reduced sum, with it further being subject to the enforcement of penalties described in ANNEX VII, whereas shareholders shall be responsible for undertaking the CONCESSIONAIRE's duties with the

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GRANTING AUTHORITY whilst said financial contributions have not been fully settled.

- 31.3.6. Until the capital stock is not fully paid up, as per the terms of ANNEX IX, the SPE's shareholders shall be responsible, according to the ratio of shares subscribed by each one of them with the GRANTING AUTHORITY, for the CONCESSIONAIRE's duties under this CONTRACT, up to the threshold of the outstanding installment sum required for the paying in of initially subscribed capital.
- 31.3.7. The CONCESSIONAIRE's capital stock may be increased at any time, subject to the need for additional financial contributions required for purposes of performing the purpose of the CONCESSION.
- 31.4. The CONCESSIONAIRE's business year and the CONTRACT's fiscal year shall both be the calendar year.
- 31.5. Non-Brazilian capital in the CONCESSIONAIRE shall abide by the current Brazilian legislation.
- 31.6. The CONCESSIONAIRE's dissolution may only come about after all activities described in ANNEX X have taken place.
- 31.7. Even after the CONCESSION has ended, the CONCESSIONAIRE shall retain the minimum subscribed capital stock referred to in this Clause until its dissolution, unless (I) there is consent from the GRANTING AUTHORITY, or (II) there has been previous consent for capital reduction below the minimum threshold established in Clause 31.3, in which case the minimum subscription must observe the authorized value.

**On Transaction Policy With Related Parties**

- 31.8. The CONCESSIONAIRE shall, within 120 (one hundred and twenty) days as of the DATE OF SIGNATURE of the CONTRACT, develop, publish and deploy a TRANSACTION POLICY WITH RELATED PARTIES, submitting it to the GRANTING AUTHORITY and which shall be subject, as the case may be, to the best practices recommended under the Código Brasileiro de Governança Corporativa – Companhias Abertas (Brazilian Corporate Governance Code - Publicly-Traded Companies), and published by the Grupo de Trabalho Interagentes (Interagency Work Group) run by the Instituto Brasileiro de Governança Corporativa (Brazilian Corporate Governance Institute - IBGC), as well as by Regulamento do Novo Mercado (New Market Regulation) provisions, or by any other that may potentially replace them as a benchmark at the Comissão de Valores Mobiliários (Brazilian Securities and Exchange Commission – CVM), and including at least:
  - I. criteria to be upheld so as to enable transactions between the CONCESSIONAIRE and its RELATED PARTIES, requiring fulfillment of conditions that are fair and compatible with market practices and which correspond to those that would be attained as a result of a separate deal, with a part unrelated to the CONCESSIONAIRE;
  - II. proceedings to help verify individual situations which may entail conflicts of interest, and thus enforce voting restrictions upon the CONCESSIONAIRE's shareholders or administrators;
  - III. proceedings and individuals in charge of identifying RELATED PARTIES and labeling operations as transactions with RELATED PARTIES;
  - IV. designating approval thresholds for transactions with RELATED PARTIES, conditional upon the sum at hand or any other significant criteria;
  - V. the requirement to, if possible, compare prices with those enforced by other market institutions, pursuant to rules approved by the CONCESSIONAIRE's administration, as a condition for transacting with RELATED PARTIES;

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- VI. proof that the purpose of services procured with RELATED PARTIES is not subject to any other procurement made by the CONCESSIONAIRE with third parties;
  - VII. prohibiting the possibility of early payments in contracts entered into with RELATED PARTIES, except in the event of advancing mobilization costs required in similar market procurements; and
  - VIII. the CONCESSIONAIRE administration's duty to submit an official written document, to be filed at the CONCESSIONAIRE's headquarters, stating the reasons for having selected the RELATED PARTIES over other options available in the market.
- 31.8.1. Notwithstanding the deadline specified in Clause 31.8 above, the TRANSACTION POLICY WITH RELATED PARTIES is to be drafted, published and introduced prior to the CONCESSIONAIRE transacting with any RELATED PARTY.
- 31.9. The CONCESSIONAIRE is to update the TRANSACTION POLICY WITH RELATED PARTIES whenever needed, in compliance with upgrades set in best practice recommendations alluded to in Clause 31.8, as well as the need to add or change specific provisions aimed at granting further transparency as well as a commutative nature for transactions held with RELATED PARTIES.
- 31.10. The TRANSACTION POLICY WITH RELATED PARTIES of the CONCESSIONAIRE must foresee the CONCESSIONAIRE's obligation to disclose, in its electronic website, the following information about the transaction secured:
- I. general information about the secured RELATED PARTY;
  - II. object of said transaction secured;
  - III. deadline of said transaction secured;
  - IV. general payment conditions and adjustment of transaction-related amounts;
  - V. description of the transaction held with the RELATED PARTY and of the decision made to execute the transaction; and
  - VI. reasons for having decided to transact with the RELATED PARTY over other options available in the market.
- 31.10.1. The disclosure referred to in Clause 31.10 shall occur within thirty (30) days from the execution of the transaction with the RELATED PARTY and with, at least, five (5) business days from the beginning of the execution of the obligations arising from the referred transaction.
- 31.11. The CONCESSIONAIRE may be awarded funds from RELATED PARTIES by means of loan agreements, provided:
- I. the loan agreements are previously approved by the GRANTING AUTHORITY;
  - II. accounts payable for amounts awarded to that end are to be conditioned to payment of sums due to the GRANTING AUTHORITY, including the VARIABLE GRANT and INSPECTION FEES, or, instead, to the INDEPENDENT RAPPORTEUR, under the terms of this CONTRACT and conditions applying to contracts entered into with RELATED PARTIES, in accordance with the TRANSACTION POLICY WITH RELATED PARTIES; and
  - III. loan operations' total effective cost use bank loan rates as a baseline, though they are not to exceed them, whereas the CONCESSIONAIRE is to submit related contracts to FINANCIAL INSTITUTIONS or the loan rate in conditions corresponding to payment volumes and methods in order to justify the loan rate.

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- 31.12. Unless the GRANTING AUTHORITY awards its approval, the CONCESSIONAIRE is prohibited from:
- I. awarding loans and financing to its shareholders, to RELATED PARTIES or to third parties; and
  - II. providing surety, endorsements or any other types of guarantee to its shareholders and those of RELATED PARTIES or third parties.

**CLAUSE THIRTY-TWO – ON TRANSFERRING CONTROL OF THE CONCESSIONAIRE**

- 32.1. The CONCESSIONAIRE is to secure the GRANTING AUTHORITY's prior approval for any changes made to its corporate framework which entail direct TRANSFER OF SHAREHOLDING CONTROL, under the terms of this CONTRACT and article 27 of Federal Law no. 8.987/1995.
- 32.1.1. The prior consent requirement specified in Clause 32.1 above encompasses any and all deeds entailing direct TRANSFER of the CONCESSIONAIRE's SHAREHOLDING CONTROL, even if the indirect CONTROL remains with the same ECONOMIC GROUP.
  - 32.1.2. For purposes of this CONTRACT, the CONCESSIONAIRE's direct controller shall be deemed any individual or legal entity, or group of persons bound by a voting agreement or under common control, comprising the CONCESSIONAIRE's direct shareholding framework, and fulfilling the requirements set out in article 116 of Federal Law No. 6.404/1976.
  - 32.1.3. Any event of the CONCESSIONAIRE's indirect TRANSFER OF SHAREHOLDING CONTROL shall not be conditioned to the GRANTING AUTHORITY's prior approval, except if there is a need to replace a company comprising the CONCESSIONAIRE's indirect control that submitted any of the certificates provided for under the NOTICE, as per the terms of its item 13.34.
  - 32.1.4. In the event that an intermediary corporate structure between the GRANTEE of the BIDDING PROCESS and the SPE is established, any changes to the controlling power of said intermediary corporate structure shall be deemed a direct TRANSFER OF SHAREHOLDING CONTROL of the CONCESSIONAIRE.
- 32.2. Any and all acts aimed at changing the CONCESSIONAIRE's shareholding framework shall not be subject to the GRANTING AUTHORITY's prior consent in the event that the companies originally holding direct control over the CONCESSIONAIRE remain in sufficient shareholding numbers to continue exercising the company's CONTROL, without any interference from third parties that did not comprise the CONCESSIONAIRE's CONTROLLING GROUP prior to the act.
- 32.3. Transfer of the CONCESSIONAIRE's SHAREHOLDING CONTROL shall only be approved by the GRANTING AUTHORITY when the transfer neither hinders nor jeopardizes the CONCESSION CONTRACT's performance.
- 32.4. To secure the GRANTING AUTHORITY's approval for the circumstances specified in this Clause, the claimant shall provide the GRANTING AUTHORITY with an official request of approval for the intended transfer, submitting at least the following information:
- I. description of the intended corporate transaction as well as the proposed shareholding framework for the term immediately after the TRANSFER OF SHAREHOLDING CONTROL;
  - II. documents concerning the intended corporate transaction, such as drafts of agreements to deploy the transaction, shareholder agreements, copies of minutes of CONCESSIONAIRE partner or shareholder meetings, letters, audit and financial statement reports;
  - III. reasons for changing the CONTROL;

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- IV. appointment and eligibility of individuals set to become CONTROLLER(S) or to make up the CONCESSIONAIRE's CONTROLLING BLOCK, while further submitting a list of CONCESSIONAIRE administration members and of its CONTROLLERS;
  - V. statement of the CONCESSIONAIRE's shareholding framework after the intended TRANSFER OF CONTROL has taken place;
  - VI. statement evidencing eligibility of companies set to become CONTROLLERS or to make up the CONCESSIONAIRE's CONTROLLING BLOCK, while further submitting any documents corresponding to ELIGIBILITY DOCUMENTS required for the CONCESSION's ongoing operations, subject to said requirement's suitability with the moment of executing the contract;
  - VII. explicit undertaking from all parties set to become CONTROLLERS or to make up the CONCESSIONAIRE's CONTROLLING BLOCK, stating that they shall fully comply with all obligations of this CONTRACT, and shall additionally support the CONCESSIONAIRE in whatever is required for achieving a full and complete timely payment of all obligations attributed to it; and
  - VIII. undertaking from all parties involved that the TRANSFER OF SHAREHOLDING CONTROL transaction shall remain suspended until approval is secured with all competent bodies, including CADE, according to the appropriateness of each specific case.
- 32.5. The GRANTING AUTHORITY shall appraise the request for prior approval for all circumstances provided for under this Clause within a ninety (90) day term, which may be extended for an equal term, as the case may be, and may, at its own discretion, request additional explanations and documents from the CONCESSIONAIRE and/or FINANCIERS, convene members or shareholders holding control over the CONCESSIONAIRE, as well as conducting any and all proceedings that it deems appropriate.
- 32.6. If, due to the current stage that the CONCESSION finds itself in, certain technical capacity and financial standing requirements provided for under the NOTICE are no longer needed for proper rendering of services, the GRANTING AUTHORITY may waive its confirmation.
- 32.7. Prior consent for the CONCESSIONAIRE's TRANSFER OF CONTROL, if given by the GRANTING AUTHORITY, shall be made official in writing, pointing out all conditions and requirements for its undertaking.
- 32.8. Prior consent proceedings related to events set forth under Clause 32.1 shall additionally comply with the following rules:
- I. the CONCESSIONAIRE is to submit the prior consent request sufficiently ahead of time in order to allow the GRANTING AUTHORITY to appraise and issue a statement on it in a timely and reasonable manner, taking into account measures needed to not jeopardize intended operation(s);
  - II. the prior consent request to be submitted by the CONCESSIONAIRE shall be sent along with the corresponding documentation required to typify and explain the intended operation, as well as other documents that may potentially be requested by the GRANTING AUTHORITY, especially those needed to evidence the absence of risks for jeopardizing continuity and standards in performing activities that are the object of this CONTRACT;
  - III. Should the GRANTING AUTHORITY deny the request or require additional information, it shall do so in a grounded manner, and may submit an alternate proposal for the intended operation to be heeded.
- 32.9. Carrying out corporate transactions described in this Clause, while failing to secure the GRANTING AUTHORITY's approval before operations are made official, shall trigger enforcement of penalties provided for under this CONTRACT and ANNEX VII, whereas the GRANTING AUTHORITY, in addition



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to enforcing penalties, may:

- I. determine, whenever the possibility for consent exists, that the claimant submit the corresponding documentation and solve any pending issues, even if after the deadline;
  - II. determine that the CONCESSIONAIRE return to the *status quo ante*, whether by the CONCESSIONAIRE's own undertaking, upon undoing the alteration of the incorporation documents or upon carrying out corporate actions leading the original shareholding company to get its equity capital back, or, on the other hand, by the GRANTING AUTHORITY's own undertaking to attempt to annul the alteration of the incorporation documents, pursuant to the provisions of article 35, subsection I of Federal Law no. 8.934/1994; and
  - III. should it not be possible to overcome the error in changing the CONCESSIONAIRE's shareholding framework documents or that of its controllers, the concession shall be deemed terminated, with the enforcement of all consequences provided for under this CONTRACT.
- 32.10. The fact that the CONCESSIONAIRE takes over CONTROL shall not alter neither the CONCESSIONAIRE's nor its controllers' obligations before the GRANTING AUTHORITY.

**CLAUSE THIRTY-THREE – ON TRANSACTING WITH THIRD PARTIES**

- 33.1. The CONCESSIONAIRE may transact with third parties to develop intrinsic, ancillary or complementary activities to those provided for in this CONTRACT, as well as to commercially operate the CONCESSION AREA, undertaking comprehensive visitor and public use activities in accordance with legislation guidelines and additional standards, and subject to the guidelines of this CONTRACT and ANNEXES.
- 33.1.1. Transacting with third parties may not entail lower service standards or safety rendered, or transfer of the CONCESSIONAIRE-held role under this CONTRACT, whereas the CONCESSIONAIRE shall remain in charge of managing and running the CONCESSION AREA, as well as inspecting services rendered.
  - 33.1.2. The CONCESSIONAIRE shall remain fully accountable for all services rendered, even those rendered by third parties, including, but not limited to, those aimed at assessing performances, damages caused to the GRANTING AUTHORITY, USERS or to third parties, compensation and enforcement of penalties set forth in this CONTRACT.
- 33.2. The CONCESSIONAIRE shall be required to give notice whenever it secures third parties to provide corresponding services and construction works for the development of intrinsic, ancillary or complementary activities to the purpose of the CONCESSION, such as devising projects, maintenance of grounds, conservation, constructions, providing services and undertaking any other activities that generate REVENUE to the CONCESSIONAIRE.
- 33.3. The fact that the GRANTING AUTHORITY was aware of transactions held with third parties may not be brought up by the CONCESSIONAIRE for purposes of waiving either full or partial compliance with its obligations under the CONCESSION, or to justify any delays or changes in costs, or to claim that the GRANTING AUTHORITY bears any type of responsibility whatsoever.
- 33.4. The CONCESSIONAIRE shall answer to the GRANTING AUTHORITY for any and all deeds undertaken by third parties with whom it transacts, with it further not being entitled to bring up any provision to the contrary.
- 33.5. Any and all contracts that the CONCESSIONAIRE enters into with third parties shall be governed by private law, without establishing ties of any kind between the third parties and the GRANTING AUTHORITY, including with regard to labor, social security, tax and commercial charges.

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- 33.5.1. Any and all contracts for rendering services, awarding grounds as well as any other contract entered into with third parties potentially able to secure REVENUE shall ensure a compensation sum to the CONCESSIONAIRE that is attuned to the one that commonly applies to the market.
- 33.6. Should the CONCESSIONAIRE establish a subsidiary company to operate any economic activity at the CONCESSION AREA, the CONCESSIONAIRE must consolidate the values earned by the subsidiary in its accounting, in order to compose the REVENUE that will be transferred to the CENTRALIZER BANK ACCOUNT for the purpose of calculating the value of the VARIABLE GRANT and the value of the INSPECTION FEES.
- 33.7. The CONCESSIONAIRE is responsible for all labor, social security, fiscal and commercial charges resulting from performance of this CONTRACT, as well as for charges related to transacting with third parties.
  - 33.7.1. The CONCESSIONAIRE shall require that subcontractors prove they are compliant with their fiscal and social payments, in addition to fulfilling labor duties and anything else deemed relevant, while additionally keeping said documents under its custody and responsibility.
- 33.8. Any and all types of sub-concession with regard to assets and services that are the object of this CONTRACT are prohibited.

**CLAUSE THIRTY-FOUR – ON TECHNICAL RESPONSIBILITIES AND THOSE CONCERNING THIRD PARTIES**

- 34.1. Services required for optimal overhauling, operations, conservation and maintenance of the CONCESSION AREA are to be carried out under the technical responsibility of personnel trained specifically to this end, with the CONCESSIONAIRE being fully responsible for said personnel's performance, pursuant to the terms of ANNEX II.
  - 34.1.1. Expert technical personnel may be employed directly by the CONCESSIONAIRE as well as indirectly, by means of third parties procured by the CONCESSIONAIRE, at its own risk and upon subcontracting, whereas the CONCESSIONAIRE shall not be exempted from fulfilling its duties.
  - 34.1.2. Technical personnel may be replaced, but only for personnel who also meet the technical capacities specified in ANNEX II, in which case the CONCESSIONAIRE shall be required to notify the GRANTING AUTHORITY within 05 (five) days on said replacement.
  - 34.1.3. Regarding the event of Clause 34.1.1 above, the GRANTING AUTHORITY shall be free to object to the CONCESSIONAIRE-appointed individual should said person fail to meet the technical capacities required for undertaking the activity to be performed.
- 34.2. Pursuant to the terms of the applicable legislation, the CONCESSIONAIRE shall answer to any and all damages caused to third parties, whether caused by itself or by its administrators, employees, agents, service providers, outsourced personnel or subcontractors or any other individual or legal entity tied to it, with regard to the performance of all activities encompassed by the CONCESSION, whereas the GRANTING AUTHORITY shall not take on any type of responsibility of this kind.

**CHAPTER VI – ON INSURANCE POLICIES AND GUARANTEES**

**CLAUSE THIRTY-FIVE – ON GENERAL RULES**

- 35.1. The PERFORMANCE BOND and insurance policies listed in this CONTRACT and the INSURANCE PLAN, which are to be secured by the CONCESSIONAIRE in a timely manner as a condition for performing all corresponding constructive or operational stages, may not bring any clause exempting

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liability other than that resulting from legal or regulatory requirements, and shall appoint the GRANTING AUTHORITY as the beneficiary, ensuring it the option to claim payment of insurance and the PERFORMANCE BOND by giving notice to the insurance company and/or guarantor, in accordance with the legislation in force applying to the CONCESSIONAIRE's default in regard to a specific contract bond insured.

- 35.2. For purposes of effectively entering into contracts or officially executing documents comprising insurance policy and guarantee frameworks required for investments to be made, whether directly or indirectly by the CONCESSIONAIRE, the latter shall submit, within no more than 60 (sixty) days prior to the start of the corresponding construction stage, all documentation needed to enable the GRANTING AUTHORITY to consent in a timely manner to the signing of each document required for establishing the insurance and guarantee framework needed for deploying each of the investments or for operating services and activities.
- 35.3. Once approved, insurance policies and guarantees are to be secured and necessarily renewed, as well as kept current and in force under conditions previously approved by the GRANTING AUTHORITY, at least throughout the entire term during which the main insured bond persists.
- 35.4. Any potential infeasibility or unreasoned hardship by the GRANTING AUTHORITY in its provision of insurance policies and guarantees, pursuant to events triggering execution thereof, may cause the CONTRACT to be terminated, under the terms foreseen herein.

**CLAUSE THIRTY-SIX – ON INSURANCE POLICIES**

- 36.1. Throughout the entire CONCESSION TERM, the CONCESSIONAIRE shall transact and retain an insurance company duly authorized to run and operate in Brazil and whose scope of operations is suited to the insured subject matter herein, insurance policies required to cover risks intrinsic to developing construction works and rendering of services that are the purpose of the CONCESSION, as offered in the Brazilian market and notwithstanding insurance policies required under the applicable legislation, under risk of the CONCESSION being terminated, under the terms of Clause Forty-Nine.
  - 34.2.1. The INSURANCE PLAN comprising this CONTRACT as ANNEX XI shall be regularly reviewed, at least within the scope of ORDINARY REVIEWS, so as to be suited to the need of carrying out adjustments or new investments, and shall comply with Brazilian federal insurance regulatory and inspection entity regulations, whereas enforcing additional and/or delaying procedures to the payment of guaranteed amounts shall be prohibited;
  - 34.2.2. Insurance policies secured by the CONCESSIONAIRE are to bring a clause explicitly providing for automatic and unconditional restructuring of amounts insured, upon ascertaining the sum of the loss, including for Civil Responsibility, subject to regulations set forth by federal bodies in charge of regulating and overseeing Insurance Policies in Brazil, unless said policy is unavailable in the insurance market, which is to be verified by a letter sent to the GRANTING AUTHORITY and signed by the competent organization.
  - 34.2.3. In the event of lack of an insurance policy and/or inability to carry out automatic and unconditional restructuring of amounts that usually would be covered by insurance and/or deployment of the policy's aggregate limit clause, as described in the INSURANCE PLAN, the GRANTING AUTHORITY shall have the right to request different options in order to ensure the main duties taken on by the CONCESSIONAIRE, which are to be devised through a contractual instrument bringing provisions set forth by the GRANTING AUTHORITY or recommended by the CONCESSIONAIRE, and approved by the GRANTING AUTHORITY.
- 36.2. The INSURANCE PLAN shall provide for the need to procure at least the following insurance policies, though not being restricted to them, signaling the forecasted time frame for securing said policies, risks to be mitigated through their concerning policies, as well as the maximum thresholds for compensation in the event of claims:

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- I. “All risks” insurance policies for property damage covering losses, destruction or damages caused to any and all CONCESSION ASSETS, with said insurance policy being required to cover everything usually included, as per international standards for enterprises of this kind, in the following modalities:
  - a. property damage;
  - b. minor engineering construction works;
  - c. riots, vandalism, malicious acts;
  - d. fire, lightning and explosions of any kind;
  - e. electronic equipment damage (low voltage);
  - f. aggravated robbery and theft (except for sums);
  - g. electrical damage;
  - h. windstorm, smoke damage;
  - i. property damages caused to public amenities;
  - j. damages caused to glass objects;
  - k. accidents of any kind; and
  - l. flooding, inundations.
- II. Civil liability insurance:
  - a. damages caused to third parties;
  - b. additional cross liability coverage;
  - c. accidents of any kind involving third parties;
  - d. occupational accidents suffered by employees, in compliance with the current legislation; and
  - e. damages due to sudden pollution.
- III. “All risks” insurance policies for engineering risks, which shall be in effect throughout the entire time frame when construction works are undertaken, encompassing the coverage of any and all investments, costs and/or expenses pertaining to public construction and facilities (construction, facilities and assembly encompassing all acceptance tests), in addition to, at a minimum:
  - a. basic coverage of engineering risks;
  - b. environmental damages due to construction works; and
  - c. property damages.

36.3. Insurance policies provided for under this Clause shall include coverage for damages resulting from force majeure or fortuitous events, in the event that these are insurable.

36.4. All insurance coverages secured for purposes of this CONTRACT are to be secured with insurance and

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reinsurance companies duly authorized to operate in Brazil, and shall always be submitted with the Superintendência de Seguros Privados (Private Insurance Superintendence - SUSEP)-issued Certificate of Operating License on behalf of the insurance company in charge of issuing each policy.

- 36.5. No services or investments whatsoever may be deployed or continued without the CONCESSIONAIRE verifying that insurance policies under the INSURANCE PLAN have been secured, with the need to submit the insurance policy, proof of premium payments and the Certificate of Operating License mentioned in Clause 36.4.
- 36.5.1. In accordance with this CONTRACT's rules, the CONCESSIONAIRE shall provide the GRANTING AUTHORITY, for prior consent, the insurance policies expected to be secured, so that the latter is able to determine the appropriateness of policies, as well as appraising compliance with all of this CONTRACT's requirements, aimed at ensuring that all risks shall be duly mitigated and covered.
- 36.6. The GRANTING AUTHORITY shall be included as the co-insured/beneficiary of all insurance policies secured by the CONCESSIONAIRE, and shall additionally approve in advance any and all changes, cancellations, suspensions or replacements of any insurance policy secured by the CONCESSIONAIRE under this CONTRACT, whereas the CONCESSIONAIRE shall endeavor to retain the same conditions previously authorized by the GRANTING AUTHORITY, under risk of the CONCESSION being terminated, as per the terms of this CONTRACT.
- 36.6.1. Moreover, insurance policies shall provide for direct compensation payments made to the GRANTING AUTHORITY whenever it is held accountable in the event of a claim.
- 36.7. Sums covered by insurance policies listed in the INSURANCE PLAN shall be deemed sufficient for purposes of restituting or adjusting damages caused in the event of a claim.
- 36.8. All deductibles secured shall be those that apply to the Brazilian insurance market for transactions of this kind.
- 36.9. The CONCESSIONAIRE shall additionally comply with the following before securing insurance policies:
- I. all insurance policies shall be valid for at least twelve (12) months, except for potential construction works or engineering services whose execution period is shorter than twelve (12) months;
  - II. the CONCESSIONAIRE shall provide the GRANTING AUTHORITY, at least 30 (thirty) days ahead of insurance policy maturity dates foreseen under this CONTRACT, with certificates issued by the concerning insurance company(ies), thereby validating either the renewal or procurement of new policies;
  - III. in the event of failure to renew or procure new insurance policies as laid out in the previous subsection, the CONCESSIONAIRE shall then submit, at the end of the insurance policy's term and provided it does not hold the new policy, a certificate issued by the concerning insurance company evidencing that all concerning risks were assigned to the insurance market, according to both a defined time frame as well as required policies and deductibles, with only SUSEP's approval being required before the new policy is issued;
  - IV. the CONCESSIONAIRE shall ensure that insurance companies mandatorily include in their insurance policies a written statement to the CONCESSIONAIRE and the GRANTING AUTHORITY, at least 30 (thirty) days prior to the actual instance, addressing any and all circumstances that may trigger either full or partial cancellation of insurance policies secured, policy reductions, increase in deductibles or reduction in sums insured, subject to any and all potential events foreseen under the legislation;
  - V. the CONCESSIONAIRE shall be responsible for making the full payment of all premiums and deductibles in the event that any insurance policy specified in the CONTRACT is used. The CONCESSIONAIRE shall provide, within a term not to exceed 30 (thirty) days as of the start of



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each CONCESSION year, a certificate issued by the insurance company(ies) proving that all insurance policies secured are valid, and that all concerning premiums already due in accordance with agreed upon payment conditions, have been duly paid for;

- VI. any potential differences verified between secured sums and compensation payments for claims shall neither entail the right to economic-financial recovery of this CONTRACT nor dismiss the CONCESSIONAIRE's obligation to keep an ADEQUATE SERVICE in place;
  - VII. differences mentioned in subsection VI above shall not constitute grounds for waiving any investments under this CONTRACT, including additional investments deemed necessary due to occurrences of claims whose sum the policies do not fully cover; and
  - VIII. should any claim insured not covered by procured insurance policies come to fruition, the CONCESSIONAIRE shall answer individually for any losses and damages potentially caused to the GRANTING AUTHORITY and/or third parties, with all compensation resulting from said losses and damages to be borne solely by it.
- 36.10. The CONCESSIONAIRE may make changes to policies and deductibles, in addition to any other conditions included in secured policies, in order to suit them to the development of activities that are the purpose of the CONCESSION, although said changes are conditional upon the GRANTING AUTHORITY's prior approval.
- 36.11. Insurance policies issued shall not bring any obligation, restriction or provision that opposes the provisions of this CONTRACT or the industry's regulations, and shall bring an explicit statement made by the insurance company stating that it is entirely familiar with this CONTRACT, including with regard to restrictions of the CONCESSIONAIRE's rights.
- 36.12. The insurance company shall waive all its rights to appeal against the GRANTING AUTHORITY, even if they are applicable.
- 36.13. The CONCESSIONAIRE shall take on full responsibility for the scope or for omissions stemming from providing insurance policies addressed under this CONTRACT, including for purposes of risks assumed.
- 36.14. Should the CONCESSIONAIRE fail to comply with its obligation to secure and keep insurance policies fully in effect, the GRANTING AUTHORITY, regardless of its option to intervene in or terminate the CONCESSION as per the terms of this CONTRACT, may proceed to secure and pay respective premiums itself, with said costs to be borne by the CONCESSIONAIRE which, in turn, shall reimburse the GRANTING AUTHORITY, if applicable, within 05 (five) working days as of the date of receipt of its notification, under risk of paying 1% (one percent) interest in arrears per month as well as adjustments for inflation using the IPC/FIPE Consumer Price index estimated on a *pro rata temporis* basis, starting from the respective maturity date and up to the the date of actual reimbursement, notwithstanding the option of using the PERFORMANCE BOND to reimburse costs incurred with securing said insurance, as well as for other applicable penalties charged.

**CLAUSE THIRTY-SEVEN – ON THE PERFORMANCE BOND**

- 37.1. The full and timely fulfillment of obligations taken on by the CONCESSIONAIRE from the GRANTING AUTHORITY shall be guaranteed under the terms, amounts and conditions set forth under this Clause, by means of the PERFORMANCE BOND.
- 37.2. As a condition for signing this CONTRACT, the CONCESSIONAIRE provided and shall keep in favor of the GRANTING AUTHORITY, throughout the entire CONCESSION TERM, a PERFORMANCE BOND amounting to R\$ 4,500,000.00 (four million and five hundred thousand reais), and in compliance with the provisions of this CONTRACT.

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- 37.2.1. The amount specified in Clause 37.2 above shall be adjusted for inflation each year using the IPC/FIPE Consumer Price index on the CONTRACT's anniversary month, and using the base date specified in Clause 3.2.
- 37.2.2. ORDINARY REVIEWS may trigger the CONCESSIONAIRE's need to make ADDITIONAL INVESTMENTS, which may be taken into account for purposes of suiting the PERFORMANCE BOND.
- 37.3. In addition to guarantees in favor of the GRANTING AUTHORITY, the CONCESSIONAIRE undertakes to keep all guarantees provided in its favor in full effect upon request made by companies secured for rendering services and other activities to be performed at the CONCESSION AREA, appointing the GRANTING AUTHORITY as the beneficiary.
- 37.3.1. The CONCESSIONAIRE shall give notice to the GRANTING AUTHORITY in the event that it chooses to request that the guarantee set out in Clause 37.3 above be applied to the terms and conditions of security agreements signed with companies secured to undertake services and other activities to be carried out at the CONCESSION AREA.
- 37.4. The PERFORMANCE BOND is aimed at compensating and reimbursing costs and expenses incurred as a result of potential breaches of obligations taken on by the CONCESSIONAIRE, and shall additionally be used for paying fines enforced upon the CONCESSIONAIRE or for paying other sums it may potentially owe to the GRANTING AUTHORITY.
- 37.4.1. Regardless of the PERFORMANCE BOND having been provided in its entirety, the CONCESSIONAIRE shall remain fully accountable for fulfilling the object of this CONTRACT, in addition to any and all other obligations intrinsic to it, including the payment of fines, indemnifications and other penalties potentially enforced upon it, and which have remained unmet even after the PERFORMANCE BOND was fully or partially executed.
- 37.5. Should the PERFORMANCE BOND not suffice to cover all obligations foreseen under Clause 37.4 and Clause 37.12, the CONCESSIONAIRE shall bear the difference.
- 37.6. Documents that effectively make the PERFORMANCE BOND official are to be previously approved by the GRANTING AUTHORITY under the terms of this CONTRACT, in addition to any and all changes, replacements and renewals potentially deemed necessary, whereas the CONCESSIONAIRE shall, either way, be held accountable for all risks regarding failure to secure, improper or insufficient procurement of guarantees required.
- 37.7. Conditional upon the GRANTING AUTHORITY's prior and express approval, the PERFORMANCE BOND may be offered and/or replaced in one of the following modalities, in accordance with the terms of article 56 of Federal Law no. 8.666/1993:
- I. Bonds in current Brazilian currency;
  - II. Government Bonds issued by the National Treasury;
  - III. Insurance bond;
  - IV. Bank guarantee; or
  - V. A combination of two or more of the modalities listed in subsections I to IV above.
- 37.7.1. The PERFORMANCE BOND provided may not bring any proviso potentially hindering or preventing its execution, or which may raise doubts concerning its enforceability, subject to Brazilian federal regulatory and oversight insurance agency regulations, if offered in this modality.
- 37.7.2. Expenses concerning the PERFORMANCE BOND's provision shall be solely borne by the

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CONCESSIONAIRE.

- 37.7.3. The CONCESSIONAIRE shall be fully responsible for retaining and ensuring that the PERFORMANCE BOND under this CONTRACT suffices, as well as being accountable for bearing all costs stemming from its procurement.
- 37.7.4. If provided in Brazilian currency, the PERFORMANCE BOND is to be deposited into the GRANTING AUTHORITY-held, Banco do Brasil, Branch number 1897-X, Checking Account no. 8834-X, referring to the FED DO GABINETE DO SECRETÁRIO DA SIMA (SIMA'S SECRETARY OFFICE's FED), CNPJ/ME no. 13.885.885/0001-03, submitting the deposit slip or an administrative check from a Brazilian financial institution.
- 37.7.5. If provided as National Treasury-issued Public Debt Bonds, the PERFORMANCE BOND shall be rendered with bonds' face values, and may not be encumbered with unmortgageability, inalienability, non-transferability or compulsory acquisition clauses.
- 37.7.6. Bonds offered are to be issued in book entry form, upon registration at the Central Bank of Brazil approved central liquidation and custody system at market value, and submitted along with proof of current validity with respect to their liquidity and price.
- 37.7.7. The performance bond, if provided by National Treasury-issued Public Debt Bonds, must consider that the custody of the bonds offered in a Selic Account to be opened in the name of the GRANTING AUTHORITY must be paid by the CONCESSIONAIRE.
- 37.7.8. Only the following bonds shall be accepted:
- I. National Treasury Bills (LTN);
  - II. National Financial Treasury Bills (LFT);
  - III. National Treasury Notes Series B Principle (NTN-B Principle);
  - IV. National Treasury Notes Series B (NTN-B);
  - V. National Treasury Notes Series C (NTN-C); and
  - VI. National Treasury Notes Series F (NTN-F).
- 37.7.9. If submitted as an insurance bond, the PERFORMANCE BOND is to be certified by submitting an insurance bond policy along with a premium payment receipt, if applicable, in addition to a Superintendência de Seguros Privados (Private Insurance Superintendence – SUSEP)-issued Certificate of Operational License issued on behalf of the insurance company in charge of issuing the policy, with a minimum 12 (twelve) month term.
- 37.7.9.1. If the policy provided is of the insurance bond type, it shall be issued by an insurance company duly authorized to operate in Brazil, and shall be submitted along with proof of reinsurance secured under the terms of the current legislation at the time it was submitted, with a minimum 12 (twelve) month term.
- 37.7.9.2. The policy shall be compliant with SUSEP Memorandum no. 477/2013 or any other that may potentially amend or replace it, and may not bring any clause exempting the CONCESSIONAIRE or the insurance company from any of their liabilities, not even under their special or private conditions, other than those resulting from legal or regulatory requirements.
- 37.7.9.3. Only those exclusions of liability that result from an unavoidable imposition arising from law

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or regulation will be considered valid, not being considered valid the exclusions of liability that are merely admitted by the regulator, but not imposed, as mentioned in the ELECTRONIC MEMORANDUM No. 1/2021/DIR1/SUSEP.

- 37.7.9.4. The concerning insurance policy's special or private conditions shall explicitly list all events covered under Clauses 37.4 and 37.12 of this CONTRACT, or exceptionally be submitted along with a statement signed by the insurance company in charge of issuing the policy, where it certifies that the insurance bond provided suffices to cover all events described in Clauses 37.4 and 37.12 of this CONTRACT.
- 37.7.9.5. If provided as an insurance bond, the PERFORMANCE BOND is to account for all events that take place throughout its term, regardless of whether the GRANTING AUTHORITY gives notice on the claim after the PERFORMANCE BOND's term has elapsed, and shall account for all potential events included in SUSEP Memorandum no. 477/2013, or any other that may amend or replace it, in addition to any event where the GRANTING AUTHORITY is liable for any deed or fact resulting from the CONCESSIONAIRE's actions or those of its agents or subcontractors, including, but not limited to, environmental damages, civil, fiscal or labor liabilities, and regulatory penalties, among others.
- 37.7.10. If provided as a bank guarantee, the PERFORMANCE BOND is to be issued by a financial institution duly incorporated and authorized to operate in Brazil, and shall be submitted in its original form along with proxy on behalf of the individual who signed the document, waiving its benefit of order and having its amount denoted in Brazilian reais.
- 37.7.11. If provided as an insurance bond or as a bank guarantee, the PERFORMANCE BOND is to have a term of least one (01) year as of the date it was secured, whereas the CONCESSIONAIRE shall be solely responsible for carrying out all necessary renewals and updates, and shall additionally notify the GRANTING AUTHORITY on any and all renewals and upgrades carried out, under risk of being enforced all applicable sanctions.
- 37.8. The CONCESSIONAIRE shall provide the GRANTING AUTHORITY with a document proving renewal and upgrading of the PERFORMANCE BOND at least thirty (30) days prior to the end of its term.
- 37.9. The PERFORMANCE BOND is to remain fully in force until the FINAL ACCEPTANCE CERTIFICATE is signed, as per the provisions of ANNEX X, and shall only be cleared for deployment after proof is given that the CONCESSIONAIRE paid for any and all net and due sums owed to the GRANTING AUTHORITY, in accordance with the concerning administrative proceedings, and may be executed under the terms of this CONTRACT.
- 37.10. Regardless of under which modality it is provided, the PERFORMANCE BOND shall neither feature clauses exempting the CONCESSIONAIRE from any responsibility incurred due to provisions in this CONTRACT, nor feature any kind of proviso or condition that may potentially hamper or prevent their execution, or which may lead to doubts concerning the soundness of the bond provided, other than exclusion provisos or clauses resulting from legal or regulatory requirements.
- 37.11. In all instances where the PERFORMANCE BOND is executed, whether in whole or in part, the CONCESSIONAIRE shall be required to reimburse its full sum within 10 (ten) working days as of the notification sent by the GRANTING AUTHORITY.
- 37.11.1. In the event that said reimbursement fails to take place within the term specified in Clause 37.11, the GRANTING AUTHORITY shall have the right to enforce penalties upon the CONCESSIONAIRE and, where applicable, decide to terminate the CONTRACT, pursuant to the terms of Clause Forty-Nine.
- 37.11.2. The CONCESSIONAIRE shall be responsible for renewing the PERFORMANCE BOND in a timely manner so as to ensure its continuity, in addition to regularly restituting and adjusting it for inflation, regardless of the GRANTING AUTHORITY having previously served notice of default.

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37.12. Notwithstanding other potential events provided for under this CONTRACT or the legislation, the GRANTING AUTHORITY may execute the PERFORMANCE BOND either in whole or in part, following its appraisal in ordinary administrative proceeding, under the following circumstances:

- I. for payment of sums owed by the CONCESSIONAIRE to the GRANTING AUTHORITY that were not settled spontaneously due to a failure in carrying out any investment specified in this CONTRACT, or due to any potential amendments signed by both PARTIES, or if unjustifiably executed in an inappropriate manner or in non-compliance with defined specifications and deadlines, or if it refuses or fails to rectify shortcomings signalled by the GRANTING AUTHORITY as per the terms of this CONTRACT;
- II. for payment of sums not settled spontaneously due to fines, compensation payments or other penalties which may be applied hereunder, and within the defined deadlines;
- III. for payment of sums owed by the CONCESSIONAIRE to the GRANTING AUTHORITY that were not settled spontaneously due to non-compliance with its contractual duties, or due to lack of measures required to meet the PERFORMANCE INDICATORS, refusing or failing to rectify shortcomings signalled by the GRANTING AUTHORITY under the terms of this CONTRACT;
- IV. for payment of any amounts recurrently owed by the CONCESSIONAIRE to the GRANTING AUTHORITY that were not settled spontaneously as VARIABLE GRANT sums or INSPECTION FEES;
- V. for payment of sums owed by the CONCESSIONAIRE to the GRANTING AUTHORITY that were not settled spontaneously with regard to asset reversal, in all instances where the REVERTIBLE ASSETS were not delivered to the GRANTING AUTHORITY or to a designated third party in full operating and technical conditions, as well as taking into account this CONTRACT's specifications, including the potential event of failing to rectify shortcomings signalled by the GRANTING AUTHORITY, as per this CONTRACT;
- VI. for reimbursement of costs and expenses accrued by the GRANTING AUTHORITY or the SUCCESSOR while suiting the PARKS to the requirements set out in ANNEX X;
- VII. for payment of sums owed by the CONCESSIONAIRE to the GRANTING AUTHORITY, including for purposes of settling penalties that were not paid spontaneously, if the CONCESSIONAIRE fails to secure required insurance or refuses to do so, as per this CONTRACT;
- VIII. in the event that a breach is verified in the CONCESSIONAIRE's obligation to pay in the minimum capital stock due, as per the terms of ANNEX IX; and
- IX. for reimbursement of sums disbursed in case the GRANTING AUTHORITY is wrongly held accountable for any act or fact resulting from the CONCESSIONAIRE's actions or those of its representatives or subcontractors, including, but not limited to, environmental damages and civil, tax and labor liabilities, and regulatory penalties, among others.

37.13. The CONCESSIONAIRE shall remain fully accountable for complying with the object of this CONTRACT, as well as for any and all additional obligations intrinsic to it, including payment of fines, compensations and other penalties that may apply to it, subject mainly to the payment of debts while executing, whether in whole or in part, the PERFORMANCE BOND.

## **CLAUSE THIRTY-EIGHT – FINANCING AND GUARANTEES PROVIDED TO FINANCIERS**

### **On Financing**

38.1. The CONCESSIONAIRE shall be solely responsible for procuring all financing required for the ordinary



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provision of services encompassing the CONCESSION, so as to fully and timely fulfill all obligations taken on in this CONTRACT.

- 38.1.1. The CONCESSIONAIRE may not claim any Financing Contract(s) provision, clause or condition, as well as any delays in the payment of funds for purposes of exempting itself, whether in whole or in part, from the obligations taken on under this CONTRACT, and whose terms FINANCIERS shall be fully aware of.
- 38.2. Pursuant to all applicable private law regulations and after the GRANTING AUTHORITY has given its prior consent, the CONCESSIONAIRE's financing contract(s) may assign to FINANCIERS the right to assume CONTROL over the CONCESSIONAIRE in the event that the CONCESSIONAIRE breaches contract with regard to said financing contracts or those of this CONTRACT, subject to the provisions of Article 27-A of Federal Law no. 8.987/1995.
- 38.3. Following the GRANTING AUTHORITY's prior approval, the CONCESSIONAIRE may additionally provide FINANCIER(S) with guarantees based on the CONCESSION's emerging rights, according to articles 28 and 28-A of Federal Law no. 8.987/1995.

**On structuring guarantees and signing the restricted transaction Management Account Contract**

- 38.4. FINANCIER(S), as represented by their trustee(s), may comprise the contractual relationship established between the GRANTING AUTHORITY, the CONCESSIONAIRE and the financial institution holding the CENTRALIZER ACCOUNT as parties, upon signing a fidelity agreement.
  - 38.4.1. If FINANCIER(S), as represented by their trustee(s), choose this option, the parties shall then sign a fidelity agreement to the above-mentioned CONTRACT in order to suit the referred contract to FINANCIER(S)' regulations, policies and internal approvals, provided these changes do not entail any losses to rights, guarantees or options awarded to the GRANTING AUTHORITY by means of this CONTRACT and ANNEXES.
  - 38.4.2. Either way, the GRANTING AUTHORITY's faculty to receive credits owed as deductions stemming from the PERFORMANCE INDICATORS, as well as from the VARIABLE GRANT and INSPECTION FEES, shall be upheld.

**On guarantees established based on emerging rights stemming from the CONCESSION**

- 38.5. The CONCESSIONAIRE may provide guarantees stemming from this CONTRACT to its FINANCIERS, under the terms of the legislation, provided these do not jeopardize continuity and suitability of services rendered in this CONTRACT, and provided the GRANTING AUTHORITY's prior approval has been secured.
  - 38.5.1. Following the GRANTING AUTHORITY's approval, the CONCESSIONAIRE may offer any credit rights it may potentially hold with the GRANTING AUTHORITY as financing guarantees, credit operations, raising of market funds, debt operations and related activities, by means of assignments, including fiduciary assignments, usufruct or liens or chattel mortgage of shares, bonds, securities and their concerning earnings relating to the SPE, provided the financing operation is directly related to this CONTRACT.
  - 38.5.2. Guarantees foreseen under Clause 38.5 may, subject to the GRANTING AUTHORITY's prior approval, be provided in contracts having an ancillary or complementary nature to financing contracts, when aimed at ensuring financing of the CONCESSION itself or mitigating risks taken on by the CONCESSIONAIRE, as in the case of contracts signed to award collateral or personal securities, for raising of market funds, procuring insurance or safeguarding the CONCESSIONAIRE from asset price variations (hedge).
  - 38.5.3. Any and all CONCESSION rights, revenues and receivables, including all CONCESSIONAIRE REVENUE, shall be deemed rights arising out of the CONTRACT.

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38.6. Any potential payments owed by the GRANTING AUTHORITY to the CONCESSIONAIRE as indemnifications or offset payments may be paid directly to FINANCIERS.

38.6.1. In the event that the GRANTING AUTHORITY makes direct payments to FINANCIERS, said payments shall fully offset the GRANTING AUTHORITY's obligations to the CONCESSIONAIRE in regard to the amount actually disbursed to FINANCIERS.

**CHAPTER VII – INSPECTIONS**

**CLAUSE THIRTY-NINE – ON INSPECTION PAYMENTS**

39.1. The GRANTING AUTHORITY shall be entitled to receive all INSPECTION FEES set forth under Clause Fourteen for undertaking CONCESSION inspections.

**CLAUSE FORTY – ON INSPECTIONS UNDERTAKEN**

40.1. The GRANTING AUTHORITY is to fully and thoroughly oversee this CONTRACT, comply with all obligations set forth thereunder, as well as over the CONCESSIONAIRE, and shall, in the performance of its inspections, be cleared access at all times to all CONCESSION-related grounds, facilities and sites, to CONCESSIONAIRE-related ledgers and documents, as well as to ledgers, records and documents related to activities and services comprising the CONCESSION, to data relating to the CONCESSIONAIRE's management, accounting and technical, economic and financial resources, and shall be free to request explanations or amendments should it find there are non-compliances with obligations set forth hereunder, particularly those relating to fulfillment of the PERFORMANCE INDICATORS and quality standards specified in this CONTRACT and ANNEXES.

40.1.1. Inspections undertaken throughout the CONCESSION CONTRACT's term, and comprising all CONCESSIONAIRE activities, are to be carried out by the GRANTING AUTHORITY by means of a committee appointed in a STATE SECRETARIAT FOR INFRASTRUCTURE AND ENVIRONMENT (SIMA) resolution, which shall be required in order to oversee the contract's performance.

40.1.2. The CONCESSIONAIRE shall provide, within the deadline granted to it, all explanations that it is officially requested to provide.

40.1.3. Notwithstanding inspections that are the purpose of this Clause, the GRANTING AUTHORITY shall devise, together with the CONCESSIONAIRE, a schedule for inspecting and monitoring construction works carried out at the CONCESSION AREA.

40.1.4. Any reference made to the GRANTING AUTHORITY under this Clause Forty may refer to, at its sole discretion, any other STATE OF SÃO PAULO body or entity, as well as representatives either secured or appointed for purposes of carrying out inspection duties.

40.1.5. GRANTING AUTHORITY-held inspections shall not waive inspections attributable to other public, federal, state or municipal bodies and entities within their concerning jurisdictional scopes, under the terms of the current legislation.

40.2. Rulings concerning services where any shortcomings, errors and/or inaccuracies are verified, and which are issued within the scope of inspections, shall apply immediately and be binding upon the CONCESSIONAIRE, notwithstanding other consequences foreseen hereunder, as well as dispute settlement provisions laid out in this CONTRACT.

40.2.1. In the event that the CONCESSIONAIRE refuses to accept the GRANTING AUTHORITY's rulings,

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the latter may, whether by itself or by means of third parties, take all necessary steps to rectify any potentially verified breaches, with all concerning costs to be borne by the CONCESSIONAIRE, and which additionally may be met by executing the PERFORMANCE BOND or by offsetting sums available in the CENTRALIZER ACCOUNT or owed by the GRANTING AUTHORITY to the CONCESSIONAIRE, notwithstanding enforcement of any corresponding sanctions and penalties.

- 40.3. The GRANTING AUTHORITY's inspections shall comply with the rules of ANNEX VII with regard to all applicable procedures and penalties within the scope of CONCESSION inspections.
- 40.3.1. Inspections undertaken shall record, in its specific registration form, all incidents verified during inspections carried out at the CONCESSION AREA and/or at the SPE, submitting the INSPECTION TERM to the CONCESSIONAIRE for purposes of rectifying any verified shortcomings or flaws, notwithstanding the option of initiating administrative sanctioning proceedings.
- 40.3.2. Administrative sanctioning proceedings shall follow the procedures of State Law no. 10.177/1998, or any other that may potentially replace it.
- 40.3.3. Rectifying flaws verified during the INSPECTION TERM shall not rule out the occurred breach and, consequently, enforcement of the corresponding penalty.
- 40.4. Inspections may also monitor INDEPENDENT RAPPORTEUR efforts to verify the CONCESSIONAIRE's fulfillment of the PERFORMANCE INDICATORS.
- 40.4.1. The GRANTING AUTHORITY may monitor the provision of services and may also request thorough explanations or amendments should it find there was a breach in obligations foreseen under this CONTRACT, particularly in regard to fulfilling PERFORMANCE INDICATORS, current schedules and service standards defined in this CONTRACT.
- 40.5. Notwithstanding PERFORMANCE INDICATORS potentially attributable, drafting of the INSPECTION TERM and issuance of the INFRACTION NOTICE, the CONCESSIONAIRE is required to repair, amend, interrupt, suspend or replace, at its own expense and within the deadline set by the GRANTING AUTHORITY any and all CONCESSION-related services or activities in which shortcomings, flaws and/or inaccuracies are verified.
- 40.5.1. The GRANTING AUTHORITY shall have the right to request that the CONCESSIONAIRE submit an action plan to repair, correct, interrupt, suspend or replace any services or activities rendered with any type of shortcoming, flaw and/or inconsistency relating to the object of this CONTRACT, within a deadline to be defined.
- 40.5.2. In the event that the CONCESSIONAIRE fails to comply with the GRANTING AUTHORITY's rulings, the latter shall have the option to rectify the situation so as to remedy any shortcoming, flaw and/or inconsistency verified, or instead, to carry out unfulfilled investment duties, whether by itself or by means of a third party, or additionally by deploying the PERFORMANCE BOND, with all concerning costs to be borne by the CONCESSIONAIRE.
- 40.6. While carrying out its inspection duties, the GRANTING AUTHORITY may contact any of the CONCESSIONAIRE's communications workstations and shall additionally:
- I. oversee the performance of activities rendered at the CONCESSION AREA and supervise maintenance activities of the CONCESSION's REVERTIBLE ASSETS;
  - II. proceed to carry out inspections aimed at verifying the suitability of facilities and public amenities, while setting forth all necessary amendments, repairs, removals or replacements, all of which are to be borne by the CONCESSIONAIRE;
  - III. intervene, if necessary, in the performance of activities undertaken at the CONCESSION AREA, so

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as to ensure their good standing as well as faithful compliance with this CONTRACT and all applicable legal standards;

- IV. request, based on justified grounds, immediate replacement of any employee who, as a result of his or her reckless or improper conduct, is jeopardizing the standards of activities rendered at the CONCESSION AREA;
- V. verify the progress or solution of specific events at any time and under any circumstance;
- VI. determine, based on justified grounds, that activities or services be redone, without, however burdening the GRANTING AUTHORITY with any costs, in the event that previously undertaken activities and services fail to meet quantitative and qualitative standards, pursuant to benchmark technical guidelines and standards set forth under the CONTRACT and ANNEXES; and
- VII. enforce all sanctions and penalties specified in this CONTRACT and ANNEX VII.

**On CONCESSIONAIRE obligations to support inspections**

40.7. To ensure adequate performance of contract inspections and oversight by the GRANTING AUTHORITY, and notwithstanding any other obligation to provide information established in this CONTRACT, under the applicable legislation or regulations, the CONCESSIONAIRE undertakes to:

- I. give immediate notice to the GRANTING AUTHORITY on any and all events that may hinder or prevent the prompt and timely fulfillment of obligations arising out of this CONTRACT and/or which may constitute grounds for intervening in the CONCESSIONAIRE, terminating the CONCESSION or rescinding the contract, which may lead to instances of speeding up the maturity date of investments secured, as well as potentially and significantly changing the usual provision of CONCESSION-related services or operations;
  - a. The notification addressed in this item is to be submitted in writing as a thorough report describing said event, and submitted within the earliest possible time frame so as to prevent the CONCESSION from being jeopardized, including, as the case may be, assistance provided by expert organizations outside the CONCESSIONAIRE, with all measures taken or underway to overcome or rectify the issue.
- II. submit to the GRANTING AUTHORITY, within 48 (forty-eight) hours of submission or receipt, copies of any notifications sent to, or received by, FINANCIERS concerning potentially substantial events for services or funding procured by the CONCESSIONAIRE;
- III. submit, by August 31st of each year, an audited report on its accounting situation, including, among other things, the Balance Sheet and Income Statement corresponding to the semester concluded on June 30th of the concerning year;
- IV. submit, by April 30th of each year, and in compliance with the provisions of Federal Law no. 6404/1976 and Federal Law no. 11.638/2007, financial statements concerning the fiscal year ending on December 31st of the preceding year, including, among others, the Management Report, Balance Sheet, Income or Accumulated Losses Statement, Yearly Financial Statement and Cash Flow Statement, explanatory notes for the Balance Sheet, expert opinions and Working Papers produced by Independent Auditors and, if applicable, the SPE's Fiscal Council, in addition to, should the SPE be a Publicly Listed company, the Added-Value Statement;
- V. submit a monthly report to the GRANTING AUTHORITY with detailed information on verified visitor numbers and REVENUE collected in the period, whereas the GRANTING AUTHORITY shall have the right, should it deem necessary, to devise standards and/or forms for the CONCESSIONAIRE to fill out said information;
- VI. submit, within 90 (ninety) days after the end of each six-month term, updated information on the

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CONCESSION's financial forecasts, these being perceived as the set of forecasts for all financial elements related to performance of the CONTRACT, and encompassing actual earnings collected since the start of the CONCESSION, until the concluded semester, as well as forecasted results until the end of the CONCESSION TERM;

- VII. submit, within 45 (forty-five) days as of the end of each calendar quarter, accounting statements in compliance with the corporate legislation, as well as closing monthly balance sheets duly signed by the chief accountant;
- VIII. submit an updated quarterly activity schedule to the GRANTING AUTHORITY listing construction works and INTERVENTIONS to be undertaken at the CONCESSION AREA, including the list of completed construction works and those underway, signaling the respective stage and expected date of completion for each one, as well as construction works yet to be initiated;
- IX. submit a quarterly report with all steps taken to handle USER complaints submitted by the GRANTING AUTHORITY, as well as the time frame needed to put them in place;
- X. ensure that GRANTING AUTHORITY representatives are awarded access, throughout the entire CONCESSION term, to the CONCESSION AREA so as to enable them to carry out all CONCESSION AREA-related inspection activities, as well as the performance of state regulatory powers.

**CLAUSE FORTY-ONE – ON ACTS REQUIRING PRIOR CONSENT OR NOTIFICATION GIVEN TO THE GRANTING AUTHORITY**

**Events requiring the GRANTING AUTHORITY's prior consent**

- 41.1. Notwithstanding other events provided for under this CONTRACT and the applicable legislation and regulations, the following actions potentially performed by the CONCESSIONAIRE are conditional upon the GRANTING AUTHORITY's prior consent, under risk of enforcement of sanctions specified in ANNEX VII, and which may additionally lead to terminating the CONCESSION:
  - I. changes made to the SPE's Articles of Incorporation, except those of a significantly formal and/or procedural nature, or which foster an increase of its capital stock, and which shall be subject to subsequent simple notice given to the GRANTING AUTHORITY;
  - II. merger, consolidation, scission, transformation or any other type of corporate restructuring entailing TRANSFER OF CONTROL;
  - III. provided they are able to, whether jointly or individually, denote a change to the CONCESSIONAIRE's shareholding CONTROL pursuant to events laid out in Clause Thirty-Two, encompassing, for illustrative purposes, the following deed(s), subject to the GRANTING AUTHORITY's prior consent:
    - a. Signing of shareholder agreements;
    - b. Issuance of securities convertible into shares; and
    - c. Provision of guarantees and rights to third party-held stock.
  - IV. disposal of CONTROL or transfer of the SPECIFIC PURPOSE COMPANY, operated by FINANCIERS and/or Guarantors, for purposes of undertaking the CONCESSIONAIRE's financial restructuring;
  - V. establishment of subsidiary companies, including for purposes of REVENUE operations;



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- VI. reduction of the SPECIFIC PURPOSE COMPANY's capital stock to thresholds below minimum levels set forth under this CONTRACT;
  - VII. procurement or changes in insurance policies, the insurance company procured and/or the PERFORMANCE BOND procured by the CONCESSIONAIRE related to this CONTRACT, even those whose procurement stems from decisions made during ORDINARY REVIEW proceedings, except if it concerns an act already approved at the time the INSURANCE PLAN was either approved or updated;
  - VIII. procurement of any financing, issuance of bonds and securities, any and all debt operations secured by the CONCESSIONAIRE entailing, in either case, a bid bond for rights arising out of the CONCESSION or of CONCESSIONAIRE-led actions;
  - IX. disposal, establishment of liens or transfer of any kind of REVERTIBLE ASSETS by the CONCESSIONAIRE to third parties, including its FINANCIERS or guarantors, except for events in which the approval specified in Clause Sixteen is waived;
  - X. filing of a financial restructuring request by the CONCESSIONAIRE itself;
  - XI. granting of loans and funding to SPE, RELATED PARTIES or third party shareholders; and
  - XII. the SPE's provision of surety, endorsements or any other kind of guarantee to the benefit of its shareholders or RELATED PARTIES;
- 41.2. The CONCESSIONAIRE is to submit any requests for prior consent sufficiently ahead of time in order to allow the GRANTING AUTHORITY to properly appraise and issue a statement within a timely and reasonable time span, taking into account all precautionary measures so as not to jeopardize operation(s) intended by the CONCESSIONAIRE that are conditional upon the GRANTING AUTHORITY's approval.
- 41.3. Said requests for prior consent to be submitted by the CONCESSIONAIRE are to be sent along with relevant documentation for purposes of denoting and describing all intended operations, as well as any additional documents that the GRANTING AUTHORITY may request, especially those necessary to prove that the continuity and quality of the execution of the activities under this CONTRACT will not be compromised.
- 41.3.1. Should the request for prior consent encompass any type of operation that adversely impacts CONCESSION ASSETS, the CONCESSIONAIRE's undertaking to, if need be, immediately replace assets to be disposed of, or transferred for new assets with similar operating conditions and equal or greater technology shall be submitted, unless the GRANTING AUTHORITY explicitly agrees not to proceed with it.
  - 41.3.2. The GRANTING AUTHORITY shall have a 60 (sixty) day term, as of receipt of the CONCESSIONAIRE-submitted request for prior consent, to provide a written response to the request, which may either grant approval, deny the request or draw up additional requirements for granting it.
- 41.4. Should the GRANTING AUTHORITY deny the request or require additional information, it shall do so in a grounded manner, and may submit an alternate proposal for the intended operation to be heeded.

**Operations and situations requiring the GRANTING AUTHORITY's notification**

- 41.5. The following actions and operations potentially undertaken by the CONCESSIONAIRE require the GRANTING AUTHORITY to be given notice up to 15 (fifteen) days after consummation, under risk of enforcement of sanctions described in this CONTRACT:
- I. changes to the SPE's corporate structure that do not entail TRANSFER OF SHAREHOLDING

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CONTROL, but which do entail transferring at least 20% (twenty percent) of the SPE's voting securities;

- II. changes to the SPE's corporate structure that do not entail TRANSFER OF SHAREHOLDING CONTROL, but which do entail transferring at least 10% (ten percent) of the SPE's voting securities held by a sole shareholder;
- III. changes to voting agreements attributable to any potential CONTROLLING BLOCK, provided they do not entail TRANSFER OF SHAREHOLDING CONTROL;
- IV. changes to the SPE's Articles of Incorporation having a significantly formal and/or procedural nature;
- V. securing any type of funding, issuing bonds and securities, any and all debt transactions secured by the SPE that do not fall within the scope of Clause 41.1, subsection VIII;
- VI. enforcement of penalties upon the SPE by any agency or entity with powers to do so, especially due to any type of default regarding tax, social security, occupational safety and health obligations, or those enforced by any other body empowered to regulate and oversee the CONCESSIONAIRE'S activities, or that has an environmental nature;
- VII. replacement of the SPE's TECHNICIAN IN CHARGE.
- VIII. loss of any key condition required for the SPECIFIC PURPOSE COMPANY to render its services;
- IX. third party-filed financial restructuring requests or any other type of SPE-related bankruptcy proceedings or termination; and
- X. subcontracting or outsourcing construction works and services related to operating REVENUE and for fulfilling assignments laid out in this CONTRACT and ANNEXES.

41.6. The GRANTING AUTHORITY may additionally, in compliance with all legal restrictions and by means of written notice given, previously waive prior approvals for specific events, provided the requirements set forth under said notice are met.

**CLAUSE FORTY-TWO – ON PENALTIES**

- 42.1. All penalties applicable within the scope of this CONTRACT, as well as their statutory order, shall comply with the rules specified in ANNEX VIII, whereas their enforcement shall take place by means of sanctioning administrative proceedings, which are to comply with the procedure defined in State Law no. 10.177/1998, ensuring the right to be heard and to adversary proceedings, under the legal terms and deadlines.
  - 42.1.1. The penalties provided for under this CONTRACT and ANNEX VII shall not rule out those that may potentially be enforced by other regulatory and inspecting bodies, within their scope of jurisdiction, and regulated under the current legislation.
- 42.2. Enforcement of penalties are not to be mistaken for appraisal of PERFORMANCE INDICATORS and their respective consequences.
- 42.3. For purposes of this CONTRACT, recurrence shall be deemed any and all breaches more than once within a 36 (thirty-six) month time frame.
  - 42.3.1. For purposes of determining that a recurrent event took place, it is not required that, at the time of the practice of recurrent breach, there had been a conviction or even the initiation of administrative sanctioning proceedings related to the previous infraction.

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- 42.3.2. Conviction for the prior breach in administrative proceedings is a condition for applying aggravating recurrence circumstances to the following breach's penalty.
- 42.3.3. If, upon enforcing the subsequent breach's penalty, conviction for the prior breach is not yet final within the administrative realm, enforcement of recurring aggravating circumstances to the subsequent breach's penalty, whose effects shall be automatically disregarded, regardless of CONCESSIONAIRE requests, shall be considered on a temporary basis in the event that the conviction for the prior breach no longer persists, at any time and for any reason whatsoever.
- 42.4. Default with any of the provisions of this CONTRACT, ANNEXES and NOTICE, as well as those of the applicable legislation and/or regulations shall entail, notwithstanding all applicable administrative, civil or criminal liabilities, enforcement of the following contractual penalties:
- I. Notice;
  - II. Monetary fine;
  - III. Temporary suspension in the right to participate in bidding processes and disqualification to transact with the direct or indirect State of São Paulo PUBLIC ADMINISTRATION for a time span not to exceed 2 (two) years;
  - IV. Statement of ineligibility to participate in bidding processes or to transact with the PUBLIC ADMINISTRATION while the reasons leading to the sanction persist, or until it is rehabilitated by the authority that enforced the sanction.
- 42.4.1. All penalties provided for under this CONTRACT are to be applied individually or cumulatively, conditional upon the severity of the act.
- 42.4.2. Classification of breaches under ANNEX V shall not rule out the option to determine breaches that are not classified due to breach of CONTRACT, NOTICE and ANNEX standards, as well as those of the applicable legislation and regulations, as set forth under ANNEX VII.
- 42.5. In events specifically provided for under this CONTRACT, the GRANTING AUTHORITY may award an additional time frame for the CONCESSIONAIRE to rectify any breaches, thereby suspending enforcement of penalties on the CONCESSIONAIRE.
- 42.5.1. The additional time frame awarded for rectifying breaches shall not suspend any ongoing sanctioning proceeding(s), unless clearly provided for otherwise.
- 42.5.2. The additional time frame for rectifying breaches shall not surpass 180 (one hundred and eighty) days, extendable at the GRANTING AUTHORITY's discretion.
- 42.5.3. Once said additional time frame for rectifying breaches has elapsed, and any and all aggravating circumstances that caused it remain unsettled, enforcement of penalties shall resume by computing penalties owed throughout the entire suspension term, as well as by appraising the appropriateness of initiating termination proceedings, as set forth under this CONTRACT, in case these were not already underway.
- 42.5.4. Once the additional time frame for rectifying breaches has elapsed, awarded under the terms of Clause 42.5, and any and all aggravating circumstances that caused it have been settled, thereby ceasing the breach of contract event, sanctioning proceedings related to the rectified breach shall be concluded, without the enforcement of any penalties.
- 42.6. Whenever a penalty stems from non-compliance with MANDATORY MINIMUM INVESTMENTS or ADDITIONAL INVESTMENTS' initial or intermediate deadlines, the GRANTING AUTHORITY may consent to a new schedule of services not yet performed so as to allow for the recovery of the unmet

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deadline, provided the schedule's original end date remains the same.

- 42.6.1. Any and all decisions on consenting to a new schedule, as set forth under Clause 42.6, are to be based on and guided by technical criteria.
- 42.6.2. Regardless of consent given to the new schedule addressed in Clause 42.6.1, procedures for enforcing penalties set forth under this CONTRACT are to be complied with, whereas enforcement of penalties or enforceability, in the case of a fine, shall remain suspended.
- 42.6.3. The CONCESSIONAIRE's submission of a request to reschedule services not yet performed, as addressed in Clause 42.6, shall mean acknowledgment that the breach of the initial or intermediary deadline is in fact its own responsibility, whereas the CONCESSIONAIRE shall not have the right to engage, throughout the sanctioning proceedings, in any behavior that may oppose said acknowledgment.
- 42.6.4. Any suspension in the enforcement of penalties or in the enforceability of fines may only be granted in the event that the deadline set in the schedule referred to in Clause 42.6 does not entail prescription of the GRANTING AUTHORITY's punitive damage claims.
- 42.6.5. Compliance with the deadline set in the new schedule, as defined in Clause 42.6, as well as recovery of the original schedule, shall lead to sanctioning administrative proceedings being filed and/or to termination of the corresponding penalty.
- 42.6.6. Should the deadline set in the new schedule referred to in Clause 42.6 fail to be met, an invoice shall be drawn up on the working day immediately following the new schedule's unmet deadline with the fine amount to be preferably deducted straight from the CENTRALIZER ACCOUNT, accruing interest in arrears specified in Clause 42.6.6.2, in which case submission of a new schedule will not be allowed.
  - 42.6.6.1. Any potential defense submitted by the CONCESSIONAIRE due to charges specified in Clause 42.6.6 shall be restricted to proving that the breach of the deadline set in the new schedule resulted from an issue whose risk or responsibility was attributed to the GRANTING AUTHORITY, whereas circumstances that have already been subject to appraisal as well as unappealable decisions made during sanctioning proceedings may not be brought up again for discussion.
  - 42.6.6.2. The sum of the fine due by the CONCESSIONAIRE shall be adjusted for inflation using the *pro rata die* index mentioned in Clause 3.2, in addition to applying 1% (one percent) monthly interest in arrears estimated on a daily *pro rata die* basis, and comprising the time frame alluded to in Clause 42.6.4 as well as the date the invoice was drawn up.
- 42.7. The profit potentially collected by the CONCESSIONAIRE stemming from any act deemed a breach having taken place shall be relayed to the GRANTING AUTHORITY so as to avoid the CONCESSIONAIRE's illicit enrichment, notwithstanding enforcement of the applicable penalty.
- 42.8. Any monetary amounts resulting from the enforcement of fines proven to be due in an administrative proceeding transited in *rem judicatan* are to revert to the benefit of the GRANTING AUTHORITY, being preferably offset with amounts that the GRANTING AUTHORITY acknowledges administratively as being owed to the CONCESSIONAIRE, or deducted straight from the CENTRALIZER ACCOUNT, subject to the 0.5% (five-tenths percent) threshold on the sum included in the CENTRALIZER ACCOUNT, in frequencies defined in the CENTRALIZER BANK ACCOUNT management contract and pursuant to the terms of ANNEX VII, until the debt has been fully settled.
  - 42.8.1. When applied, fine sums are to be adjusted for inflation estimated using the *pro rata die* index variation specified in Clause 3.2, in addition to applying the 1% (one percent) monthly interest in arrears rate estimated using the *pro rata die* basis, starting from the payment term's maturity date specified in Clause 42.8.2, and ending on the date the payment is effectively made.

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- 42.8.2. In the event that a direct deduction from the CENTRALIZER ACCOUNT or offsetting amounts due by the GRANTING AUTHORITY is not possible, the CONCESSIONAIRE shall make the payment within 30 (thirty) consecutive days, starting from the notice given on the final administrative ruling, with the payment receipt to be included in the sanctioning administrative proceeding files within the same time frame.
- 42.8.3. Failure to collect any fine due, whenever direct discount from the CENTRALIZER ACCOUNT or offsetting amounts due to the GRANTING AUTHORITY is not possible, under the defined terms and deadlines, shall be deemed a serious breach, consequently triggering payment of the PERFORMANCE BOND, as per the terms of Clause Thirty-Seven, without any further steps being required.
- 42.8.4. Monetary fines enforced upon the CONCESSIONAIRE are to be collected in accordance with current regulations, notwithstanding the option to record the unfulfilled debit in the state CADIN, as well as deploying administrative or legal measures to collect it.
- 42.9. Should any type of breach of contract be verified during inspection activities, thereby leading to potential enforcement of penalties upon the CONCESSIONAIRE, the party in charge of overseeing CONTRACT performance shall draw up the INSPECTION TERM, including:
- I. a description of verified fact(s);
  - II. indication of a potential recurrence, including the date of the last occurrence, if applicable;
  - III. classification of the verified fact with breaches specified in ANNEX VII or, in case of lack of a specific classification, breach of obligations set forth under the CONTRACT, the NOTICE and ANNEXES, as well as in the applicable legislation and/or regulations;
  - IV. photographic records, if consistent with the type of breach committed;
  - V. indication and statutory order of the applicable penalty, subject to the criteria of ANNEX V; and
  - VI. identification of the agent in charge of oversight duties.
- 42.9.1. Any and all potential mistakes made by the oversight agent in classifying or signalling the applicable penalty may be rectified through sanctioning administrative proceedings, whereas the CONCESSIONAIRE's deadline to submit its defense shall be restored should rectification lead to any factual-related information.
- 42.9.2. Once the INSPECTION TERM has been drawn up, it shall be submitted:
- I. to STATE SECRETARIAT FOR INFRASTRUCTURE AND ENVIRONMENT's competent administrative department to appraise whether sanctioning administrative proceedings should be initiated, in compliance with ordinary legal proceedings set forth under article 63 of State Law no. 10.177/1998;
  - II. to the CONCESSIONAIRE, signalling the deadline to rectify all verified shortcomings or flaws, notwithstanding the option to simultaneously initiate sanctioning administrative proceedings under State Law no. 10.177/1998.
- 42.9.3. Regardless of whether shortcomings pointed out in the INSPECTION TERM have been brought into compliance, this shall not rule out the fact that a breach occurred, and hence, enforcement of the corresponding penalty under the terms of this CONTRACT, ANNEX VII and the applicable legislation, notwithstanding the enforcement of additional events provided for under Clauses 42.6 and 42.7, if applicable.



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- 42.9.4. Whether by its own initiative or upon other parties' request, the GRANTING AUTHORITY may, whether by means of the INSPECTION TERM or any administrative proceeding stage initiated to verify potential breaches of contract, determine that preventive or mitigating measures be enforced in all instances where there is evidence or understandable concern that the CONCESSIONAIRE, whether by itself or through third parties, may cause irreparable damages or damages difficult to repair to USERS or the general public, or which may render ineffective the proceeding's final result.
- 42.9.4.1. Failure to fulfill preventive or mitigating measures defined by the GRANTING AUTHORITY shall constitute aggravating factors.
- 42.10. Related cases concerning breaches of the same kind may be grouped together in the same sanctioning administrative proceeding, in which case the potential enforcement of penalties shall take into account the number of infractions committed.
- 42.10.1. Once mitigating and/or aggravating factors are verified for only one or part of breaches ascertained, the GRANTING AUTHORITY may enforce penalties separately.
- 42.11. If the current PERFORMANCE BOND is of the insurance bond type, the GRANTING AUTHORITY may, at its own discretion, notify the insurance company that it will initiate sanctioning administrative proceedings.
- 42.12. Upon being summoned either by receipt or by electronic means, the CONCESSIONAIRE shall be responsible for submitting its defense within the time frame specified in article 63, subsection III of State Law no. 10.177/1998, documenting it with any evidence it deems relevant.
- 42.12.1. CONCESSIONAIRE requests for producing evidence shall only be examined, as per the terms of article 63, subsection IV of State Law no. 10.177/1998, if the CONCESSIONAIRE, in its defense, specifically points out which evidence it intends to produce, its purpose, and the grounds for the evidentiary stage.
- 42.13. Should the CONCESSIONAIRE's arguments be dismissed, or in case the legal deadline elapses without a defense having been submitted, and with it having been determined that breach of contract did in fact take place, the appropriate sanction shall apply, serving the CONCESSIONAIRE with a notification.
- 42.13.1. Notifications on the enforcement of penalties are to be made in writing, upon receipt or sent electronically.
- 42.13.2. The CONCESSIONAIRE shall keep the GRANTING AUTHORITY updated on the electronic mail address it will use to receive any summons, notifications, subpoenas or communications relating to this CONTRACT, using as the initial date for counting deadlines the working day immediately after the electronic communication was sent.
- 42.14. In the event of a potential penalty being enforced upon the GRANTING AUTHORITY, the latter shall have the right to appeal within 15 (fifteen) working days as of receipt of the notification sent by the CONCESSIONAIRE only one time, directly to the higher-level manager who rendered the decision within the GRANTING AUTHORITY's scope, subject to the provisions of articles 40 and 47, paragraph 2, both pertaining to State Law no. 10.177/1998.
- 42.14.1. The deadline set in Clause 42.14 applies to requests for reconsideration, which may be lodged only once, and solely for events listed under article 42 of State Law no. 10.177/1998.
- 42.15. Fulfillment of penalties enforced upon the GRANTING AUTHORITY shall not exempt the CONCESSIONAIRE from its full performance of all obligations and duties foreseen under the CONTRACT and ANNEXES, in addition to indemnifications for potential losses and damages caused to the GRANTING AUTHORITY, its employees, USERS or third parties as a consequence of CONCESSION-related activities.

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- 42.16. The right to enforce penalties upon the CONCESSIONAIRE shall not rule out the GRANTING AUTHORITY's option to put in place precautionary measures aimed at ensuring that an ADEQUATE SERVICE is provided and to uphold the personal or physical integrity of third parties or CONCESSION ASSETS.
- 42.17. Unless specifically stated, deadlines shall be counted consecutively, disregarding the first day and including the maturity date, and should the deadline expire on a non-working day of the entity in charge of oversight duties, then the deadline shall be postponed to the first subsequent working day.
- 42.17.1. Deadlines are only to start and expire on working days of the agency or entity.
- 42.17.2. The deadline shall be deemed to be postponed until the first subsequent working day if, upon its maturity date, the working day is finished before regular office hours.
- 42.17.3. Monthly and yearly deadlines expire on the same number day of the start of, or on the following day, in case there is no exact match.
- 42.17.4. For purposes of this Chapter and ANNEX VII, "month" shall be deemed the time frame starting from the start date of the day corresponding to the following month, pursuant to the terms of current Federal Law no. 810/1949, whereas in all other instances, Clause 2.1, subsection VIII of this CONTRACT shall apply.
- 42.17.5. Hourly-set deadlines shall be counted each minute.

**CHAPTER VIII – INTERVENTION**

**CLAUSE FORTY-THREE – INTERVENTION**

- 43.1. The GRANTING AUTHORITY may, at any time and notwithstanding all applicable penalties and incidental responsibilities, intervene in the CONCESSION to ensure construction works' compliance and suitability, continuity in the provision of services and/or the CONCESSIONAIRE's fulfillment of all relevant contractual, regulatory and legal standards, in accordance with Article 32 and following of Federal Law No. 8.987/1995. The following are some of the events that may trigger interventions:
- I. total or partial termination or interruption of construction works related to MANDATORY MINIMUM INVESTMENTS or ADDITIONAL INVESTMENTS, or to the CONCESSIONAIRE's provision of services and activities that are the object of this CONTRACT due to the CONCESSIONAIRE's own fault;
  - II. serious shortcomings in the CONCESSIONAIRE's organization that jeopardize due compliance with all obligations assumed within the scope of the CONCESSION;
  - III. any and all circumstances capable of jeopardizing the environment, the safety of people or assets, the treasury or public health;
  - IV. serious and/or recurring breaches of this CONTRACT's obligations;
  - V. failure to submit or renew insurance policies necessary for a full and regular performance of the contract;
  - VI. recurring inappropriate or inadequate conduct by the CONCESSIONAIRE in performing the object of the contract, using PERFORMANCE INDICATORS as a baseline, and identified by assigning to the CONCESSIONAIRE performance scores lower (a) than 25% (twenty-five) of ANNEX IV's Final Score for rendering of services, even without financially putting in risk the CONCESSIONAIRE, for

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03 (three) consecutive years; or (b) than 50% (fifty percent) of ANNEX IV's Final Score for rendering of services, even without financially putting in risk the CONCESSIONAIRE, for 05 (five) non-consecutive years; and

VII. using CONCESSION facilities for unlawful purposes.

43.1.1. The GRANTING AUTHORITY's decision to intervene in the CONCESSION in any of the events specified in Clause 43.1 above shall lead the GRANTING AUTHORITY to carry out all required procedures, with the GRANTING AUTHORITY having the right, in view of the events specificities, to choose to enforce other measures foreseen under the CONTRACT which, to its understanding, better serve the public interest, such as enforcing penalties or deciding upon the CONCESSION's termination, if applicable.

43.1.2. Should any event that may trigger the CONCESSION's intervention be verified, the GRANTING AUTHORITY shall be required to notify the CONCESSIONAIRE so that it may proceed to, within the deadline assigned to it, rectify all breaches pointed out, notwithstanding the enforcement of applicable penalties.

43.1.2.1. If the established deadline elapses with the CONCESSIONAIRE having failed to rectify breaches or take action which, at the GRANTING AUTHORITY's discretion, would prove its intention of actually rectifying them, the latter shall recommend the Governor of the State of São Paulo to carry out the intervention.

43.2. Any and all CONCESSION interventions shall be effected upon order issued by the Governor of the State of São Paulo, duly published in the State of São Paulo's Official Gazette (DOE/SP) and pointing out, at the very least, the reasons for the intervention, appointment of the INTERVENER, the deadline and intervention limits.

43.3. Interventions shall automatically entail compulsory and temporary transfer of the CONCESSIONAIRE's administration to the INTERVENER.

43.3.1. The role of the INTERVENER may be performed by any of the GRANTING AUTHORITY's comprising staff members, a person, Corporation or company specifically appointed, whereas the CONCESSIONAIRE shall bear all costs for the respective payments.

43.4. Once intervention has been decreed, the GRANTING AUTHORITY shall, within 30 (thirty) days, initiate administrative proceedings to appraise the respective liabilities and to verify the causes that led to the intervention, ensuring the CONCESSIONAIRE's right to due legal process, particularly the right to be heard and to adversary proceedings.

43.4.1. The aforementioned administrative proceedings are to be concluded within 180 (one hundred and eighty) days, under risk of rendering the intervention void.

43.5. The CONCESSIONAIRE undertakes, throughout the intervention, to immediately grant direct ownership over the CONCESSION AREA, CONCESSION ASSETS and management of CONCESSIONAIRE-held checking accounts to the INTERVENER, as well as anything else required for the full performance of services that are the object of the CONTRACT, whereas the INTERVENER shall be accountable for complying with all checking account transaction restrictions potentially provided for under financing contracts signed by the CONCESSIONAIRE, in accordance with the deadlines and conditions set forth under Clause Forty-Two.

43.6. Throughout the intervention period, REVENUE shall be collected in accordance with the guidelines set by the INTERVENER or by means of intervention proceedings.

43.6.1. REVENUE collected throughout the intervention period shall be used to cover costs required for the regular performance of activities relating to the object of the CONTRACT, as well as to pay insurance and guarantee-related costs, financing-related costs and for reimbursement of

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administrative costs.

- 43.7. Any potential additional costs resulting from interventions are to be borne by the CONCESSIONAIRE, whereas the GRANTING AUTHORITY shall be free to use the PERFORMANCE BOND for purposes of securing funds still needed to cover expenses required to ensure continuity of the CONCESSION AREA's proper working conditions under an intervention regime.
- 43.7.1. Should the PERFORMANCE BOND prove to be insufficient, the CONCESSIONAIRE shall be required to reimburse the GRANTING AUTHORITY.
- 43.8. Once the intervention has ended, and provided the CONCESSION has not been terminated, responsibility for rendering services under this CONTRACT shall revert back to the CONCESSIONAIRE, in addition to the CONCESSION's financial control, with any potential remaining REVENUE surplus collected throughout the intervention period to be transferred back to the latter after rendering of accounts by the INTERVENER, which shall answer for all deeds carried out during its administration, whereas ownership of assets that have been taken over by the INTERVENER and assignment of contract rights and obligations intrinsic to said provision shall be reverted back to the CONCESSIONAIRE.
- 43.9. Interventions shall not be deemed grounds for terminating or suspending any of the CONCESSIONAIRE's obligations to third parties, including to FINANCIERS.
- 43.10. Should it be proven that legal and regulatory requirements for decreeing intervention were unmet, it shall be deemed void, and services shall immediately revert back to the CONCESSIONAIRE, notwithstanding the INTERVENER's duty to provide rendering of accounts as well as any potential compensation due.
- 43.11. The GRANTING AUTHORITY shall compensate the CONCESSIONAIRE for any potential damages it may have caused throughout the intervention period.

## **CHAPTER IX – TERMINATION OF CONTRACT**

### **CLAUSE FORTY-FOUR– CIRCUMSTANCES FOR TERMINATING THE CONTRACT**

- 44.1. The CONCESSION shall be terminated due to:
- I. end of contract term;
  - II. expropriation;
  - III. expiry;
  - IV. rescission;
  - V. annulment resulting from unverifiable errors or breaches determined during proceedings or upon awarding the concession;
  - VI. bankruptcy or termination of the CONCESSIONAIRE, as well as financial restructuring which, in this case, hinders performance of this CONTRACT;
  - VII. fortuitous or force majeure events addressed in this Chapter; and
  - VIII. retender.
- 44.2. Should the CONCESSION be terminated, the GRANTING AUTHORITY may, conditional upon the

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event that triggered termination of the CONTRACT, and pursuant to the provisions of this Chapter:

- I. take over, whether directly or indirectly, CONCESSION AREA operations at the place and state where it is located;
  - II. occupy and use locations, facilities, public amenities, material, and use personnel employed to provide services required for continuity of its services;
  - III. enforce all applicable penalties;
  - IV. retain and execute the PERFORMANCE BOND and insurance policies, when applicable, for purposes of receiving administrative fines and reimbursing losses caused by the CONCESSIONAIRE;
- 44.3. Once the CONCESSION has been terminated, the GRANTING AUTHORITY shall immediately take over all activities that are the object of this CONTRACT as well as REVERTIBLE ASSETS, with applicable assets and rights to be reverted, pursuant to the terms of Clause Fifty-Two.
- 44.3.1. Regarding the circumstances provided for under Clause 44.3 above, the GRANTING AUTHORITY may retain contracts that the CONCESSIONAIRE signed with third parties for the term and initially agreed-upon conditions, subject to the current legislation.
- 44.4. The GRANTING AUTHORITY may conduct a new bidding process for the object of the CONTRACT, bestowing upon the winner the duty to pay compensation straight to the former CONCESSIONAIRE's FINANCIERS, or straight to the latter, as the case may be.
- 44.4.1. The provisions of Clause 44.4 above neither rule out nor hinder the CONCESSIONAIRE's right to enforce collection measures effective the moment the compensation becomes due, and up to its payment.
- 44.4.2. The CONCESSIONAIRE shall, throughout the entire CONTRACT term, clear the GRANTING AUTHORITY or third parties' access to the CONCESSION AREA for purposes of conducting research studies or carrying out technical inspections aimed at arranging or furthering bidding processes, while, if applicable, complying with CONCESSIONAIRE-defined rules or procedures aimed at mitigating any and all impacts that said admissions may cause to activities undertaken at the CONCESSION AREA.

**CLAUSE FORTY-FIVE – END OF CONTRACT TERM**

- 45.1. The CONCESSION shall come to an end once the end date of the CONCESSION TERM has elapsed, consequently terminating all contractual relationships between the PARTIES, except for those explicitly set out under this CONTRACT, as well as post-contractual obligations attributed to the CONCESSIONAIRE and to the GRANTING AUTHORITY.
- 45.2. Upon determining that the CONTRACT term has elapsed, and notwithstanding potential replacements of the SUCCESSOR under current contracts, the CONCESSIONAIRE shall be held fully and solely accountable for terminating any and all contractual relationships signed with third parties that it comprises as a party, whereas the GRANTING AUTHORITY is not to take over any liability or cost relating to said procurements.
- 45.3. The GRANTING AUTHORITY shall not take on, except when exercising its option to replace itself in contracts entered into with the CONCESSIONAIRE, any liability or cost relating to contracts executed by the CONCESSIONAIRE, with no compensation being owed to the CONCESSIONAIRE or to third parties due to the end of said contractual relationships.
- 45.3.1. The CONCESSIONAIRE shall take all necessary steps to enable negotiations between the



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GRANTING AUTHORITY and third parties secured by it, for purposes of ensuring the option of exercising the prerogative set forth under Clause 45.3.

- 45.4. The CONCESSIONAIRE shall be required to assist the GRANTING AUTHORITY in order to avoid interruptions in the provision of CONCESSION AREA services or visitation due to the end of the contract term and subsequent termination of this CONTRACT, pursuant to the terms of ANNEX X, and to assist, for instance, in the training of GRANTING AUTHORITY personnel, or that of any other PUBLIC ADMINISTRATION entity appointed by it, or any potential SUCCESSOR assisting with the transition and in whatever else is needed for the continued operation and maintenance of REVERTIBLE ASSETS, while upholding duly justified corporate confidentiality circumstances that have been given the GRANTING AUTHORITY's consent.
- 45.5. Up to 36 (thirty-six) months prior to the end date of the CONCESSION TERM, the CONCESSIONAIRE is to submit the DEMOBILIZATION PLAN for the GRANTING AUTHORITY's appraisal and approval, pursuant to the terms of Clause 55.1.
- 45.6. In the last ORDINARY REVIEW preceding the end of the CONCESSION TERM, the PARTIES are to account for any potential funding required for demobilization procedures, with said funding to be amortized before the end of the CONCESSION TERM.
- 45.7. The CONCESSIONAIRE shall not be entitled to any compensation related to REVERTIBLE ASSET investments after the contract term has come to an end.

**CLAUSE FORTY-SIX – GENERAL RULES FOR COMPENSATION**

- 46.1. In any early termination event provided for under this CONTRACT, the CONCESSIONAIRE shall have the right, pursuant to the terms of article 36 of Federal Law no. 8.987/1995, to receive compensation for unamortized and depreciated financing installments made and tied to REVERTIBLE ASSETS, and which additionally shall consider, for purposes of estimating compensation due, the methodology described in this Clause.
  - 46.1.1. The amortization method used in the estimation shall be the straight-line (constant amortization) method, taking into account recognition of the REVERTIBLE ASSET and the shortest time frame between (I) the end of the CONTRACT term, or (II) the concerning REVERTIBLE ASSET's useful life.
  - 46.1.2. Any and all potential sums accounted for as interest and other financial expenses while during the investment stage shall be disregarded.
  - 46.1.3. Any and all potential sums accounted for as pre-operating expenses, deemed any and all sums made before the SPECIFIC PURPOSE COMPANY's official incorporation, shall be disregarded.
  - 46.1.4. Any and all potential sums accounted for as builders margin shall be disregarded.
  - 46.1.5. Any and all potential acquisition premiums shall be disregarded.
  - 46.1.6. Only costs and expenses accounted for, and which were undertaken by the CONCESSIONAIRE itself shall be considered, whereas any and all potential costs and expenses undertaken by CONCESSIONAIRE shareholders or RELATED PARTIES shall be disregarded, regardless of them benefiting activities carried out at the CONCESSION AREA.
  - 46.1.7. Any and all potential sums accounted for as VARIABLE GRANTS or as INSPECTION FEES shall be disregarded.
  - 46.1.8. Financing installment amounts tied to unamortized or undepreciated REVERTIBLE ASSETS shall

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be estimated based on the CONCESSIONAIRE's intangible asset, and shall have, as their end date, the date of notification for terminating the CONTRACT sent to the CONCESSIONAIRE, in accordance with accounting standards, particularly Technical Interpretation ICPC 01 (R1) and Technical Pronouncement CPC 01 (R1), corresponding statements and guidelines, as well as all concerning reviews, all of them issued by the Comitê de Pronunciamentos Contábeis (Accounting Pronouncements Committee – CPC) and duly adjusted for inflation using the IPC/FIPE Consumer Index of the contract year the investment was certified, until the contract year when the compensation payment was settled.

46.1.9. All costs accounted for, according to the method described in Clause 46.1.8, shall have as a threshold limit:

- I. for MANDATORY MINIMUM INVESTMENTS sums, the amounts foreseen under feasibility studies disclosed by the GRANTING AUTHORITY and duly adjusted for inflation using the IPC/FIPE Consumer Price Index based on feasibility studies' base date, until the contract year when the compensation payment was settled;
- II. amounts estimated for ADDITIONAL INVESTMENTS projected in amendments to the contract and adjusted for inflation using the IPC/FIPE Consumer Price Index of the baseline contract year of the projected price, until the contract year when the compensation payment was settled; and
- III. regarding any additional NON-MANDATORY INVESTMENTS, sums to be approved by the GRANTING AUTHORITY using the methodology specified in Clause 27.5.2, and taking into account sums estimated at the time they were made, while additionally drawing on any estimations made by any potential INDEPENDENT RAPPORTEUR procured in accordance with the terms of Clause Fifteen with a specific scope provided for in this subsection, and duly adjusted for inflation using the IPC/FIPE Consumer Price Index of the contract year of the base date of the sum, until the contract year when the compensation payment was settled.

46.1.10. Excepting expiry events provided for, sums still unamortized or undepreciated accounted for by means of VARIABLE GRANT certifications are to be considered, provided the CONCESSIONAIRE has effectively disbursed them.

46.2. REVERTIBLE ASSETS that have been added to the CONCESSIONAIRE's asset by means of donations or compensations made by the GRANTING AUTHORITY shall not make up compensable sums.

46.2.1. Any and all potential expenses for repairing and/or rebuilding REVERTIBLE ASSETS delivered in conditions other than those specified in this CONTRACT and its ANNEXES, determined as provided for in this CONTRACT, shall be deducted from the compensable amount.

46.3. Compensations estimated using the method specified in this and the following clauses, as well as their effective payment under the administrative realm, upon the CONCESSIONAIRE's consent, shall entail the full, general and unrestricted settlement of the amount owed by the GRANTING AUTHORITY due to termination, whereas the CONCESSIONAIRE shall not have the right to claim, whether administratively or legally, any compensation, including those related to loss of profits and consequential damages.

46.3.1. If compensation amounts estimated using methods specified in Clause Forty-Seven and subsequent clauses are subject to collection of applicable taxes upon their payment, the sum to be paid shall be increased so as to ensure the CONCESSIONAIRE's receipt of net tax values corresponding to the amount computed for compensation, excepting amounts listed in Clause 46.5, and whose potential tax charges are to be borne by the CONCESSIONAIRE.

46.4. Recovery of economic-financial imbalances shall be added or subtracted from the compensation amount owed to the CONCESSIONAIRE, estimated using the methodology described in this Chapter, to the benefit of, respectively, the CONCESSIONAIRE or the GRANTING AUTHORITY, already in their net values and due following the completion of administrative proceedings in an unappealable decision under

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the administrative realm.

- 46.5. The following shall be deducted from the compensation owed to the CONCESSIONAIRE, in compliance with the provisions of Clause 46.4, and with the exception of termination events, always following the preference order listed below and regardless of the CONCESSIONAIRE's consent:
- I. sums received by the CONCESSIONAIRE as insurance policies related to events or circumstances that trigger termination;
  - II. the outstanding balance owed to FINANCIERS for funding whose main scope entailed fundraising for REVERTIBLE ASSET-related investments, plus contractual interest agreed upon in the concerning agreements;
  - III. the sum of fines enforced upon the CONCESSIONAIRE within the scope of the CONTRACT due to final and unappealable rulings and/or already concluded sanctioning procedures issued in a non-appealable ruling; and
  - IV. the sum of property damages provenly caused by the CONCESSIONAIRE to the GRANTING AUTHORITY, and acknowledged in an unappealable decision under the administrative realm.
- 46.5.1. The amount described in subsection I of Clause 46.5 above shall be paid by the GRANTING AUTHORITY to FINANCIERS.
- 46.5.2. In case of expiry of contract, subsections II and III shall prevail in the deduction order regarding subsection I, both pertaining to Clause 46.5.
- 46.5.3. The sum of the penalty whose administrative proceedings are currently in progress, at the time the compensation sums were appraised, shall be withheld from the compensation sum until the administrative proceeding comes to an end with issuance of a non-appealable ruling, whereas said sum is to be adjusted for inflation using the IPC/FIPE Consumer Price Index and paid to the CONCESSIONAIRE if said ruling is issued in its favor at the end of the administrative proceedings.
- 46.6. The CONCESSIONAIRE's exemption from any of the obligations stemming from other financing contracts secured by it for purposes of fulfilling the CONTRACT may take place by means of:
- I. the GRANTING AUTHORITY or third parties' assumption, by means of subrogation, of FINANCIERS or creditors' remaining obligations from the CONCESSIONAIRE, up to the threshold limit of the amount due to the CONCESSIONAIRE after payment of deductions set forth under Clause 46.5, and provided the FINANCIERS have consented to it; or
  - II. previous compensation paid to the CONCESSIONAIRE, restricted to the compensation sum owed to the CONCESSIONAIRE after all deductions provided for under Clause 46.5, concerning the full remaining debt sum it owes to FINANCIERS or creditors.
- 46.6.1. The amount related to the exemption addressed in Clause 46.6 above is to be deducted from the compensation sum and may not, under any circumstance whatsoever, exceed the overall compensation sum due.
- 46.7. The set of rules for compensation described in this clause applies to all early termination events, whereas compensation payments for specific items in each of the early termination clauses listed below are always to be fulfilled.

**CLAUSE FORTY-SEVEN – EXPROPRIATION**

- 47.1. The GRANTING AUTHORITY may, throughout the term of the CONTRACT, resume its performance due to duly grounded public interest, by means of a specific authorizing law and previous payment of compensation, in accordance with this CONTRACT.

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47.2. In the event of expropriation, compensation owed to the CONCESSIONAIRE shall cover the following, in addition to the provisions of Clause 46.1:

I. all charges and liens stemming from fines, rescissions and compensations potentially due to suppliers, contracted parties and third parties in general, resulting from breach of fixed-term contract, whereas said sums are to be consistent with those currently applied in the market, particularly in regard to RELATED PARTIES, and shall be explicitly stated in the contract or stemming from a court ruling; moreover, any and all sums relating to loss of profits or related funds shall not be included in the compensation, regardless of being provided for under contracts entered into by the CONCESSIONAIRE; and

II. loss of profits estimated according to Clause 47.3.

47.3. The item set forth under subsection II of Clause 47.2 shall be estimated using the following equation:

$$LC = A \times [(1 + NTNB')^n - 1]$$

Where:

**LC** = loss of profits set forth under subsection II of Clause 47.2.

**A** = investments signalled in Clause 46.1.

**NTNB'** = gross real interest rate levied on the sale of Office of National Treasury Notes - Série B (NTN-B), *ex-ante* deduction of income tax, with a maturity date consistent with the CONTRACT's termination in the event that there was no early termination, and issued by the Office of National Treasury considering quotation averages available in the 12 months prior to the compensation payment date.

**n** = remaining time frame, counted in years, between the compensation payment date and the end of the contract term in the event that the CONTRACT was not subjected to early termination on the same NTNB' base.

47.4. Compensation owed due to expropriation events shall be restricted to sums specified in this Clause Forty-Eight, whereas no other sums shall be owed as compensation, loss of profits exceeding amounts reimbursed under this clause and/or consequential damages.

47.5. Compensation shall be disbursed up until the very moment the CONCESSION is resumed, and as a condition for its resumption.

#### CLAUSE FORTY-EIGHT – EXPIRY

48.1. Total or partial failure to perform this CONTRACT or any of the duties under the legislation or regulations shall trigger, at the GRANTING AUTHORITY's discretion and subject to the provisions of this CONTRACT, termination of the CONCESSION after all prior competent administrative proceedings have been enforced, ensuring due legal process and especially the right to be heard and to adversary proceedings once all settlement possibilities specified in this CONTRACT have been exhausted, notwithstanding enforcement of sanctions under the contract.

48.2. The GRANTING AUTHORITY's decision to terminate the CONCESSION whenever any of the events specified in Clause 48.3 entail the GRANTING AUTHORITY to carry out pertinent appraisal proceedings, whereas they may additionally, in view of the situation's specificities, decide on enforcing other measures set forth under the CONTRACT which, to its understanding, better serve the public interest, such as the enforcement of penalties or decreeing the CONCESSION's intervention, when acceptable.

48.3. The CONCESSION may be deemed terminated in any of the following instances, in addition to those laid out in Federal Law no. 8.987/1995 and its amendments, notwithstanding additional circumstances provided for under this CONTRACT:

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- I. loss or impairment of economic-financial, technical or operating conditions required for full performance of the CONCESSION;
- II. total default or repeated non-compliance with the obligations under the CONTRACT or those of the applicable legislation that jeopardize continuity of services or the safety of USERS, employees or third parties;
- III. proven fraud in estimating INSPECTION FEES or VARIABLE GRANT payments, particularly as a result of fictitiously reducing the estimate base and leading, among other things, to changes in the CONCESSIONAIRE's bookkeeping records or by securing fictitiously lower prices with third parties;
- IV. suspension of services that are the object of the CONTRACT whether due to the CONCESSIONAIRE's fault or willful misconduct, or if it has contributed thereto, except for fortuitous or force majeure events provided for under this CONTRACT;
- V. the CONCESSIONAIRE's failure to comply with any GRANTING AUTHORITY-issued notification order to submit documentation relating to TAX AND LABOR COMPLIANCE within 180 (one hundred and eighty) days, pursuant to the provisions of article 29 of Federal Law no. 8.666/1993;
- VI. failure to comply with the requirement to reconstitute the CONTRACT's full PERFORMANCE BOND amount due to cancellation or rescission from a bank guarantee letter or the insurance bond policy, and/or failure to renew them up to 30 (thirty) days before their maturity dates, pursuant to Clause 37.8;
- VII. failure to retain or keep the required PERFORMANCE BOND and insurance policies fully paid up, in addition to the GRANTING AUTHORITY's potential infeasibility or ungrounded difficulty in providing insurances and the PERFORMANCE BOND for any circumstance that calls for their performance;
- VIII. recurring inappropriate or inadequate conduct by the CONCESSIONAIRE in performing the object of the contract, using PERFORMANCE INDICATORS as a baseline, and identified by assigning to the CONCESSIONAIRE performance scores lower (a) than 25% (twenty-five) of goals set forth by PERFORMANCE INDICATORS for rendering of services, even without financially putting in risk the CONCESSIONAIRE, for 02 (two) consecutive years; or (b) than 50% (fifty percent) of goals set forth by PERFORMANCE INDICATORS for rendering of services, even without financially putting in risk the CONCESSIONAIRE, for 03 (three) non-consecutive years;
- IX. TRANSFER of the CONCESSIONAIRE's SHAREHOLDING CONTROL or encumbrance of its stock without the GRANTING AUTHORITY's prior and explicit consent, when requested, except in instances where FINANCIERS take over CONTROL, in accordance with the provisions of this CONTRACT;
- X. transfer of the CONCESSION itself without the GRANTING AUTHORITY's prior and explicit consent;
- XI. failure to comply with any GRANTING AUTHORITY-issued notification order to rectify the rendering of services, according to the defined ruling and deadlines, as the case may be;
- XII. in the event of recurring objections to inspection duties required, thereby hindering, impairing or precluding in any way whatsoever oversight on the CONCESSIONAIRE's performance;
- XIII. in the event of administrative notifications entailing enforcement of contractual fines which, added together, amount to 30% (thirty percent) of the ESTIMATED CONTRACT VALUE within a 3 (three)-year term while considering, to this end, fines that are unappealable within the administrative realm and which have not been settled;



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- XIV. initiation of uninsurable administrative or legal proceeding(s) for damages caused by the CONCESSIONAIRE to the GRANTING AUTHORITY or whose amount exceeds the amount covered by insurance policies, or whenever the added value corresponds to 30% (thirty percent) of the ESTIMATED CONTRACT VALUE; and
  - XV. if the sum set in subsections XIII and XIV corresponds to 40% (forty percent) of the ESTIMATED CONTRACT VALUE.
- 48.4. In any and all instances where the CONCESSIONAIRE's breach of contract denotes an ongoing breach or the CONCESSIONAIRE's default of its contractual obligations, the fact that the GRANTING AUTHORITY applies, or has applied, any of the penalties specified in this CONTRACT and ANNEX V shall not rule out the option of terminating the CONCESSION should this CONTRACT allow for it, and if the CONCESSIONAIRE, in spite of the penalty applied, continues with the breach of its contractual obligations.
- 48.5. Prior to terminating the CONCESSION, it shall be verified whether the CONCESSIONAIRE breached the contract, by initiating ordinary administrative proceedings and ensuring due legal process, particularly the right to be heard and to adversary proceedings.
- 48.5.1. The CONCESSIONAIRE shall be notified before administrative proceedings are initiated for purposes of terminating the concession, with said notification to thoroughly point out all breaches of contract as well as the default event, awarding it a term of at least 30 (thirty) days to rectify all breaches ascertained.
  - 48.5.2. In the event that the deadline elapses without the CONCESSIONAIRE having successfully rectified breaches or taken measures that, at the GRANTING AUTHORITY's discretion, prove its effective ability to rectify them, it shall recommend termination of the concession.
  - 48.5.3. Once administrative proceedings have initiated and the default situation has been proven, the Governor of the State of São Paulo shall decree the concession to be terminated, regardless of payment of prior compensations, the amount of which shall be determined during the aforementioned administrative proceedings or in separate administrative proceedings.
  - 48.5.4. Decreeing termination of the concession shall entail the GRANTING AUTHORITY to immediately be vested of possession over all REVERTIBLE ASSETS, as well as the CONCESSIONAIRE being held accountable for any and all costs, fines, penalties, compensations, encumbrances or obligations to third parties, particularly those relating to labor, tax and social security contributions.
- 48.6. Termination of the CONCESSION shall empower the GRANTING AUTHORITY to:
- I. take over performance of the object of the CONTRACT at the place and state where it is located;
  - II. occupy and use premises, facilities, public amenities, materials and workforce employed to render services, provided they are needed for the continuity of said services;
  - III. retain and execute the PERFORMANCE BOND for reimbursement of losses suffered by the GRANTING AUTHORITY;
  - IV. retain any potential CONCESSIONAIRE credits arising out of the CONTRACT in any and all instances where the PERFORMANCE BOND proves to be insufficient to reimburse the GRANTING AUTHORITY, and up to the threshold limits of losses incurred; and
- V. enforce penalties for decreeing termination of the concession, as per the terms of ANNEX VII.
- 48.6.1. Any credits withheld that may potentially exceed the owed sum shall be cleared for use upon estimating and paying the compensation due to the CONCESSIONAIRE.

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- 48.7. Enforcement of a penalty shall not waive the CONCESSIONAIRE from its duty to pay compensation for damages it may have caused to the GRANTING AUTHORITY or to third parties, by means of ongoing administrative and/or legal proceedings, regardless of whether their impacts still linger after the CONCESSION is terminated, in accordance with all applicable limitation deadlines.
- 48.8. After decreeing termination of the concession and after any compensation amounts potentially due have been settled, the GRANTING AUTHORITY shall not be held accountable for any charge, encumbrance, duty or undertaking taken on with third parties or CONCESSIONAIRE employees, including labor and social security debts.
- 48.9. Any compensation owed by the GRANTING AUTHORITY resulting from termination of the concession shall be restricted to sums charged under this Clause and Clause Forty-Seven, whereas no other costs shall be due as payments for compensation, loss of profits and/or consequential damages.

**CLAUSE FORTY-NINE – RESCISSION**

- 49.1. This CONTRACT may be rescinded upon the CONCESSIONAIRE's own initiative should the GRANTING AUTHORITY breach contract rules, by means of arbitration proceedings lodged specifically to this end, notwithstanding mutual rescission events, which shall comply with the terms of article 26 of State Law no. 7.835/1992.

**Unilateral rescission**

- 49.2. Irrespective of any arrangements made between the PARTIES upon termination of the contract, and by initiatives led by either PARTY, the events provided for under Clause 7.2 may give rise to unilateral rescission.

- 49.2.1. For each event provided for under Clause 7.2, compensation due shall be estimated while taking into account the following things:

- I. Regarding termination of CONTRACT cases resulting from events provided for under subsection I of Clause 7.2 coming to fruition, compensation shall be estimated in accordance with the rules laid out in Clause Forty-Six and using the moment right before the fortuitous or force majeure event came about, plus sums specified in Clause 47.2, subsection I, whereas loss of profits specified in Clause 47.2, subsection II, shall not be due;
- II. regarding termination of CONTRACT events resulting from events provided for under subsections II and IV of Clause 7.2 coming to fruition, compensation shall be estimated in accordance with the same rules and equation set forth under the contract for expropriation events;
- III. regarding termination of CONTRACT cases resulting from events provided for under subsection V of Clause 7.2 coming to fruition, in instances where the delay is due to a fact attributable to the GRANTING AUTHORITY, compensation shall be estimated in accordance with the same rules and equation set forth under the contract for expropriation events, except for loss of profits, which are to be estimated according to the equation listed in Clause 49.2.2;
- IV. regarding termination of CONTRACT cases resulting from events provided for under subsection III of Clause 7.2 coming to fruition, and concerning its subsection V, in instances where the delay is due to a fact attributable to the CONCESSIONAIRE, compensation shall be estimated in accordance with the same rules and equation set forth under the contract for expiry events, in accordance with Clause Forty-Eight, with no penalty applied;

- 49.2.2. In events provided for under subsection III of Clause 49.2.1, the CONCESSIONAIRE shall be entitled to loss of profits estimated according to the following equation:

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$$LC = A \times [(1 + NTNB')^n - 1]$$

Where:

LC = loss of profits set forth under subsection II of Clause 47.2.

A = investments signalled in Clause 46.1.

NTNB' = gross real interest rate levied on the sale of Office of National Treasury Notes - Série B (NTN-B), *ex-ante* deduction of Income Tax, with a maturity date more attuned to the contract's actual termination date, and issued by the Office of National Treasury considering quotation averages available in the 12 months prior to the compensation payment date, plus a spread or surcharge over interest amounting to 4.67 p.p. (four point six seven percentage points) per year, over a 252 (two hundred and fifty-two) working-day period.

n = remaining time frame, counted in years, between recognition of the investment and payment of compensation, while applying the same NTNB' base.

**Rescission by arbitration proceedings**

49.3. Before arbitration proceedings are brought about, the CONCESSIONAIRE is to give notice to the GRANTING AUTHORITY on its intent to rescind the CONTRACT should the GRANTING AUTHORITY breach contract rules, describing the grounds for its intention to initiate arbitration proceedings to this end, in accordance with the applicable legislation and concerning regulatory standards.

49.3.1. In the event of Clause 49.3 above, the CONCESSIONAIRE shall grant a deadline of at least 30 (thirty) days for the breach of contract to be rectified within the administrative realm.

49.4. Services rendered by the CONCESSIONAIRE may neither be suspended nor halted until a final arbitration ruling is issued in favor of rescinding the contract, notwithstanding the possibility, to be evaluated by the GRANTING AUTHORITY or in the scope of the arbitration process, of easing of duties and fulfillment of PERFORMANCE INDICATORS, so as to ensure the CONCESSIONAIRE's financial soundness.

49.5. If the CONTRACT is rescinded due to a breach committed by the GRANTING AUTHORITY, compensation owed to the CONCESSIONAIRE shall correspond to the amount provided for expropriation events and shall be estimated in accordance.

**CLAUSE FIFTY – ANNULMENT**

50.1. The CONTRACT may be annulled in the event that an unvalidated illegality is exposed during the bidding process, in its execution to become official or in any essential clause that jeopardizes provision of services, by means of due administrative proceedings initiated upon the moment either PARTY gives notice to the other, while ensuring the right to be heard and to adversary proceedings.

50.1.1. In the event that the illegality does not result from any action conducted by the CONCESSIONAIRE, and which may be validated by taking advantage of actions already undertaken, both the CONCESSIONAIRE and the GRANTING AUTHORITY shall engage with one another for purposes of keeping the CONTRACT in force.

50.1.2. In the event that the CONCESSION is terminated due to annulment:

- I. if the annulment does not result from any fact attributable to the CONCESSIONAIRE or to any of its current or past shareholders, compensation shall correspond to the sum estimated for events of early termination of CONTRACT resulting from fortuitous or force majeure

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events, pursuant to the terms of Clause 49.2.1, subsection I;

- II. if the annulment results from a fact attributable to the CONCESSIONAIRE or to any of its current or past shareholders, compensation shall correspond to the sum estimated for events of early termination of CONTRACT resulting from termination; and
- III. if the annulment results from a fact attributable to the GRANTING AUTHORITY, compensation shall correspond to the sum estimated for events of early termination of CONTRACT resulting from rescission.

**CLAUSE FIFTY-ONE – ON BANKRUPTCY, TERMINATION OF THE CONCESSIONAIRE OR ITS FINANCIAL RESTRUCTURING**

- 51.1. The CONCESSION shall be terminated in the event that the CONCESSIONAIRE files for bankruptcy by means of a judgment transited in rem judicatan, or in the event of financial restructuring which, in this case, hinders performance of the CONTRACT.
- 51.2. Once bankruptcy is filed, the GRANTING AUTHORITY shall be vested possession over the CONCESSION AREA and all CONCESSION ASSETS, and shall immediately take over performance of the object of this CONTRACT.
- 51.3. In the event that the CONCESSIONAIRE is terminated after filing for bankruptcy or financial restructuring which, in this case, hinders performance of the CONTRACT, or dissolution of the CONCESSIONAIRE upon its shareholders' ruling, the same provisions applying to termination of the CONCESSION shall apply, with due administrative proceedings to be initiated for purposes of appraising all effective losses and deciding on all applicable sanctions.
- 51.4. The terminated CONCESSIONAIRE's potential net assets shall not be distributed among its shareholders before all duties are settled with the GRANTING AUTHORITY, as well as without the GRANTING AUTHORITY's issuance of the FINAL ACCEPTANCE CERTIFICATE.

**CLAUSE FORTY-TWO – ON FORTUITOUS AND FORCE MAJEURE EVENTS**

- 52.1. Fortuitous or force majeure events, with the applicable consequences established under this CONTRACT, shall be deemed any and all events thus defined under civil law and which directly impact the performance of activities under the CONCESSION.
  - 52.1.1. For illustrative purposes, the following are some of the examples of fortuitous and force majeure events:
    - I. national or international wars directly affecting performance of the contract;
    - II. acts of terrorism;
    - III. nuclear, chemical or biological contamination, including epidemics and pandemics, if thus declared by national health agencies or by the World Health Organization, and which impact the CONCESSIONAIRE's activities significantly unless, in all events, if resulting from acts carried out by the CONCESSIONAIRE;
    - IV. trade embargoes enforced by a foreign country;
    - V. natural events like earthquakes, hurricanes or floods, whenever their impacts could not be avoided or mitigated by taking preventive measures as reasonably requested by the CONCESSIONAIRE.

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- 52.1.2. Non-compliance with contractual obligations duly proven to have resulted from fortuitous or force majeure events, including those related to achieving time frame milestones, under the terms of this CONTRACT and ANNEXES, shall not be subject to any penalties.
- 52.2. Whichever PARTY has the performance of its activities impacted due to fortuitous or force majeure events shall notify the other PARTY on the occurrence of said event within 48 (forty-eight) hours.
- 52.3. Should any fortuitous or force majeure take place, and whose consequences are uninsurable in Brazil or whose irreparable effects extend for over 90 (ninety) days, or for a term mutually agreed upon by both PARTIES upon verifying that the effects may irreversibly jeopardize performance of the CONCESSION, either PARTY may choose to enforce its right under Clause 7.2.
- 52.3.1. Should the CONCESSION be terminated due to any event deemed a fortuitous or force majeure event having occurred, compensation owed to the CONCESSIONAIRE shall be appraised in accordance with set of regulations specified in Clause 49.2.1, subsection I.
- 52.4. Unless the GRANTING AUTHORITY submits written instructions stating otherwise, the CONCESSIONAIRE shall continue performing its obligations under this CONTRACT to the best of its abilities and shall seek, by all means possible, to fulfill all obligations not hindered by fortuitous or force majeure events, whereas the GRANTING AUTHORITY shall be responsible for fulfilling all its obligations that have not been hindered by fortuitous or force majeure events.
- 52.5. In case instances of fortuitous or force majeure events are verified, without this having led to termination of the CONCESSION under the terms of Clause 49.2.1, subsection I, PERFORMANCE INDICATORS' financial compensations that may have been impacted by said instances are to be suspended, until the situation resumes to normalcy and its effects cease.
- 52.6. The PARTIES undertake to take all steps and actions required to mitigate any and all effects stemming from fortuitous or force majeure events.

**CLAUSE FIFTY-THREE – RETENDER**

- 53.1. This CONTRACT may be rescinded following a retender process pursuant to the terms of article 8 of State Law no. 16.933/2019, which shall be conditional upon an agreement between the GRANTING AUTHORITY and the CONCESSIONAIRE, with a proceeding aimed at ensuring continuity of activities rendered at the CONCESSION AREA until the new bidding process for the assumption of activities by the SUCCESSOR.
- 53.1.1. The CONCESSIONAIRE shall not have the right to initiate, deploy, run or complete any retender process, whereas the GRANTING AUTHORITY, pursuant to article 9, paragraph 1 of State Law no. 16.933/2019, shall make a decision when it comes to the need, appropriateness and reasonability of initiating or running said process as opposed to other options available for continuing the CONTRACT, or termination due to any other reason listed in Clause 44.1.
- 53.1.2. Should the CONCESSIONAIRE request the CONTRACT to be qualified for retender purposes by proving repeated or continuous non-compliance with contract provisions or the inability to fulfill contractual or financial duties taken on, the GRANTING AUTHORITY shall only appraise the request if it is submitted along with documents listed in article 9, paragraph 2 of State Law no. 16.933/2019.
- 53.1.3. Once the CONTRACT is qualified for retender purposes, and if a decision is made to put in place the aforementioned proceedings, the GRANTING AUTHORITY and the CONCESSIONAIRE shall then sign an amendment to the CONTRACT, whose contents shall provide for, in addition to the provisions of article 10 of State Law no. 16.933/2019, any additional factors that the GRANTING AUTHORITY deems relevant to ensure continuity of activities rendered at the CONCESSION AREA.



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- 53.1.4. Compensation shall correspond to the sum provided for expiry events, and estimated in accordance with Clause Forty-Nine.

**CHAPTER X – ON REVERSAL**

**CLAUSE FIFTY-FOUR – ON ASSET REVERSAL**

- 54.1. Upon termination of the CONCESSION, CONCESSION-related REVERTIBLE ASSETS, rights and privileges that were transferred or provided to the CONCESSIONAIRE under the terms of this CONTRACT, or that were built, put in place or purchased by the latter within the scope of the CONCESSION, shall return to the GRANTING AUTHORITY clear and unfettered of any liens or encumbrances, regardless of any notifications or formalities.
- 54.2. The GRANTING AUTHORITY may, within 180 (one hundred and eighty) days before the final term of the CONCESSION, assess REVERTIBLE ASSETS with the purpose of distinguishing those that are dispensable to the continuity of CONCESSION AREA activities, with the option of waiving its reversal at the end of the CONCESSION, in which case the CONCESSIONAIRE shall not be entitled to any and all rights to compensation or economic-financial recovery of the CONTRACT.
- 54.2.1. If, at the GRANTING AUTHORITY's discretion, it finds there are REVERTIBLE ASSETS that are dispensable to the continuity of CONCESSION AREA activities, it shall then provide the CONCESSIONAIRE, within the term specified in Clause 54.2 above, with a list of properties that will not be reverted, and which are to be removed from the CONCESSION AREA at the CONCESSIONAIRE's expense.
- 54.2.2. All physical facilities added to the CONCESSION AREA, such as buildings and other public amenities bolted to the ground, are to be handed back to the GRANTING AUTHORITY at the end of the CONCESSION, notwithstanding the option of waiving reversal of real property relating to them.
- 54.3. *Softwares* of any kind deemed necessary for performing the object of the CONTRACT, and which have been specifically purchased or created to develop CONCESSION-related activities, shall have their license transferred without, however, this bearing any expenses and in closed source to the GRANTING AUTHORITY at the end of the CONCESSION, for a term of at least 5 (five) years.
- 54.3.1. The CONCESSIONAIRE shall be free to license said *softwares* on behalf of the GRANTING AUTHORITY or to whomever the latter appoints at the time they are purchased and/or created, for purposes of developing CONCESSION-related activities. In the event of right of use and not right of purchase, the CONCESSIONAIRE shall be responsible for transferring the right of use.
- 54.4. Reversal shall be free of charge and automatic, with assets to be handed back in adequate operating, usage and maintenance conditions, as well as free and unfettered of any and all encumbrances, charges, residual costs, taxes, obligations, legal injunctions, liens or charges for any amount by the CONCESSIONAIRE, with technical features and prerequisites that enable full operations of the CONCESSION AREA.
- 54.5. Assets reverted back to the GRANTING AUTHORITY shall be in proper maintenance and operating conditions, thereby enabling continuity of services that are the object of this CONTRACT for a minimum additional period of 60 (sixty) months effective the CONTRACT's termination date, except for those with shorter useful lives, as per ANNEX X.
- 54.5.1. Any potential costs concerning said investments are to be amortized and depreciated before the end of the CONTRACT term, whereas the CONCESSIONAIRE shall not be entitled to any compensation stemming therefrom.

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- 54.5.2. All REVERTIBLE ASSET-related information, including descriptions, current maintenance conditions and remaining useful life, are to comprise the INVENTORY to be kept by the CONCESSIONAIRE throughout the entire CONCESSION and delivered, at the end, to the GRANTING AUTHORITY.
- 54.5.3. Should there be any discrepancies between the INVENTORY and REVERTIBLE ASSETS' actual conditions, the CONCESSIONAIRE shall, if said discrepancy is found to be detrimental to the GRANTING AUTHORITY, take all appropriate steps, including purchasing new assets or carrying out construction works so as to deliver the REVERTIBLE ASSETS under the same conditions as they were described in the INVENTORY.
- 54.6. If asset reversal fails to come about according to the conditions set forth hereunder, the CONCESSIONAIRE shall compensate the GRANTING AUTHORITY in accordance with assets' indemnification costs, notwithstanding its option to enforce applicable sanctions and payment of any potential INSURANCE as well as the PERFORMANCE BOND.
- 54.7. The GRANTING AUTHORITY may proceed with inspecting assets that will be reverted during the CONCESSION'S termination proceedings, which are to include the participation of at least one CONCESSIONAIRE representative in order to verify assets' conservation and maintenance conditions and enforcing, as the case may be, the provisions of ANNEX X.

**CLAUSE FIFTY-FIVE – ON DEMOBILIZATION**

- 55.1. The CONCESSIONAIRE shall, within 36 (thirty-six) months before the end of the CONCESSION or immediately, in the event of early termination of this contract, submit the CONCESSION AREA's DEMOBILIZATION PLAN to the GRANTING AUTHORITY's approval, which shall set forth procedures for carrying out demobilization and due reversal of all REVERTIBLE ASSETS, after the procedure provided for in Clause 54.2, without, however, this leading to any interruption of services provided.
- 55.2. The DEMOBILIZATION PLAN shall account for at least the following:
- I. method to be used for reverting REVERTIBLE ASSETS;
  - II. REVERTIBLE ASSETS' conservation and maintenance conditions together with technical reports and expert opinions issued by a certified professional;
  - III. REVERTIBLE ASSETS' depreciation status;
  - IV. method to be used for replacing CONCESSIONAIRE employees with GRANTING AUTHORITY and/or SUCCESSOR civil servants;
  - V. time frame and method used to train GRANTING AUTHORITY and/or SUCCESSOR servants who may come to operate the CONCESSION AREA.
- 55.3. The GRANTING AUTHORITY may conduct any inspection it deems necessary for the full performance of its activities, so as to ensure the contract's transition without, however, hindering the continuity of services, as well as overseeing the drafting of technical reports and expert opinions.
- 55.4. Twelve (12) months prior to the end of the CONTRACT's term, the CONCESSIONAIRE shall train personnel appointed by the GRANTING AUTHORITY, in addition to transferring all CONCESSION AREA-related technical and administrative documentation and operating instructions that have not yet been given.
- 55.5. The CONCESSIONAIRE shall be fully and solely responsible for terminating any and all contracts it is a party to at the end of the CONCESSION term, whereas neither the GRANTING AUTHORITY nor the

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SUCCESSOR shall not take on any liabilities or costs thereto, nor shall any compensation be owed to the CONCESSIONAIRE, unless if otherwise agreed upon under the terms of this CONTRACT, notwithstanding, where applicable, the provisions of Clause 47.2, subsection I.

55.5.1. Aimed at ensuring continuity in the maintenance and operation of CONCESSION ASSETS, the PARTIES shall devise their best efforts to determine options to subrogate the GRANTING AUTHORITY or the SUCCESSOR in current contracts of interest to the CONCESSION that the CONCESSIONAIRE has entered into.

55.6. The CONTRACT's PERFORMANCE BOND may only be cleared upon issuance of the FINAL ACCEPTANCE TERM.

55.7. Any potential compensation due to the CONCESSIONAIRE upon the end of the CONCESSION is not to prevent resumption of the CONCESSION, subject, in the event of expropriation, to the provisions of Clause 47.5.

55.8. Final receipt of the CONCESSION AREA shall not waive any of the CONCESSIONAIRE's civil or ethical-professional liabilities stemming from services rendered under this CONTRACT, within legislation-set boundaries.

55.9. The DEMOBILIZATION PLAN shall enable transfer and reversal of assets to be carried out seamlessly and without any unforeseen obstacles, whereas the CONCESSION AREA's operations shall not be negatively impacted in any way.

55.10. The CONCESSIONAIRE's failure to submit the DEMOBILIZATION PLAN shall be deemed a serious breach, consequently triggering enforcement of all applicable penalties to the CONCESSIONAIRE.

**CLAUSE FIFTY-SIX – ON TRANSITIONING**

57.1. Notwithstanding the provisions of ANNEX X, the following are the CONCESSIONAIRE'S obligations to ensure proper transitioning the CONCESSION AREA to the GRANTING AUTHORITY or the SUCCESSOR:

- I. to provide documents and agreements related to the purpose of the CONCESSION;
- II. to provide operating documents related to the object of the CONCESSION;
- III. to provide additional information on CONCESSION AREA operations;
- IV. to work together with the SUCCESSOR and the GRANTING AUTHORITY for proper sharing of knowledge and information;
- V. to enable the GRANTING AUTHORITY and/or the SUCCESSOR to oversee CONCESSION AREA operations and regular CONCESSIONAIRE activities;
- VI. to train GRANTING AUTHORITY and/or SUCCESSOR staff to operate the CONCESSION AREA;
- VII. to work together with the GRANTING AUTHORITY and/or SUCCESSOR in devising reports potentially required for transitioning proceedings;
- VIII. to appoint experts from relevant fields of expertise for transition of operations while the GRANTING AUTHORITY or SUCCESSOR take over operation of services;
- IX. to provide premises to lodge GRANTING AUTHORITY and/or SUCCESSOR work groups during this period;
- X. to help plan who will make up the staff;

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- XI. to engage with the GRANTING AUTHORITY, the SUCCESSOR and other players and agents involved in CONCESSION AREA operations.

**CHAPTER XI – ON DISPUTE SETTLEMENT**

**CLAUSE FIFTY-SEVEN – ON AMICABLE DISPUTE SETTLEMENT**

- 57.1. The PARTIES shall devise their best efforts to amicably settle any disputes or conflicts of interest that may arise out of this CONTRACT by means of direct negotiations undertaken, and upholding the principle of good faith.
- 57.2. In the event of disputes or conflicts of interest as per this Clause, the interested PARTY shall provide written notice to the other PARTY submitting all its claims concerning the dispute or conflict of interest, in addition to submitting a recommendation for settling and/or explaining the issue.
- 57.2.1. The notified PARTY shall have a 10 (ten) working day deadline, as of receipt of the notification, to answer whether it agrees or not to the recommended settlement or explanation.
- 57.2.2. Should the notified PARTY agree to the recommended settlement or explanation, the PARTIES shall deem the dispute or conflict of interest to be settled, and shall additionally take all necessary steps to put in place that which was agreed upon.
- 57.2.3. Should it disagree with the submitted recommendation, the notified PARTY shall provide the other PARTY, also within a 10 (ten) working day deadline, with the reasons for why it disagrees with the settlement or explanation offered, in which case it is to submit an alternate recommendation for the case.
- 57.3. The amicable dispute settlement procedure specified in this Clause Fifty-Seven is not subject to mandatory compliance in emergency situations in which there are risks of extinction of rights or aggravation of circumstances.
- 57.4. Deployment of procedures described above shall not release the PARTIES from continuing and fulfilling their contractual obligations, with the PARTIES being required to ensure continuity of services rendered as well as compliance with construction work schedules.
- 57.4.1. Suspension of construction works or services shall only be admissible in the event that the subject matter of the dispute or conflict of interest poses risks to the safety of people and/or the venture, and provided said suspension is proven to be the best option to offset the circumstances or, in the event that it is unfeasible, to mitigate any potentially existing risks while securing, when possible and without jeopardizing safety, the GRANTING AUTHORITY's consent prior to the suspension.
- 57.5. Dispute settlements may additionally be carried out at administrative chambers for dispute settlement or by means of arbitration, under the terms of Federal Law no. 13.140/2015.
- 57.6. Subject to the rules of the contract, the PARTIES may engage technical committees, independent rapporteurs or other types of amicable dispute settlements to which all PARTIES shall officially agree upon, to help resolve technical issues as well as any and all potential questions, request explanations or technical or expert opinions to ensure full understanding of all issues at hand.
- 57.7. In the event that amicable dispute settlement steps fail to resolve the dispute or conflict of interest, either PARTY may request initiation of an arbitration procedure as per Federal Law no. 9.307/1996 and State Decree no. 64.356/2019, which are to comply with the provisions of Clause Fifty-Nine.

**CLAUSE FIFTY-EIGHT – ON ARBITRATION**

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- 58.1. With the exception of events provided for under Clause 58.1.1, the PARTIES shall submit any and all disputes related to existing property rights to arbitration, as defined by article 18, paragraph 4 of State Law no. 16.933/2019 with regard to interpretation or performance of this CONTRACT that have not been settled within the administrative realm or by means of other dispute settlement methods provided for under this CONTRACT.
- 58.1.1. Regarding disputes strictly concerning enforcement of contract penalties upon the CONCESSIONAIRE or amendment of criteria used by the GRANTING AUTHORITY for its amount, the CONCESSIONAIRE may decide in favor of submitting the dispute to legal or arbitrary appraisal, whereas the GRANTING AUTHORITY shall not have the right to bring up the arbitration clause for purposes of preventing this option.
- 58.1.2. The choice of method used for settling disputes described in Clause 58.1.1 above is final and binding, effective the claim register submitted to the Courts or upon submission of the request for arbitration at the chamber chosen to conduct proceedings, whereas any and all other disputes holding a relation to or connection with it, as well as any and all counterclaims based on the same facts or in related facts, shall follow the same procedure.
- 58.2. Initiation of arbitration proceedings shall not waive the parties from fulfilling their obligations under this contract.
- 58.3. The PARTY requesting initiation of arbitration proceedings shall appoint, upon lodging its claim, the chamber responsible for conducting the dispute settlement proceeding, which is to be chosen among those registered with the State of São Paulo for dispute settlement concerning the Direct Administration and its autonomous bodies.
- 58.3.1. In the event that there is no arbitration chamber registered with the State of São Paulo, the choice shall be made by the PARTY that requests initiation of arbitration proceedings, based on the following criteria:
- I. to provide facilities to conduct hearings and secretariat services, without, however, this entailing any additional costs to either party, in the city of São Paulo;
  - II. to have been regularly incorporated for at least five years;
  - III. to fulfill all legal requirements for receiving payments from the Public Administration of the State of São Paulo;
  - IV. to be acknowledged as being an impartial, competent and seasoned entity in conducting arbitration proceedings together with the PUBLIC ADMINISTRATION.
- 58.4. Arbitration proceedings shall comply with the Regulations of the Arbitration Chamber chosen, as well as with provisions of Federal Law no. 9.307/1996, State Law nº 64.356/2019, and all subsequent amendments, in addition to the provisions of this CONTRACT.
- 58.5. The ARBITRATION COURT shall be made up of three members appointed in accordance with the arbitration chamber's regulations and, conditional upon agreement between all parties, one single arbitrator may be appointed.
- 58.6. The ARBITRATION COURT shall be located in the city of São Paulo, State of São Paulo, and may convene at any place, provided all PARTIES are notified.
- 58.7. Arbitration is to be conducted in Portuguese, in accordance with the laws of the Federative Republic of Brazil, although technical documents written in other languages may be used, with the option of sworn translation also allowed in the event that the parties disagree on its meaning.



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- 58.7.1. Arbitration shall comply with any and all court rulings which, under the terms of the current Brazilian legislation, have a binding effect and enforce their compliance upon Judiciary Branch bodies.
- 58.7.2. Upon the CONCESSIONAIRE's request and conditional upon the GRANTING AUTHORITY's consent, arbitration may be partially conducted in two languages, with rulings to be rendered in both Portuguese and English or in another foreign language.
- 58.7.3. If arbitration proceedings are partially conducted in two languages, the CONCESSIONAIRE shall bear all expenses related to translating documents, even when translated documents result from GRANTING AUTHORITY actions, whereas said expenses are not to comprise procedural costs and expenses for purposes of paying the prevailing party's attorney fees.
- 58.7.4. Should there be any discrepancies between the contents of rulings or documents in Portuguese and foreign language versions, the contents of the Portuguese versions shall prevail.
- 58.8. The ARBITRATION COURT may not rely on equity in its rulings concerning this CONTRACT.
- 58.9. Payment of costs and expenses related to arbitration proceedings shall uphold, through analogical extension, rules for payments owed to the prevailing party's attorney as laid down in the Civil Procedural Code, whereas the defeated PARTY shall not be sentenced to reimburse the prevailing PARTY's contractual attorney fees.
- 58.10. Regardless of the PARTY that initiated arbitration proceedings, the advanced payment of expenses and costs potentially requested by the chosen arbitration chamber shall, pursuant to article 18, paragraph 2 of State Law no. 16.933/2019, be made by the CONCESSIONAIRE which may, if applicable, be refunded according to a subsequent final ruling issued by an arbitration body.
- 58.11. Should either PARTY refuse to take necessary steps required to initiate arbitration proceedings, the PARTY that requested initiation of arbitration proceedings may appeal to one of the District Courts of São Paulo, State of São Paulo, so as to be granted all applicable legal remedies, based on article 7 of Federal Law no. 9.307/1996 and subsequent amendments.
- 58.12. The arbitration verdict shall be deemed a final ruling with regard to the existing dispute between the PARTIES, which shall be unappealable and binding upon them.
- 58.13. Arbitration proceeding files shall be made public, except for cases of legal confidentiality or secrecy of legal proceedings.
- 58.14. Either PARTY may appeal to the District Court of São Paulo, State of São Paulo, to settle any dispute not subject to arbitration, as well as to obtain (a) the precautionary measure potentially needed prior to establishing the ARBITRATION COURT, subject to the provisions of articles 22-A and 22-B of Federal Law no. 9.307/1996; or (b) to foster the execution of a precautionary measure, preliminary injunction or court ruling issued by the ARBITRATION COURT.
- 58.15. ARBITRATION COURT-issued rulings that enforce a monetary fine upon the GRANTING AUTHORITY are to be fulfilled according to the system of court-ordered debt payment or small cost bonds, under the same conditions imposed on other enforceable legal instruments.
- 58.16. The PARTIES acknowledge that ARBITRATION COURT-issued rulings may be regularly enforced in Brazil according to execution proceedings against the Public Treasury, whereas the GRANTING AUTHORITY shall not have any sovereign immunity to hinder said execution.

**CLAUSE FIFTY-NINE – COURT OF JURISDICTION**

- 59.1. The District Court of São Paulo, State of São Paulo, shall be the court of jurisdiction for any and all

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provisional or urgent relief petitions that cannot await initiation of Arbitration Court proceedings to appraise them, in addition to any and all disputes not subject to arbitration, or for purposes of exercising the option provided for under Clause 58.1.1, as set forth under this CONTRACT.

**CHAPTER XII – FINAL PROVISIONS**

**CLAUSE SIXTY – FINAL PROVISIONS**

- 60.1. The CONCESSIONAIRE shall be entitled to carry out due administrative proceedings for all matters specified in this CONTRACT as well for GRANTING AUTHORITY-rendered decisions, under State Law no. 10.177/1998.
- 60.2. This CONTRACT is binding upon the PARTIES and their successors in every respect.
- 60.3. Any amendments potentially made to this CONTRACT shall only be valid if entered into and signed by both PARTIES, by means of Amendments and Modification Agreements to the contract, except for the GRANTING AUTHORITY's option to unilaterally amend the CONTRACT, pursuant to the terms of the applicable legislation.
- 60.4. If either PARTY, even due to omission, enables full or partial non-performance of any of the Clauses or conditions of this CONTRACT and its ANNEXES, this event shall not release, exempt or in any way whatsoever affect or hinder the validity and effectiveness of said Clauses and conditions, which shall remain unchanged as if no forbearance had occurred.
- 60.4.1. Either PARTY's waiver of any of its rights shall only be effective if stated in writing and shall be construed restrictively, with the extension of any other right or obligation set forth under this CONTRACT being forbidden.
- 60.4.2. Nullification or invalidation of any Clause under this CONTRACT shall not prevent the validity and legal effects in due time of any other Clause under this same CONTRACT.
- 60.5. All notifications related to this CONTRACT are to be sent to the physical or, preferably, electronic addresses and on behalf of the individuals listed below:
- For the CONCESSIONAIRE: [•]
- For the GRANTING AUTHORITY: [•]
- 60.6. The PARTIES may change contact information provided above by means of simple written notification sent to the other PARTY.
- 60.7. Notifications and communications shall be deemed to have been duly received on the date (I) showing on the notice of receipt; (II) of delivery of the official or unofficial letter; (III) of the proof of facsimile delivery; (IV) of proof of delivery by an internationally renowned *courier* service; (V) of proof of delivery of email with acknowledgment receipt at the address specified in Clause 60.5; or (IV) of the GRANTING AUTHORITY's protocol or at the CONCESSIONAIRE's address specified in Clause 60.5.
- 60.8. All documents related to this CONTRACT and to the CONCESSION shall be written in Portuguese or translated into Brazilian Portuguese by a sworn translator, in the event that the documents are non-Brazilian.
- 60.8.1. In the event of any dispute or discrepancy, the version in Portuguese shall prevail.
- 60.9. Counting of deadlines set forth under this CONTRACT shall disregard the start date and include the maturity date, always counting calendar days, unless otherwise provided for.

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- 60.9.1. Should deadlines fall on weekends, holidays or on State of São Paulo PUBLIC ADMINISTRATION non-working office days, the deadline shall be automatically postponed to the following working day.
- 60.10. The CONCESSIONAIRE shall, within fifteen (15) days from the DATE OF SIGNATURE of the CONTRACT, submit a written notice with the names and positions of employees or representatives appointed to be in charge of overseeing the CONTRACT in regard to technical and administrative issues, as well as for receiving correspondence provided for hereunder.
- 60.11. The GRANTING AUTHORITY shall appoint a technical unit responsible for inspection and overseeing of this CONTRACT, appointing its manager.

In witness whereof, the PARTIES hereby sign this Contract in 02 (two) counterparts before the 02 (two) undersigned witnesses, shared with all PARTIES, for all legal purposes and effects.

São Paulo, [•].

**PARTIES AND SIGNATURES:**