



## EXHIBIT 9: DRAFT CONTRACT

**CONCESSION CONTRACT NO. [●]/[●]**

**INTERNATIONAL BID NOTICE NO. [●]/[●]**

Concession for the rendering of the services of operation, conservation, maintenance, implementation of improvements and expansion of transport infrastructure of stretches from Highway ERS-130 (km 69,19 to km 97,27), from Highway ERS-129 (km 67,55 to km 163,34), from Highway RSC-453 (km 0,00 to km 29,83), from Highway RSC-453 (km 37,97 to km 96,18), from Highway ERS-128 (km 13,89 to km 30,27), from Highway ERS-135 (km 0,00 to km 78,33), from Highway ERS-324 (km 188,12 to km 292,13) and, if the suspensive condition foreseen in the CONTRACT is met, from Highway BRS-470 (km 152,87 to km 158,96).



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## PART I - PREAMBLE

On the [•] day of the month of [•], of the year 202[•], by this instrument, on the one hand, as the contracting party:

The **STATE OF RIO GRANDE DO SUL**, legal entity under public law, through the **SECRETARY OF LOGISTICS AND TRANSPORTATION OF RIO GRANDE DO SUL**, body part of the direct State Administration, headquartered in Av. Borges de Medeiros, nº 1501 - Centro/Praia de Belas, Porto Alegre - RS, CEP 90020-020, hereby represented by Mr. Secretary [•], hereinafter referred to as "**GRANTING AUTHORITY**";

on the other hand, as concessionaire:

[•], Special Purpose Entity – **SPE**, especially constituted for the execution of the present **CONCESSION CONTRACT** headquartered in [•], registered in the National Register of Legal Entities, of the Ministry of Economy, under number [•], in this act duly represented, in the form of its Bylaws, by Mrs. [•], [qualification], hereinafter referred to as **CONCESSIONAIRE**,

And as consenting intervening party:

**STATE REGULATORY AGENCY FOR RIO GRANDE DO SUL'S GRANTED PUBLIC SERVICES - AGERGS**, regulatory agency of granted public services, part of the organizational structure of the Executive Power Administration, under the terms of State Law 10.931, of January 9, 1997, and article 11 of State Decree No. 53,490, of March 28, 2017, hereby represented by its President Councilor Mr. [qualification], appointed by Decree of [•], published in the State Official Gazette of [•], headquartered in Av. Borges de Medeiros, nº 659 - Downtown, Porto Alegre - RS, 90020-020;

decide, by mutual agreement, to sign the present common concession **CONTRACT**, whose object shall be described further on.

This **CONTRACT** shall be governed by article 175 of the Federal Constitution, by article 163 of the Constitution of the State of Rio Grande do Sul, as well as by State Law No. 14,875 of June 9, 2016, by State Decree No. 53,490 of March 28, 2017 and by State Law No. 10,931 of January 9, 1997, by Federal Laws No. 8,987 of February 13, 1995, No. 9,074 of July 7, 1995, by State Law No. 10,086, of January 24, 1994, in what does not contradict the federal legislation and, subsidiarily, by Federal Law No. 8,666, of June 21, 1993, by Federal Law No. 11.079, of December 30, 2004, by State Law No. 10.931, of January 9, 1997, and respective subsequent amendments, as well as by the other regulations that govern the matter, under the terms of the clauses and conditions that follow:



## PART II – CONDITIONS

### 1. INITIAL PROVISIONS

#### 1.1. Definitions

1.2. For the purposes of this Contract, the following definitions shall apply to the respective expressions, without prejudice to others set forth herein:

- i. **TRIPARTITE CONTRACT:** an optional contract signed between the FINANCIERS, on its own or represented by fiduciary agents, the GRANTING AUTHORITY, the CONCESSIONAIRE and AGERGS, which governs the relationship between the three parties, aiming at the full performance of the CONTRACT and the preservation of the FINANCIERS' interests.
- ii. **REBALANCING ADDITION:** increase in the SINGLE LANE BASIC TOLL FARE and in the DOUBLE LANE BASIC TOLL FARE, used as a mechanism to maintain the contractual equivalence between the services rendered and the remuneration thereof, due to the early conclusion of the works and services of the Capacity Expansion and Improvement Obligations, Maintenance of Service Level and the completion of the Stock Improvement works, as provided for in subclause 22.5. of the Contract, in the PER, and in EXHIBIT 5, by means of application of FACTOR A or FACTOR E;
- iii. **AGERGS:** STATE AGENCIE OF DELEGATED PUBLIC SERVICES OF RIO GRANDE DO SUL, a member of the indirect State Administration created by the State Law No. 10,931, of January 9th of 1997A;
- iv. **FINAL ADJUSTMENT:** final calculation performed by the GRANTING AUTHORITY to define the economic and financial amounts assigned to each PARTY at the time of termination of the CONCESSION, including in the case of early termination, as provided for in this CONTRACT;
- v. **EXHIBIT:** each of the documents annexed to the CONTRACT.
- vi. **EXHIBIT TO THE BID NOTICE:** each of the documents annexed to the BID NOTICE;
- vii. **CUSTODIAN BANK:** financial institution hired and remunerated by the CONCESSIONAIRE with the purpose of maintaining and operating the ADJUSTMENT ACCOUNT, as set forth in this CONTRACT and in Exhibit 7.
- viii. **CONCESSION PROPERTY:** 4.1.1.subclause 4.1.1;
- ix. **RETURNABLE PROPERTY:** CONCESSION PROPERTY considered essential to the rendering of the service and which shall be returned to the State of Rio Grande do Sul at the end of the CONTRACT.
- x. **AFFILIATE:** company subject to significant influence from another company. There is significant influence when holding or exercising the power to



participate in the decisions of the investee's financial or operating policies, without controlling it. Significant influence is assumed when there is ownership of twenty percent (20%) or more of the voting capital of the investee, without controlling it.

- xi. **CONCESSION:** granting, by means of ordinary concession, of the public services of operation, conservation, maintenance, implementation of improvements and expansion of infrastructure capacity of the HIGHWAY SYSTEM;
- xii. **CONCESSIONAIRE:** SPE, created by the winner of the COMPETITION, that shall undertake, pursuant to the BID NOTICE, the operation of the CONCESSION;
- xiii. **BIDDING PROCESS:** bidding process initiated by this BID NOTICE;
- xiv. **ADJUSTMENT ACCOUNT:** bank account held by the CONCESSIONAIRE and with restricted movement, open to the CUSTODIAN BANK, used for the payment of the compensations arising from the FREQUENT USER DISCOUNT, for the restoration of the economic and financial balance of the CONTRACT and for the payment of the indemnities arising from the FINAL ADJUSTMENT proceeding.
- xv. **CONTRIBUTION ACCOUNT:** bank account opened by the CONTRACTOR for the deposit of the tied funds provided for in item 12 of the BID NOTICE, it being understood that at the time of its creation, powers shall be granted for the operation of the CONTRIBUTION ACCOUNT exclusively by the GRANTING AUTHORITY, pursuant to the CONTRACT.
- xvi. **CONTRACT:** This contract nº [●]/[●];
- xvii. **SUBSIDIARY:** any legal entity or investment fund whose CONTROL is exercised by another person or investment fund and understood as being that company in which the CONTROLLER, directly or through other subsidiaries, holds shareholder rights that permanently assure it preponderance in corporate resolutions and the power to elect the majority of the SUBSIDIARY's officers and directors, pursuant to article 243, paragraph 2, of Federal Law No. 6,404/76.
- xviii. **CONTROLLER:** Any person or investment fund that exercises CONTROL over another person or investment fund.
- xix. **CONTROL:** the power, held by a person or group of persons bound by a voting agreement or those under common control, to, directly or indirectly, alone or jointly: (i) permanently exercise rights that assure it the majority of votes in the corporate resolutions and the power to elect the majority of the officers and directors of another person, investment fund, or private pension entities, as the case may be; and/or (ii) effectively direct corporate activities and guide the operation of the bodies of another person, investment fund, or private pension entity.



- xx. **CVM:** Brazilian Securities and Exchange Commission.
- xxi. **DAER:** Autonomous Department of Highways, created by the State Law No. 750/37.
- xxii. **DATE OF ASSUMPTION:** the fifth business day following the publication of the signed PROPERTY LISTING AND TRANSFER INSTRUMENT (EXHIBIT 1) in the State Official Gazette.
- xxiii. **REBALANCING DISCOUNT:** reducer of the SINGLE LANE BASIC TOLL FARE and of the DOUBLE LANE BASIC TOLL FARE, used as a mechanism to maintain the contractual equivalence between the services rendered and the remuneration thereof, due to failure to meet the PERFORMANCE PARAMETERS and to execute the expansion of capacity, and maintenance of the service level services and works, as provided for in 22.5. 22.5 of this CONTRACT, in the PER, and in Exhibit 5, by application of FACTOR D.
- xxiv. **BASIC FARE DISCOUNT (DBT):** five percent (5%) discount on the TOLL FARE for users who use electronic payment means and automatic vehicle identification (AVI).
- xxv. **FREQUENT USER DISCOUNT (DUF):** discount applied by the CONCESSIONAIRE on the TOLL FARES paid by frequent users, as provided for this CONTRACT.
- xxvi. **DOE:** Official Gazette of the State of Rio Grande do Sul;
- xxvii. **DUP:** Declaration of Public Utility.
- xxviii. **BID NOTICE:** Bid Notice for Concession No. [●]/[●], including its annexes.
- xxix. **SCOPE:** minimum works and services to be performed by the Concessionaire, as provided for in the PER.
- xxx. **STOCK IMPROVEMENT:** percentage of improvement works, referenced in Table II of EXHIBIT2, to be performed by the CONCESSIONAIRE as requested by the GRANTING AUTHORITY, constituting a contractual obligation and resulting in the re-composition of the economic and financial balance in accordance with EXIHIBIT 2, by means of FACTOR E after completion of the work.
- xxxi. **COEXISTENCE PHASE A:** period in which the SPE will monitor the operation of the part of the HIGHWAY SYSTEM administered by the GRANTING AUTHORITY or the PRIOR OPERATOR, in the stretches described in the PER, and shall implement the Operational Transition Plan, as provided for in Exhibit 8.
- xxxii. **COEXISTENCE PHASE B:** coexistence period between the CONCESSIONAIRE and the GRANTING AUTHORITY or the FUTURE



OPERATOR, aiming at the appropriate operational transition and the continuity of the property rendering of services, as provided for in Exhibit 9.

- xxxiii. **FACTOR A:** SINGLE LANE BASIC TOLL FARE and DOUBLE LANE BASIC TOLL FARE increase factor, used as a mechanism for applying the REBALANCING ADDITION in the event of early completion works, as provided in the PER and in Exhibit 5.
- xxxiv. **FACTOR C:** SINGLE LANE BASIC TOLL FARE and DOUBLE LANE BASIC TOLL FARE reducer or increase factor, used as a rebalancing mechanism for the CONTRACT applicable to events that impact exclusively on the revenue and amounts indicated, according to the methodology set out in Exhibit 10.
- xxxv. **FACTOR D:** SINGLE LANE BASIC TOLL FARE and DOUBLE LANE BASIC TOLL FARE REDUCER, used as a mechanism for applying the REBALANCING DISCOUNT relating to failure to meet the PERFORMANCE PARAMETERS and for delay in and/or the non-execution of capacity expansion and service level maintenance works, as provided for in Exhibit 5.
- xxxvi. **FACTOR E:** SINGLE LANE BASIC TOLL FARE and DOUBLE LANE BASIC TOLL FARE increase factor, used as a mechanism for applying the Rebalancing Addition for the completion of the STOCK IMPROVEMENT works, as provided for in Exhibit 5.
- xxxvii. **FINANCIERS:** persons, agents or institutions that are responsible for the financing and/or guarantees to the CONCESSIONAIRE and are holders of the rights arising from the CONCESSION, under the terms of art. 28 and 28-A of Law 8.987/95.
- xxxviii. **MARGINAL CASH FLOW:** means of calculating the impact on the economic and financial balance of the Contract due to the inclusion of works and services not originally provided for the PER, to be applied in the form of the CONTRACT.
- xxxix. **FREE-FLOW:** toll collection system for highways and urban roads without the need for toll plazas and with the automatic identification of users, installed with the purpose of enabling payment of toll fares with a greater proportionality with the stretch of road actually used.
- xl. **CONTRACT PERFORMANCE BOND:** 10.guarantee of the faithful fulfillment of the contractual obligations of the CONCESSIONAIRE, rendered by it in favor of GRANTING AUTHORITY, in the manner set forth in item 10 of the Contract.
- xli. **PERFORMANCE PARAMETERS:** group of criteria and technical specifications established in Exhibit 6 of the CONTRACT, regarding the goals and quality conditions of the services rendering, that shall be used to measure the CONCESSIONAIRE's performance and specify its remuneration;





- xlii. **INTERFERENCES:** public or private, air, surface, or underground utility facilities, unrelated to the scope of this CONTRACT, but that may interfere with or suffer direct or indirect interference with the activities assigned to the CONCESSIONAIRE.
- xliii. **IPCA:** Índice Nacional de Preços ao Consumidor Amplo [“National Broad Consumer’s Price Index”] (IBGE), which must be substituted by such other one as is created to replace it in the event of its extinction.
- xliv. **IRT:** adjustment index for adjustment for inflation of the Toll Fare amount, payments, and the Contract Performance Bond, calculated based on the variation in the IPCA between January 2020 and the last officially published index before the base date for adjustment in contractual year t or, in the case foreseen in subclause 18.1.7, before the DATE OF ASSUMPTION, as per the following formula:  $IRT = IPCAt / IPCAo$  (**where:** IPCAo means the index number of the IPCA for the month of January, 2020, and IPCAt means the last index number of the IPCA officially published before the base date for adjustment in contractual year t or, in the case foreseen in subclause 18.1.7, before the DATE OF ASSUMPTION).
- xlvi. **FARE MULTIPLIER:** multipliers used to calculate the Toll Fare, corresponding to the vehicle categories, as indicated in the table content of subclause 18.2.6.
- xlvii. **FREQUENT USER DISCOUNT OFFSET NOTICE:** notification from the GRANTING AUTHORITY to the CUSTODIAN BANK, issued at the end of each period of calculation of the compensation for the application of the FREQUENT USER DISCOUNT, for the transfer of values from the ADJUSTMENT ACCOUNT to the CONCESSIONAIRE.
- xlviii. **FINAL ADJUSTMENT NOTICE:** notice from the GRANTING AUTHORITY to the CUSTODIAN BANK at the end of the FINAL ADJUSTMENT procedure, which may authorize, at the end of the Concession, the payment of indemnity to the CONCESSIONAIRE with funds from the ADJUSTMENT ACCOUNT and the transfer of the remaining amounts to the GRANTING AUTHORITY, as provided for this CONTRACT.
- xlix. **REBALANCING NOTICE:** notice from the GRANTING AUTHORITY to the CUSTODIAN BANK authorizing the payment of indemnity to the CONCESSIONAIRE for the purposes of restoring the economic and financial balance, through funds existing in the ADJUSTMENT ACCOUNT, in the manner set forth in this Contract.
- 1. **ACCREDITED INSPECTION BODY:** conformity assessment body accredited by INMETRO, under the terms of Inmetro Ordinance No. 367/2017, by the Rede Metrológica or other equivalent internationally recognized institutions.
- 1. **PREVIOUS OPERATOR:** responsible for the HIGHWAY SYSTEM before the DATE OF ASSUMPTION.



- li. **FUTURE OPERATOR:** responsible for the HIGHWAY SYSTEM after the end of the CONCESSION.
- lii. **PP1, PP2, PP3, PP4, PP5, PP6, PP7:** the toll plazas of the HIGHWAY SYSTEM, whose locations are indicated in the PER.
- liii. **PERFORMANCE PARAMETERS:** indicators established in the PER that express the minimum quality and quantity conditions of the HIGHWAY SYSTEM that must be implemented and maintained throughout the CONCESSION TERM.
- liv. **TECHNICAL PARAMETERS:** minimum technical specifications established in the PER that must be observed by the CONCESSIONAIRE in the execution of works and services.
- lv. **RELATED PARTIES:** parties related to the CONCESSIONAIRE, any CONTROLLER, AFFILIATE, SUBSIDIARY or that is under joint CONTROL .
- lvi. **PER or HIGHWAY OPERATION PROGRAM:** Highway Operation Program, found as EXHIBIT 2 of this CONTRACT, which includes conditions, goals, criteria, requirements, mandatory interventions, and minimum specifications that determine the CONCESSIONAIRE's obligations.
- lvii. **GRANTING AUTHORITY:** the State of Rio Grande do Sul, whose competencies in this capacity shall be exercised according to the distribution of competencies in force in the state legislation.
- lviii. **POSTULATE:** party receiving notice from the other party requesting the commencement of the process of restoring the economic and financial balance of the CONTRACT.
- lix. **POSTULANT:** Party that seeks to commence the process of restoring the economic and financial balance of the Contract.
- lx. **CONCESSION TERM:**3. the term of the CONCESSION, set at 30 (thirty) years, as of the DATE OF ASSUMPTION, in accordance with Clause 3 of this CONTRACT.
- lxi. **CONTRACT TERM:** term of the CONTRACT, which shall commence on the date of its execution by the parties and shall end with the execution of the Final Adjustment and Discharge Agreement provided for in sub-clause 32.7.
- lxii. **GROSS REVENUE:** sum of the FARE REVENUES and the EXTRAORDINARY REVENUES earned by the CONCESSIONAIRE.
- lxiii. **GROSS FARE REVENUE:** revenue from the collection of TOLL FARES, in the manner provided for in the CONTRACT.



- lxiv. **NET FARE REVENUE:** FARE REVENUE earned by the CONCESSIONAIRE over the Concession Term, deducted from the applicable taxation.
- lxv. **EXTRAORDINARY REVENUE:** any complementary, ancillary, and alternative revenue, resulting from the operation of associated projects to the CONCESSION, not coming from the collection of TOLL FARES or from financial investments;
- lxvi. **FARE RECLASSIFICATION:** procedure that authorizes the increase in the TOLL FARE after the acceptance by the GRANTING AUTHORITY of duplication works executed by the CONCESSIONAIRE, in the manner provided by the CONTRACT.
- lxvii. **CONCESSION BALANCE:** balance existing in the ADJUSTMENT ACCOUNT in the manner set forth in this CONTRACT.
- lxviii. **SAC:** Customer Service.
- lxix. **HIGHWAY SYSTEM:** area of the CONCESSION, consisting of stretches from Highway ERS-130 (km 69,19 to km 97,27), from Highway ERS-129 (km 67,55 to km 163,34), from Highway RSC-453 (km 0,00 to km 29,83), from Highway RSC-453 (km 37,97 to km 96,18), from Highway ERS-128 (km 13,89 to km 30,27), from Highway ERS-135 (km 0,00 to km 78,33), from Highway ERS-324 (km 188,12 to km 292,13) and, if the suspensive condition provided by subclause 4.1.2. is met, from Highway BRS-470 (km 152,87 to km 158,96), including all elements in its right of way, as well as access and ramps, buildings and terrain, central, lateral, marginal lanes or sites directly connected or connected through road interconnection devices, shoulders, special works of art and any other elements that are at the limits of the right of way, as well as the areas occupied with operational and administrative facilities related to the CONCESSION.
- lxx. **DOUBLE LANE BASIC TOLL FARE (TBPD):** amount, expressed in five decimal places, corresponding to the basic fare per kilometer that shall be charged for category 1 of vehicles (automobiles, pickup trucks and vans with two-axle single carriage) for the double lane HOMOGENEOUS STRETCHES.
- lxxi. **SINGLE LANE BASIC TOLL FARE (TBPS):** amount, expressed in five decimal places, corresponding to the basic fare per kilometer that shall be charged for category 1 of vehicles (automobiles, pickup trucks and vans with two-axle single carriage) for the single lane HOMOGENEOUS STRETCHES.
- lxxii. **TOLL FARE (TP):** amount charged for category 1 of vehicles, in each of the toll plazas included in the CONCESSION, determined in accordance to Exhibit 12 of the CONTRACT.
- lxxiii. **PROPERTY LISTING AND TRANSFER INSTRUMENT:** document containing the list of RETURNABLE PROPERTY of the CONTRACT, including pre-existing assets, newly constructed assets, acquired assets or assets in any way modified by the CONCESSIONAIRE, that shall be jointly drawn up



by the GRANTING AUTHORITY and the CONCESSIONAIRE, and updated in accordance to the INVENTORY held by the CONCESSIONAIRE, the signing of which shall transfer to the CONCESSIONAIRE the control of the assets thereby indicated (EXHIBIT 1).

- lxxiv. **INITIAL WORKS:** works and services to be performed by the CONCESSIONAIRE immediately after the DATE OF ASSUMPTION, necessary to meet the Performance Parameters set forth on the Recovery and Maintenance Front, as well as the implementation and operation of the Operational Services Front facilities and systems, in accordance with the deadlines and in accordance with the PER.
- lxxv. **TRANSITION A:** procedure provided for in EXHIBIT 8, which aims to facilitate the assumption of the HIGHWAY SYSTEM operation and the transference of the REVERTABLE ASSETS, as well as guaranteeing the quality, continuity and actuality of the services rendered.
- lxxvi. **TRANSITION B:** procedure provided for EXHIBIT 9, which aims to facilitate the assumption of the HIGHWAY SYSTEM operation and the transference of the REVERTABLE ASSETS, as well as guaranteeing the quality, continuity and actuality of the services rendered.
- lxxvii. **HOMOGENEOUS STRETCH:** segment of a single or double lane from the HIGHWAY SYSTEM, defined in accordance with the State Highway Substretches (SRE) indicated in the PER for each toll plaza.
- lxxviii. **PLAZA COVERAGE STRETCH (TCP):** total extension of coverage of a certain toll plaza, taking into account the single lane and double lanes HOMOGENEOUS STRETCHES.
- lxxix. **URT:** reference unit corresponding to one thousand (1000) times the average Toll Fare applicable to category 1 vehicles in force at the toll plazas on the date of payment of the penalty imposed, its face value, as authorized by AGERGS, being considered without the incidence of the FREQUENT USER DISCOUNT and the BASIC FARE DISCOUNT, pursuant to this Contract or by virtue of applicable laws and regulations.
- lxxx. **CONTRACT VALUE:** the estimated contract value of BRL 4,081,671,648.72 (four billion, eighty-one million, six hundred seventy-one thousand, six hundred forty-eight reais and seventy-two cents), corresponding to the projected investments for the CONCESSION during its term.
- lxxxi. **VDMA - Volumetric Trigger:** average annual daily volume (VDMA) for a given HOMOGENEOUS STRETCH on the HIGHWAY SYSTEM, is the mobile average of the daily volume of equivalent vehicles, measured in both directions, calculated daily for the last (three hundred and sixty-five) days, as provided for in item Capacity Expansion conditioned on traffic volume of the PER.



- lxxxii. **INDEPENDENT VERIFIER:** independent evaluator who may be hired and remunerated by AGERGS, for the purpose of supporting it in verifying the performance of the CONTRACT, as provided for in the provisions of subclause 15.1.1..
- lxxxiii. **CONSTRUCTION DEFECTS:** defects, anomalies, or pathologies that affect the performance of the HIGHWAY SYSTEM, causing inconvenience or damage to the enjoyment of the service by the users, which may arise from failure of design or execution, including apparent or hidden defects (redhibitory).

### 1.3. Interpretation

1.3.1. Except when the context does not allow for such a construction:

1.3.1.1. the definitions of the Bid Notice shall be equally applied in their singular and plural forms; e

1.3.1.2. references to the Contract or any other document shall include any amendments and addenda that may be entered into between the parties.

1.3.2. In the event of any discrepancy between the CONTRACT and the BID NOTICE, the provisions of the CONTRACT shall control.

1.3.3. In the case of divergence between the CONTRACT and the Exhibits, the CONTRACT shall control

1.3.4. In the case of divergence between the Exhibits, the versions issued by the GRANTING AUTHORITY shall control.

1.3.5. In the case of divergence between the Exhibits issued by the GRANTING AUTHORITY shall control, the most recent shall control.

1.3.6. In the case of divergence between the Exhibits issued by the CONCESSIONAIRE, the most specific and most related to the controversy document shall control.

### 1.4. Exhibits

1.4.1. The following are attachments to the CONTRACT:

- i. EXHIBIT 1: Property Listing and Transfer Instrument;
- ii. EXHIBIT 2: Highway Operation Program (PER):
  - a. Appendix A – Highway Detailing,
  - b. Appendix B – Highway’s Homogeneous Stretches,
  - c. Appendix C – Urban Stretches,



- d. Appendix D – Expropriation Funds per Highway,
  - e. Appendix E – Irregular Occupations Registered by EGR,
  - f. Appendix F – Other Irregular Occupations,
  - g. Appendix G – Minimum Quantities of Facilities and Equipment of the Operational Service Obligations,
  - h. Appendix H – Toll Plaza Locations,
  - i. Appendix I - Location of Operational Service Bases,
  - j. Appendix J - Location of Truck Stops and Resting Points,
  - k. Appendix K - Location of Fixed Weighing Stations,
  - l. Appendix L – Environmental Licenses
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- iii. EXHIBIT 3: Model of Bank Guarantee;
  - iv. EXHIBIT 4: Model of Insurance Guarantee
  - v. EXHIBIT 5: Rebalancing Discount and Rebalancing Addition;
  - vi. EXHIBIT 6: Model Performance Bond;
  - vii. EXHIBIT 7: Draft of the Concession Accounts Management Contract
  - viii. EXHIBIT 8: Transition A
  - ix. EXHIBIT 9: Transition B
  - x. EXHIBIT 10: Factor C
  - xi. EXHIBIT 11: Tripartite Contract
  - xii. EXHIBIT 12: Toll Fare Structure
  - xiii. EXHIBIT 13: Fiver-Year Review Procedure
  - xiv. EXHIBIT 14: Environmental, Social and Governance Standards
  - xv. EXHIBIT 15 : Free Flow
  - xvi. EXHIBIT 16 : Accredited Inspection Body

## **2. PURPOSE OF THE CONTRACT**

- 2.1.** The object of the CONTRACT is the CONCESSION for the execution of works and the rendering of the services of operation, exploitation, conservation,



maintenance, improvements and expansion of the capacity of the transport infrastructure of the highways of the HIGHWAY SYSTEM.

**2.2.** The CONCESSION is remunerated upon collection of TOLL FARE and other sources of revenue, pursuant to the terms of this CONTRACT.

### **3. CONCESSION TERM**

**3.1.** The CONCESSION TERM is thirty (30) years, as of the DATE OF ASSUMPTION.

**3.2.** The extension of the CONCESSION TERM must obey the applicable legislation, notably State Decree No. 53,490, of March 28 of 2017 or the regulation that succeed it.

### **4. CONCESSION PROPERTY**

**4.1.** The CONCESSIONAIRE assumes the HIGHWAY SYSTEM upon the publication of the PROPERTY LISTING AND TRANSFER INSTRUMENT in DOE, which will grant the CONCESSIONARIE the CONCESSION PROPERTY.

#### **Composition**

**4.1.1.** The CONCESSION includes the CONCESSION PROPERTY listed below, whose possession, custody, maintenance, and surveillance are the responsibility of the CONCESSIONAIRE:

- i.** the HIGHWAY SYSTEM, as amended during the CONCESSION TERM, in accordance with the terms of the CONTRACT;
- ii.** all assets linked to the operation and maintenance of the HIGHWAY SYSTEM:
  - a.** transferred to the CONCESSIONAIRE, as listed in the PROPERTY LISTING AND TRANSFER INSTRUMENT;
  - b.** acquired, leased, or rented by the CONCESSIONAIRE, over the CONCESSION TERM, that is used in the operation and maintenance of the HIGHWAY SYSTEM.

**4.1.2.** The transfer of BRS 470 (km 152,87 to km 158,96) to the CONCESSIONAIRE and its integration into the HIGHWAY SYSTEM is subject to the suspensive condition as disciplined below.

**4.1.2.1.** The stretch of BRS 470 (km 152,87 to km 158,96) shall only be transferred to the CONCESSIONAIRE and be part of the HIGHWAY SYSTEM if the process of transferring the management of the highway to the State of Rio Grande do Sul is completed by the date of CONTRACT execution.



- 4.1.2.2.** If this procedure is not completed by the date of CONTRACT execution, it is considered that the condition for the transfer of BRS 470 (km 152,87 to km 158,96) to the CONCESSIONAIRE is not met and that, therefore, this highway stretch does not integrate the CONCESSION.
- 4.1.2.2.1.** In the event that the suspensive condition for the transfer of BRS 470 (km 152,87 to km 158,96) is not met by the date of signing the CONTRACT, this highway may be inserted in the object of the CONCESSION at a later time, provided that due restoration of the economic-financial balance to the CONCESSIONAIRE is implemented through the methodology of MARGINAL CASH FLOW.
- 4.1.2.3.** Due to the failure to meet the suspensive condition, the following measures shall apply with respect to the CONCESSION's toll fare structure:
- 4.1.2.3.1.** the SINGLE LANE BASIC TOLL FARE and the DOUBLE LANE BASIC TOLL FARE shall be subject to a 0,0581% discount; and
- 4.1.2.3.2.** the SINGLE LANE HOMOGENEOUS STRETCH considered for the PLAZA COVERAGE STRETCH in PP07, as provided for in Appendix H of the PER, shall be reduced in 6,09 kilometers.
- 4.1.2.4.** The discount and the exclusion of the 6,09 kilometers shall be applied by AGERGS at the time of authorization for the start of toll collection and corresponds to the impact on the TOLL FARE caused by the non-consideration of investments and operating costs related to BRS 470.
- 4.1.2.5.** The possible remanent impacts arising from the non-compliance with the suspensive condition shall be evaluated and neutralized at the time of the EXTRAORDINARY REVIEW provided for by subclause 8.1.5. of the CONTRACT.
- 4.1.2.6.** The transfer of the management of the highway stretch shall take place through the signing of a Delegation Agreement with the Ministry of Infrastructure, as authorized by Federal Law No. 9.277/1996.
- 4.1.2.7.** The Delegation Agreement shall have a term of 25 (twenty-five) years, as of the DATE OF ASSUMPTION, automatically extendable for another 5 (five) years, totaling 30 (thirty) years in force, unless the agreement is terminated by any of the parties.
- 4.1.2.8.** The termination of the agreement before its term entails the exclusion of the BRS 470 stretch (km 152,87 to km 158,96)





from the CONCESSION, and, as result, an EXTRAORDINARY REVIEW must be performed to restore the economic and financial balance of the CONTRACT and to neutralize the impacts arising from the inclusion of the highway stretch upon the CONCESSION.

**4.1.2.8.1.** The exclusion of the BRS 470 stretch (km 152,87 to km 158,96) from the CONCESSION shall require the exclusion of the 6,09 kilometers corresponding to the BRS 470 (km 152,87 to km 158,96) from the PP07 PLAZA COVERAGE STRETCH.

**4.1.2.8.2.** AGERGS shall homologate and publish a resolution establishing the new TOLL FARE to be charged in the PP07 after the exclusion of the 6,09 kilometers, corresponding to the BRS 470 (km 152,87 to km 158,96) from the PLAZA COVERAGE STRETCH.

## **4.2. Assumption of the HIGHWAY SYSTEM**

**4.2.1.** The 4.1.1. and the property mentioned in subclause 4.1.1.(ii)(a) shall be transferred to the CONCESSIONAIRE upon signing of the PROPERTY LISTING AND TRANSFER INSTRUMENT by the CONCESSIONAIRE, as per EXHIBIT 1.

**4.2.2.** The CONCESSIONAIRE shall make an inspection over the CONCESSION PROPERTY and present a report for the initial enrollment of the property within 90 (ninety) days from the DATE OF ASSUMPTION, as provided for in item 4.1.2 of the PER – “Initial Enrollment of the Highway”.

**4.2.2.1.** The PROPERTY LISTING AND TRANSFER INSTRUMENT:

**4.2.2.1.1.** must be signed in 30 (thirty) days from the publication of the abstract of the CONTRACT in DOE.

**4.2.2.1.2.** may be reviewed within 1 (one) year from the DATE OF ASSUMPTION.

**4.2.3.** The CONCESSIONAIRE declares that it is aware of the nature and conditions of the CONCESSION PROPERTY that shall be transferred to it by the GRANTING AUTHORITY on the DATE OF ASSUMPTION, as well as its reversibility at the end of the CONCESSION TERM.

**4.2.4.** Other assets that are part of the HIGHWAY SYSTEM and which are not included in the PROPERTY LISTING AND TRANSFER INSTRUMENT must be listed and presented by the CONCESSIONAIRE to the GRANTING AUTHORITY and to AGERGS in the initial enrollment registry, for the purposes of regularization and insertion in the list of



CONCESSION PROPERTY of the PROPERTY LISTING AND TRANSFER INSTRUMENT.

**4.2.4.1.** The assumption of the highway by the CONCESSIONAIRE transfers the responsibility for the management of the assets listed in the PROPERTY LISTING AND TRANSFER INSTRUMENT, covering not only RETURNABLE PROPERTY, but any and all part of the HIGHWAY SYSTEM granted by the State of Rio Grande do Sul.

### **4.3. Restrictions on sale and acquisition**

**4.3.1.** The CONCESSIONAIRE may only dispose of or transfer possession of the CONCESSION PROPERTY mentioned in sub-4.1.1. 4.1.1(ii) if it proceeds with its immediate replacement by a substitute that is technologically up to date and is in identical or superior operational and functional conditions in relation to what is replaced, or upon prior and express consent of GRANTING AUTHORITY.

**4.3.2.** The CONCESSION PROPERTY, subject to prior authorization from the GRANTING AUTHORITY, may be leased or rented.

**4.3.2.1.** In the case of the CONCESSION PROPERTY leased or rented by the CONCESSIONAIRE characterized as a RETURNABLE PROPERTY, with the termination of the CONCESSION, the GRANTING AUTHORITY may, at its sole discretion, succeed the CONCESSIONAIRE in the respective lease or rental contracts.

**4.3.3.** From the beginning of the twenty-ninth (29th) year of the CONCESSION, as of the DATE OF ASSUMPTION, the CONCESSIONAIRE may not sell or transfer ownership of any assets without the express prior authorization of GRANTING AUTHORITY.

**4.4.** All CONCESSION PROPERTY shall be fully depreciated and amortized within the CONCESSION TERM in accordance with current laws and regulations.

## **5. LICENSES AND GOVERNMENTAL AUTHORIZATIONS**

**5.1.** The CONCESSIONAIRE must:

**5.1.1.** obtain, renew, in a timely manner, and maintain in force all licenses, permits, and authorizations necessary for the full exercise of the activities covered by the CONCESSION, including the environmental licenses.

**5.1.1.1.** Among the licenses referred to in sub-5.1.1. 5.1.1, CONCESSIONAIRE shall obtain, renew, and maintain in force:





as set for in ANTT Resolution nº 5.956/2021 and any other rule that may alter or succeed it.

**5.3.1.** The CONCESSIONAIRE shall prepare and submit to the railway concessionaire the necessary plans and studies for the identification and characterization of the works required by the PER, in compliance with the provisions of ANTT Resolution nº 5.956/2021.

**5.3.1.1.** The CONCESSIONAIRE is also responsible for preparing and presenting revised versions of the studies, correcting the inaccuracies and irregularities identified by the railway concessionaire and ANTT.

**5.3.2.** The studies and plans to be presented by the CONCESSIONAIRE shall be previously submitted for evaluation of the GRANTING AUTHORITY and shall only be submitted to the railway concessionaire after its approval.

**5.3.2.1.** The GRANTING AUTHORITY shall express itself about the plans and studies presented by the CONCESSIONAIRE within 10 (ten) days, applying the same deadline for manifestations about the new versions revised and delivered by the CONCESSIONAIRE after any request for adjustments by the GRANTING AUTHORITY.

**5.3.2.2.** If the GRANTING AUTHORITY does not express itself within the period indicated by the previous subclause or does not notify the CONCESSIONAIRE, justifying the extension of the analysis period, the studies and plans shall be considered approved and authorized to be submitted to the railway concessionaire.

**5.3.3.** If the studies are approved by the railway concessionaire and by ANTT without changes requirements that could give rise to the execution of investments not foreseen in the PER, the CONCESSIONAIRE may execute an agreement to perform the works in the railway concession's area, regardless of the GRANTING AUTHORITY's consent.

**5.3.3.1.** The execution of the works under the conditions provided in previous subclause does not give to the CONCESSIONAIRE any right to recompose the economic and financial balance of the CONTRACT.

**5.3.3.2.** If the railway concessionaire or ANTT request payments from the CONCESSIONAIRE as a return for the monitoring and supervision services of the works performed in the railway concession's area, or by any other legally-legitimate means, the CONCESSIONAIRE shall bear these costs, being entitled to restoration of the economic and financial balance of the



CONTRACT, through the MARGINAL CASH FLOW methodology, through the subsequent FIVE-YEAR REVIEW.

**5.3.4.** If the railway concessionaire or ANTT require changes in the plans that give rise to the execution of investments not foreseen in the PER, the CONCESSIONAIRE shall notify the GRANTING AUTHORITY and AGERGS, sending them an analysis regarding the technical relevance of the required changes, the estimate of the costs for their implementation and the estimate of the impact on the economic and financial balance of the CONCESSION.

**5.3.4.1.** The GRANTING AUTHORITY shall analyze the required changes and the estimates of their impacts on the CONCESSION and decide, within 15 (fifteen) days, counting from the receipt of the CONCESSIONAIRE's studies, whether to authorize the conclusion of the agreement under the terms demanded by the railway concessionaire and ANTT.

**5.3.4.2.** The estimates of impact on the CONCESSION's economic and financial balance presented by the CONCESSIONAIRE are preliminary and shall not be binding for any future contractual restoration resulting from the inclusion of these investments in the CONCESSION, which shall be guided by the definitive studies to be presented during the EXTRAORDINARY REVIEW procedures, as provided in subclause 5.3.4.4. and 5.3.4.5..

**5.3.4.2.1.** The GRANTING AUTHORITY shall notify the AGERGS about its decision.

**5.3.4.3.** In case of authorization from the GRANTING AUTHORITY, the CONCESSIONAIRE shall sign the authorization agreement to perform the works on the railway concession's area.

**5.3.4.4.** The performance of works not provided for in the PER grants the CONCESSIONAIRE the right to recompose the economic and financial balance of the CONTRACT, using the MARGINAL CASH FLOW methodology, in the subsequent EXTRAORDINARY REVIEW, unless otherwise agreed, after completion and acceptance of the works.

**5.3.4.5.** If the GRANTING AUTHORITY does not authorize the perform of the modifications required by ANTT or the railway concessionaire, and there is no agreement regarding the alternatives to make the performance of the works in the railway concession's area viable, the AGERGS, through a notification of any of the PARTIES, shall initiate an EXTRAORDINARY REVIEW procedure in order to evaluate the adoption of an alternative solution to make the works provided for in the PER



and the restoration of the economic and financial balance of the CONCESSION viable, through the MARGINAL CASH FLOW methodology.

- 5.3.4.6.** If the EXTRAORDINARY REVIEW is initiated, the CONCESSIONAIRE shall not be subject to the application of the penalties provided for in this CONTRACT and the reductions in its fare revenues resulting from the non-compliance with the PERFORMANCE PARAMETERS arising from the non-execution or delay of works that are directly motivated by the failure to obtain authorization to perform the works in the railway concession's area.
- 5.3.4.6.1.** The initiation of the EXTRAORDINARY REVIEW does not prevent the application of the REBALANCING DISCOUNT associated with the non-execution or delay of the works provided for in the PER.
- 5.3.5.** In the hypothesis of the railway concessionaire or ANTT reject, in a decision not subject to administrative appeal, the authorization for the execution of the works due to facts not attributable to the CONCESSIONAIRE, the AGERS, through a notification of any of the PARTIES, shall initiate an EXTRAORDINARY REVIEW procedure in order to evaluate the adoption of an alternative solution to make the works provided for in the PER and the restoration of the economic and financial balance of the CONCESSION viable, through the MARGINAL CASH FLOW methodology.
- 5.3.5.1.** Any rejections by the railway concessionaire or ANTT motivated by irregularities or incompleteness of the studies and plans presented are considered facts attributable to the CONCESSIONAIRE.
- 5.3.5.2.** The establishment of an EXTRAORDINARY REVIEW does not prevent the GRANTING AUTHORITY or the CONCESSIONAIRE from questioning the decision of ANTT or the railway concessionaire before the Judiciary Branch.
- 5.3.5.3.** Once the EXTRAORDINARY REVIEW is established, the provisions of subclauses 5.3.4.6. and 5.3.4.6.1. are applied to this case.
- 5.3.5.4.** If the rejection is based on a fact attributed to the CONCESSIONAIRE, it shall bear the effects arising from the contractual obligations default and shall present the necessary solution to enable the execution of the PER works for GRANTING AUTHORITY's approval.
- 5.3.6.** The CONCESSIONAIRE shall not support the payment of indemnities eventually requested by the Federal Government, ANTT or the railway concessionaire due to impacts that the regular execution



of the authorized works produces on the economic and financial balance of the railway concession or on the operating costs and lost profits of the railway concessionaire.

**5.3.6.1.** The CONCESSIONAIRE is responsible for ensuring the regular execution of the works and shall be liable for errors, failures and inadequacies committed in their execution.

## 6. PLANS

- 6.1.** The CONCESSIONAIRE shall prepare the preliminary plan and the executive plans for the execution of the Concession works, which shall fully comply with the terms and conditions set forth in the PER and in the physical and financial schedule of the CONTRACT.
- 6.2.** The CONCESSIONAIRE shall prepare and keep up to date the “*as built*” project of the buildings and works concluded during the CONTRACT execution.
- 6.3.** Within 180 (one hundred and eighty) days prior to the beginning of the works and services, the CONCESSIONAIRE shall present to the GRANTING AUTHORITY the required preliminary plan, pursuant the terms and conditions set forth in the PER.
- 6.3.1.** For the INITIAL WORKS, implementation of the planned toll plazas and customer service centers, shall be observed a period of 30 (thirty) days prior to the commencement of the execution of works and services.
- 6.3.2.** The preliminary plans referring to the works included in the Stock Improvement, as provided for in subclause 3.2.1.3 of the PER, shall be submitted by the CONCESSIONAIRE to the GRANTING AUTHORITY in the maximum period of 90 (ninety) days after its request.
- 6.3.3.** The GRANTING AUTHORITY shall analyze the preliminary plans within 60 (sixty) days from its submission date, approving it or indicating the necessary adequations and corrections if there is any unconformity to the conditions of the CONTRACT and its EXHIBITS. The unconformities must be indicated by the GRANTING AUTHORITY in detail and with the correspondent justification.
- 6.3.4.** In the case the GRANTING AUTHORITY fails to manifest within the period set forth the 6.3.3. 6.3.3, the preliminary plan will be considered as approved.
- 6.3.5.** If the GRANTING AUTHORITY determines any adequation or corrections in the preliminary plan, the CONCESSIONAIRE shall adjust and resubmit it within 30 (thirty) days, for approval by the GRANTING AUTHORITY, which will have a new period of 60 (sixty) days for its analysis.



- 6.3.5.1.** In the case the GRANTING AUTHORITY fails to manifest within the period set forth the 6.3.5. 6.3.5, the preliminary plan will be considered as approved.
- 6.4.** After the approval of the preliminary plans, the CONCESSIONAIRE must present to the GRANTING AUTHORITY the executive plans for the execution of the CONCESSION works and services at least 60 (sixty) days before its commencement.
- 6.4.1.** The GRANTING AUTHORITY shall analyze the executive plans within 60 (sixty) days from its submission, approving it or indicating the necessary adequations and corrections if there is any unconformity to the conditions of the CONTRACT and its EXHIBITS. The unconformities must be indicated by the GRANTING AUTHORITY in detail and with the correspondent justification.
- 6.4.1.1.** In the case the GRANTING AUTHORITY fails to manifest within the period set forth the 6.4.1. 6.4.1, the preliminary plan will be considered as approved.
- 6.4.1.2.** If the GRANTING AUTHORITY determines any adequation or corrections in the executive plan, the CONCESSIONAIRE shall adjust and resubmit it within 30 (thirty) days, for approval by the GRANTING AUTHORITY, which will have a new period of 30 (thirty) days for its analysis
- 6.4.1.3.** In the case the GRANTING AUTHORITY fails to manifest within the period set forth the subclause 6.4.1.2..
- 6.4.1.4.** If the GRANTING AUTHORITY requests any alteration in the executive plan after its approval, it shall submit the requested alteration to the CONCESSIONAIRE, under technical justification, in which case it shall be analyzed the economic and schedule impacts of the alteration, as well, when appropriate, the need of the economic and financial rebalance of the CONTRACT.
- 6.4.1.5.** Any alteration requested by the CONCESSIONAIRE, in the approved executive plan shall only be executed if previously and expressly authorized by the GRANTING AUTHORITY.
- 6.4.2.** The CONCESSIONAIRE shall bear, without any right to restoration of the economic-financial balance of the CONTRACT, the costs arising from any need for adjustments to the plans before its approval, with no right for economic and financial rebalancing of the contract, as long as these adjustments are based on unconformities to the CONTRACT, the PER and the EXHIBITS.
- 6.4.3.** Any delays in the GRANTING AUTHORITY'S review shall not be attributed to the CONCESSIONAIRE.





- 6.4.4.** The CONCESSIONAIRE will only be responsible for delays resulting from failure to comply with the deadlines for submission of the plans and, when applicable, for delays resulting from the re-analysis of these plans by the GRANTING AUTHORITY, when caused by error or by its incompleteness.
- 6.5.** The non-objection to the preliminary plans and the receipt of the executive plans by the GRANTING AUTHORITY does not mean that the GRANT AUTHORITY shall assume any technical responsibility for the plans.
- 6.5.1.** It is the responsibility of the CONCESSIONAIRE, when the license holder, to submit plan changes to the relevant environmental agencies.
- 6.6.** If the works performed do not meet the technical standards and parameters of the PER due to errors, omissions or inadequacies included in its preliminary project or executive project, the necessary adjustments or corrections shall be carried out at the CONCESSIONAIRE's expense.
- 6.7.** It will not be admitted that more complex, costly and functionally superior improvements be replaced by others that do not preserve the same level of quality as demanded by the CONTRACT.
- 6.8.** The preliminary and executive plans must be presented by the CONCESSIONAIRE accompanied by an accredited inspection certificate issued by an ACCREDITED INSPECTION BODY.
- 6.8.1.** The arrangements and costs necessary for contracting the ACCREDITED INSPECTION BODY to carry out the conformity evaluation of the CONCESSION's preliminary and executive plans is the CONCESSIONAIRE's responsibility.
- 6.8.2.** The CONCESSIONAIRE must observe the procedure set out in EXHIBIT 16 for contracting the ACCREDITED INSPECTION BODY.
- 6.8.3.** The presentation of the inspection certificate, in the form of subclause 6.8., is a condition for the acceptance of the CONCESSIONAIRE's preliminary designs and engineering plans.

## **7. EXPROPRIATIONS AND EVICTIONS FROM THE RIGHT OF WAY**

### **7.1. Declaration of Public Utility (DUP)**

- 7.1.1.** The GRANTING AUTHORITY is responsible for providing the DUP of the areas to be expropriated, as well as issuing the necessary decrees for the institution of administrative easements and administrative limitations, upon justified request by the CONCESSIONAIRE and in accordance with the preliminary plans approved and with the laws and regulations in force.



**7.1.2.** The CONCESSIONAIRE, at the beginning of each year-period, shall present the annual schedule of DUP claims, administrative easements and administrative limitations and a simplified schedule of related works, with the estimates of the areas to be expropriated or subjected to administrative easements and limitations.

**7.1.3.** The CONCESSIONAIRE shall formalize the DUP requests in a timely manner, in order to meet the schedule for the works

## **7.2. Expropriations**

**7.2.1.** It is incumbent on the CONCESSIONAIRE, as a representative of the GRANTING AUTHORITY, to procure expropriations, administrative easements, to propose administrative limitations and provisionally occupy the real estate necessary for the implementation and maintenance of works and services related to the CONCESSION.

**7.2.2.** The CONCESSIONAIRE has considered in its PROPOSAL the amount of BRL 43,400,252.79 (forty-three million, four hundred thousand, two hundred fifty-two reais and seventy-nine cents), as provided for in Appendix D of the PER for the payment of indemnities arising from the expropriations and costs with evictions, to be adjusted annually by IRT.

**7.2.2.1.** The amount for expropriation provided for 7.2.2.subclause 7.2.2 corresponds, specifically, to the amount allocated for the indemnities arising from expropriations and costs with evictions, excluding administrative costs, costs with legal services or expenses of other nature, which shall be borne exclusively by the CONCESSIONAIRE.

**7.2.2.2.** If the amount for expropriation and eviction does not reach the value provided for the 7.2.2. 7.2.2, any savings of up to 10% (ten percent) will be appropriated by the CONCESSIONAIRE as an efficiency gain and will not be subjected to economic and financial rebalancing of the CONTRACT.

**7.2.2.2.1.** If the savings overpass 10%, the gains will be shared in the proportion of 50% (fifty percent) to the CONCESSIONAIRE and 50% (fifty percent) to the GRANTING AUTHORITY.

**7.2.2.2.2.** The sharing of the amount alluded to by the previous clause with the GRANTING AUTHORITY shall take place through the deposit by the CONCESSIONAIRE of the corresponding amount in the ADJUSTMENT ACCOUNT.

**7.2.2.3.** If the amount for expropriation and vacancy exceeds the amount provided for in subclause 7.2.2, any increase of up to 10% will be the exclusive responsibility of the 7.2.2. and will not be subject to the revision of the economic and financial balance of the CONTRACT.

**7.2.2.3.1.** If the eventual increase in the costs overpass 10% (ten percent), the exceeding amount will be shared in the proportion



of 50% (fifty percent) for the CONCESSIONAIRE and 50% (fifty percent) for the GRANTING AUTHORITY.

**7.2.3.** The CONCESSIONAIRE shall bear all investments, payments, costs, and expenses arising from the performance of the acts referred to in 7.2.1. 7.2.1, whether by consensus or through legal actions, to the extent of the amounts provided for 7.2.2. 7.2.2, and shall be entitled, 22.4., to the allocation of resources by the GRANTING AUTHORITY or, if such is not possible, to the restoration of the economic and financial balance for the exceeding costs, as provided for subclause 22.4.

**7.2.3.1.** From the 12th (twelfth) month of the beginning of the CONCESSION, the CONCESSIONAIRE must present, along with the physical and financial schedule and investment plan, as provided for in subclause 14.1.3., v., the planning of expropriations for the following 5 (five) years, without prejudice to the provisions set forth in subclause 7.1.2..

**7.2.4.** For the purposes of sub-clause 7.2.1, the CONCESSIONAIRE is responsible for presenting the following information and documents to the GRANTING AUTHORITY in advance:

- i.** description of the socioeconomic structure of the affected area and the criteria adopted to valuation of the area and evaluation of the improvements and the indemnification;
- ii.** registration limiting the properties, according to their land status, specifying the extension, by property, of the affected areas;
- iii.** updated certification issued by the competent notary containing the information about the ownership of the affected areas; and
- iv.** any other information considered relevant by the GRANTING AUTHORITY.

**7.2.5.** The prosecution and completion of the judicial expropriation proceedings, initiation of administrative easements, imposition of administrative limitation, and provisional occupation of real estate rests exclusively with the CONCESSIONAIRE, being the GRANTING AUTHORITY responsible for its inspection.

**7.2.6.** The CONCESSIONAIRE shall make efforts, with the owners or possessors of the areas intended for the implementation of the facilities necessary for the operation of the CONCESSION, aiming to procure, in an amicable manner, the clearance of these areas.

**7.2.7.** The payment by the CONCESSIONAIRE to expropriated third parties or parties on whose property an administrative easement is created or which is provisionally occupied for the purposes provided for in the CONTRACT, when made privately, that is, under a private settlement between the CONCESSIONAIRE and the affected third party, shall be based on a



report signed by an expert, which must be presented to the GRANTING AUTHORITY if requested.

### **7.3. Evictions from the Right of Way**

- 7.3.1.** The Concessionaire is responsible for maintaining the integrity of the HIGHWAY SYSTEM'S right of way throughout the CONCESSION period, therein adopting the measures necessary for its vacancy, if and when invaded by third parties, even if the invasion occurred prior to the execution of the CONTRACT
- 7.3.2.** The CONCESSIONAIRE shall establish a Social Management Plan to conduct the processes of economic activity displacement, involuntary resettlement of the population and indemnities arising from the implementation of the CONTRACT in order to ensure that the conditions of the Persons Affected by the Project (PAPs) of the occupations indicated in Appendixes E and F of the PER do not get worse than it were in the beginning of the project.
- 7.3.3.** The Social Management Plan mentioned in 7.3.2. 7.3.2 shall be presented until the 24th (twenty-fourth month) of the CONCESSION to the GRANTING AUTHORITY, under the conditions set forth by item 6 of PER.
- 7.3.4.** The CONCESSIONAIRE shall bear all investments, payments, costs, and expenses arising from the Social Management Plan, and shall not be entitled to restoration of the economic and financial balance due to such expenditures.
- 7.3.5.** After the Social Management Plan is presented, the CONCESSIONAIRE shall send to the GRANTING AUTHORITY annual reports demonstrating the plan's execution.

### **7.4. Deadlines and Authorizations of the Granting authority**

- 7.4.1.** Failure to obtain a DUP within six (6) months from the request made to GRANTING AUTHORITY shall not result in liability for the CONCESSIONAIRE, provided that, demonstrably, the delay cannot be attributed to it.
- 7.4.2.** The GRANTING AUTHORITY shall be solely and exclusively responsible, after a technical response from the CONCESSIONAIRE, for the authorization to open new accesses or easements to the HIGHWAY SYSTEM.

## **8. WORKS AND SERVICES**

### **8.1. Works and Services Performance Guidelines**

- 8.1.1.** The CONCESSIONAIRE shall perform the works and services necessary to fulfill the purpose of the CONTRACT, fully complying with the



PERFORMANCE PARAMETERS, the SCOPE, the TECHNICAL PARAMETERS, and other requirements set forth in the CONTRACT and the PER, also observing the following obligations relating to the technical standards:

**8.1.1.1.** The CONCESSIONAIRE shall also implement, within two (2) years from the DATE OF ASSUMPTION, Quality Management and Environmental Management Systems for all works and services required to fulfill the purpose of the CONTRACT, based on the series of standards of NBR ISO 9.000, NBR ISO IEC 17.025 and da NBR ISO 14.001 of the ABNT, or others that succeed or amend them;

**8.1.1.2.** The CONCESSIONAIRE shall deploy within two (2) years from the DATE OF ASSUMPTION, a Road Safety Management System (SV) based on the standard ISO 39 001/2015, of ABNT, or their respective updates;

**8.1.1.3.** Compliance with the provisions of subclauses 8.1.1.1. and 8.1.1.2. shall occur by means of presentation of a certificate regarding the standards required, issued by an entity accredited for such purposes or, if there is no accredited entity, by submission of the systems to AGERGS' evaluation.

**8.1.2.** The CONCESSIONAIRE shall perform:

**8.1.2.1.** the investment obligations contained in the PER within the time limits indicated; and

**8.1.2.2.** all other works and interventions required to the compliance with the PERFORMANCE PARAMETERS and other TECHNICAL PARAMETERS and SCOPE established in the PER, within the time limits and conditions indicated.

**8.1.3.** The CONCESSIONAIRE represents and warrants to the GRANTING AUTHORITY that the quality of the plans, performance, and maintenance of the works and services contemplated by the CONCESSION is and shall be, during the term of the CONCESSION, sufficient and adequate to fulfill the CONTRACT and the PER, being responsible in full for any unconformity with the PERFORMANCE PARAMETERS, the TECHNICAL PARAMETERS, and the SCOPE and minimum technical specifications established.

**8.1.4.** The GRANTING AUTHORITY undertakes to terminate, by the DATE OF ASSUMPTION, all contracts relating to works and services on the HIGHWAY SYSTEM in force on the date of execution of the CONTRACT and that prevent or hinder the CONCESSIONAIRE in meeting the PER's PERFORMANCE PARAMETERS.

**8.1.4.1.** The CONCESSIONAIRE shall assume the HIGHWAY SYSTEM under the conditions in which they are found and shall not be entitled



to the restoration of the economic and financial balance due to any unconformity of the stretches in relation to the quality parameters established in the contracts terminated by the GRANTING AUTHORITY, considering that the necessary costs to adequate the stretches to the PERFORMANCE PARAMETERS should have been considered in the proposal presented in the BIDDING PROCESS.

**8.1.4.2.** The stretches under this situation shall be indicated in the PROPERTY LISTING AND TRANSFER INSTRUMENT to be signed in the DATE OF ASSUMPTION.

**8.1.4.3.** The CONCESSIONAIRE, if feasible, may choose to succeed the GRANTING AUTHORITY in the contracts that are in force prior to the signing of the CONTRACT, and, to do so, shall indicate them in the Operation Transition Plan set forth by item 18.3.8 of the BID NOTICE.

**8.1.5.** Twelve months after the execution of the CONTRACT18.9., an EXTRAORDINARY REVIEW shall be carried out, as provided for in clause 18.9, concerning the analysis of any changes and defects in the physical and operational conditions of the granted infrastructure that may have occurred between the delivery of the proposal and the DATE OF ASSUMPTION and, if applicable, the neutralization of impacts on the economic-financial balance of the CONTRACT as a result of the provisions of subclause 4.1.2..

**8.1.6.** In case of the removal or reallocation of INTERFERENCES is needed, the CONCESSIONARIE shall notify the GRANTING AUTHORITY, so it adopts the necessary measures before the concessionaires or responsible public offices to authorize the pertinent removals or reallocations.

**8.1.6.1.** The CONCESSIONAIRE shall remove or reallocate the INTERFERENCES, including irregular ones, existing in the HIGHWAY SYSTEM, which are necessary for the execution of the works and services of the CONTRACT, except if the reallocation or removal is an obligation of third parties.

**8.1.6.2.** The CONCESSIONAIRE is entitled to the restoration of the economic and financial balance of the CONTRACT due to the engineering interventions that it may carry out for the reallocation or removal of INTERFERENCES.

**8.1.6.3.** The CONCESSIONARIE is not liable for delays in the works and services of the PER caused by events attributable to third parties, as provided for in subclause 8.1.6, when these are responsible for carrying out the removal or reallocation of the INTERFERENCES.8.1.6.



- 8.1.7.** The CONCESSIONAIRE is responsible for fulfilling the obligations related to the electrical and lighting systems of the CONCESSION, as provided for in the PER.
- 8.1.8.** Except for the cases provided for in the STOCK IMPROVEMENT and the service level maintenance works provided for by item 3.2.2.1 and 3.2.2.2 of the PER, the inclusions, exclusions or changes in works and services shall be performed by means through FIVE-YEAR REVIEWS.
- 8.1.8.1.** Inclusions or alterations of works and services that have proven repercussions on the investments and costs under the responsibility of the CONCESSIONAIRE shall entail the corresponding restoration of the economic and financial balance of the CONTRACT through the use of MARGINAL CASH FLOW methodology.
- 8.1.8.2.** The exclusion of works and services shall result in the corresponding restoration of the economic and financial balance of the CONTRACT through the use of the REBALANCING DISCOUNT;
- 8.1.8.3.** To apply a REBALANCING DISCOUNT or REBALANCING INCREASE relating to works and services that do not have a percentage provided for in EXHIBIT 5, AGERGS shall set new percentages.
- 8.1.9.** 8.1.8. Exceptionally, in the event that the inclusions or alterations of works and services referred to by subclause 8.1.8 are necessary to guarantee road safety or to serve a proven public interest, these may be carried out by means of EXTRAORDINARY REVIEW, in a specific procedure prior to the FIVE-QUENAL REVIEW, with prior authorization of AGERGS.
- 8.1.9.1.** The above procedure does not apply for the works provided for in the STOCK IMPROVEMENT or in items 3.2.2.1 and 3.2.2.2 of the PER.
- 8.1.9.2.** The inclusion of works and services shall be made through the use of MARGINAL CASH FLOW methodology.
- 8.1.9.3.** Any of the parties may request to ARGERS the inclusion or alteration of works and services out of the FIVE-YEAR REVIEW, provided that motivated under one of the grounds set forth subclause 8.1.98.1.9..
- 8.1.9.4.** The request shall contain at least the following elements:
- 8.1.9.4.1.** Indication of the work and services to be included or altered;



- 8.1.9.4.2.** Expressly indication of the public interest or the insecurity situation to the users that gives rise to the request, which in both cases shall be duly accompanied by the technical studies necessary to its demonstration;
- 8.1.9.4.3.** A forecast of the impact resulted from the inclusion or alteration of the works and services in the economic and financial balance of the CONTRACT, with the indication of the impact over the toll fare through the use of the marginal cash flow methodology.
- 8.1.9.4.4.** Demonstration, through a cost-benefits analysis, of the relevance of the inclusion of works and services prior to the FIVE-YEAR REVIEW.
- 8.1.9.5.** AGERGS shall decide the request, in a reasoned decision, in up to 8.1.9.4.1.thirty) days 8.1.9.4.4. expressing itself specifically about the items indicated in subclauses 8.1.9.4.1 to 8.1.9.4.4.
- 8.1.9.6.** If AGERGS decide for pertinence of the inclusion of the work and service, it shall determine its inclusion in the CONTRACT and shall proceed with the EXTRAORDINARY REVIEW for the restoration of the economic and financial balance.
- 8.1.9.7.** The restoration of the economic and financial balance shall be complied in the review procedure subsequent to the conclusion of the approved works and services.
- 8.1.10.** Any additions, exclusions, and alterations in the works or services that may result in the restoration of the economic and financial balance of the CONTRACT through the application of the MARGINAL CASH FLOW shall be subject to specific adjustments to be formalized by means of an addendum.
- 8.1.11.** During the term of the CONCESSION, exceptionally and if so required by the public interest, the GRANTING AUTHORITY may carry out works on the HIGHWAY SYSTEM. In such case, the economic and financial balance of the CONTRACT will be restored due to the alteration of the CONCESSIONAIRE'S obligations.
- 8.1.11.1.** The alteration of the investments shall be formalized by means of an addendum.
- 8.1.12.** The CONCESSIONAIRE is responsible for complying with the legislation and technical rules applicable to the execution of the works required in this CONTRACT.

## **8.2. Recovery and Maintenance Front**





**8.2.1.** The works and services of each of the HOMOGENEOUS STRETCHES of the HIGHWAY SYSTEM described in item 3.1 of the PER on the Recovery and Maintenance Obligations shall meet the SCOPE and PERFORMANCE PARAMETERS within the deadlines indicated

**8.2.1.1.** In the event that the CONCESSIONAIRE does not meet the PERFORMANCE PARAMETERS set forth by item 3. 1 of the PER - "Recovery and Maintenance Obligations", AGERGS shall apply the penalties provided for in this CONTRACT, according to the powers granted to it by clause 15..

### **8.3. Capacity Expansion and Improvement Works and Operational Services Front**

**8.3.1.** The capacity expansion and service level maintenance works, described by item 3.2 of the PER - "Capacity Expansion and Service Level Maintenance Obligations", as well as the operational services described in item 3.4 of the PER - "Operational Services Obligations". of each of the HOMOGENEOUS STRETCHES of the HIGHWAY SYSTEM described in the PER must be completed and in operation within the timeframe and under the conditions set forth in the PER, and in accordance to the SCOPE, the TECHNICAL PARAMETERS and the PERFORMANCE PARAMETERS.

**8.3.1.1.** For purposes of measuring the annual capacity expansion milestones for the application of the FACTOR D or of the FACTOR A, the capacity expansion milestones indicated in the PER and in this CONTRACT shall be considered met when the capacity expansion works and the respective improvements are provisionally accepted by the GRANTING AUTHORITY, subject to the exceptions provided for in the PER, and when these lanes and improvements are opened to traffic.

**8.3.2.** In each case, the GRANTING AUTHORITY may approve the alteration of the dispositive provided for in item 3.2.1.2 of the PER – “Improvement Works” and/or its displacement, provided that its functionality is maintained and that the new solution and location do not cause larger socioenvironmental impact.

**8.3.2.1.** If the planned alteration results in a delay in the deadline for submission or resubmission of the preliminary project or reflects in any way the obtention of the environmental licenses, the deadline for obtaining the environmental licenses related to such devices shall be extended equivalently to the delay verified, which shall not result in the restoration of the economic and financial balance of the CONTRACT in favor of the CONCESSIONAIRE.

**8.3.3.** In the event that the CONCESSIONAIRE does not complete the works or does not provide the services within, the GRANTING AUTHORITY



shall apply the penalties provided for in this CONTRACT, without prejudice to the restoration of the economic and financial balance.

**8.3.4.** The CONCESSIONAIRE shall perform the urban contours and extensions provided for in the PER.

**8.3.4.1.** Any flaws, inconsistencies or apparent constructive defects in the execution of the works are the responsibility of the CONCESSIONAIRE and must be corrected as a condition for the acceptance of the works by the GRANTING AUTHORITY.

**8.3.5.** After the completion of the Vila Maria's urban contour, provided for in the PER, the CONCESSIONAIRE shall transfer the stretch located between km 224,60 to km 229 of the Highway ERS-324 to the GRANTING AUTHORITY and shall add the new completed stretches to the HIGHWAY SYSTEM, as indicated in the Notes from Table 34 of Appendix A of the PER.

**8.3.6.** After the completion of the Vila Zucchetti-Nova Araçá's urban contour, provided for in the PER, the CONCESSIONAIRE shall transfer the stretch located between km 269,00 to km 275,00 of Highway ERS-324 to the GRANTING AUTHORITY and shall add the new completed stretches to the HIGHWAY SYSTEM, as indicated in the Notes from Table 34 of Appendix A of the PER.

**8.3.7.** The stretches to be transferred to GRANTING AUTHORITY shall comply with the applicable technical and performance parameters, established by the PER, including with regard to the remaining life of the road pavement of at least 5 (five) years, the CONCESSIONAIRE being responsible for correcting any discrepancy found.

**8.3.8.** The transfer of the previously mentioned stretches shall be requested by notification from the CONCESSIONAIRE to the GRANTING AUTHORITY, within 05 (five) days, as from the definitive receipt of the urban contours works.

**8.3.9.** The transfer shall be formalized through the signing of the transfer's agreement, which includes a description of the transferred assets and shall be published in the DOE.

**8.3.9.1.** After the publication of transfer's agreement in the DOE, the stretches mentioned in subclauses 8.3.5. and 8.3.6. will not be part of the CONCESSION anymore and will become responsibility of the GRANTING AUTHORITY.

**8.3.9.2.** After the signing of the transfer's agreement, an amendment to the PROPERTY LISTING AND TRANSFER INSTRUMENT shall be formalized and the inventory related to the CONCESSION PROPERTY shall be updated in order to exclude the transferred stretches and include the added stretches.



- 8.3.9.3.** After the signing of the transfer's agreement, the HOMOGENEOUS STRETCHES of single lane and double lane used to calculate the TOLL FARE in the plazas which cover the excluded and added stretches shall reflect the new extensions resulting from the completion of the urban contours and review of the PROPERTY LISTING AND TRANSFER INSTRUMENT.
- 8.3.9.4.** The new extensions of the HOMOGENEOUS STRETCHES shall be informed to AGERGS, which shall ascertain and homologate the new TOLL FARE resulting from their application in the formula provided in subclause 18.3.3., within 15 (fifteen) days, counting from the notification of the signature of the works transfer's agreement.
- 8.3.10.** The hidden CONSTRUCTION DEFECTS identified within 5 (five) years, as from the signing of the highway stretch transfer's agreement, shall be considered risks of the CONCESSIONAIRE.
- 8.3.10.1.** The CONCESSIONAIRE shall perform the works required for the correction of the hidden CONSTRUCTION DEFECTS, without any right to restoration of the economic and financial balance of the CONTRACT.
- 8.3.10.2.** The following defects, among others, are not considered hidden defects:
- 8.3.10.2.1.** that are expressly identified in the BID NOTICE or in the CONTRACT as a risk of the CONCESSIONAIRE;
- 8.3.10.2.2.** that are included in the feasibility studies of the CONCESSION or in the PROPERTY LISTING AND TRANSFER INSTRUMENT of the CONCESSION;
- 8.3.10.2.3.** that could be detected through the use of techniques and means ordinarily available and financially accessible in the market.
- 8.3.11.** The hidden CONSTRUCTION DEFECTS were identified after 5 years from the signing of the transfer's agreement shall be considered risks of the GRANTING AUTHORITY, who shall bear the necessary additional costs to their correction.
- 8.3.11.1.** The defects indicated by sub-clause 8.3.10.2 shall not be considered hidden defects.
- 8.3.12.** After the conclusion of the ERS-129 Urban Extension (Casca), provided for in the PER, the stretch of the ERS-129, from km 126,83 to km 163,34, shall have an addition of 2,90 km, corresponding to the inclusion of the new stretches resulting from the work.



**8.3.12.1.** After the conclusion of the Extension, an amendment to the PROPERTY LISTING AND TRANSFER INSTRUMENT shall be formalized and the inventory related to the CONCESSION PROPERTY shall be updated to include the added stretches.

**8.3.12.2.** After the signing of the transfer's agreement, the HOMOGENEOUS STRETCHES of single lane and double lane used to calculate the TOLL FARE in the plazas which cover the added stretches shall reflect the new extensions resulting from the completion of the Extension and addition of stretches in the PROPERTY LISTING AND TRANSFER INSTRUMENT.

**8.3.12.3.** The new extensions of the HOMOGENEOUS STRETCHES shall be informed to AGERGS, which shall ascertain and homologate the new TOLL FARE resulting from their application in the formula provided in subclause 18.3.3., within 15 (fifteen) days, counting from the inclusion of the new stretches in the CONCESSION.

#### **8.4. Stock Improvement**

**8.4.1.** The inclusion of improvement and capacity expansion works shall be based on the STOCK IMPROVEMENT, as provided for in the PER and in EXHIBIT 5.

**8.4.1.1.** The performance of the works of the STOCK IMPROVEMENT shall occur upon request by the GRANTING AUTHORITY, which may be performed at any time during the term of the CONTRACT.

**8.4.1.2.** The restoration of the economic and financial balance resulting from the performance of works included in the STOCK IMPROVEMENT shall be done through the application of Factor E, as provided for in EXHIBIT 5 to this CONTRACT.

(i) Factor E shall be applied to the TOLL FARE only in the ORDINARY REVIEW subsequent to the completion of the improvement work requested.

**8.4.1.3.** The execution of the STOCK IMPROVEMENT shall constitute a contractual obligation to be completed within 18 (eighteen) months from the request by the GRANTING AUTHORITY.

(i) If additional expropriation is required, six (6) months shall be added to the deadline for completion.

(ii) After the deadline for the completion of the improvement work, in the event of nonperformance, the penalties provided for in this Contract shall apply

(iii) 6.CONTRACT being a condition for commencing the works



**8.4.1.4.** The STOCK IMPROVEMENT shall have its quantitative limit at 6.02%, applied on the SINGLE LANE BASIC TOLL FARE and on the DOUBLE LANE BASIC TOLL FARE of the CONCESSION, before the application of the Temporal Adjustment Coefficient, being its use based on the improvement percentages established by Table II of EXHIBIT 5.

(i) As this is an obligation the risk of which is already allocated to the CONCESSIONAIRE, the STOCK IMPROVEMENT shall not be able to provide for additional level returns related to the Capacity Expansion Works project provided for in item 3.2.1.1 of the PER.

(ii) No work of the same nature may be included that implies restoration of the economic and financial balance of the CONTRACT through the use of MARGINAL CASH FLOW as long as there is an STOCK IMPROVEMENT balance that allows the full inclusion of the improvement requested

**8.4.1.5.** After the full use of the STOCK IMPROVEMENT, any inclusion of improvement works shall imply restoration of the economic and financial balance of the CONTRACT through the use of MARGINAL CASH FLOW

(i) In the event that the STOCK IMPROVEMENT balance does not allow the full inclusion of the device requested, only the percentage not covered by the existing balance shall be allocated to the MARGINAL CASH FLOW.

## **8.5. Level Maintenance Works**

**8.5.1.** The service level maintenance works are described in item 3.2.2.1 of the PER - "Works of Capacity Conditioned to Traffic Volume" and correspond to the works and services of expansion of the capacity of the HIGHWAY SYSTEM whose execution depend on the achievement of the proposed traffic volume, in the form set forth by this CONTRACT and by the PER.

**8.5.1.1.** The volumetric trigger relating to these works shall be measured until the 25th year of the Contract, and its achievement after this period shall not result in new obligations for the CONCESSIONAIRE

**8.5.1.1.1.** The conditioned works of each segment of the HIGHWAY SYSTEM described in the PER shall be concluded in up to 36 (thirty six) months from the date the CONCESSIONAIRE received a notification from the GRANTING AUTHORITY informing that the VDMA correspondent to the respective HOMOGENEOUS STRETCH reached the value provided for the PER.

**8.5.1.2.** The CONCESSIONAIRE shall procure all technical studies to obtain the approval of the plans and the licenses and authorizations required for the implementation of the works provided



for subclause 8.5.1. in a timely manner to the compliance of the defined deadline for its execution.

**8.5.2.** The works conditioned to the service level are listed in item 3.2.2.2. of the PER – “Comfort and Traffic Flow Works” and correspond to the Works for the Capacity Expansion of the interconnect devices.

**8.5.2.1.** The interconnect devices provided for subclause 8.5.2 above shall be monitored from the 8.5.2.th (sixty first) month of the CONCESSION.

**8.5.2.2.** When the triggers set forth in the item 3.2.2.2 of the PER are reached, the CONCESSIONAIRE, independent of request from the GRANTING AUTHORITY or AGERGS, shall propose, within 6 (six) months from the first day of the month subsequent to the end of the verification period, an executive plan for the capacity expansion of the device and implement it in up to 12 (twelve) months from the submission of the plan.

**8.5.3.** The performance of the works described in item 8.5.1. shall not result in restoration of the economic and financial balance of the CONTRACT.

**8.5.3.1.** The performance of works do not provided for the PER by the CONCESSIONAIRE is conditioned to the restoration of the economic and financial balance of the CONTRACT.

**8.5.4.** The noncompliance of the obligations provided for the subclauses above subjects the CONCESSIONAIRE to the penalties set forth in this CONTRACT.

**8.5.5.** The receipt of the works conditioned to the volume of traffic shall be carried out as provided for in the 8.7. 8.7..

## **8.6. Works under the responsibility of the GRANTING AUTHORITY**

**8.6.1.** The Highway ERS-130, between km 69+430 and km 70+900, shall be object of works under the responsibility of the GRANTING AUTHORITY, to be performed by the Municipality of Lajeado through the contract arising from Bid Notice nº 10-03/2021.

**8.6.1.1.** The GRANTING AUTHORITY shall send to CONCESSIONAIRE the executive plans related to the works, as well as other documents related to their progress that may be requested by the CONCESSIONAIRE.

**8.6.1.2.** The CONCESSIONAIRE may monitor the progress of the works and perform preliminary and previous technical evaluations to the inspection provided for in subclause 39.

**8.6.1.3.** The GRANTING AUTHORITY shall ensure free access for the CONCESSIONAIRE's representatives to the works and to



the road segments in which the works have already been completed.

- 8.6.2.** Within 05 (five) days, counting from the definitive receipt of the works by the Municipality of Lajeado, the GRANTING AUTHORITY shall notify the CONCESSIONAIRE, so it prepares an inspection report about the marginal lanes to be transferred, within 30 (thirty) days, counting from the receipt of the notification.
- 8.6.3.** The inspection report shall contain a description of the roads, assets, structures and equipment to be transferred to the CONCESSIONAIRE and record any apparent discrepancies of the works related to the basic and executive plans of the contract arising from Bid Notice nº 10-03/2021 of the Municipality of Lajeado.
- 8.6.3.1.** The CONCESSIONAIRE may hire third parties to perform the inspection services of the delivered works.
- 8.6.3.2.** Apparent discrepancies in the works performed are considered those in which the implemented solution has demonstrably lower quality than that required by the basic and executive plans of the contract arising from Bid Notice nº 10-03/2021 of the Municipality of Lajeado.
- 8.6.4.** The CONCESSIONAIRE's inspection report shall be object of manifestation by the GRANTING AUTHORITY within 10 (ten) days, counting from its receipt.
- 8.6.4.1.** In case of mutual agreement regarding its content, the inspection report shall be approved and the parties must sign the works transfer's agreement.
- 8.6.4.2.** In case of disagreements regarding its content, the GRANTING AUTHORITY shall publish a motivated decision, indicating the controversial issues and the technical reasons that justify the controversy, giving to the CONCESSIONAIRE the opportunity to present a new manifestation within 10 (ten) days, counting from the publication of the decision in the DOE.
- 8.6.4.3.** The GRANTING AUTHORITY shall decide within 10 (ten) days about the new manifestation of the CONCESSIONAIRE.
- 8.6.4.4.** In case of persistence, the disagreements must be submitted to the dispute resolution mechanisms, provided for in subclause **128**.
- 8.6.5.** The definitive transfer of the works to the CONCESSIONAIRE shall be formalized through the conclusion of the transfer's agreement, which will contain:



- 8.6.5.1.** The description of the roads, goods, equipment and structures to be transferred;
- 8.6.5.2.** The description of the apparent discrepancies found in the Inspection Report approved by the GRANTING AUTHORITY;
- 8.6.6.** At the time of the transfer of the works to the CONCESSIONAIRE, an amendment to the PROPERTY LISTING AND TRANSFER INSTRUMENT shall be formalized and the inventory related to the CONCESSION PROPERTY shall be updated.
- 8.6.7.** After the transfer of the works to the CONCESSIONAIRE, it will be responsible for the maintenance, conservation and to make available the CONCESSION's operational services in the segment, as required by the PER.
- 8.6.7.1.** The CONCESSIONAIRE shall perform the works to correct the apparent discrepancies indicated in the transfer's agreement, within a period to be agreed with the GRANTING AUTHORITY, having the right for economic and financial rebalancing of the contract through the MARGINAL CASH FLOW methodology, through EXTRAORDINARY REVIEW procedure to be established, unless otherwise agreed, after the completion of the works.
- 8.6.7.2.** The hidden CONSTRUCTION DEFECTS identified within 5 (five) years, as from the signing of the transfer's agreement, shall be considered risks of the GRANTING AUTHORITY.
- 8.6.7.2.1.** The CONCESSIONAIRE shall perform the works required for the correction of the hidden CONSTRUCTION DEFECTS, having the right for economic and financial rebalancing of the contract through the MARGINAL CASH FLOW methodology, through EXTRAORDINARY REVIEW procedure to be established, unless otherwise agreed, after the completion of the works.
- 8.6.7.2.2.** The following defects, among others, are not considered hidden defects:
- 8.6.7.2.2.1.** that are expressly identified in the BID NOTICE or in the CONTRACT as a risk of the CONCESSIONAIRE;
- 8.6.7.2.2.2.** that are included in the feasibility studies of the CONCESSION or in the PROPERTY LISTING AND TRANSFER INSTRUMENT of the CONCESSION;
- 8.6.7.2.2.3.** that could be detected through the use of techniques and means ordinarily available and financially accessible in the market.





**8.6.7.2.3.** The hidden CONSTRUCTION DEFECTS identified after 5 years from the signing of the transfer's agreement shall be considered risks of the CONCESSIONAIRE, who shall bear the additional costs necessary to their correction.

**8.6.7.2.3.1.** The defects indicated by sub-clause 8.6.7.2.2 shall not be considered hidden defects.

**8.6.8.** The CONCESSIONAIRE shall not bear penalties or additional costs resulting from delays or failure to comply with the investments required by the PER that are caused by impacts arising from the works under the responsibility of the GRANTING AUTHORITY.

**8.6.8.1.** The additional costs borne by the CONCESSIONAIRE due to impacts caused by the works under the responsibility of the GRANTING AUTHORITY shall be compensated to the CONCESSIONAIRE through the economic and financial rebalancing of the CONTRACT through the MARGINAL CASH FLOW methodology, in the EXTRAORDINARY REVIEW procedure to be established, unless otherwise agreed, after the completion of the works.

## **8.7. Proof to the GRANTING AUTHORITY**

**8.7.1.** In order to comply with the PER, the CONCESSIONAIRE must prove to the GRANTING AUTHORITY the completion of each of the works within the respective schedules and fulfillment of the SCOPE, the PERFORMANCE PARAMETERS, and the TECHNICAL PARAMETERS.

**8.7.2.** Proof of completion of each of the works shall be carried out in accordance with the GRANTING AUTHORITY's specific procedure, in the terms of subclause 8.3.1.1, and must be preceded by delivery of the "as-built" plan by the CONCESSIONAIRE, as established in the PER.

**8.8.** All CONCESSION investments shall be fully amortized within the CONCESSION TERM in accordance with current laws and regulations, and no claim shall be made to recompose the economic and financial balance upon the expiration of the contractual term.

**8.8.1.** The provisions of this subclause apply to all investment obligations under the PER, regardless of the time when they are performed or requested by the GRANTING AUTHORITY.

**8.9.** The CONCESSIONAIRE may hire, at its own risk, an ACCREDITED INSPECTION BODY to certify the execution of the works of the CONCESSION, subject to the provisions of EXHIBIT 16 of this CONTRACT.

## **9. STATEMENTS**



- 9.1. The CONCESSIONAIRE represents that it has obtained, by itself or through third parties, all the necessary information to fulfill its contractual obligations
- 9.2. The CONCESSIONAIRE represents that it knows that the feasibility studies presented in the BIDDING PROCESS are merely references and cannot serve to support any request under ARGERGS and the GRANTING AUTHORITY.
- 9.3. The CONCESSIONAIRE shall not in any way be released from its contractual obligations, nor shall it be entitled to be indemnified by the GRANTING AUTHORITY, due to any incorrect or incomplete information, obtained through AGERGS, the GRANTING AUTHORITY, or any other source, therein acknowledging that it was its duty to conduct its own surveys to verify the adequacy and accuracy of any information provided or made available to it.

## 10. CONTRACT PERFORMANCE BOND

- 10.1. The CONCESSIONAIRE shall maintain, in favor of the GRANTING AUTHORITY, as a guarantee of the faithful fulfillment of the contractual obligations, the CONTRACT PERFORMANCE BOND in the amounts indicated in the table below:

Period	Guarantee Value
From the 1st year until the 10th year	BRL 408,167,164.87
From the 11th year until the 20th year	BRL 306,125,373.65
From the 21st year until the 30th year	BRL 204,083,582.44

- 10.1.1. Reduction in the value of the CONTRACT PERFORMANCE BOND is conditioned by the completion of the Capacity Expansion and Improvement Works described in the PER, as attested to by the GRANTING AUTHORITY.
- 10.1.2. The CONTRACT PERFORMANCE BOND shall be annually updated per the IRT.
- 10.1.3. The noncompliance of the conditions established in this Clause shall characterize a 37. of contract by the CONCESSIONAIRE, in which case the GRANTING AUTHORITY may terminate the CONTRACT due to forfeiture, in the terms of Clause 37, without prejudice to the application of other penalties.



- 10.2.** The CONCESSIONAIRE shall remain responsible for fulfilling the contractual obligations, including the payment of any fines and compensations, regardless of the use of the CONTRACT PERFORMANCE BOND.
- 10.3.** The CONTRACT PERFORMANCE BOND, at the CONCESSIONAIRE'S discretion, may be provided in one of the following ways, separately or together:
- 10.3.1.** collateral, in cash or federal public debt securities;
  - 10.3.2.** bank letter of guarantee, in the form of the model in EXHIBIT 3; or
  - 10.3.3.** performance bond, the policy of which must comply, at least, with the content of EXHIBIT 4.
- 10.4.** The letters of guarantee and performance bond policies shall be valid for at least one (1) year as of the date of issue, and it is the sole responsibility of the CONCESSIONAIRE to keep them in full and uninterrupted effect throughout the TERM OF THE CONTRACT and for the following 6 (six) months after its termination, and must, to that end, procure the renewals and updates that are necessary at least thirty (30) days prior to the expiration of the guarantees.
- 10.4.1.** Any changes to the content of the letter of guarantee or performance bond must be previously submitted to the GRANTING AUTHORITY for approval.
  - 10.4.2.** The CONCESSIONAIRE shall forward to the GRANTING AUTHORITY, in the manner set forth in current regulations, a document proving that the bank letters of guarantee or performance bond policies have been renewed and have had their values adjusted.
- 10.5.** Without prejudice to the other hypothesis provided for in the CONTRACT and the regulations in force, the CONTRACT PERFORMANCE BOND may be used when:
- 10.5.1.** the CONCESSIONAIRE does not carry out the investment obligations provided for in the PER or the interventions necessary to meet the PERFORMANCE PARAMETERS, the TECHNICAL PARAMETERS, or performs them in unconformity with what is established therein;
  - 10.5.2.** the CONCESSIONAIRE does not pay the penalties imposed on it, in the manner set forth in the Contract and AGERGS' regulations
  - 10.5.3.** The return of the RETURNABLE PROPERTY is carried out in breach of the requirements established in the CONTRACT, including, but not limited to, fulfillment of the PER, PERFORMANCE PARAMETERS, and action plan and other requirements established by the GRANTING AUTHORITY.
  - 10.5.4.** the CONCESSIONAIRE fails to make, in due time, the payment of the supervision fee provided for in subclause 15.13., as well as any indemnities



or other pecuniary obligations under the CONCESSIONAIRE'S responsibility, related to the CONCESSION; and the failure to comply with the procedure referred to in Clause 32..

- 10.5.5.** the CONCESSIONAIRE fails to renew the CONTRACT PERFORMANCE BOND in the time-period and conditions provided for the CONTRACT.
- 10.6.** The CONTRACT PERFORMANCE BOND may also be executed whenever the CONCESSIONAIRE does not adopt the necessary measures to remedy the breach of its legal, contractual or regulatory obligations, independent of any formality beyond the notification by the GRANTING AUTHORITY, in the terms of the regulatory rules in force, which does not exempt the CONCESSIONAIRE from its contractual obligations.
- 10.7.** Whenever the GRANTING AUTHORITY uses the CONTRACT PERFORMANCE BOND, the CONCESSIONAIRE shall proceed with the replacement of the amount used, thereby restoring its full amount, within 30 (thirty) days as of the date of its use, and during this time period CONCESSIONAIRE shall not be exempt from the responsibilities assigned to it by the CONTRACT.
- 10.7.1.** If the replacement does not occur within the period determined in sub-clause 10.7, the GRANTING AUTHORITY may declare the termination of the CONTRACT, in accordance with Clause 37, without prejudice to other penalties.10.7.37.
- 10.8.** The number of the contract shall be mentioned in the performance bond's instruments to be provided by the guarantors.
- 10.9.** When the process for the possible application of penalties is opened, the entities responsible for the contract supervision must communicate the fact to the guarantor entity along with the communications requesting a preliminary defense to the CONCESSIONAIRE, as well as the final decisions of the administrative instance.
- 10.10.** The guarantor entity is not a party to the administrative proceeding initiated by the GRANTING AUTHORITY with the aim to ascertain damages an/or impose penalties against the CONCESSIONAIRE.
- 10.11.** In the guarantee offered, any exclusion clause is prohibited.
- 10.12.** The guarantee shall cover, independent of the method chosen, the payment of:
- 10.12.1.** damages arisen from the breach of the CONTRACT and the noncompliance of the obligations provided for therein;
- 10.12.2.** damages supported by the Public Administration or third parties, resulted from fault or willful during the performance of the contract;



- 10.12.3.** default and punitive fines imposed by the Administration against the CONCESSIONAIRE;
- 10.12.4.** labor and social security obligations of any nature, not complied by the CONCESSIONAIRE, when applicable.
- 10.13.** In the event of alterations of the investments required by the GRANTING AUTHORITY, or the extension of the CONCESSION TERM, the guarantee shall be adjusted to the updated situation, within 10 (ten) days, pursuant the same parameters applied in the signing of the contract.
- 10.14.** The GRANTING AUTHORITY is authorized to execute the guarantee to correct any imperfections in the performance of the contract or to repair damages arising from the action or omission of the CONCESSIONAIRE, its agent or whoever acts on its behalf.
- 10.15.** The authorization provided for subclause 10.1410.14. is extensive to the cases in which the fines are imposed after the termination of the deadline for appeal.
- 10.16.** The guarantee offered will be retained permanently, in full or for the existing balance, in the case of forfeiture, without prejudice to the penalties applicable.

## **11. ADJUSTMENT ACCOUNT**

- 11.1.** The CONCESSIONAIRE shall open the ADJUSTMENT ACCOUNT before the CUSTODIAN BANK within 60 (sixty) days from the DATE OF ASSUMPTION.
- 11.1.1.** The CUSTODIAN BANK shall be a bank with an equity of over BRL 1,000,000,000 (one billion Brazilian reais).
- 11.1.2.** The CONCESSIONAIRE shall be responsible for the costs, charges and necessary measures for the constitution of the ADJUSTMENT ACCOUNT, remaining at its discretion the adoption of the draft of the Concession Accounts Management Contract provided for EXHIBIT 7.
- 11.1.2.1.** The draft provided for in EXHIBIT 7 may be altered to reflect the conditions required for the financial institutions and its final version shall be, in any case, submitted to the approval of the GRANTING AUTHORITY.
- 11.1.3.** The ADJUSTMENT ACCOUNT shall be owned by the CONCESSIONAIRE, however, its operation shall be exclusively carried out by the CUSTODIAN BANK.
- 11.1.4.** The CUSTODIAN BANK shall move the funds of the ADJUSTMENT ACCOUNT in observance to the rules established by this CONTRACT.



- 11.1.5.** The CONCESSIONAIRE undertakes not to provide any instructions to the CUSTODIAN BANK regarding the ADJUSTMENT ACCOUNT.
- 11.1.6.** The GRANTING AUTHORITY undertakes not to provide any instructions to the CUSTODIAN BANK regarding the ADJUSTMENT ACCOUNT, except for the FREQUENT USER DISCOUNT OFFSET NOTICE, the REBALANCING NOTICE, and the FINAL ADJUSTMENT NOTICE.
- 11.2.** The funds indicated by subclause 12.1 shall be allocated to the ADJUSTMENT ACCOUNT.12.1.
- 11.3.** The funds of the ADJUSTMENT ACCOUNT be used exclusively for the following purposes:
- 11.3.1.** offsets arising from the FREQUENT USER DISCOUNT;
  - 11.3.2.** restoration of the economic and financial balance of the CONCESSION;
  - 11.3.3.** payment of indemnities due to the termination of the Concession, as defined by the FINAL ADJUSTMENT procedure;
  - 11.3.4.** execution of the investments provided for in subclause 11.511.5..
- 11.4.** The Accounts Management Contract to be entered into with the CUSTODIAN BANK shall provide the transference of the funds to the ADJUSTMENT ACCOUNT for the purpose indicated by subclauses 11.3.1 to 11.3.311.3.1.11.3.3., after the receipt of the following notices by the GRANTING AUTHORITY:
- 11.4.1.** The 11.3.1., for the purpose of subclause 11.3.1;
  - 11.4.2.** T11.3.2., for the purpose of subclause 11.3.2;
  - 11.4.3.** The 11.3.3., for the purpose of subclause 11.3.3.
- 11.5.** The CUSTODIAN BANK shall invest the amounts deposited in the ADJUSTMENT ACCOUNTS in federal government securities linked to the SELIC rate, consistent with the payment obligations provided for this CONTRACT and with daily liquidity.
- 11.6.** Whenever requested by the PARTIES, the CUSTODIAN BANK shall send, within 5 (five) business days, information on the ADJUSTMENT ACCOUNT, including balances, statements, and history of investments, deposits, and transfers.



- 11.7.** The GRANTING AUTHORITY acknowledges that the ADJUSTMENT ACCOUNT and the amounts, while deposited in it, are not part of the Rio Grande do Sul's assets.
- 11.8.** The CONCESSIONAIRE waives the right for bank secrecy in relation to the information of the ADJUSTMENT ACCOUNT pursuant to article 1<sup>st</sup>, paragraph 3, item V, of Complementary Law No. 105/2001, authorizing the CUSTODIAN BANK to disclose them to AGERGS and the GRANTING AUTHORITY.
- 11.9.** The term of the ADJUSTMENT ACCOUNT will not be linked to the term of the CONTRACT, it being provided that, in any event of termination of the CONCESSION, the closure of the ADJUSTMENT ACCOUNT shall be conditioned on the discharge of indemnification of any nature due to the CONCESSIONAIRE, as provided for in the FINAL ADJUSTMENT.
- 11.9.1.** The CUSTODIAN BANK shall close the ADJUSTMENT ACCOUNT after processing the FINAL ADJUSTMENT NOTICE and the transference of the remaining balance to the GRANTING AUTHORITY, as provided for subclause 32.6.3.32.6.3.

## **12. ADJUSTMENT ACCOUNT'S TIED FUNDS**

- 12.1.** The following shall be allocated to the ADJUSTMENT ACCOUNT:
- 12.1.1.** the amount deposited in the CONTRIBUTION ACCOUNT, within five (5) days from the creation of the ADJUSTMENT ACCOUNT.
- 12.1.1.1.** The CONTRIBUTION ACCOUNT shall be handled exclusively by the GRANTING AUTHORITY and shall be closed after the transferring of its funds to the ADJUSTMENT ACCOUNT.
- 12.1.1.2.** The GRANTING AUTHORITY will be responsible for the transferring provided for the subclause above and shall inform the CUSTODIAN BANK and the CONCESSIONAIRE about its completion within 24 (twenty-four) hours, counting from the confirmation of the operation.
- 12.1.2.** The amount transferred by the CONCESSIONAIRE if the fare toll's losses resulted from the FREQUENT USER DISCOUNT is under 2,25% of the GROSS FARE REVENUE that would have been earned by the CONCESSIONAIRE if the FREQUENT USER DISCOUNT was not implemented, as provided for subclause 18.5.10.2.18.5.10.2.
- 12.1.3.** Deposits arising from the procedures described by subclause 7.2.2.2.2 of this CONTRACT.7.2.2.2.2.



### **13. RIGHTS AND OBLIGATIONS OF USERS**

**13.1.** Without prejudice to other rights and obligations provided for the law, AGERGS' regulations, and other applicable legal acts, the following are the rights and obligations of users of the HIGHWAY SYSTEM:

- i.** obtain and use the services related to the CONCESSION, in compliance with the quality and performance parameters provided for this CONTRACT and its EXHIBITS;
- ii.** receive from the GRANTING AUTHORITY, AGERGS and the CONCESSIONAIRE information for the defense of individual or public interests;
- iii.** obtain and use the services related to the CONCESSION, in compliance with the rules of AGERGS and the GRANTING AUTHORITY;
- iv.** inform the GRANTING AUTHORITY, AGERGS and the CONCESSIONAIRE of any irregularities of which they become aware concerning the service provided;
- v.** report to the GRANTING AUTHORITY, AGERGS, without prejudice to other competent authorities, any unlawful acts performed by the CONCESSIONAIRE in the provision of the service;
- vi.** contribute to the preservation of the CONCESSION PROPERTY in proper conditions;
- vii.** postulate for their rights directly to the CONCESSIONAIRE, the GRANTING AUTHORITY, AGERGS or other audit authority;
- viii.** exercise their right for petition in relation to the quality or availability of the services before the CONCESSIONAIRE, AGERGS the GRANTING AUTHORITY or any other audit authority;
- ix.** compensate the damages they demonstrably caused to the highway assets;
- x.** comply with the rules of Federal Law No. 9,503/1997, which institutes the Brazilian Traffic Code;
- xi.** form association and participate in the Users Council; e
- xii.** pay the TOLL FARE.

### **14. PROVISION OF INFORMATION AND ACCESS TO THE HIGHWAY SYSTEM**





- 14.1.** Within the CONCESSION TERM, and without prejudice to other obligations to provide the information set forth in the CONTRACT, the PER, and applicable laws and regulations, the CONCESSIONAIRE shall:
- 14.1.1.** immediately inform the GRANTING AUTHORITY and AGERGS of any fact that materially alters the normal development of the Concession, therein presenting, in writing and within 30 (thirty) days as of the date of the occurrence, a detailed report thereof, including, if applicable, technical advice, including the measures taken to remedy the problem;
- 14.1.2.** submit to the GRANTING AUTHORITY and AGERGS, within the timeframe established by them, additional or complementary information that it may formally request;
- 14.1.3.** submit to the GRANTING AUTHORITY and AGERGS, at the frequency established by them, a report with detailed information on:
- i.** traffic and accident statistics, with analysis of critical points and remedial measures implemented or to be implemented;
  - ii.** the state of conservation of the HIGHWAY SYSTEM;
  - iii.** environmental monitoring throughout the HIGHWAY SYSTEM, according to item 5 of the PER – “Environmental Management”;
  - iv.** the performance of the works and services of the CONCESSION;
  - v.** the physical and financial schedule, herewith the investment plan, containing the development of the execution of the investments, including milestones, stages, activities and the deadlines that shall be observed by the CONCESSIONAIRE, in the terms of the CONTRACT;
  - vi.** the execution of expropriations, containing the data related to the number of expropriations, the identification of the expropriated, the amounts of indemnification paid, the judicial procedures and its current stage, without prejudice to other information required by the GRANTING AUTHORITY;
  - vii.** the performance of its activities, specifying, among others, the manner of carrying out the works and the rendering of services related to the purpose of the CONTRACT, the results of the operation of the HIGHWAY SYSTEM, as well as the scheduling and financial execution;
  - viii.** the CONCESSION PROPERTY, including the RETURNABLE PROPERTY to be returned to the GRANTING AUTHORITY, as regards the description of the state, value, as well as effective control thereof during the entire operation period; and



- ix. submit to AGERGS, on a quarterly basis, a balance sheet and complete financial statements for the prior quarter in accordance with AGERG's regulations;
- 14.1.4.** submit to the GRANTING AUTHORITY and to AGERGS, as well as publish in the DOE and in a widely circulated newspaper, the Complete Annual Financial Statements, duly audited by an independent auditing firm registered in accordance with Brazilian accounting standards and AGERGS' regulations, notably for the following information for the fiscal year ended December 31 of the prior year:
- i. details on transactions with RELATED PARTIES, including notes sufficient to identify the parties involved and confirmation of the prevailing conditions and fulfillment of the RELATED PARTIES Transactions Policy;
  - ii. depreciation and amortization of assets;
  - iii. provision for contingencies (whether civil, labor, social security, tax, environmental, or administrative);
  - iv. a management report;
  - v. report by external auditors;
  - vi. report by the audit committee, if applicable;
  - vii. declaration of the CONCESSIONAIRE containing the value of its paid in social capital and changes in its corporate composition;
  - viii. transactions with derivatives or other financial instruments backed by indexes or rates; and
  - ix. keep an updated register of the technicians responsible for the plans, the works carried out, and the services rendered during the CONCESSION TERM.
- 14.1.5.** make available, in real time, the mirroring of the monitoring cameras of the highways to the Secretariat of Public Safety of the State of Rio Grande do Sul - SSP.
- 14.1.6.** make available, in real time, the readings of the vehicle license plates captured in the toll plazas and along the highways administered by the CONCESSIONAIRE, by the reading device systems and by the license plate reading cameras, to the "States National Operator - ONE" System, administered by the Treasury Department of the State of Rio Grande do Sul - SEFAZ.
- 14.1.6.1.** The integration of the reading device systems and the license plate reading cameras must follow the technical specifications contained in the "System Integration Manual", of



the ONE System, available at  
<https://dfe-portal.svrs.rs.gov.br/one>.

**14.1.6.2.** The device reading systems and cameras integrated with the ONE System will make up the State's electronic fencing system.

**14.1.6.3.** The sending of the license plate readings must contain the image of the capture, preferably of the front plate of the vehicle, in a way that allows its identification, with a maximum level of image compression, transformed into a Base64 field.

**14.1.7.** disclose on its website the following information throughout the CONCESSION TERM:

- i.** TOLL FARES in force at all toll plazas, as well as the changed percentage of the toll fare due to the application of FACTOR D, FACTOR A, FACTOR E, and FACTOR C, historical and graph of evolution of the fares charged since the beginning of collection, with their respective effective dates;
- ii.** monthly accident statistics during the CONCESSION, including identification of the location and cause (when provided by public entities or agencies), as well as the measures taken to reduce the frequency as provided for in the PER;
- iii.** traffic conditions for HOMOGENEOUS STRETCHES, updated daily and with advisory information for users;
- iv.** monthly vehicle movement statistics by vehicle type (motorcycle, passenger car, truck, and bus) across all toll plazas;
- v.** the complete annual financial statements, duly audited by an independent auditing firm, in accordance with Brazilian accounting standards and/or AGERGS regulations.
- vi.** The annual planning for the execution of the works and services required by the PER; and
- vii.** The physical progress of the capacity expansion works and improvements required by the PER.

**14.1.8.** The CONCESSIONAIRE shall carry out permanent monitoring of the traffic, including volumetric counts, measurements, and other procedures established in the PER at the HIGHWAY SYSTEM necessary for:

- i.** verification of compliance with its obligations;
- ii.** verification of the obligation to perform capacity expansion works as a function of attainment of the Volumetric Trigger as referred by subclause 8.5.;



- iii. monitoring of the need to make improvements to interconnect devices under the PER;
- iv. Verification of the loss revenue due to the FREQUENT USER DISCOUNT.

**14.1.9.** The reports, documents, and information provided for in this section shall be input into the database, in an electronic format, as per a minimum standard determined by AGERGS.

**14.1.9.1.** It shall be granted unrestricted and real-time access to the database referred to in subclause 14.1.914.1.9..

**14.1.9.2.** The updated information from the permanent traffic monitoring, set forth in subclause 14.1.8, especially the measurement of the Volumetric Trigger for the Homogeneous Stretches subject to capacity expansion conditioned on traffic volume, shall be made available to AGERGS in real time through an exclusive website14.1.8..

**14.2.** The CONCESSIONAIRE shall comply with corporate governance standards and adopt standardized accounting and financial statements, pursuant to the accounting practices adopted in Brazil, based on the Brazilian Corporate Law (Federal Law No. 10,406, of January 10, 2002, Federal La No. 6,404, of December 15, 1976, and its amendments) and on the Accounting Rules issued by the Federal Council of Accounting – CFC.

**14.2.1.** The CONCESSIONAIRE shall also comply with the provisions of the Brazilian Corporate Governance Code – open companies, when appropriate.

**14.2.2.** The CONCESSIONAIRE shall observe environmental, social and governance standards, as provided for EXHIBIT 14 of this contract.

**14.3.** The CONCESSIONAIRE is responsible for informing the authorities of any illegal or illicit acts of which it has knowledge due to the activities of the CONCESSION.

**14.4.** The CONCESSIONAIRE is responsible for the labor, social security, tax and commercial charges, among others, resulting from the execution of this CONTRACT.

**14.5.** The GRANTING AUTHORITY, or an authorized third party, shall have unrestricted access to the HIGHWAY SYSTEM and to the CONCESSION PROPERTY, at any time, for the purpose of field research, public interest, among others.

## **15. SUPERVISION AND TRAFFIC SAFETY**

**15.1.** The CONCESSIONAIRE shall be subject, under the terms of the CONTRACT, to the supervision of the GRANTING AUTHORITY regarding



the compliance with the concession contract, and to the regulatory supervision of AGERGS, which may rely on the cooperation of users and on the conclusion of agreements, terms of technical cooperation and contract services from third parties.

- 15.1.1.** AGERGS may contract an INDEPENDENT VERIFIER to support it in the exercise of its duties, as set forth by subclause 15.3..
- 15.2.** In the supervision exercise, the GRANTING AUTHORITY and AGERGS shall have access to data relating to management, operation, accounting, and technical, economic, and financial resources pertinent to the CONCESSION, and are entitled to request clarifications or modifications, if they found any unconformity with the obligations provided for the CONTRACT.
- 15.3.** AGERGS is responsible for the supervision and assessment of:
- 15.3.1.** The fulfillment, by the GRANTING AUTHORITY, of the obligations related to the allocation of funds to the ADJUSTMENT ACCOUNT, pursuant to Clause 12 of the CONTRACT.
- 15.3.2.** Compliance, by the CONCESSIONAIRE, with the information requests formulated by AGERGS, under the terms of clause 14;
- 15.3.3.** The fulfillment, by the CONCESSIONAIRE, of the obligations to send the information, reports and financial statements required by Clause 14., as well as the information required by subclauses 14.1.4., 14.1.5., 14.1.6. of the CONTRACT;
- 15.3.4.** Compliance, by the CONCESSIONAIRE, with the corporate governance standards required by subclause 14.214.2. and EXHIBIT 14 of the CONTRACT;
- 15.3.5.** the PERFORMANCE PARAMETERS provided by the PER for the works, including those of the STOCK IMPROVEMENT, and services of the CONCESSION, from which the IQD shall be calculated;
- 15.3.6.** of FACTORS E, A, C and D of the CONCESSION;
- 15.3.6.1.** For the application by AGERGS of FACTORS E, A, and D in the ORDINARY REVIEW, the GRANTING AUTHORITY shall annually forward a report containing the analysis of the compliance, by the CONCESSIONAIRE, with the SCOPE, the TECHNICAL PARAMETERS and the PER deadlines for the recovery and maintenance obligations, the capacity expansion and service level maintenance obligations, and the operational service obligations provided for in the PER and due in the period of assessment.



- 15.3.7.** the fulfillment, by the CONCESSIONAIRE, of the obligations related to the exploration of EXTRAORDINARY REVENUE foreseen by clause 19.;
  - 15.3.8.** the offsets arising from the FREQUENT USER DISCOUNT;
  - 15.3.9.** the definition of the fare adjustments proceedings, of the ORDINARY REVIEWS, of the FIVE-YEAR REVIEWS and of the EXTRAORDINARY REVIEWS;
  - 15.3.10.** the authorization of the FARE RECLASSIFICATION procedure
  - 15.3.11.** homologation of the FINAL ADJUSTMENT procedure including the application of the Early Termination Compensation General Rules;
  - 15.3.12.** authorizing the start of fare collection at toll plazas;
  - 15.3.13.** other activities assigned to it by the CONTRACT;
  - 15.3.14.** the compliance by the CONCESSIONAIRE with the rights of the HIGHWAY SYSTEM's users, foreseen in subclause 13; and
  - 15.3.15.** the PER, without prejudice to the GRANTING AUTHORITY's powers.
- 15.4.** The GRANTING AUTHORITY is responsible for supervising the performance, by the CONCESSIONAIRE, of the following obligations:
- 15.4.1.** creation of the ADJUSTMENT ACCOUNT, in the form of Clause 11 and of the account management agreement entered into with the CUSTODIAN BANK;
  - 15.4.2.** the SCOPE, the TECHNICAL PARAMETERS, and the deadlines related to the obligations foreseen by item 3 of the PER;
  - 15.4.3.** the SCOPE, the TECHNICAL PARAMETERS and the deadlines related to the execution of the works foreseen by the IMPROVEMENTS STORAGE;
  - 15.4.4.** monitoring and reporting as per item 4 of the PER.
  - 15.4.5.** environmental and social management of the CONCESSION, described, respectively, by items 5 and 6 of the PER.
  - 15.4.6.** obtaining the government licenses and permits required by clause 5.th of the CONTRACT.
  - 15.4.7.** concerning the CONCESSION PROPERTY provided for in clause 4 of the CONTRACT.4.
  - 15.4.8.** expropriations and evictions in the CONCESSION.



- 15.4.9.** required by clause 8.1.1.of the CONTRACT and the requirements of the CONTRACT and the PER for the acceptance of the CONCESSION works, in the form of clause 8.7.;
- 15.4.10.** the removal of INTERFERENCES, as required by subclause 8.1.6., when under the CONCESSIONAIRE's responsibility;
- 15.4.11.** creation, maintenance and reduction of the CONTRACT PERFORMANCE BOND under the terms of clause 10..
- 15.4.12.** compliance with the information requests formulated by the GRANTING AUTHORITY, in accordance with clause 14.;
- 15.4.13.** fulfillment of the obligations related to the implementation of projects and studies aimed at the technological development and the keeping of the execution of works and services up-to-date, provided by clause 16.of the CONTRACT.
- 15.4.14.** compliance with the conditions for the start of toll collection established by subclause 18.1..
- 15.4.15.** Compliance with PER's requirements regarding the duplication works for the expedition of the necessary acceptance for the FARE RECLASSIFICATION mechanism;
- 15.4.16.** Compliance with the requirements of clause 24. regarding the SPE's capital stock;
- 15.4.17.** Compliance with the requirements of clause 25. regarding the corporate control of the SPE and the assumption of control by the financiers, provided for by clause 28.;
- 15.4.18.** Compliance with the requirements of clause 42. regarding the CONCESSION's insurance;
- 15.4.19.** Compliance with the requirements of clause 26. regarding the financing of the CONCESSION and the TRIPARTITE CONTRACT, in the form of subclause 27.;
- 15.4.20.** Compliance with the requirements related to the operational transition of the HIGHWAY SYSTEM, provided by clause 30. of the CONTRACT;
- 15.4.21.** Fulfillment of the obligations related to the CONCESSION intervention, provided by clause 29..
- 15.4.22.** Compliance with the environmental and social responsibility standards required by EXHIBIT 14 of the CONTRACT.
- 15.4.23.** Other duties specifically assigned to it by the CONTRACT or the EXHIBITS.



- 15.4.24.** The review and approval of the engineering plans of the CONCESSION and the establishment of the planning and control of the inspection of the works of the CONCESSION;
- 15.5.** The GRANTING AUTHORITY, AGERGS and the third parties by them authorized, shall have unrestricted access to the HIGHWAY SYSTEM, as well as to the CONCESSION PROPERTY, at any time, to exercise their attributions.
- 15.6.** The GRANTING AUTHORITY and AGERGS shall have unrestricted access to the data regarding administration, contracts entered into with third parties, accounting and technical, economic and financial resources pertinent to the CONCESSION, at any time, to exercise its attributions.
- 15.7.** In the inspection carried out by the GRANTING AUTHORITY and by AGERGS it shall be recorded in a proper term for the register of occurrences, the occurrences found in the inspections, formally forwarding it to the CONCESSIONAIRE for the regularization of the faults or defects found.
- 15.7.1.** The specific form shall be drawn up before the opening of the administrative procedure to inform the CONCESSIONAIRE of the irregularity(ies) found and set a deadline for its correction.
- 15.7.1.1.** The deadline shall be defined by the body responsible for the inspection, observing the complexity of the necessary interventions for remedy of the infraction, respecting the deadlines provided for in the PER.
- 15.7.2.** The specific form shall contain:
- i.** CONCESSIONAIRE's identification;
  - ii.** Description of the imposed violation;
  - iii.** Regulatory or contractual provision characterizing the violation;
  - iv.** Local, data e hora in which the violation was found;
  - v.** Identification and signature of the inspector.
- 15.7.3.** The specific form shall be delivered to the CONCESSIONAIRE's representative or agent:
- i.** At the place of the occurrence;
  - ii.** At the CONCESSIONAIRE'S address, by postal service;
  - iii.** By e-mail.
- 15.7.4.** In case of delivery of the occurrence form as a physical file, the CONCESSIONAIRE's representative or agent shall sign it, indicating the date and hour with the purpose of initiating the timeframe to correct the violation.





- 15.7.5.** In the event of refusal for signing or, for any other reason, the form does not contain the receipt, the form shall be sent to the address or by electronic means, and the deadline for correcting the occurrence will commence in the date registered in the notice of receipt or in the electronic submission system.
- 15.7.6.** Once the forms of communication provided for in the previous items are exhausted, the form will be published in the DOE.
- 15.8.** Failure to remedy, within the regulatory deadlines, the faults or defects indicated on the proper form for the recording of occurrences constitutes a contractual breach and will give rise to the issuance of a notice of infraction, without prejudice to the possible application of the REBALANCING DISCOUNT, assessed in manner set forth in EXHIBIT 5.
- 15.9.** Violation by the CONCESSIONAIRE of a principle of law or contract or a resolution shall entail the drawing up of the due infraction notice.
- 15.10.** If the CONCESSIONAIRE does not comply with the GRANTING AUTHORITY'S and AGERGS' determinations within the scope of the inspection, the GRANTING AUTHORITY shall be permitted to correct the situation, directly or through a third party, with the costs being to the account of the CONCESSIONAIRE.
- 15.11.** The CONCESSIONAIRE, without prejudice to the penalties applicable, shall be required to repair, correct, remove, rebuild, or replace, at its own expense, the works and services pertaining to the CONCESSION, where CONSTRUCTION DEFECTS, defects or incorrections resulting from execution or materials used are found, within the time limits set by the GRANTING AUTHORITY.
- 15.11.1.** The GRANTING AUTHORITY may require the CONCESSIONAIRE to submit an action plan aimed at repairing, correcting, removing, rebuilding, or replacing any work or service pertaining to the CONCESSION rendered in a faulty, defective, or incorrect manner.
- 15.12.** The determinations that are issued under the supervisory powers provided for shall be applicable to and shall bind the CONCESSIONAIRE, without prejudice to the exercise of full defense.
- 15.13.** For the execution of its inspection activities of the CONCESSION, the CONCESSIONAIRE shall pay AGERGS a fee related to the supervision and control of the delegated public services, in the form provided in item 1 of Title IX of the Table of Incidence attached to Law no 8,109, of December 19, 1985, with the wording given by Law No. 11,863, of December 16, 2002 and the current regulations, or any other that may succeed it.
- 15.14.** The establishment of a notice of violation by the GRANTING AUTHORITY or by AGERGS prevents the establishment of a notice of violation related to the same fact by the other.



### **15.15. Traffic Safety**

**15.15.1.** The Concessionaire shall make available to the GRANTING AUTHORITY, throughout the CONCESSION TERM and as of the first month after the DATE OF ASSUMPTION, an annual budget for traffic safety, intended exclusively for the funding of programs related to accident prevention, traffic education, and communication.

**15.15.1.1.** The budget for traffic safety mentioned in the subclause above shall be on the annual amount of BRL 846,416.40 (eight hundred and forty-six thousand, four hundred and sixteen reais and forty cents), annually updated per the IRT.

**15.15.1.2.** The GRANTING AUTHORITY shall indicate the manner in and occasion on which the CONCESSIONAIRE shall make available the annual budget for traffic safety provided for 15.15.1., which may:

- i.** be included in a fund with resources arising from highway concessions under the responsibility of the GRANTING AUTHORITY
- ii.** be applied directly to goods and services related to the HIGHWAY SYSTEM; or
- iii.** be used in favor of toll fare moderation, to be applied by restoring of the economic and financial balance through the application of FACTOR C by AGERGS.

## **16. RESOURCES FOR TECHNOLOGICAL DEVELOPMENT - RDT**

**16.1.** Throughout the period of the CONCESSION, the CONCESSIONAIRE shall annually allocate the amount of BRL 867,407.97 (eight hundred and sixty-seven thousand, four hundred and seven reais and ninety-seven cents) to plans and studies aimed at technological development and maintenance of actuality in work execution and operation services and maintenance of HIGHWAY SYSTEM.

**16.1.1.** The amount referred in subclause 16.1. shall be annually updated per the IRT.

**16.2.** The CONCESSIONAIRE shall propose to GRANTING AUTHORITY, within 60 (sixty) days after the end of each year of the CONCESSION, the studies and projects to be taken in the period, through presentation of technical studies that will contemplate, at a minimum:

- 16.2.1.** The description of the project or study to be executed;
- 16.2.2.** The term and physical-financial schedule to carry it on;
- 16.2.3.** The technological or benefits of other nature appointed with the implementation of the project or the study in the CONCESSION;



- 16.2.4.** The projection of the period which the technological benefits shall produce effects in the CONCESSION;
- 16.2.5.** Cost-benefit analysis of improve resources in technological development in the project or study;
- 16.3.** The GRANTING AUTHORITY shall express itself, within 45 (forty-five) days, about the presented studies, referring specifically the issues listed in subclause 16.2. 16.2 and, if consider applicable, shall request changes in the present studies.
- 16.3.1.** Once the proposal has been approved, the GRANTING AUTHORITY shall authorize the CONCESSIONAIRE to begin the project implementation and its studies.
- 16.3.2.** The GRANTING AUTHORITY shall monitor the fulfillment of the implementation schedule of the project and its approved studies, considering the approved physical-financial schedule.
- 16.3.2.1.** In the event of the approved resources for a specific project not be actually spent by the CONCESSIONAIRE, AGERGS shall take into account, in the ORDINARY REVISION, the amount not spent in determining methodology of FACTOR C, as set forth in EXHIBIT 10.
- 16.3.3.** In case of disavowal by the GRANTING AUTHORITY of the submitted proposal, AGERGS shall promote the revision of the TOLL FARE, at the following ORDINARY REVISION, taking into consideration the amount indicated at the sub-16.1. 16.1, by means of application of FACTOR C, as set forth in EXHIBIT 10.
- 16.3.4.** If the CONCESSIONAIRE fails to submit any project, it shall be subject to the application of the penalty provided for by subclause 20.4. of this CONTRACT and to the revision of its economic-financial balance in order to take into consideration the effects resulting from the non-allocation of these funds to the CONCESSION.
- 16.4.** Products and studies resulting from the application of the resources provided in sub-16.1. 16.1 shall be considered the GRANTING AUTHORITY's property.

## **17. REMUNERATION**

- 17.1.** The sources of revenue of the CONCESSIONAIRE shall be those arising from the collection of the TOLL FARE, the EXTRAORDINARY REVENUE, and the respective financial income arising therefrom.

## **18. TOLL FARE**

- 18.1. Start of collection of the Toll Fare**



- 18.1.1.** With the exception of the already existing toll plazas 18.1.6.the CONTRACT's execution, which shall comply with the provision of subclause 18.1.6, the collection of the TOLL FARE may only occur after, cumulatively:
- i.** the completion of the INITIAL WORKS as established in the PER;
  - ii.** the implementation of the toll plazas;
  - iii.** the delivery of the Accident Reduction Program;
  - iv.** the delivery of the Environmental Liability Register, as provided for in the PER;
  - v.** confirmation of payment of the additional capital stock and of the amount provided for in the subclause 24.3.1; and 24.3.1.24.3.
  - vi.** the installation, at toll plaza, of equipment and necessary systems to operate the FREQUENT USER DISCOUNT.
- 18.1.2.** 18.1.1.i) to (vi), as set forth in PER, shall be certified upon prior request from the CONCESSIONAIRE, through an inspection form to be issued by the GRANTING AUTHORITY, within 15 (fifteen) days from the date of receipt of its request.
- i.** The request to which the subclause 18.1.2 refers shall be sent to the GRANTING AUTHORITY and to AGERGS.18.1.2.
  - ii.** After the issuance of the inspection form by the GRANTING AUTHORITY, this shall notify AGERGS that shall authorize the beginning of the collection of the TOLL FARE within 10 (ten) days of the notice issued by GRANTING AUTHORITY.
- 18.1.3.** In the event that the works and services identified in subclause 18.1.1 18.1.1.not meet what is demanded by the PER and/or construction defects are found, the GRANTING AUTHORITY shall notify the CONCESSIONAIRE, therein indicating the requirements to be met and fixing a compatible deadline for its execution.
- 18.1.4.** The CONCESSIONAIRE shall start charging TOLL FARE within ten (10) days as of the date of authorization mentioned in subclause 18.1.2, item (ii)18.1.2..
- i.** During this period, the CONCESSIONAIRE shall widely disclose the TOLL FARE collection start date, its amount, the vehicle weighing process, and other relevant information, including those related the system of user service.
- 18.1.5.** If the requirements set forth in subclause 18.1.1 are met prior to the expected in the PER, the authorization for the collection of the TOLL FARE may be anticipated 18.1.1..



**18.1.5.1.** The CONCESSIONAIRE will keep the gains arising from the acceleration of the collection of TOLL FARE revenues as an efficiency gain.

**18.1.6.** The CONCESSIONAIRE may begin charging fares at the already existing toll plazas on ERS 130, km 93,97, on RSC 453, km 78,54, on RSC 453, km 19,80 and on ERS 135, km 18,44, as of the DATE OF ASSUMPTION.

**18.1.6.1.** Within thirty (30) days from the DATE OF ASSUMPTION, the CONCESSIONAIRE shall install the equipment and systems necessary for the operation of the FREQUENT USER DISCOUNT at the toll plazas[ mentioned by subclause 18.1.6..

**18.1.6.2.** After the installation of these equipment and systems, the CONCESSIONAIRE shall notify the GRANTING AUTHORITY and AGERGS, applying the deadlines and procedures as provided for in subclause 18.1.2.18.1.2.

**18.1.6.3.** If the CONCESSIONAIRE does not complete the installation of the equipment and systems necessary for the operation of the FREQUENT USER DISCOUNT within thirty (30) days from the DATE OF ASSUMPTION, the revenues collected at the toll plazas mentioned by subclause 18.1.6. shall be deposited by the CONCESSIONAIRE into the ADJUSTMENT ACCOUNT until the final completion of their installation.

**18.1.7.** The TOLL FARE in the plazas referred to by subclause 18.1.6. shall observe the toll fare structure provided for in ANNEX 12 and will assume the values resulting from the BIDDING PROCESS, and shall be re-adjusted by AGERGS, before the start of its collection, under the terms of subclause 18.4.1. of this CONTRACT.

**18.1.7.1.** The direction of toll collection (one-way or two-way) to be observed in the toll plazas located on ERS 130, km 93,97, on RSC 453, km 78,54, on RSC 453, km 19,80 and on ERS 135, km 18,44, shall be the one in effect in each of the plazas on the DATE OF ASSUMPTION.

**18.1.7.2.** For the plazas referred to in the previous subclause whose direction of toll collection is one-way, the CONCESSIONAIRE may only change the direction to two-way, as authorized by the PER, from the 13th (thirteenth) month of the CONCESSION, as of the DATE OF ASSUMPTION.

**18.1.7.3.** For the definition of the TOLL FARE to be charged at the plazas referred to by subclause 18.1.6. the following lengths shall be considered:



Toll Plaza Location	Length of the Single Lane Homogeneous Stretch on the DATE OF ASSUMPTION	Length of the Double Lane Homogeneous Stretch on the DATE OF ASSUMPTION
ERS 130, km 93,97	58,70 km	0 km
RSC 453, km 78,54	58,21 km	0 km
RSC 453, km 19,80	55,56 km	0 km
ERS 135, km 18,44	66,09 km	0 km

## 18.2. Toll Fare System

**18.2.1.** The CONCESSIONAIRE shall organize the collection of the TOLL FARE per the terms of the toll collection system detailed in the PER, implementing it with the highest possible management efficiency, in order to cause the least amount of inconvenience and waste of time for the users of the HIGHWAY SYSTEM and promote the use of electronic payment devices by the users.

**18.2.2.** In order to maintain adequate traffic flow and provide users with greater convenience, the TOLL FARE amounts shall be round numbers, subject to the terms of subclause 18.4.4.18.4.4.

**18.2.3.** It is prohibited to the GRANTING AUTHORITY, in the course of this CONTRACT, provide fare privileges that benefits specific segments of users of the HIGHWAY SYSTEM, except in compliance with the law and with due regard to the provisions of article 35, Federal Law no. 9,074/1995.

**18.2.4.** Official vehicles, owned or hired by service providers, the Federal Government, the States, the Municipalities, and the Federal District, as well as their respective bodies, departments, instrumentalities, or public foundations, as well as Diplomatic Corps vehicles, shall have free traffic in the HIGHWAY SYSTEM and are therefore exempt from the payment of TOLL FARES.

**18.2.4.1.** For the exemption detailed in subclause 18.2.4, a previous register of the vehicles shall be done, according to standards to be enact by GRANTING AUTHORITY.18.2.4.

**18.2.5.** The CONCESSIONAIRE, at its sole and exclusive discretion and liability, may grant toll fare discounts, as well as rounding of TOLL FARES, in favor of the user, in order to facilitate providing change, as well as carry out toll fare promotions and discounts, establish free of charges or exemptions, including the providing seasonal reductions in days and hours of low demand, but may not demand restoration of the economic and financial balance of the CONTRACT as a result of these practices.



**18.2.6.** TOLL FARES are differentiated by vehicle category, based on the number of axles and wheels, adopting the TOLL FARE MULTIPLIERS listed in the table below:

CATEGORY	TYPES OF VEHICLES	NUMBER OF AXLES	WHEELS	TOLL FARE MULTIPLIER
1 (BASIC TOLL FARE)	Automobile, Prototype Automobile, Pick Up Truck and van	2	SIMPLE	1,0
2	Light Truck, bus, Tractor Truck and van	2	DOUBLE	2,0
3	Automobile and Truck with semi-trailer	3	SIMPLE	1,5
4	Truck, Tractor Truck, Tractor Truck with semi-trailer and bus	3	DOUBLE	3,0
5	Tow Automobile and Tow Truck, Automobile with Tow Dolly	4	SIMPLE	2,0
6	Truck with trailer, Tractor Truck with semi-trailer	4	DOUBLE	4,0
7	Truck with trailer, Tractor Truck with semi-trailer	5	DOUBLE	5,0
8	Truck with trailer, Tractor Truck with semi-trailer	6	DOUBLE	6,0
9	Motorcycles, Tricycles, scooters and motorbikes	2	SIMPLE	0,5
10	Official Vehicles, Diplomatic Corps, volunteer firefighters and ambulances			TOLL FARE EXEMPT

**18.2.6.1.** The axle count for the purposes of calculating the applicable multiplier will disregard the suspended axles for vehicles that travel empty, pursuant to art. 17, of Federal Law No. 13.103/2015.

**18.2.6.2.** During the FIVE-YEAR REVIEW procedures, AGERGS may include new categories of vehicles in the table of subclause 18.2.6, being assured the restoration of the economic-financial balance of the CONCESSION.

**18.2.7.** For vehicles with more than six (6) axles, the FARE MULTIPLIER equivalent to category 8 shall be adopted, plus the result of the multiplication between: (i) the FARE MULTIPLIER corresponding to Category 1 and (ii) the number of axles of the vehicle exceeding six (6) axles.

**18.2.8.** The TOLL FARE for each vehicle category in each of the toll plazas shall result from the multiplication between (i) the adjusted and rounded TOLL FARE for Category 1 of vehicles and (ii) the respective TOLL FARE MULTIPLIER.

**18.2.9.** In case of use of electronic payment means and automatic vehicle identification (AVI), users shall be entitled to a fixed discount of 5% (five percent) of the TOLL FARE, called a BASIC FARE DISCOUNT, without



the CONCESSIONAIRE being entitled to economic and financial rebalancing.

**18.2.10.** At each toll plaza, the amounts of the TOLL FARE shall take into consideration the lengths of the single and double lane HOMOGENEOUS STRETCHES, pursuant to subclause 18.3.18.3.

**18.2.11.** In the event of conversion of a single-lane into a double-lane as a result of the execution of investments of CONCESSIONAIRE, AGERGS shall authorize the collection of the double lane fare through the FARE RECLASSIFICATION procedure.

### **18.3. Fare Reclassification**

**18.3.1.** AGERGS shall authorize the FARE RECLASSIFICATION after the receiving and opening to traffic, by the GRANTING AUTHORITY, of the duplication works of the HOMOGENEOUS STRETCHES performed by the CONCESSIONAIRE.

**18.3.2.** The acceptance of the duplication works shall be issued by GRANTING AUTHORITY, as provided in subclause 8.7., after the execution of an inspection that attest the regularity of the work, considering the standards, manuals, equipment and systems required by the PER.

**18.3.2.1.** The CONCESSIONAIRE shall notify the conclusion of the works to GRANTING AUTHORITY at least one (1) month in advance with regard to planned date for the conclusion of works;

**18.3.2.2.** The GRANTING AUTHORITY shall conclude the inspection within 30 (thirty) days, as of the date of conclusion of works, issuing reasoned order, appointing the technical and legal grounds that support the facts.

**18.3.2.2.1.** The term established in previous subclause shall be extend upon reasons of a technical nature.

**18.3.2.3.** In case of work acceptance, the GRANTING AUTHORITY shall notify AGERGS, which shall authorize, within fifteen (15) business days, the FARE RECLASSIFICATION.

**18.3.2.4.** In case of the works are not acceptance by the GRANTING AUTHORITY, the CONCESSIONAIRE shall file an appeal to pertinent authority within ten (10) days from the delivery of the notice of non-acceptance.

**18.3.3.** The TOLL FARE applicable to the vehicle in Category 1, from determinate toll plaza after the FARE RECLASSIFICATION shall





take into consideration the fare structure described in EXHIBIT 12 of this CONTRACT, as provided in the following formula:

$$TP = (TBP_{PS} \times TH_{PS}) + (TBP_{PD} \times TH_{PD})$$

**In which:**

TP = Toll Fare;

TBP<sub>PS</sub> = Single Lane Basic Toll Fare per kilometer;

TH<sub>PS</sub> = Length, in kilometers, of the Single Lanes Homogeneous Stretches considered in the PLAZA COVERAGE STRECTH;

TBP<sub>PD</sub> = Double Lane Basic Toll Fare per kilometer;

TH<sub>PD</sub> = Length, in kilometers, of the Double Lanes Homogeneous Stretches considered in the PLAZA COVERAGE STRECTH.

**18.3.4.** The FARE RECLASSIFICATION bounds AGERGS to consider, in the formula of subclause 18.3.3:18.3.3.

**18.3.4.1.** the current Single Lanes BASIC TOLL FARE and the current Double Lanes BASIC TOLL FARE; and

**18.3.4.2.** the lengths of the single lane and double lane HOMOGENEOUS STRETCHES after the completion of the duplication works.

**18.3.5.** While the duplication works carried out by the CONCESSIONAIRE are not concluded and accepted by the GRANTING AUTHORITY and the FARE RECLASSIFICATION authorized by AGERGS, the TOLL FARE of category 1 vehicles, at each toll plazas 18.3.3 shall be calculated taking into consideration the formula of subclause 18.3.3:

**18.3.5.1.** the current single and double lanes BASIC TOLL FARE; and

**18.3.5.2.** the lengths of single and double lanes HOMOGENEOUS STRETCHES as set on the DATE OF ASSUMPTION or as set in the last accepted works.

**18.3.6.** For the HOMOGENEOUS STRETCHES that already have duplicated lanes at the DATE OF ASSUMPTION, it is allowed the collection of BASIC TOLL FARE of simple lances and double lances, regardless of the FARE RECLASSIFICATION procedure.



**18.3.7.** The FARE RECLASSIFICATION may be authorized by AGERGS, at any time, producing immediate effects on the collection of the TOLL FARE, outside the ORDINARY REVIEWS.

**18.3.8.** If the duplication of a homogeneous stretch not originally provided for in the PER is performed, the financial effects of the FARE RECLASSIFICATION shall be considered in the corresponding MARGINAL CASH FLOW.

**18.3.9.** If the GRANTING AUTHORITY do not execute the inspection in the period indicated at the subclause 18.3.2.2, considering its extension, the CONCESSIONAIRE will be entitle to the economic and financial rebalancing of the CONTRACT.18.3.2.2.

**18.4. TOLL FARE Adjustments**

**18.4.1.** The TOLL FARE shall have its first contractual adjustment on the date of the start of toll collection at the already existing toll plazas on the date of the signature of the CONTRACT.

**18.4.1.1.** In this first adjustment, the formula referred in subclause 18.4.3 shall be applied without the Quality and Performance Index, the REBALANCING ADDITION and DISCOUNT factors, Factor C and MARGINAL CASH FLOW.18.4.3.

**18.4.2.** The base date for the following adjustments of TOLL FARE shall be the date of first adjustment, in the way that the following years the adjustments in the TOLL FARE shall be always at the same day and month that were implemented the first adjustment.

**18.4.3.** The TOLL FARE shall be adjustment yearly, and should be calculated for category 1, for each toll plaza, per the following formula:

$$TP = [ (TBP_{PS} \times TH_{PS}) + (TBP_{PD} \times TH_{PD}) ] \times (0,90 + 0,10 \times IQD_t - D + A + E) \times IRT + (FCM \times IRT) + C$$

**In which:**

TP = Toll Fare;

TBP<sub>PS</sub> = Single Lane Basic Toll Fare per kilometer;

TH<sub>PS</sub> = Length, in kilometers, of the Single Lanes Homogeneous Stretches considered in the PLAZA COVERAGE STRECTH;

TBP<sub>PD</sub> = Double Lane Basic Toll Fare per kilometer;

TH<sub>PD</sub> = Length, in kilometers, of the Double Lanes Homogeneous Stretches considered in the PLAZA COVERAGE STRECTH.

IRTt: Toll Fare Adjustment Index at the year t;



QPIt: Quality and Performance Index at the year t;

D: Factor D

A: Factor A

E: Factor E

MCF: Marginal Cash Flow

C: Factor C

**18.4.4.** The TOLL FARE to be charged in category 1 shall be rounded to multiples of ten (10) cents and shall be obtained by applying the following rounding criterion:

**18.4.4.1.** when the second decimal place is less than five, the first decimal place is rounded to immediately lower amount;

**18.4.4.2.** when the second decimal place is equal to or greater than five, the first decimal place is increased to the sum immediately above it.

**18.4.5.** The economic effects of rounding shall be considered in the subsequent ordinary review by applying the Factor C methodology.

**18.4.6.** The amount of the TOLL FARE shall be authorized by publication of a specific AGERGS resolution.

**18.4.7.** From the 5th (fifth) day after the adjustment base date, the CONCESSIONAIRE is authorized to practice the adjusted TOLL FARE if AGERGS does not inform the reasons for not granting the adjustment.

**18.4.8.** In the event of termination of any of the adjustment indexes provided for in this CONTRACT, the index to be used shall be the one that replaces it.

**18.4.8.1.** In the event that no index comes to automatically replace the extinct index, the parties shall determine by mutual agreement the new index to be used.

**18.4.8.2.** If the parties do not reach an agreement within forty-five (45) days after the extinction of said adjustment index, AGERGS shall determine the new adjustment index.

## **18.5. Frequent User Discount**

**18.5.1.** The CONCESSIONAIRE shall ensure application of the FREQUENT USER DISCOUNT to the users who are eligible for it.

**18.5.1.1.** The installation of the necessary equipment to the implementation of the FREQUENT USER DISCOUNT at the toll plazas of the CONCESSION is a condition for the start of collection of the TOLL FARE.



**18.5.2.** Are eligible for to FREQUENT USER DISCOUNT the users who 18.2.6.have an Electronic Collection System (AVI) and travel in HIGHWAY SYSTEM in vehicles of the categories 1, 3, 5, and 9, as indicated in the table in subclause 18.2.6, and that travel multiple times through the same toll plaza, in the same direction of flow and within the same calendar month.

**18.5.3.** The FREQUENT USER DISCOUNT shall be granted to the users progressively, considering the BASIC FARE DISCOUNT (DBT) and according to the frequency of trips made per month, according to their classification in the trip frequency categories below:

Travel Frequency	DBT	Discount Percentage	Total Discount per Trip
3 or less trips	5%	-	5%
From 4 to 7 trips	5%	5,0%	10,0%
From 8 to 11 trips	5%	7,5%	12,5%
From 12 to 15 trips	5%	10,0%	15,0%
From 16 to 19 trips	5%	12,5%	17,5%
20 or more trips	5%	15,0%	20,0%

**18.5.4.** The percentage discount for trip of the FREQUENT USER DISCOUNT mechanism only applies for each trip included in the respective category of travel frequency.

**18.5.4.1.** The percentage discount for trip of the FREQUENT USER DISCOUNT mechanism shall not be cumulative between travel frequency categories.

**18.5.5.** The CONCESSIONAIRE shall bear the TOLL FARE losses incurred due to application of the FREQUENT USER DISCOUNT, in amount corresponding to 2,25% of the annual GROSS FARE REVENUE to which the CONCESSIONAIRE would have been entitled to if the FREQUENT USER DISCOUNT had not been implemented upon the TOLL FARE.

**18.5.6.** The TOLL FARE losses incurred due to application of the FREQUENT USER DISCOUNT shall be calculated each year for the CONCESSIONAIRE, who shall report them to AGERGS until the 30th day of April of each year.

**18.5.7.** The CONCESSIONAIRE shall report the toll fare losses incurred due to application of the FREQUENT USER DISCOUNT to AGERGS in a report containing, at a minimum, the following information:



- 18.5.7.1.** The total amount of users, described in categories of vehicles, according to subclause 18.5.2, that move toll plazas of the CONCESSIONAIRE;18.5.2.
- 18.5.7.2.** The total amount of users qualified to the FREQUENT USER DISCOUNT benefit, detailed for vehicle category, according to subclause 18.5.2;18.5.2.
- 18.5.7.3.** The GROSS FARE REVENUE actually earned by the CONCESSIONAIRE in the reference year;
- 18.5.7.4.** The estimate, in the reference year, of the GROSS FARE REVENUE that would be earned by the CONCESSIONAIRE without the application of the FREQUENT USER DISCOUNT;
- 18.5.7.5.** The estimate of GROSS FARE REVENUE losses resulting from the difference between the value issued pursuant to subclauses 18.5.7.4 and 18.5.7.318.5.7.4.18.5.7.3..
- 18.5.8.** The report forwarded to AGERGS shall be supported by the financial statements of the CONCESSIONAIRE, together with due diligence report designed by an independent auditing firm registered with the Brazilian Securities and Exchange Commission- CVM, which shall be hired by the CONCESSIONAIRE.
- 18.5.8.1.** The due diligence report shall contain analysis about the regularity of calculation of the toll fare losses incurred due to application of the FREQUENT USER DISCOUNT accounted by the CONCESSIONAIRE.
- 18.5.9.** AGERGS shall analyze the report forwarded by the CONCESSIONAIRE, submitting, within 45 (forty five) days, a report to its Superior Board and to the CONCESSIONAIRE with the following information:
- 18.5.9.1.** The GROSS FARE REVENUE losses, borne by the CONCESSIONAIRE, corresponding to the difference between the GROSS FARE REVENUE that would have been earned by the CONCESSIONAIRE if the FREQUENT USER DISCOUNT was not applied and the GROSS FARE REVENUE actually earned by the CONCESSIONAIRE in the reference year;
- 18.5.9.2.** The percentage that the toll fare losses, indicated in subclause 18.5.9.1, represent of the estimated GROSS FARE REVENUE that would be earned by the CONCESSIONAIRE without18.5.9.1. the application of the FREQUENT USER DISCOUNT in the reference year;
- 18.5.9.3.** The CONCESSIONAIRE may present, to the Superior Board of AGERGS, an objection in relation to the calculation



made by the agency, within 10 (ten) business days, counting from the reception of AGERGS' report.

**18.5.10.** The AGERGS' Superior Board shall deliberate pointing the indicated amount of toll fare losses incurred due to the application of the FREQUENT USER DISCOUNT in the reference year and shall appoint the adoption of the following provisions, as the case may be:

**18.5.10.1.** In the event that the fare losses exceed 2,25% of the GROSS FARE REVENUE to which the CONCESSIONAIRE would have been entitled if the FREQUENT USER DISCOUNT was not applied, the CONCESSIONAIRE shall be entitled to compensation equivalent to the exceeding amount.

**18.5.10.1.1.** The offset owed to the CONCESSIONAIRE shall be paid in the ORDINARY REVIEW immediately subsequent, through transfer of the funds from the ADJUSTMENT ACCOUNT.

**18.5.10.1.2.** The Superior Board of AGERGS shall determine to the GRANTING AUTHORITY the dispatch of an FREQUENT USER DISCOUNT OFFSET NOTICE to the CUSTODIAN BANK, advising the amount to be transferred from the ADJUSTMENT ACCOUNT to the CONCESSIONAIRE.

**18.5.10.2.** In the event that the toll fare losses are bellow of the 2,25% of the annual GROSS FARE REVENUE to which the CONCESSIONAIRE would have been entitled if the FREQUENT USER DISCOUNT had not been implemented, the CONCESSIONAIRE shall immediately transfer the difference into the ADJUSTMENT ACCOUNT.

**18.5.10.2.1.** If there is no risk to the performance of others obligations related to ADJUSTMENT ACCOUNT, the GRANTING AUTHORITY may determine that the difference be reverted into TOLL FARE moderation.

**18.5.11.** The CONCESSIONAIRE shall promote the sharing, in real time, of the primary data necessary to calculate the GROSS FARE REVENUE earned from frequent users by virtue of the FREQUENT USER DISCOUNT, with AGERGS, including details of the trips made by the users.

## **18.6. Ordinary Review of the Toll Fare**

**18.6.1.** The ordinary review is the annual revision performed by AGERGS, with the purpose of including the effects of PERFORMANCE QUALITY INDEX, FACTOR C, FACTOR D, FACTOR A, and FACTOR E, the adjustments provided for in the clauses regarding the MARGINAL CASH FLOW and the offsetting of the FREQUENT USER DISCOUNT on the SINGLE LANE BASIC TOLL FARE and on the DOUBLE LANE BASIC TOLL FARE of the CONCESSION.



- 18.6.2.** FACTOR C shall be calculated and applied according to the methodology provided in EXHIBIT 10;
- 18.6.3.** The PERFORMANCE QUALITY INDEX (IQD) shall be calculated according to the methodology provided for in EXHIBIT 6.
- 18.6.4.** FACTOR D, FACTOR A, and FACTOR E shall be calculated according to the criteria indicated in subclause 22.5. and EXHIBIT 5.
- 18.6.5.** Adjustments to the MARGINAL CASH FLOW shall be done in accordance with subclause 22.4.22.4.
- 18.6.6.** The offsetting for the FREQUENT USER DISCOUNT shall be as provided for in subclause 18.5.10.18.5.10.
- 18.7.** The ORDINARY REVIEW must be completed within ninety (90) days from its initiation.
- 18.7.1.** The calculation of the effects of the indexes, factors and compensations provided for in subclause 18.6.1. shall be completed within 45 (forty-five) days in a report to be disclosed by AGERGS to the GRANTING AUTHORITY and to the CONCESSIONAIRE.
- 18.7.2.** The contractual parties may formally issue comments on the report within 15 (fifteen) days;
- 18.7.3.** AGERGS shall decide about the application of the indexes, factors and compensations within 30 (thirty) days from the end of the period for the presentation of the parties' comments.
- 18.8. Five-Year Review**
- 18.8.1.** The FIVE-YEAR REVIEW is the review carried out every five years, with the objective of adapting the CONTRACT to the dynamics of the HIGHWAY SYSTEM, allowing the inclusion, exclusion, alteration and reschedule of works and services demanded by the PER, the allocation of EXTRAORDINARY REVENUES in favor of toll fare moderation and the decision of pleas for revision of the economic-financial balance that are not subject to extraordinary reviews, provided that they observe the procedures established in this CONTRACT.
- 18.8.2.** The FIVE YEAR REVIEW shall observe the procedure provided in EXHIBIT 13 of this CONTRACT.
- 18.8.3.** The first Five-Year Review shall take place at the end of the fifth (5th) year of the CONCESSION TERM and the remaining ones, successively, every five (5) years.
- 18.9. Extraordinary Review**



- 18.9.1.** Extraordinary review is the review resulting from the restoration of the CONCESSION's economic and financial balance due to the occurrence of events that, demonstrably, produce economic and financial effects to one of the parties, but which are due to risks allocated to the other by subclause 2121..
- 18.9.2.** The analysis of the claims for economic and financial rebalancing will be carried out during the FIVE-YEAR REVIEW, except in the following cases:
- 18.9.2.1.** when there is a risk of imminent breach of obligations of the CONCESSIONAIRE that cause early maturity and/or acceleration of maturity in the financing taken out with the financiers, demonstrated per the terms of the financing contract, provided that it arises from a risk allocated to the GRANTING AUTHORITY;
  - 18.9.2.2.** when the economic and financial imbalance envisaged, due to the materialization of a single imbalance event or set of events, is greater than 5% of the GROSS REVENUE of the fiscal year audited of the CONCESSIONAIRE;
  - 18.9.2.3.** a delay in opening toll plazas due to a fact that constitutes a risk allocated to the GRANTING AUTHORITY;
  - 18.9.2.4.** the inclusion of works outside the FIVE-YEAR REVIEW period, pursuant to subclause 8.1.9.6.8.1.9.6.
  - 18.9.2.5.** when AGERGS understands that waiting for the QUINQUENAL REVIEW can make the economic-financial rebalance disproportionately more onerous for the GRANTING AUTHORITY;
  - 18.9.2.6.** In the cases provided for by subclauses 40, 8.6.7.2.1. and 8.6.8.1..
  - 18.9.2.7.** In the cases provided for by subclauses 5.3.4.4., 5.3.4.5. and 5.3.5..
  - 18.9.2.8.** In the case provided for by subclause 4.1.2.8..
  - 18.9.2.9.** Other cases expressly provided for in this CONTRACT.
- 18.9.3.** The CONCESSION BALANCE may be used, at the discretion of AGERGS, and provided that the absence of default risk of the FREQUENT USER DISCOUNT compensations is demonstrated, to restore the economic and financial balance within the scope of extraordinary reviews.
- 18.9.3.1.** After evaluating the feasibility of using these resources, the CONCESSION BALANCE may be used by the GRANTING





AUTHORITY, by sending a REBALANCE NOTIFICATION to the CUSTODIAN BANK.

**18.9.4.** The extraordinary review claims analyzed every five years, if recognized, will have their value updated according to the IRT.

**18.9.5.** Unless related to the inclusion of new works, extraordinary review claims shall not have to observe the same rites and procedures applicable to the FIVE-YEAR REVIEW, as established in EXHIBIT 13, being governed by the procedure established by subclause 22.2 of the CONTRACT22.2..

#### **18.10. Effects of the Readjustment, Reviews and Factors**

**18.10.1.** The reviews and readjustments provided in this CONTRACT shall be applied as the formula indicated in subclause 18.4.3 on the same base date as TOLL FARE18.4.3. adjustment.

**18.10.2.** The resulting TOLL FARE of these procedures shall be authorized upon publication of a specific resolution by AGERGS.

### **19. EXTRAORDINARY REVENUES**

**19.1.** The CONCESSIONAIRE is authorized to explore the EXTRAORDINARY REVENUES indicated in subclause 19.2., regardless of AGERGS' authorization.

**19.2.** The following are examples of EXTRAORDINARY REVENUES sources:

- i.** Charging for publicity permitted by law;
- ii.** Charging for implementation and maintenance of access;
- iii.** Charging for the use of right-of-way;
- iv.** Revenues from the commercial use of electronic data network system or another system provided to users;
- v.** Revenues from rendering supplementary services.

**19.3.** The projects generating EXTRAORDINARY REVENUE must be formalized by a contract between the CONCESSIONAIRE and their partners, which shall be governed by private law, no legal relationship being established between such partners and the GRANTING AUTHORITY or AGERGS.

**19.3.1.** The CONCESSIONAIRE must share copy of the contracts to AGERGS within 30 (thirty) days after its signing.



- 19.4.** The CONCESSIONAIRE shall keep an organized registry and specific accounting of each contract that generates EXTRAORDINARY REVENUE, with details of revenues, costs and net results.
- 19.5.** The contract of EXTRAORDINARY REVENUE shall be executed for a fixed term, and, as a rule, shall have its effectiveness limited to the expiration of this CONTRACT.
- 19.5.1.** Exceptionally, if the GRANTING AUTHORITY or the FUTURE OPERATOR have intention of keep the contracts of EXTRAORDINARY REVENUE in effect, this shall request to the CONCESSIONAIRE maintenance of the effectiveness of these contracts, adopting the necessary measures for contract succession.
- 19.5.2.** If the right provided above is not practiced, the CONCESSIONAIRE shall adopt the necessary measures for the termination of these contracts at the end of effect date of the CONCESSION, with any cost for the GRANTING AUTHORITY or the FUTURE OPERATOR.
- 19.6.** The contracts and authorizations for use, by entities providing public services, of the right of way of a stretch belonging to the HIGHWAY SYSTEM and their respective accesses shall be evaluated and approved by AGERGS and by the GRANTING AUTHORITY, respectively.
- 19.7.** New EXTRAORDINARY REVENUES sources, distinct from those indicated in subclause 19.2 shall have its exploitation previously authorized by AGERGS.19.2.
- 19.8.** The request for new EXTRAORDINARY REVENUES exploitation shall be submitted by the CONCESSIONAIRE to AGERGS, containing, at least:
- 19.8.1.** the project of legal, technical, economic and financial feasibility;
- 19.8.2.** proof of compatibility of commercial exploitation intended with the set of legal and regulatory rules applicable to this CONTRACT.
- 19.8.3.** proposal for the revision of the percentage indicated in subclause 19.9 in favor of toll fare moderation.19.9.
- 19.9.** The CONCESSIONAIRE must allocate 10% of the gross revenue of each contract that generates EXTRAORDINARY REVENUES in favor or toll fare moderation, as set forth in AGERGS Normative Resolution No. 060/2020 or any other that may succeed it.
- 19.9.1.** The CONCESSIONAIRE shall present, in the FIVE-YEAR REVIEW procedure, a proposition to allocate the amount calculated pursuant to subclause 19.9 in favor of toll fare moderation.19.9.
- 19.9.2.** The following alternatives are admitted to allocate the EXTRAORDINARY REVENUES inf favor of toll fare moderation:



**19.9.2.1.** TOLL FARE reduction;

**19.9.2.2.** Inclusion of new services to the users or execution of new works in the HIGHWAY SYSTEM, without increasing the TOLL FARE;

**19.9.2.3.** Other mechanisms proposed by the CONCESSIONAIRE.

**19.9.3.** The CONCESSIONAIRE's propose shall be attached with technical studies that prove their legal, technical, economic and financial feasibility, including in the last option, the demonstration that the amount issued, 19.9.under subclause 19.9, will be enough to support the costs necessary to implementation and maintenance of the proposed mechanism.

**19.9.3.1.** The CONCESSIONAIRE shall not have the right to the restoration of the economic and financial balance of the CONTRACT due to the implementation of mechanisms of allocation EXTRAORDINARY REVENUES in favor of toll fare moderation.

**19.9.4.** AGERGS shall deliberate, in a reasoned decision, about the proposal presented by the CONCESSIONAIRE in the FIVE-YEAR REVIEW procedure.

## 20. PENALTIES

**20.1.** Failure to comply with this CONTRACT and its EXHIBITS shall give rise to the application of the penalties provided in this Clause and in the other applicable legal provisions, except in the event of divergence, in which case the contractual provisions shall prevail.

**20.2.** A fine shall be imposed for non-compliance and delay in the performance of contractual obligations, observing the maximum amounts specified below and the dosimetry procedure established by subclauses 20.6. to 20.7.4.:

Recovery and Maintenance	
Behavior	Maximum Fine Amount per Performance Parameter
Failure to meet, within the timeframe required by the PER, the performance parameters provided in its Pavement item (item 3.1.1), including for shoulders and marginal roads.	5 URT per day
Failure to meet, within the timeframe required by the PER, the performance parameters provided in its Signaling and Protection and Safety Elements item	5 URT per day



(item 3.1.2), including for shoulders and marginal roads.	
Failure to meet, within the timeframe required by the PER, the performance parameters provided in its Special works of art item (item 3.1.3), including for shoulders and marginal roads.	5 URT per day
Failure to meet, within the timeframe required by the PER, the performance parameters provided in its Drainage System and Current Special Works of art item (OACs) (item 3.1.4), including for shoulders and marginal roads.	5 URT per day
Failure to meet, within the timeframe required by the PER, the performance parameters provided in its Embankments and Containment Structures item (item 3.1.5), including for shoulders and marginal roads.	5 URT per day
Failure to meet, within the timeframe required by the PER, the performance parameters provided in its Highway Median Strip and Right of Way item (item 3.1.6), including for shoulders and marginal roads.	5 URT per day
Failure to meet, within the timeframe provided by the PER, the performance parameters provided in its Implementation and Recovery of Operational Buildings and Facilities item (item 3.1.7), including for shoulders and marginal roads.	5 URT per day
Failure to meet, within the timeframe provided by the PER, the performance parameters provided in the Electrical Systems item (item 3.1.8), including for shoulders and marginal roads.	5 URT per day
Failure to correct an infraction within the period determined by the GRANTING AUTHORITY or AGERGS	10 URT per day
<b>Capacity Expansion and Improvement Works</b>	
<b>Behavior</b>	<b>Maximum Fine Amount</b>
Failure to present the preliminary or executive plans of the highway that will be the object of the Capacity Expansion and Improvement Works set forth in the PER, within the deadlines and conditions of this CONTRACT and the PER.	1 URT per day/km



Failure to meet the delivery deadline for the implementation of double lane stretches.	5 URTs per day/km
Failure to meet the deadline for delivery of the third lane implantation works.	2 URTs per day/km
Failure to meet the deadline for adequacy and implementation of shoulders.	2 URTs per day/km
Failure to meet the deadline for the adequacy and implementation of bus stops.	1 URT per day/unity
Failure to meet the deadline for the implementation of walkways, intersections, underpasses, uneven returns and accesses.	1 URT per day/unity
Failure to meet the deadline for the implementation of marginal roads.	2 URTs per day/km
Failure to meet the deadline for the roundabout adaptation works.	5 URT per day/unity
<b>Service Level Maintenance Works</b>	
<b>Behavior</b>	<b>Maximum Fine Amount</b>
Failure to submit the preliminary or executive plan for the Service Level Maintenance Works, within the deadlines and conditions of this Contract and the PER.	5 URT per day
Not meeting the deadline for the implementation of double lanes conditioned to the volume of traffic	5 URTs per day/km
Failure to meet the deadline for the implementation of third lanes conditioned to the volume of traffic	2 URTs per day/km
Not meeting the deadline for the implementation of the Fluidity and Comfort Works.	1 URT per day/unity
<b>Stock Improvement</b>	
<b>Behavior</b>	<b>Maximum Fine Amount</b>
Failure to submit the preliminary design of the works executed through the use of the Stock Improvement, in the timeframe and conditions required by the Contract and the PER.	5 URT per day





Failure to meet the deadline for the delivery of the marginal roads of the Stock Improvement	1 URT per day/km
Failure to meet the deadline for delivery of the Stock Improvement, with the exception of the marginal roads.	1 URT per day/unity
<b>Technical Parameters</b>	
<b>Behavior</b>	<b>Maximum Fine Amount</b>
Failure to adapt the highway to the Technical Parameters indicated in its item 3.2.4.1 within the timeframe required by the PER, except in the cases allowed in this item, as approved by the Granting Authority.	5 URT per day
Failure to meet, within the timeframe required by the PER, the Technical Parameters provided by its item 3.2.4.2.	5 URT per day
<b>Operational Services</b>	
<b>Behavior</b>	<b>Maximum Fine Amount</b>
Failure to meet the deadlines for the construction of the Operational Control Center, the renovation/adaptation of the PRE Stations, and the construction of other buildings required by item 3.4 of the PER.	40 URT per month
Failure to meet the deadlines for the implementation of the Weighing Systems required by item 3.4 of the PER.	40 URT per month
Failure to meet the deadlines for the implementation of the Communication Systems required by item 3.4 of the PER.	40 URT per month
Failure to meet the deadlines for the implementation of the Traffic Monitoring Systems required by item 3.4 of the PER.	40 URT per month
Failure to meet the deadlines for the implementation of the Customer Service Systems required by item 3.4 of the PER.	40 URT per month
Operate the concession without the required equipment and vehicles or with equipment and vehicles that do not meet the required Technical Parameters, within the deadlines and conditions established in item 3.4 of the	15 URT per day



PER.	
Failure to meet the scopes, technical parameters and performance parameters established for the Operational Services Obligations, within the deadlines and conditions established in item 3.4 of the PER.	5 URT per day
<b>Monitoring and Reporting</b>	
<b>Behavior</b>	<b>Maximum Fine Amount</b>
Failure to forward, on time, the reports, registrations, plans and planning provided for by item 4 of the PER.	5 URT per day
Failure to implement the Geographic Information System within the deadline provided for in item 4.7 of the PER.	10 URT per day
<b>Guarantees, Insurance and Capital Stock</b>	
<b>Behavior</b>	<b>Maximum Fine Amount</b>
Failure to maintain the contract performance bond, as required by Clause 10. of the Contract.	10 URT per day
Failure to hire or maintain in force, throughout the term of the Concession, the policies required by the Contract.	10 URT per day
Reduce the capital stock of the SPE without authorization from the Granting Authority.	10 URT per day
<b>Environmental Management</b>	
<b>Behavior</b>	<b>Maximum Fine Amount</b>
Cause delays in obtaining environmental licenses and permits, pursuant to Clause 5. of the Contract	20 URT per month
Failure to send, on time, the environmental monitoring report of the services and works planned and executed in the highway system, according to item 5 of the PER.	5 URT per day
Failure to implement the Environmental Management System or to submit the Emergency Action Plan (PAE) and the Risk Management Plan, within the deadlines and conditions required by item 5 of the PER.	20 URT per month



Failure to submit the Structure Implementation Plan for the Natural Resource Management, Highway System Impact Mitigation and Energy Efficiency, by the deadline provided for in Exhibit 14.	20 URT per month
<b>Social Management</b>	
<b>Behavior</b>	<b>Maximum Fine Amount</b>
Failure to submit, on time, the Social Management Plan, in accordance to the deadlines and conditions established by item 6 of the PER.	20 URT per month
Failure to deliver to the Granting Authority, on time, the annual report on the execution of the Concession's Social Management Plan.	5 URT per day
<b>Providing Information</b>	
<b>Behavior</b>	<b>Maximum Fine Amount</b>
Intentionally provide incorrect information that impairs the exercise of supervision by the Granting Authority or AGERGS.	1 URT per event

20.3. The application of the fines provided for by subclause 20.2 shall consider as the initial milestone of the default the date on which the CONCESSIONAIRE became aware of the shortcoming, and as the final milestone, the communication of the correction of the contractual shortcoming or the date of modification of the defaulted obligation.

20.3.1. The application of the fines provided for by subclause 20.2 does not preclude the application of the rebalancing discounts provided for by EXHIBIT 5.

20.4. If there is no provision for a specific penalty in this CONTRACT, delays in meeting the agreed-upon deadlines for the execution of new works and having to redo the poorly executed works, shall result in the application of a late fee payment calculated under the following formula:

$$\text{Late penalty (per day)} = 0,1 \% \times \text{Total Cost of the Work}$$

20.5. In the case of continuous infraction related to the same event, it is allowed that the competent body establishes an administrative proceeding for the application of a fine at each period of thirty (30) calendar days of delay, in order to allow its collection periodically.





**20.6.** For the application of the sanctions referred to by subclause 20.2 and by subclause 20.4, the following circumstances shall be observed to ensure their proportionality:

- i. The nature and severity of the violation;
- ii. The resulting damage to users, to the safety of people and property, and to the GRANTING AUTHORITY;
- iii. The benefits received by the CONCESSIONAIRE as a result of the violation;
- iv. The mitigating and aggravating circumstances;
- v. The economic and financial situation of the CONCESSIONAIRE, in particular its ability to pay, to generate revenue and keep the enforcement of the CONTRACT;
- vi. The CONCESSIONAIRE's background, including possible recurrence.

**20.7.** The gradation of violations and penalties shall observe the following scales:

**20.7.1.** The violation shall be considered mild when deriving from an involuntary or excusable conduct and from which it does not take advantage.

**20.7.2.** The violation shall be considered medium when deriving from excusable conduct, but performed for the first time by the CONCESSIONAIRE, without bringing any benefit or advantage, nor affecting a significant numbers of users or cause serious damages to them.

**20.7.3.** The violation shall be considered severe when one of the following factors is present:

- i. The CONCESSIONAIRE has acted with bad faith;
- ii. The violation results in direct or indirect benefit to the CONCESSIONAIRE;
- iii. The CONCESSIONAIRE is a repeat offender of that violation;
- iv. The number of users affected or the losses resulting from it is significant;
- v. There was significant economic loss to the GRANTING AUTHORITY.

**20.7.4.** The violation shall be considered extremely serious when verifies, under the circumstances of the service and the act practiced by the CONCESSIONAIRE, that its behavior caused great harm to the public



interest, by placing at risk, in fact or potentially, the life or physical safety of users, public health, public safety, the environment, the public treasury or the continuity of services.

- 20.8.** In cases where the violations committed by the CONCESSIONAIRE are considered minor, the penalties of fine provided for by subclause 20.2 and by subclause 20.4 may, upon a reasoned decision, be converted into warnings.
- 20.9.** The fluctuation of amount of the TOLL FARE due to the application of the PERFORMANCE MEASUREMENT SYSTEM (EXHIBIT 6) shall not prevent the application of penalties, under the terms of this CONTRACT.
- 20.10.** The penalties shall be applied ex officio, as the case may be, being guaranteed the right to the due administrative process, especially the right to full defense and the right to adversary proceedings, and observing the provisions of the legislation in effect at the time of the infraction, including AGERGS' regulations.
- 20.11.** After the conclusion of the administrative procedure of fine application, if the CONCESSIONAIRE does not pay the fine in the period established, the GRANTING AUTHORITY or AGERGS, as the case may be, shall proceed with the execution of the CONTRACT PERFORMANCE BOND.
- 20.12.** The debt arising from the administrative proceeding for application of a fine that has become final and unappealable and not covered by CONTRACT PERFORMANCE BOND, may be enrolled in the Informative Register of undischarged debts of the Federal Public Sector (Cadin) and registered as outstanding debt until it has actually been paid.
- 20.13.** The application of the fines mentioned in the 37. subclauses does not prevent that the GRANTING AUTHORITY determines the forfeiture of the CONCESSION, in accordance with Section 37 of this CONTRACT.
- 20.14.** The fine provided in this Clause 20 applied each year, considering the date of the occurrence of the infraction, shall not exceed the 3% limit (3 per cent) of the annual gross revenue of the CONCESSIONAIRE, issued at the immediately previous year to the penalty application or the estimated value for the first year, when the delay occurs before the first determination of net income.20.
- 20.14.1.** In case the sum of the fines applied exceeds the limit of the previous item, the value of the fines will be recalculated by whoever applied them, proportionally to the amount applied by each body, observing the limit indicated in the previous subclause.
- 20.14.2.** All the penalties applied by the GRANTING AUTHORITY and AGERGS shall be mutually communicated at the same time that the CONCESSIONAIRE is notified.
- 20.14.3.** It shall not be object of a new penalty the fact already penalized by another inspection body of the state administration.



**20.15.** In the event of repeated infractions of a serious nature, including those that lead to the application of a forfeiture penalty under the terms of this CONTRACT, the CONCESSIONAIRE shall be subject to the penalties of suspension of the right to participate in bidding processes and to contract with the State Public Administration or of the declaration of ineligibility, in addition to the situations provided for in the applicable legislation and regulations.

**20.15.1.** The penalty mentioned in subclause 20.15 shall also cover the CONCESSIONAIRE'S controller, thus understood as shareholder or group of shareholders that exercises Control of the CONCESSIONAIRE, and may not be applied for a period longer than two (2) years.

**20.16.** It shall be assumed as a repeated practice of contractual violations of a severe nature, considering the date of the event generating the fine:

- i.** The application of more than 5 (five) fines resulting from severe violations regarding the recovery and maintenance obligations within a one (1) year period;
- ii.** The application of more than 5 (five) fines resulting from severe violations regarding the capacity expansion and service level maintenance obligations within a one (1) year period; or
- iii.** The application of more than 5 (five) fines resulting from severe violations regarding the operational services obligations within a one (1) year period.

**20.17.** The sanctions of temporary suspension to participate in bidding processes and impediment to contract with the State of Rio Grande do Sul and the declaration of ineligibility are of exclusive competence of the GRANTING AUTHORITY, being assured the defense of the interested party in the respective process, in accordance with State Decree No. 42,250/2003.

**20.17.1.** The penalty of ineligibility to participate in bidding processes or to contract with the Public Administration, in the cases provided for in Decree No. 42,250/2003 and later amendments, shall remain active while the reasons of punishment persist or until rehabilitation is promoted before the authority that applied the penalty.

**20.17.1.1.** The rehabilitation shall be granted whenever the CONCESSIONAIRE corrects the default, settles the penalties applied and compensates the GRANTING AUTHORITY for the damages caused.

**20.18.** The pecuniary amounts resulting from the application of fines may be reverted to the fare moderation, upon AGERGS' authorization.

**20.19.** The sanctions of temporary suspension from participating in bidding processes and impediment to contracting with the State of Rio Grande do Sul and of declaration of ineligibility lead to the inclusion of the CONCESSIONAIRE in the CFIL/RS.



- 20.20.** The application of sanctions does not exempt the CONCESSIONAIRE from the obligation to repair the damages, losses or prejudices caused.
- 20.21.** The sanctions provided for in this item do not preclude the application of the penalties established in Federal Law No. 12,846, of August 1, 2013, according to the provisions set forth by its article 30.
- 20.22.** In any sanctioning procedure provided for in this clause, if the CONCESSIONAIRE chooses to acknowledge its responsibility for the infraction by the end of its first timeframe for manifestation and does not present preliminary defense, it may pay the fine with a 40% (forty percent) discount.
- 20.22.1.** If the Concessionaire chooses to acknowledge its responsibility for the infraction by the end of the deadline for the filing of an administrative appeal and does not file an appeal, it may pay the fine at a discount of 15% (fifteen percent) of its amount.

## **21. RISK ALLOCATION**

- 21.1.** The CONCESSIONAIRE must promote a detailed survey of the risks it assumes with the execution of the CONTRACT and adopt adequate and efficient measures or processes to mitigate them.
- 21.2.** Without prejudice to other risks set forth under this CONTRACT, the CONCESSIONAIRE is liable for the following risks:
- 21.2.1.** traffic volume not in accordance with the projections of the CONCESSIONAIRE or the GRANTING AUTHORITY;
- 21.2.2.** mistakes in the project engineering of the CONCESSION prepared by the CONCESSIONAIRE and in the performance of the works and services included in the PER;
- 21.2.3.** errors in the reference plans submitted in the BIDDING PROCESS;
- 21.2.4.** users' refusal to pay the TOLL FARE;
- 21.2.5.** reduction in FARE REVENUE due to toll evasion;
- 21.2.6.** obtaining licenses, permits and authorizations related to the CONCESSION;
- 21.2.7.** renewing and maintaining licenses, permits and authorizations related to the CONCESSION;
- 21.2.8.** costs in meeting the conditions of licenses and authorizations provided by the CONCESSIONAIRE, except for the provisions of subsection 21.3.12.2;



- 21.2.9.** amount of investments, payments, costs, and expenses arising from expropriations and evictions, establishment of administrative easements, imposition of administrative limitations, or temporary occupation of real property, up to the amount referred in subclause 7.2.2. and percentage change, for more or less, to 10% of this amount.7.2.2.
- 21.2.10.** the amount, in fraction of 50%, resulting from the decrease or the increase of the amount of the investments, payments, costs and expenses arising from expropriations and evictions, establishment of administrative easements, imposition of administrative limitations, or temporary occupation of real property, as provided in subclause 7.2.2.2.1 e 7.2.2.3.17.2.2.2.1.7.2.2.3.1..
- 21.2.11.** excess costs related to the works and services related to the CONCESSION, except if this increase arise from events allocated to the GRANTING AUTHORITY.
- 21.2.12.** costs to the execution of works and services provided for in the PER, including re-execution if case of inappropriate performance of the services or inappropriate execution of the works.
- 21.2.13.** costs associated with changes in location toll collection system, support buildings, toll plazas, devices and improvement works provided for in the PER, provided that the changes have been prompted or proposed by the Concessionaire itself;
- 21.2.14.** costs associated with the proposal of implementation of alternative works in urban stretches, as provided in the PER, since proposed by the CONCESSIONAIRE itself;
- 21.2.15.** delay in meeting the PER's schedules or other deadlines established between the parties throughout the term of the CONTRACT;
- 21.2.16.** technology employed in the works and services of the CONCESSION;
- 21.2.17.** conformity to updates in rules and technical standards;
- 21.2.18.** perishing, destruction, theft, embezzlement, loss, or any other type of damage to the CONCESSION PROPERTY, liability which is not reduced or excluded due to GRANTING AUTHORITY and AGERGS supervision;
- 21.2.19.** social and/or public manifestations that in any way affect the performance of the works or the provision of services related to the CONTRACT by:
- i.** up to fifteen (15) days, successive or not, every twelve (12) month period counted from the DATE OF ASSUMPTION, if the losses and damages caused by such events are not covered by insurance offered



in Brazil, by at least two insurance companies, on the date of their occurrence; and e

ii. up to ninety (90) days in each twelve (12) month period counted from the DATE OF ASSUMPTION, if the losses and damages caused by such events are subject to insurance coverage offered in Brazil , by at least two insurance companies, on the date of their occurrence;

**21.2.20.** increased cost of capital, including that resulting from interest rate increases, regardless of the extent of the variation;

**21.2.21.** foreign exchange rate variation;

**21.2.22.** modifications to laws and regulations regarding income taxes;

**21.2.23.** act of God or force majeure, provided that the triggering event is insurable in Brazil by, at a minimum, two insurance companies;

**21.2.24.** the recovery, prevention, remediation, and management of environmental liabilities, except those specified in subclause 21.3.7 **21.3.7.**, including those existing in the HIGHWAY SYSTEM, generated prior to the CONCESSION, and those generated by third parties whose occurrence is verified in the HIGHWAY SYSTEM, as well as those resulting from activities related to the CONCESSION;

**21.2.25.** risks that can be covered by insurance offered in Brazil in the date of your occurrence, by, at a minimum, two insurance companies, but that cease to be so as result of direct or indirect result of commission or omission of the CONCESSIONAIRE;

**21.2.26.** the possibility that inflation in a given period may be higher or lower than the index used to adjust the TOLL FARE or other amounts provided for in the CONTRACT for the same period;

**21.2.27.** civil, administrative, and criminal liability for environmental damage arising from the operation of the HIGHWAY SYSTEM, as well as works and activities performed by the CONCESSIONAIRE;

**21.2.28.** losses caused to third parties by the CONCESSIONAIRE or its officers and directors, employees, agents, or service providers or any other individual or legal entity related thereto, in the exercise of the activities covered by the CONCESSION;

**21.2.29.** hidden CONSTRUCTION DEFECTS in the CONCESSION PROPERTY transferred to the CONCESSIONAIRE that are not detected and claimed by the latter within five (5) years from the signing of the PROPERTY LISTING AND TRANSFER INSTRUMENT. The following defects, among others, are not considered hidden defects:

**21.2.29.1.** that are expressly identified in the BID NOTICE or in the CONTRACT as a risk of the CONCESSIONAIRE;



- 21.2.29.2.** that are included in the feasibility studies of the CONCESSION or in the PROPERTY LISTING AND TRANSFER INSTRUMENT of the CONCESSION;
- 21.2.29.3.** that could be detected through the use of techniques and means ordinarily available and financially accessible in the market in a moment prior to the BIDDING PROCESS, in equal conditions with the other interested parties.
- 21.2.30.** apparent CONSTRUCTION DEFECTS in the CONCESSION PROPERTY transferred to the CONCESSIONAIRE
- 21.2.31.** hidden or apparent CONSTRUCTION DEFECTS in the CONCESSION PROPERTY acquired, leased, or rented by the CONCESSIONAIRE for operating and maintaining the HIGHWAY SYSTEM;
- 21.2.32.** hidden or apparent CONSTRUCTION DEFECTS in the CONCESSION works delivered to the GRANTING AUTHORITY;
- 21.2.33.** damages suffered by means of event of negligence, recklessness, malpractices, defect or inaction in exploitation of services object of the CONCESSION and the treatment of the risks allocated to it;
- 21.2.34.** risks arising from the feasibility of the FINAL ECONOMIC PROPOSAL submitted during the BIDDING PROCESS and technical adjustment to the of the economic and engineering assumptions considered in its formulation;
- 21.2.35.** investments and costs related to the execution of the STOCK IMPROVEMENT works, pursuant to subclause 8.4 and EXHIBIT 5;8.4.
- 21.2.36.** failure to obtain or renew tax benefit, such as the tax benefits arising from the REIDI - Special Infrastructure Development Incentives Scheme, as set forth by the Law No. 11,488, June 15th, 2007;
- 21.2.37.** costs related to the obligations foreseen by the PER for the CONCESSION's electrical and lighting systems.
- 21.2.38.** toll fare losses incurred due to application of the FREQUENT USER DISCOUNT, in amount not exceeding 2,25% of annual GROSS FARE REVENUE which the CONCESSIONAIRE would have been entitled if the FREQUENT USER DISCOUNT has not been implemented;
- 21.2.39.** toll fare losses incurred due to BASIC FARE DISCOUNT;
- 21.2.40.** change in costs related to contract the CUSTODIAN BANK and set up of ADJUSTMENT ACCOUNT;
- 21.2.41.** feasibility and economic returns of EXTRAORDINARY REVENUES exploitation;



- 21.2.42.** delay, mistake, not transfer of funds provided in subclause 12.1.2 to ADJUSTMENT ACCOUNT;12.1.2.
- 21.2.43.** costs resulting from reexaminations, amendments and corrections in drafts or executive project of the CONTRACT, as long as these are based on nonconformities in relation to the CONTACT, the PER and its EXHIBITS;
- 21.2.44.** Hidden CONSTRUCTIVE DEFECTS in the works under the responsibility of the GRANTING AUTHORITY, provided for in subclause 38, which are identified after 5 (five) years from the signing of the works transfer's agreement. The following defects, among others, are not considered hidden defects:
- 21.2.44.1.** that are expressly identified in the BID NOTICE or in the CONTRACT as a risk of the CONCESSIONAIRE;
  - 21.2.44.2.** that are included in the feasibility studies of the CONCESSION or in the PROPERTY LISTING AND TRANSFER INSTRUMENT of the CONCESSION;
  - 21.2.44.3.** that could be detected through the use of techniques and means ordinarily available and financially accessible in the market.
- 21.2.45.** The hidden CONSTRUCTIVE DEFECTS identified in the road stretches indicated by subclause 8.3.5. and 8.3.6. within 5 (five) years from the signing of the transfer's agreement of these stretches to the GRANTING AUTHORITY. The following defects, among others, are not considered hidden defects:
- 21.2.45.1.** that are expressly identified in the BID NOTICE or in the CONTRACT as a risk of the CONCESSIONAIRE;
  - 21.2.45.2.** that are included in the feasibility studies of the CONCESSION or in the PROPERTY LISTING AND TRANSFER INSTRUMENT of the CONCESSION;
  - 21.2.45.3.** that could be detected through the use of techniques and means ordinarily available and financially accessible in the market.
- 21.2.46.** Failure to obtain authorization to perform the works provided for in the PER for the railway concession's area, located on ERS-324, at km 242+916, due to a fact attributable to the CONCESSIONAIRE.
- 21.2.47.** Indemnities to ANTT, Federal Government or the railway concessionaire located on ERS 324, km 242+916, in case of error, inadequacies, failure or any other factor attributable to the CONCESSIONAIRE which denotes the inappropriate performance of works on the area covered by the railway concession.





- 21.3.** The GRANTING AUTHORITY is responsible for the following risks related to the CONCESSION:
- 21.3.1.** social and/or public manifestations that in any way affect the performance of the works or the provision of services related to the CONTRACT when such events exceed the periods established in subclause 21.2.19, in which case the liability of the GRANTING AUTHORITY is limited to the period exceeding said time limits of the aforementioned subclause;21.2.19.
  - 21.3.2.** an arbitral, judicial, or administrative decision that prevents or precludes the CONCESSIONAIRE from charging the TOLL FARE or adjusting it in accordance with the provisions of the CONTRACT, except in cases where the CONCESSIONAIRE has given cause for such a decision;
  - 21.3.3.** non-fulfillment, by the GRANTING AUTHORITY, of its contractual or regulatory obligations, including, but not limited to, the non-fulfillment of deadlines applicable to the GRANTING AUTHORITY, provided in this CONTRACT and/or in the legislation;
  - 21.3.4.** act of God or force majeure, provided that the triggering event is not insurable in Brazil considering a period of one year prior to the moment of agreement/ maintenance of the policy by, at a minimum, two insurance companies;
  - 21.3.5.** changes in laws and regulations or the emergence of a new administrative or judicial decision, of a binding nature, final and unappealable, including on the creation, alteration, or extinction of taxes or charges, that affect the economic and financial composition of the CONCESSION, except for income tax laws and regulations;
    - 21.3.5.1.** In the case of a final judicial or administrative decision in a process to which the CONCESSIONAIRE is a party, there shall only be a right to the restoration of the economic-financial balance of the CONTRACT if the CONCESSIONAIRE has exhausted the instances for the exercise of its right of defense.
  - 21.3.6.** implementation of new routes or competing alternative routes on land, whether or not free from payment of TOLL FARE, which did not exist and were not provided for, on the date of publication of the BID NOTICE, in the official instruments of governmental planning or others official public sources;
  - 21.3.7.** costs related to the recovery, remediation and management of any environmental liabilities, generated in a period prior to the CONCESSION and not included in the HIGHWAY SYSTEM;
  - 21.3.8.** delay in the delivery of the PROPERTY LISTING AND TRANSFER INSTRUMENT;



- 21.3.9.** non-performance or delay in completion of construction contracts that have been undertaken or planned by the GRANTING AUTHORITY and that impact the quality of the HIGHWAY SYSTEM;
- 21.3.10.** changes in the HIGHWAY SYSTEM conditions between the PROPOSAL delivery date and DATE OF ASSUMPTION;
- 21.3.11.** delays in the works resulting from delay in obtaining licenses and authorizations, including environmental, assigned to the CONCESSIONAIRE, except if due to a fact attributable to the CONCESSIONAIRE;
- 21.3.11.1.** any delay arising from the failure to deliver all documents, studies, and information required by the proper authorities as set forth by the law or by existing regulations, or at a lower quality than the minimum established by the responsible body, prior or subsequent to the licensing application, is presumed to be a fact attributable to the CONCESSIONAIRE;
- 21.3.12.** investments and costs related to meeting the requirements arising from archaeological, indigenous and quilombola communities' studies necessary to obtain the corresponding environmental licenses and authorizations;
- 21.3.13.** hidden CONSTRUCTION DEFECTS in the CONCESSION PROPERTY transferred to the CONCESSIONAIRE that are found and claimed by the latter within five (5) years from the signing of the PROPERTY LISTING AND TRANSFER INSTRUMENT. The following defects, among others, are not considered hidden defects:
- 21.3.13.1.** that are expressly identified in the BID NOTICE or in the CONTRACT as a risk of the CONCESSIONAIRE;
- 21.3.13.2.** that are included in the feasibility studies of the CONCESSION or in the PROPERTY LISTING AND TRANSFER INSTRUMENT of the CONCESSION;
- 21.3.13.3.** that could be detected through the use of techniques and means ordinarily available and financially accessible in the market in a moment prior to the BIDDING PROCESS, in equal conditions with the other interested parties.
- 21.3.14.** unilateral amendment to the PER and the CONTRACT, at the GRANTING AUTHORITY's initiative, by including and modifying works and services that affect the economic and financial balance;
- 21.3.15.** the amounts, to the fraction of 50%, resulting from the reduction or increase in the amounts of investments, payments, costs and expenses arising from expropriations and evictions, institution of administrative easements, imposition of administrative limitations or temporary



occupation of real estate, in the manner of subclauses 7.2.2.2.1. and 7.2.2.3.1..

- 21.3.16.** costs arising from the removal and/or relocation of existing INTERFERENCES on the HIGHWAY SYSTEM, necessary for the execution of the works and services provided for in the CONTRACT, that are irregular on the right-of-way or when the responsible for the INTERFERENCE does not have contractual responsibility for its removal and/or relocation;
- 21.3.17.** act of state or act of administration that causes economic and financial impact on the CONTRACT;
- 21.3.18.** delays in works related to the fulfillment of the conditions related to indigenous lands, quilombola communities and archaeological sites.
- 21.3.19.** toll fare losses, supported by the CONCESSIONAIRE, incurred due to application of the FREQUENT USER DISCOUNT in value exceeding 2,25% of the annual GROSS FARE REVENUE that CONCESSIONAIRE would have been entitled to if FREQUENT USER DISCOUNT had not been implemented;
- 21.3.20.** lack of funds in ADJUSTMENT ACCOUNT to perform the offsetting provided for FREQUENT USER DISCOUNT;
- 21.3.21.** delay, not attributed to the CONCESSIONAIRE, in the issuance of the authorization of FARE RECLASSIFICATION;
- 21.3.22.** unjustified delay in carrying out the acceptance of duplication works necessary for the FARE RECLASSIFICATION procedure;
- 21.3.23.** delay, mistake, nonfulfillment of the transfer of funds provided in subclause 12.1.1, if applicable, to ADJUSTMENT ACCOUNT;12.1.1.
- 21.3.24.** changes in engineering project of CONCESSION requested by GRANTING AUTHORITY after your approval, provided that the requested changes, provenly, impact the economic and financial balance of the CONTRACT;
- 21.3.25.** positive or negative impacts arising from the implementation of FREE FLOW, or any other toll collection system that may exist, including proven increase in revenue and in evasion resulting from the implementation of this system;
- 21.3.26.** Apparent discrepancies between the works under the responsibility of the GRANTING AUTHORITY, according to subclause 38, and the basic and executive plans required by the contract arising from Bid Notice nº 10-03/2021 of the Municipality of Lajeado;
- 21.3.27.** Hidden CONSTRUCTIVE DEFECTS in the works under the responsibility of the GRANTING AUTHORITY, provided for in subclause



38, which are identified within 5 (five) years from the signing of the works transfer's agreement. The following defects, among others, are not considered hidden defects:

- 21.3.27.1.** that are expressly identified in the BID NOTICE or in the CONTRACT as a risk of the CONCESSIONAIRE;
  - 21.3.27.2.** that are included in the feasibility studies of the CONCESSION or in the PROPERTY LISTING AND TRANSFER INSTRUMENT of the CONCESSION;
  - 21.3.27.3.** that could be detected through the use of techniques and means ordinarily available and financially accessible in the market.
- 21.3.28.** Additional costs borne by the CONCESSIONAIRE due to impacts caused by the works under the responsibility of the GRANTING AUTHORITY, provided for in subclause 38;
- 21.3.29.** The hidden CONSTRUCTIVE DEFECTS identified in the road stretches indicated by subclause 8.3.5. and 8.3.6. after 5 (five) years from the signing of the transfer's agreement of these to the GRANTING AUTHORITY. The following defects, among others, are not considered hidden defects:
- 21.3.29.1.** that are expressly identified in the BID NOTICE or in the CONTRACT as a risk of the CONCESSIONAIRE;
  - 21.3.29.2.** that are included in the feasibility studies of the CONCESSION or in the PROPERTY LISTING AND TRANSFER INSTRUMENT of the CONCESSION;
  - 21.3.29.3.** that could be detected through the use of techniques and means ordinarily available and financially accessible in the market.
- 21.3.30.** Requirement, by ANTT or by the railway concessionaire located on ERS 324, at km 242+916, for execution of investments not foreseen in the PER as a condition to authorize the execution of works in the railway concession's area.
- 21.3.31.** Failure to obtain authorization to perform the works provided for in the PER for the railway concession's area, located on ERS-324, at km 242+916, due to a fact not attributable to the CONCESSIONAIRE.
- 21.3.32.** Indemnities required by the Federal Government, ANTT or railway concessionaire due to impacts that the regular execution of authorized works on the railway located on ERS-324, km 242+916, may give rise to the economic and financial balance of the railway concession or on operating costs and lost profits of the railway concessionaire.



**21.3.32.1.** The CONCESSIONAIRE shall be responsible for the risk described in the previous subclause if the claims are based on error, inadequacies, failure or any other factor attributable to the CONCESSIONAIRE which denotes the inappropriate performance of works.

**21.3.33.** termination, for any reason, by the Federal Union or by the State of Rio Grande do Sul, of the Delegation Agreement that transfers the BRS 470 highway stretch (km 152.87 to km 158.96) before its term.

**21.4.** The CONCESSIONAIRE represents:

- i.** that it is fully aware of the nature and extent of the risks assumed by it in the CONTRACT; and
- ii.** that it has taken such risks and their reach into account in formulating its proposal.

**21.5.** The CONCESSIONAIRE shall not be entitled to restore the economic and financial balance should any of the risks assumed by it in the CONTRACT materialize.

## **22. RESTORATION OF THE ECONOMIC AND FINANCIAL BALANCE**

### **22.1. Suitability of Restoration**

**22.1.1.** Whenever the conditions of the CONTRACT are met, its economic and financial balance is considered maintained.

**22.1.1.1.** There is economic and financial unbalance of the CONTRACT whenever any of the parties suffer effects, positive or negative, related to events whose risk may not be attributed to it.

**22.1.2.** Restoration of the economic and financial balance of the CONTRACT shall only be required when the accusing party proves the exact measure of imbalance caused by the materialization of the unbalancing event.

**22.1.3.** The restoration of the economic and financial balance of the contract herein shall be implemented using the following modalities of contract amendment:

- i.** Extension, when permitted, or reduction of the concession term;
- ii.** review of the TOLL FARE;
- iii.** review of the Highway Operation Program (PER), by means of changes in the investments plan;
- iv.** reimbursement or indemnification by the GRANTING AUTHORITY;



- v. payment in kind of assets and/or assignment of equity revenues;
- vi. establishment or removal of lockout booths, as well as changing the location of toll plazas or the system for the collection of toll fares;
- vii. assumption by the GRANTING AUTHORITY of costs assigned by the CONTRACT to the CONCESSIONAIRE;
- viii. a combination of the above modalities;
- ix. transferring of funds from the ADJUSTMENT ACCOUNT by means of the REBALANCING NOTICE.
- x. any other measure allowed by legislation and able to restore the economic and financial balance of the CONTRACT.

22.1.4. The choice of method selected for restoring the economic and financial balance of the CONTRACT must observe the procedure provided in subclause 22.2.

**22.2. Procedure for Restoration Claims by the Concessionaire**

22.2.1. The procedure for the restoration of the economic and financial balance may be initiated by the GRANTING AUTHORITY, by request from the CONCESSIONAIRE or by AGERGS' Superior Board.

22.2.2. The claims for restoration of the economic and financial balance of the CONTRACT shall be directed to AGERGS' Superior Board., that shall be the proper authority to hear the claim and decide.

22.2.3. The claims for restoration of the economic and financial balance of the CONTRACT shall be supported by, at least, with the following elements:

- i. Description and evidence of the facts and the hypothesis that generate the restoration;
- ii. The estimate of variation in investments, costs, expenses and revenues arising from the event that generated the imbalance; and
- iii. suggestion of measures to be adopted to restore the economic and financial balance of the CONTRACT;

22.2.4. Once the claim of restoration is received , the AGERGS' Superior Board shall notify the CONCESSIONAIRE, the GRANTING AUTHORITY or both, as the case may be, to express about within thirty (30) days.

22.2.5. After the parties' manifestations, the AGERGS' Superior Board shall deliberate within 60 (sixty days), in well-reasoned decision, about the applicability or not of the restoration of the economic and financial balance of the CONTRACT, as well as indicate the possibility or the need for the



treatment of the imbalance event to be performed under the procedure of ORDINARY REVIEW.

- 22.2.6.** From the decision rendered by the AGERGS' Superior Board the parties may file a request for reconsideration, within to fifteen days counting from the decision's notice;
- 22.2.7.** The request for reconsideration shall be answered by the interested party, if its wants, in the same deadline, counted from the receipt of the notice.
- 22.2.7.1.** The Superior Board shall deliberate definitively about the request for reconsideration within 30 (thirty) days, which can be extended only once.
- 22.2.8.** If AGERGS decides to restore the economic and financial balance, the GRANTING AUTHORITY shall have the prerogative to choose the modality through which the economic22.1.3.financial balance of the CONTRACT herein shall be restored, using the indicated in subclause 22.1.3 within 30 (thirty) days counting from the decision notice.
- 22.2.9.** After the GRANTING AUTHORITY chooses the modality through which the economic and financial balance of the CONTRACT herein shall be restored, AGERGS shall deliberate definitively about the request, as provided in article 7 of the Law no. 4,875/16, within 60 (sixty days), counting from GRANTING AUTHORITY's manifestation or expiration of the deadline for such manifestation, regulating and detailing the application of the modality chosen to restore the economic and financial balance.
- 22.2.10.** In the case of expiration of the term referred to in subclause 22.2.8. 22.1.3.without manifestation by the GRANTING AUTHORITY, it will be up to AGERGS to define the modalities of contractual amendment, not being able, however, to determine the use of the forms foreseen in the items i, iv and v of subclause 22.1.3.
- 22.2.11.** The restoration of the economic and financial balance shall be formalized through an amendment to the CONTRACT.
- 22.2.12.** The GRANTING AUTHORITY and AGERGS shall, single handed or together, at any time, request technical or economic and financial studies drafted by third parties.
- 22.2.13.** The parties shall have 180 (one hundred and eighty) days to start the restoration of the economic and financial procedure, calculated on the date the acknowledge of the event, under penalty of decay.
- 22.2.14.** In the event that the GRANTING AUTHORITY requires new investments not foreseen in the Highway Exploration Program - PER, it must initially elaborate the elements of projects and services necessary to quantify the costs involved, which may be requested from the CONCESSIONAIRE, prior to the beginning of the restoration process of the economic-financial balance and the signature of the amendment term.



**22.2.14.1.** The request for changes in the Highway Operation Program – PER arising from new investments or from the anticipation of works and services must be accompanied by a proposal for restoration of the economic-financial balance by the GRANTING AUTHORITY, including the indication of the type(s) of contractual alteration to be adopted.

**22.2.14.2.** After the conclusion of the economic and financial restore procedure, it shall be sign an amendment with the changes in the Highway Operation Program – PER and the ways of restore adopted, except the exceptional situations arising from the emergence works.

### **22.3. Criteria and Principles for Restoration**

**22.3.1.** The processes for restoration of the economic and financial balance may follow the discretion established in this subclause.

**22.3.2.** The form of restoration of the economic and financial balance shall depend on the event that causes the imbalance:

**22.3.2.1.** in the event of delay or non-performance of the services and works, the SCOPE, PERFORMANCE PARAMETERS and TECHNICAL PARAMETERS for the recovery and maintenance obligations, for the capacity expansion and service level maintenance obligations, and for the operational services of the CONCESSION, the restoration of the economic-financial balance shall occur through the automatic application of the REBALANCING DISCOUNT, being granted that the early delivery of the capacity expansion works may give rise to the application of the REBALANCING ADDITION, in accordance with the methodology provided for in EXHIBIT 5 for the application of FACTOR D or FACTOR A, respectively, both described in EXHIBIT 5;

**22.3.2.2.** in case the GRANTING AUTHORITY requires the execution of works included in the STOCK IMPROVEMENT, provided for in item 3.2.1.3 of the PER, the restoration of the economic-financial balance shall take place in the ordinary revision subsequent to the completion of the improvement work requested, through the automatic application of the REBALANCING ADDITION, subject to the limit provided in subclause 8.4.1.4., according to the methodology for the application of FACTOR E, described in EXHIBIT 5.

**22.3.2.3.** In the occurrence of any other event, including those related to inclusion of works and services in the SCOPE of the CONTRACT, the restoration of the economic and financial balance shall take place by setting up a MARGINAL CASH FLOW, as provided in subclause 22.4.22.4.

**22.3.2.4.** in the case of compensation arising from the FREQUENT USER DISCOUNT(DUF), the restoration of the economic-financial balance shall take place by application of the FACTOR C, within the





ORDINARY REVIEW, when there is no sufficient balance in the ADJUSTMENT ACCOUNT for the transfer of the amounts to the CONCESSIONAIRE.

**22.3.2.5.** the rebalancing shall occur via the application of Factor C, when an event that results in an impact exclusively on the CONCESSIONAIRE's revenue or budget, as provided for per the terms of EXHIBIT 10, as well as those so considered by AGERGS or in specific regulations;

**22.3.2.6.** In the choice of the means to implement the restoration of the economic and financial balance, the GRANTING AUTHORITY or AGERGS, as the case may be, shall necessarily take into account the frequency and the amount of payments due and falling due from the CONCESSIONAIRE, related to financing contracts entered into by the CONCESSIONAIRE for the attainment of the subject matter of the CONTRACT.

#### **22.4. Marginal Cash Flow**

**22.4.1.** The restoration of the economic and financial balance shall be carried out so that the net present value of the MARGINAL CASH FLOW projected in view of the event which led to the restoration is null, considering (i) the cash flows of the marginal expenses resulting from the event which originated the restoration procedure, and (ii) the cash flows of the marginal revenues resulting from restoration procedure of the economic and financial balance.

**22.4.1.1.** For the purpose of determining the cash flows of marginal expenditures, the best information available shall be used to portray the real and effective current conditions, to estimate the value of investments, costs and expenses, as well as possible revenues and other gains resulting from the event that gave rise to the imbalance.

**22.4.2.** The CONCESSIONAIRE must submit estimates of the measure of imbalance, using as reference the prices indicated in the SICRO or SINAPI Table or, in addition, as the case may be, in the price tables or systems of federal agencies or other state or municipal agencies;

**22.4.3.** For the purpose of determining the marginal revenue flows in which it is necessary to adopt traffic projections, the following procedure shall be used, in different steps:

**22.4.3.1.** At the moment of economic and financial rebalancing, the initial calculation to be used, for purposes of estimative of the rebalancing, shall observe, exclusively for this purpose, the real traffic verified in the previous years and shall adopt the best practices of traffic projection until the end of the CONCESSION's term; and

**22.4.3.2.** Annually, at the ORDINARY REVIEW, the calculation as referred in subclause 22.4.3.1 shall be adjustment with the purpose of



replace the traffic projection for the real volume of traffic verified in the previously year.22.4.3.1.

**22.4.4.** In each economic and financial rebalancing procedure which had been adopted the traffic projection, AGERGS shall realize, at the ordinary review mentioned in the subclause 18.6, the review of the respective flow of the marginal revenue mentioned in subclause 22.4.3.1, with the purpose of adjust the data of the traffic project to real data verified while the CONTRACT's term.18.6.22.4.3.1.

**22.4.5.** Besides the review of traffic provided for in sub-clause 22.4.3.2, it may be considered, provided that by mutual agreement between the parties, other information found during the term of the CONTRACT, in order to replace estimated variables in the preparation of the MARGINAL CASH FLOW.22.4.3.2.

**22.4.6.** At the end of the CONCESSION's term, if the last review of the MARGINAL CASH FLOW reflects a favorable result to the CONCESSIONAIRE, the GRANTING AUTHORITY shall:

**22.4.6.1.** To impute additional charges to the CONCESSIONAIRE in such a way that the respective expenditures offsets the net present value of the MARGINAL CASH FLOW; or

**22.4.6.2.** retain amounts paid by the CONCESSIONAIRE, for example the CONTRACT PERFORMANCE BOND, until these amounts offset the net present value of the MARGINAL CASH FLOW.

**22.4.7.** At the end of the term of the CONCESSION, in the event the last review of the MARGINAL CASH FLOW reveals an unfavorable result to the CONCESSIONAIRE, the GRANTING AUTHORITY and AGERGS must recompose the economic-financial balance of the CONTRACT to provide additional revenue to the CONCESSIONAIRE, in order to offset the net present value of the MARGINAL CASH FLOW.

**22.4.8.** AThe discount rate to be used in the flows of expenditures and marginal revenues foreseen in sub-clause 22.4.1 for balancing purposes will be based on the Weighted Average Cost of Capital (WACC), as follows.22.4.1.

$$WACC = \frac{E}{(E+D)} \times r_e + \frac{D}{(E+D)} \times r_d$$

In which:

E= Equity

D= Third-Party Capital

r<sub>e</sub> = Cost of Equity (CAPM).

r<sub>d</sub> = Cost of Third-Party Capital after taxes.



**22.4.9.** The methodology for calculating the variables of the formula mentioned in subclause 22.4.8 above will be proposed by the competent technical area of AGERGS;

**22.4.10.** The restoration process will always be performed so that the net present value of the projected MARGINAL CASH FLOW due to the event that gave rise to the replenishment is null, and the same discount rate originally used in the Marginal Cash Flow must be maintained;

## **22.5. Rebalancing Discount And Addition**

**22.5.1.** AGERGS shall promote the evaluation of the CONCESSION's performance in accordance with the rules and procedures set out in EXHIBIT 6.

**22.5.2.** AGERGS shall also take into consideration the delay or non-execution of the works and services of the recovery and maintenance obligations and the obligations of capacity expansion and service level maintenance, as well as anticipation of the works and services of the capacity expansion, that give rise to the application of the REBALANCING DISCOUNT or REBALANCING ADDITION, as provided for in EXHIBIT 5.

**22.5.3.** In each year of the CONCESSION term, the result of the performance evaluation shall determine the REBALANCING DISCOUNT or REBALANCING ADDITION for the respective year, as provided for in EXHIBIT 5.

**22.5.4.** The percentage of the REBALANCING DISCOUNT or REBALANCING ADDITION of each year shall be applied to the SINGLE LANE BASIC TOLL FARE and to the DOUBLE LANE BASIC TOLL FARE, except for the last year, which shall be performed through compensation.

**22.5.5.** The CONCESSIONAIRE represents that it has full knowledge of and acknowledges that:

**22.5.5.1.1.** considering the objective nature of the evaluation carried out by AGERGS, its result shall indicate the physical conditions of the HIGHWAY SYSTEM and its accordance with the PERFORMANCE PARAMETERS, with the fulfillment of the performance deadline for the capacity expansion and improvement works and other requirements of the CONTRACT, observing the TECHNICAL PARAMETERS and the SCOPE;

**22.5.5.1.2.** the REBALANCING DISCOUNT OR REBALANCING ADDITION, determined by the annual assessment of the performance of works, is a mechanism agreed upon between the parties to rebalance the CONTRACT in the cases of delay or non-execution of works and services or in the case of anticipation of certain works, and will be applied immediately and automatically by AGERGS;



**22.5.5.1.3.** the reduction or increase in the amount of the TOLL FARE as a result of the application of the REBALANCING DISCOUNT or REBALANCING ADDITION does not constitute a contractual penalty or additional revenue, but a mechanism for maintaining the economic and financial balance of the CONTRACT;

**22.5.5.1.4.** the evaluation of the performance of the CONCESSION and the application of the REBALANCING DISCOUNT do not harm the verification, by the GRANTING AUTHORITY, of the contractual default of the CONCESSIONAIRE and the consequent application of penalties provided in the CONTRACT; and

**22.5.5.1.5.** in case of delay in the execution of works and services of capacity expansion and maintenance of service level resulting from events that are proven and expressly recognized by AGERGS as framed in sub-clause 20.3, the REBALANCING DISCOUNT shall be applied, without prejudice to the applicable penalties.

## **22.6. Plan for New Investments**

**22.6.1.** In the event of new investments or services requested by the GRANTING AUTHORITY and not provided for in the CONTRACT, the GRANTING AUTHORITY may request from CONCESSIONAIRE, prior to the process of restoration of the economic and financial balance, that it prepares a viability study and plan for the works and services in accordance with specific regulations.

**22.6.1.1.** If, by decision of the GRANTING AUTHORITY the investments are not executed by the CONCESSIONAIRE, it shall have the right to recovery of the costs related to the studies which have been carried out.

## **23. CONTRACTING WITH THIRD PARTIES AND EMPLOYEES**

**23.1.** Without prejudice to its liabilities, the CONCESSIONAIRE shall perform the works and services of the CONCESSION, as established in the PER, by itself or through third parties, at its own risk.

**23.2.** Third parties hired by the CONCESSIONAIRE shall be endowed with financial health, competence, and technical skill, and the CONCESSIONAIRE shall be directly and indirectly liable to the GRANTING AUTHORITY for any problems or losses resulting from a lack of financial soundness, as well as competence and technical ability.

**23.3.** THE GRANTING AUTHORITY may request, at any time, information on the hiring of third parties to perform the works and services of the CONCESSION.



- 23.4.** The fact that the existence of contracts with third parties has been made known to the GRANTING AUTHORITY does not exempt the CONCESSIONAIRE from complying, in whole or in part, with its obligations arising from the CONTRACT and does not entail any liability for the GRANTING AUTHORITY.
- 23.5.** Contracts between the CONCESSIONAIRE and third parties shall be governed by the rules of private law, and no relationship shall be established between the third party and the GRANTING AUTHORITY.
- 23.6.** Contracts between the CONCESSIONAIRE and third parties shall also provide for subrogation to GRANTING AUTHORITY or to whomever it so indicates, to be exercised at the discretion of the subrogated party.
- 23.7.** The CONCESSIONAIRE shall be responsible for the labor, social security, tax, and commercial expenditures resulting from the performance of this CONTRACT.

## **24. CAPITAL STOCK**

- 24.1.** The CONCESSIONAIRE is an specific purpose entity, in the form of a corporation, incorporated under Brazilian law, with the sole purpose of operating the CONCESSION.
- 24.2.** The capital stock of the CONCESSIONAIRE shall be subscribed and paid up pursuant to item 11.5.8 of the BID NOTICE.
- 24.2.1.** The CONCESSIONAIRE may not, during the CONTRACT term, reduce its capital stock below the amounts specified in subclause 24.3 without prior and express authorization from GRANTING AUTHORITY24.3..
- 24.3.** Pursuant to item 18.3.6 of the BID NOTICE, at the signing of this CONTRACT the capital stock of the CONCESSIONAIRE was subscribed and paid up in the amount of BRL 226,901,323.29 (two hundred and twenty-six million, nine hundred and one thousand, three hundred and twenty-three reais and twenty-nine cents).
- 24.3.1.** If the payment of additional capital stock is due, under item 11.5.10 of the BID NOTICE, the CONCESSIONAIRE must accomplish it until the end of the first (1º) year of the CONCESSION.
- 24.4.** If there are losses that reduce the CONCESSIONAIRE'S shareholders' equity to less than one third of the capital stock, its shareholders' equity shall be increased to at least one third of the share capital, within up to four (4) months from the closing date of the fiscal year.
- 24.4.1.** The value of the capital stock shall be updated per the variation of the IPCA for the purposes of calculating the third part referred to in subclause 24.4.24.4.



**24.4.2.** In the last two (2) years of the CONCESSION, the term of duration referred to in subclause 24.4 shall be two (2) months.24.4.

**24.5.** Within two (2) years from the DATE OF ASSUMPTION, the CONCESSIONAIRE shall register as a publicly-held company with the CVM, maintaining such condition throughout the CONCESSION TERM.

**24.5.1.** The CONCESSIONAIRE shall send to the GRANTING AUTHORITY, by the end of the twenty-fifth (25th) month of validity of the CONCESSION, proof of the initial public offering.

**24.6.** While the payment of the contributions required under the terms of this clause is not complete, the shareholders or quota holders of the CONCESSIONAIRE are jointly liable, regardless of the proportion of shares or quotas subscribed by each one, before the GRANTING AUTHORITY for obligations of the CONCESSIONAIRE under this CONTRACT, up to the limit of the amount missing for payment of the required contributions.

## **25. CORPORATE CONTROL**

**25.1.** In all cases, the transfer of corporate control of the CONCESSIONAIRE is subject to the prior consent of the GRANTING AUTHORITY, under penalty of forfeiture of the CONCESSION, pursuant to Law No. 8,987/1995, and State Decree No. 53,490/2017.

**25.2.** In order to obtain the authorization alluded to in subclause 25.1, the CONCESSIONAIRE must prove that the interested party:25.1.

**25.2.1.** Fulfills the requirements of technical capacity, financial suitability, and legal and tax regularity good standing necessary for the assumption of the service; and

**25.2.2.** The commitment to fulfill all the clauses of the current contract.

**25.3.** AGERGS shall give its opinion prior to the decision of the GRANTING AUTHORITY about the request for transfer of the CONCESSIONAIRE's corporate control.

**25.4.** The following operations, without prejudice to others, are considered as alteration of corporate control, as they can be characterized as a result of the change in the company's control:

**25.4.1.** Any change, direct or indirect, in the control or group of control that may imply alteration in the framework of persons who exercise the effective management of the business of the CONCESSIONAIRE.

**25.4.2.** When the CONTROLLER no longer holds, directly or indirectly, the majority of the CONCESSIONAIRE'S voting stock;

**25.4.3.** When the CONTROLLER, by agreement, contract or any other instrument, assigns, totally or partially, directly or indirectly, to third



parties, powers for the effective conduction of the CONCESSIONAIRE'S corporate activities or operation; and

**25.4.4.** When the CONTROLLER withdraws, directly or indirectly, from the CONCESSIONAIRE'S corporate control.

**25.5.** The CONTROLLER may not execute any of the operations indicated in subclause 25.4 before complying with the requirements set forth in subclause 18.1.1, except in the case of imminent insolvency on the part of the CONCESSIONAIRE, provided that such insolvency is duly demonstrated.25.4.18.1.1.

**25.6.** The corporate alterations authorized by the GRANTING AUTHORITY must be published in the form foreseen in the Federal Law No 6,404 of December 15, 1976.

**25.7.** The CONCESSIONAIRE'S shareholders are authorized to pledge the shares issued by the CONCESSIONAIRE to the FINANCIERS. However, the foreclosure of the shares, by the FINANCIERS, will depend on the prior and express consent of the GRANTING AUTHORITY, under penalty of forfeiture of the CONCESSION.

## **26. FINANCING**

**26.1.** The CONCESSIONAIRE is solely and exclusively responsible for obtaining the financing necessary for the operation of the CONCESSION, in order to fully and timely fulfill all obligations assumed in the CONTRACT.

**26.2.** The CONCESSIONAIRE shall submit to the GRANTING AUTHORITY and to AGERGS a copy of the financing and guarantee agreements it comes to enter into and of documents representing the securities it comes to issue, as well as any amendments thereto, within ten (10) business days of the date of execution and issuance, as appropriate.

**26.3.** The CONCESSIONAIRE, provided that it is authorized by GRANTING AUTHORITY, may give, in guarantee of the financing intended for investments related to the Contract, the rights arising from the CONCESSION, such as revenues from the operation of the HIGHWAY SYSTEM, provided that it does not compromise the operation and continuity of the performance of the works and the services covered by the CONCESSION.

**26.3.1.** The GRANTING AUTHORITY shall define, in each case, the limit for the assignment of rights arising from the CONCESSION.

**26.4.** The rights to the receive (i) revenues arising from the collection of the TOLL FARE, (ii) EXTRAORDINARY REVENUES, and (iii) compensations due to the CONCESSIONAIRE under the CONTRACT may be pledged, assigned, or otherwise transferred directly to the financiers, subject to the legal limits and requirements.



**26.5.** To guarantee long term loan agreements, destined for investments related to the CONTRACT, in any of its modalities, the CONCESSIONAIRE may assign to the lender, in a fiduciary capacity, a portion of its future operating credits, under the terms of art. 28-A of Federal Law No. 8,987, of 95.

**26.6.** The CONCESSIONAIRE is prohibited from:

**26.6.1.** granting loans, financing, and/or any other form of transfer of funds to its shareholders or RELATED PARTIES, except for transfers of funds by way of distribution of dividends, transfers resulting from the reduction of capital stock, authorized in the form of subclause 24.2.1, interest on capital, and/or payments for contracts for works and services entered into under fair market conditions; and 24.2.1.

**26.6.2.** providing sureties, endorsements, or any other form of guarantee in favor of its RELATED PARTIES or third parties.

## **27. TRIPARTITE CONTRACT**

**27.1.** The FINANCIERS, represented by themselves or fiduciary agents, provided that it does not have a direct corporate relationship with the CONCESSIONAIRE, shall be allowed to enter into the TRIPARTITE CONTRACT, which shall also include the GRANTING AUTHORITY and the CONCESSIONAIRE, and, as an intervening consenting party, AGERGS.

**27.2.** The TRIPARTITE CONTRACT will be governed according to the rules set forth in EXHIBIT 11.

**27.2.1.** In case the CONCESSIONAIRE and the FINANCIERS exercise the faculty to execute the TRIPARTITE CONTRACT, its signing will be mandatory for the for the GRANTING AUTHORITY and AGERGS.

**27.2.2.** The FINANCIERS and/or the CONCESSIONAIRE may adapt the draft established in EXHIBIT 11, and must be submitted later to the approval of the GRANTING AUTHORITY and AGERGS.

**27.3.** In the event that the TRIPARTITE CONTRACT is not entered into, the Financiers shall be entitled to exercise the prerogatives of assuming control or temporary administration of the Concessionaire, as provided for in article 27 and article 27-A of Law No. 8,987, of 1995, and under the terms of the clause below.

**27.3.1.** The non-conclusion of the TRIPARTITE CONTRACT by the FINANCIERS may not be interpreted in disfavor of the FINANCIERS.

## **28. ASSUMPTION OF CONTROL BY THE FINANCIERS**





- 28.1.** To ensure the continuity of the CONCESSION, the financiers of the CONCESSIONAIRE, through prior and formal authorization of the GRANTING AUTHORITY, may assume control of the CONCESSIONAIRE, as long as at least one of the following hypotheses is configured:
- 28.1.1.** Default of the financing by the CONCESSIONAIRE, provided that the possibility of assumption of control of the CONCESSIONAIRE is foreseen in the respective financing contracts;
- 28.1.2.** In the other hypotheses foreseen in the contract(s) signed between the CONCESSIONAIRE and its financier(s);
- 28.1.3.** Default on this CONTRACT by the CONCESSIONAIRE, as provided that this is sufficient to make the continuity of the CONCESSION unfeasible or to put it at risk.
- 28.2.** After the regular accomplishment of the corresponding administrative proceeding, upon request, the GRANTING AUTHORITY will authorize the assumption of control of the CONCESSIONAIRE by its financiers with the objective of promoting the financial restructuring of the CONCESSIONAIRE and ensuring the continuity of the CONCESSION.
- 28.3.** When one of the hypotheses of Assumption of Control of the Concessionaire pursuant to this section is configured, the financier must notify the Concessionaire and the GRANTING AUTHORITY, informing about the default and opening a deadline to the CONCESSIONAIRE to purge the default.
- 28.4.** In case of persistent default after the deadline alluded to in subclause 28.3, the financier(s) must notify the GRANTING AUTHORITY, which must decide about the possibility of assuming the control of the CONCESSIONAIRE.28.3.
- 28.5.** The authorization will be granted by the GRANTING AUTHORITY upon proof, by the financiers, that they meet the requirements of financial suitability, as well as legal and tax good standing provided for in the BID NOTICE.
- 28.5.1.** The financiers will be exempt from having to demonstrate financial good standing as long as they are duly authorized to act as a financial institution in Brazil.
- 28.6.** The assumption of control of the CONCESSIONAIRE under the terms of this section will not alter the obligations of the CONCESSIONAIRE and the controlling financiers before the GRANTING AUTHORITY.

## **29. INTERVENTION IN THE CONCESSION**

- 29.1.** The GRANTING AUTHORITY may intervene in the CONCESSION in order to ensure adequacy in the provision of the service, as well as the faithful compliance with the relevant contractual, regulatory, and legal rules.



- 29.2.** The intervention shall occur upon decree by the GRANTING AUTHORITY, duly published in the DOE, which shall contain the designation of the intervener, the term of duration of the intervention, and the limits of the measure.
- 29.2.1.** The intervenor must be a competent professional, with proven technical knowledge to promote the objectives of the intervention, being remunerated with resources from the CONCESSION.
- 29.3.** Once the intervention has been decreed, the GRANTING AUTHORITY, within thirty (30) days, shall institute an administrative proceeding to prove the determining causes of the intervention and to ascertain the responsibilities, assuring the right of full defense.
- 29.3.1.** The CONCESSIONAIRE undertakes to make the e HIGHWAY SYSTEM and the other CONCESSION PROPERTY available to the GRANTING AUTHORITY immediately after the decree of intervention mentioned in subclause 29.2.29.2.
- 29.3.2.** If it is proven that the assumptions for the intervention are not valid, the service will be immediately returned to the CONCESSIONAIRE, without prejudice to its right to compensation.
- 29.3.3.** The administrative proceeding referred to in subclause 29.3 of this clause shall be concluded within one hundred and eighty (180) days, under penalty of the intervention being considered invalid.29.3.
- 29.3.4.** In the administrative proceeding, the GRANTING AUTHORITY may request AGERGS' hearing.
- 29.4.** Revenue obtained during the intervention period shall be used to cover the investments, costs, and expenses necessary to restore the normal functioning of the HIGHWAY SYSTEM.
- 29.4.1.** If any revenue is not sufficient to cover the amount of the investments, costs, and expenses arising from the CONCESSION incurred by GRANTING AUTHORITY, the GRANTING AUTHORITY may:
- 29.4.1.1.** use the CONTRACT PERFORMANCE BOND to cover them, partially or in full; or;
- 29.4.1.2.** discount, from any future compensation to be received by the CONCESSIONAIRE, the amount of the investments, costs, and expenses incurred.
- 29.5.** Upon termination of the intervention, if the concession is not terminated, the administration of the service shall be given back to the concessionaire, preceded by the rendering of accounts by the intervenor, who shall be accountable for the acts performed during his management.



**29.6.** Without prejudice to what is foreseen in this section, the GRANTING AUTHORITY may exercise emergency measures in situations of risk of serious damage to the RETURNABLE PROPERTY or to users of HIGHWAY SYSTEM, among other exceptional situations.

### **30. OPERATIONAL TRANSITION**

**30.1.** Without prejudice to the provisions contained in EXHIBIT 6, the CONCESSIONAIRE's obligations for the good transition of the HIGHWAY SYSTEM to the GRANTING AUTHORITY or to the successor concessionaire include:

**30.1.1.** Provide documents and contracts related to the purpose of the CONCESSION;

**30.1.2.** Provide operational documents related to the purpose of the CONCESSION;

**30.1.3.** Provide other information regarding the operation of the HIGHWAY SYSTEM;

**30.1.4.** Cooperate with the successor concessionaire, the GRANTING AUTHORITY and with AGERGS for the proper transmission of knowledge and information related to the CONCESSION;

**30.1.5.** Allow at least thirty (30) days before the final transition date, the monitoring of the operation of the HIGHWAY SYSTEM and the regular activities of the CONCESSIONAIRE by the GRANTING AUTHORITY, related to the operation of the HIGHWAY SYSTEM;

**30.1.6.** Cooperate with the GRANTING AUTHORITY or the successor concessionaire in the preparation of any reports required for the transition process;

**30.1.7.** Appoint professionals from relevant knowledge areas for operational transition during the assumption of service by the GRANTING AUTHORITY or the successor concessionaire;

**30.1.8.** Provide physical space to accommodate the GRANTING AUTHORITY and the successor concessionaire's taskforces, during the transition period;

**30.1.9.** Assist in staff planning;

**30.1.10.** Interact with the GRANTING AUTHORITY or the successor concessionaire and other players and agents involved in the operation of the HIGHWAY SYSTEM;

**30.2.** The operational transition can be made by performing TRANSITION A or TRANSITION B, as the case may be and according to the procedures established in EXHIBIT 9 and EXHIBIT 10, respectively.



**30.2.1.** The TRANSITION A considers the interaction between the Concessionaire and the GRANTING AUTHORITY or the PREVIOUS OPERATOR and has the objective of facilitating the assumption of the operation of the HIGHWAY SYSTEM;

**30.2.2.** The TRANSITION B the interaction between the CONCESSIONAIRE and THE GRANTING AUTHORITY or the FUTURE OPERATOR at the end of the CONCESSION.

## **31. TERMINATION OF THE CONCESSION**

**31.1.** The Concession shall be terminated by:

**31.1.1.** Advent of the final term of the Contract;

**31.1.2.** Advent of the resolutive conditions established in Clause 35;35.

**31.1.3.** Takeover;

**31.1.4.** Forfeiture;

**31.1.5.** Rescission;

**31.1.6.** Annulment; and

**31.1.7.** Bankruptcy or extinction of the CONCESSIONAIRE.

**31.2.** With the termination of the CONCESSION, all RETURNABLE PROPERTY, free and clear of any liens or charges, shall be returned to the GRANTING AUTHORITY, as well as the rights and privileges transferred to the CONCESSIONAIRE.

**31.3.** In the case of property leased or rented by the CONCESSIONAIRE, necessary for the operation and maintenance of the HIGHWAY SYSTEM, the FUTURE OPERATOR or the GRANTING AUTHORITY may, at their sole discretion, succeed the CONCESSIONAIRE in the respective lease or rental agreements for such property.

**31.4.** In the event of the CONTRACT expiration, there shall be immediate assumption of the services related to the CONCESSION by the GRANTING AUTHORITY or the FUTURE OPERATOR.

**31.5.** During the last five years of the CONCESSION, the GRANTING AUTHORITY may authorize third parties to conduct studies and field research for the purpose of structuring new bidding procedures, promotion of new works or other purposes of public interest.

**31.6.** Once the CONCESSION is extinguished, the CONCESSIONAIRE will be responsible for the termination of any agreement signed with third parties related to the CONCESSION, assuming all charges, liabilities or burdens resulting therefrom, except those in which subrogation occurs.



- 31.7.** The CONCESSIONAIRE must adopt all measures and cooperate with the GRANTING AUTHORITY to ensure the continuity of services under the CONCESSION, without interruption or deterioration of such services or the CONCESSION PROPERTY, as well as preventing and mitigating any inconvenience or risk to the health or safety of users, the employees of the GRANTING AUTHORITY and other agencies or public entities.

## **32. FINAL ADJUSTMENT**

- 32.1.** In any event of extinction of the CONCESSION, the GRANTING AUTHORITY shall initiate the FINAL ADJUSTMENT procedure to determine any amounts due arising from:
- 32.1.1.** contractual penalties with a definitive administrative decision;
  - 32.1.2.** not yet been paid ADJUSTMENT ACCOUNT's tied funds that are due;
  - 32.1.3.** final revisions of the Marginal Cash Flow;
  - 32.1.4.** outstanding balances of FACTORS A, C, D, and E;
  - 32.1.5.** outstanding balance arising from the compensation of toll fare losses from the FREQUENT USER DISCOUNT;
  - 32.1.6.** indemnities due to the CONCESSIONAIRE;
  - 32.1.7.** damages caused by the CONCESSIONAIRE to the GRANTING AUTHORITY and to AGERGS;
  - 32.1.8.** the outstanding installments due to the FINANCIERS; and
  - 32.1.9.** other amounts due as a result of the CONTRACT.
- 32.2.** The sanctioning processes that do not yet have a definitive administrative decision by AGERGS or the GRANTING AUTHORITY must be concluded, when applicable, within a maximum period of 6 (six) months of the extinction of the CONCESSION, so that any resulting fines are included in the calculation of the FINAL ADJUSTMENT.
- 32.3.** In the event of early termination of the CONCESSION, the GRANTING AUTHORITY shall observe the general indemnity regime established by Clause 34 and, above all, the order of discounts established in its subclause 34.10.34.34.10.
- 32.4.** The FINAL ADJUSTMENT procedure must be initiated within 30 (thirty) days after the termination of the CONCESSION, except in the case of takeover, in which case the procedure shall be carried out prior and come to an end, in any case, within 6 (six) months after its instauration.



- 32.4.1.** The six-month period for its duration may be extended upon motivated provocation by any of the parties.
- 32.4.2.** Any party may request the beginning of the FINAL ADJUSTMENT before the term indicated in the above subclause, provided that after the effective termination of the CONTRACT.
- 32.5.** Once the calculation of the FINAL ADJUSTMENT has been finalized, the results obtained shall be subject to homologation by AGERGS, within 30 (thirty) days.
- 32.5.1.** If a credit in favor of the GRANTING AUTHORITY is verified, it shall demand its payment by the CONCESSIONAIRE, including, by means of execution of the CONTRACT PERFORMANCE BOND and by the clearance of these amounts with the credits due to the CONCESSIONAIRE;
- 32.5.2.** If a receivable is found in favor of the CONCESSIONAIRE vis-à-vis the GRANTING AUTHORITY, the procedures for the discharge indicated in subclause 32.6 below shall be followed **32.6.**
- 32.6.** Upon completion of the FINAL ADJUSTMENT, the GRANTING AUTHORITY shall submit to the CUSTODIAN BANK the FINAL ADJUSTMENT NOTICE.
- 32.6.1.** When the existence of a balance in favor of the CONCESSIONAIRE is found, the FINAL ADJUSTMENT NOTICE shall indicate the amount due to the CONCESSIONAIRE and authorize the CUSTODIAN BANK to transfer it, deducted from the debits due to the GRANTING AUTHORITY, up to the limit of the remaining balance in the CONCESSION ACCOUNTS.
- 32.6.2.** In case the balance of the ADJUSTMENT ACCOUNT is not sufficient to pay what is due to the CONCESSIONAIRE, the GRANTING AUTHORITY shall complement it with its own resources.
- 32.6.3.** If there is any remaining balance in the ADJUSTMENT ACCOUNT, the CUSTODIAN BANK shall transfer the calculated amount into the Treasury Account of the State of Rio Grande do Sul.
- 32.7.** As soon as the total receipt of the payments resulting from the FINAL ADJUSTMENT is proven, the GRANTING AUTHORITY shall authorize the execution of the Final Adjustment and Discharge Agreement, which will characterize the CONTRACT as fully executed, as well as its object definitely accomplished and received.
- 32.8.** Once the CONCESSION is extinguished, the CONCESSIONAIRE may commence its dissolution process once all obligations arising under the FINAL ADJUSTMENT are fulfilled.



**32.8.1.** As long as the obligations arising from the FINAL ADJUSTMENT have not been fulfilled, the CONCESSIONAIRE shall maintain:

**32.8.1.1.** Its minimum capital stock, under the terms of Clause 24;24.

**32.8.1.2.** The CONTRACT PERFORMANCE BOND, under the terms of Clause 10.10.

### **33. ADVENT OF THE FINAL TERM OF THE CONTRACT**

**33.1.** The CONTRACT shall be extinguished upon expiration of the CONCESSION TERM.

**33.2.** The CONCESSIONAIRE shall not be entitled to any indemnity related to investments related to the CONCESSION PROPERTY as a result of the expiration of the CONCESSION TERM, pursuant to subclause 4.4.4.4.

### **34. GENERAL RULES OF INDEMNIFICATION IN CASES OF EARLY TERMINATION**

**34.1.** In the event of early termination of the CONCESSION, the CONCESSIONAIRE shall be entitled to compensation from the GRANTING AUTHORITY, pursuant to the terms of article 36 of Federal Law No. 8,987/1995, which should cover at least the portions of the investments made and linked to RETURNABLE PROPERTY, not amortized or depreciated, that were carried out to ensure the continuity and up-to-dateness of the service granted.

**34.2.** For the purposes of this clause, RETURNABLE PROPERTY shall be considered to be those used in the provision of highway conservation, maintenance, monitoring and operation services, as well as the highway infrastructure itself under concession, such as:

**34.2.1.** The existing buildings, civil works and improvements in the HIGHWAY SYSTEM;

**34.2.2.** Machinery, vehicles and equipment;

**34.2.3.** Furniture and utensils;

**34.2.4.** Computer equipment;

**34.2.5.** Systems, as well as their software and associated rights, which must be transferred immediately, without any onus, alienation, guarantee, pledge or encumbrances of any kind.



- 34.2.6.** Projects and studies related to the improvements and expansion of capacity of the HIGHWAY SYSTEM, approved by the GRANTING AUTHORITY, as provided in this CONTRACT;
- 34.2.7.** Valid environmental licenses;
- 34.2.8.** Direct expenses with expropriation and removal of INTERFERENCES;
- 34.2.9.** Investments made in the highway recovery and completed within the period stipulated in the contract, as long as the performance parameters measured at the time of early termination are maintained.
- 34.3.** The assets mentioned in subclause 34.2 shall only be considered 34.2.:
- 34.3.1.** If they contribute to the continuity of the provision of public service, providing future economic benefits to the HIGHWAY SYSTEM;
- 34.3.2.** Regarding the assets indicated by subclauses 34.2.2, 34.2.3 and 34.2.4 above, if they are owned by the CONCESSIONAIRE and have a remaining useful life, as provided in Exhibit III of Normative Instruction RFB No. 1700, of March 14, 2017 and subsequent amendments.34.2.2.34.2.3.34.2.4.
- 34.4.** The assets transferred to the CONCESSIONAIRE through the PROPERTY LISTING AND TRANSFER INSTRUMENT shall be considered RETURNABLE PROPERTY and not subject to compensation.
- 34.4.1.** The assets referred to in the subclause above will only cease to be returnable when they have been sold or deconstructed with the prior authorization of the GRANTING AUTHORITY.
- 34.5.** The assets used by the CONCESSIONAIRE exclusively in administrative activities, as well as the investments made in the provision of conservation and maintenance services of the HIGHWAY SYSTEM are not considered returnable.
- 34.6.** Not returnable assets shall remain under the control of the CONCESSIONAIRE, which may freely dispose them, immediately after the anticipated termination of the CONTRACT.
- 34.7.** In the event of early termination of the CONTRACT, the methodology for the indemnity calculation related to the investments in RETURNABLE PROPERTY not depreciated or amortized due to the CONCESSIONAIRE shall be the historical cost, calculated on the basis of the assets accounting record of the CONCESSIONAIRE, subject to adjustments by the GRANTING AUTHORITY and to the homologation by AGERGS, excluding the taxes that have been recovered, the financial expenses and the depreciation and amortization set forth in subclause 34.7.6.





- 34.7.1.** No compensation shall be provided for values registered in the assets of the CONCESSIONAIRE, which are related to:
- 34.7.1.1.** Construction revenue margin;
  - 34.7.1.2.** Advances to suppliers for services not yet performed;
  - 34.7.1.3.** Assets and rights that would already be freely transferred to the GRANTING AUTHORITY under the CONTRACT;
  - 34.7.1.4.** Expenses not related to the construction of assets of the HIGHWAY SYSTEM or acquisition of goods;
  - 34.7.1.5.** Pre-operational costs, with the exception of those proven to represent a future economic benefit to the HIGHWAY SYSTEM;
  - 34.7.1.6.** Investments in RETURNABLE PROPERTY placed over and above market conditions.
- 34.7.2.** Amounts deposited in the CONTRIBUTION ACCOUNT and in the ADJUSTMENT ACCOUNT during the CONCESSION TERM shall not be included in the compensation, except in the case of takeover.
- 34.7.3.** The costs of works in progress shall be indemnified only in the case that the assets provide future services to the highway infrastructure.
- 34.7.3.1.** Any costs of repairing deterioration in works in progress shall be deducted from the amount of the indemnity.
- 34.7.4.** For indemnity purposes, loan expenses related to indemnifiable investments will be capitalized up to the term contractually foreseen for rendering the infrastructure available for operation.
- 34.7.4.1.** The costs referred in the subclause above will be capitalized up to the limit of the SELIC rate in effect at the time of the investment.
- 34.7.5.** In the case of indemnifiable assets arising from contracts with RELATED PARTIES, an evaluation of the terms and conditions of the contracts, their amendments and their execution shall be carried out.
- 34.7.5.1.** In the case of payments under conditions that exceed those practiced in the market, the amounts will not be considered for compensation, notwithstanding other appropriate measures, in which the contradictory and ample defense for the party will be assured in its own procedure, aside from the one used for calculating the indemnity amounts due to the CONCESSIONAIRE.



- 34.7.6.** The depreciation and amortization rates adopted shall be linear, considering the period between the time when the asset is available for use and its useful life.
- 34.7.6.1.** The final month used to apply the depreciation or amortization rates applied in the calculation of the values of undepreciated or amortized investments will be the month of early termination of the CONTRACT.
- 34.7.6.2.** In the case of the physical infrastructure of the highway, the useful life provided for in the subclause above shall consider the final term of the CONCESSION.
- 34.7.7.** The value of the indemnifiable assets shall be adjusted by the IPCA index, from the date on which the asset is available for use, until the date of early termination of the CONTRACT.
- 34.7.8.** AGERGS may perform, at any time, inspections, audits, as well as request and examine books, systems, records, additional documents, statements and any information necessary to verify the organization and consistency of the documents presented, including the collection of information and analysis object of the independent verification work.
- 34.7.9.** Once the indemnifiable value of the RETURNABLE PROPERTY is defined, for purposes of indemnity payment, any existing economic-financial imbalances and other discounts provided for in this CONTRACT shall also be deducted.
- 34.8.** For the calculation of the indemnity amount eventually due by the GRANTING AUTHORITY, the CONCESSIONAIRE must present information about the RETURNABLE PROPERTY of the CONCESSION containing:
- 34.8.1.** The description of each asset, indicating the asset code that has been individually assigned to it, as well as its allocation by cost center;
- 34.8.2.** The physical location of the asset, in relation to tangible assets;
- 34.8.3.** The justification of its returnable nature;
- 34.8.4.** The date the asset became available for use, that is the moment it was in the place and in the necessary conditions to operate;
- 34.8.5.** The invoice and the contracts related to the acquisition of goods or rendering of services; and
- 34.8.6.** The identification of the engineering project in which the asset was activated.
- 34.8.7.** In the case of buildings and civil works, the information shall be segregated, at least in:



- 34.8.7.1. Toll plazas;
  - 34.8.7.2. Customer service centers;
  - 34.8.7.3. Precincts and state highway police stations;
  - 34.8.7.4. Infrastructure of road sections and devices containing all associated highway systems;
  - 34.8.7.5. Operational support bases;
  - 34.8.7.6. Vehicle weighing stations; and
  - 34.8.7.7. Monitoring stations.
- 34.8.8. The CONCESSIONAIRE shall provide AGERGS with the detailed amount of each asset, composed by the acquisition price added to the necessary costs to start operation, as well as present a copy of the respective invoices or payment receipts, which must detail, at least, if applicable:
- 34.8.8.1. Name and CPF/CNPJ of the supplier or contractor;
  - 34.8.8.2. Invoice number;
  - 34.8.8.3. Date of the events; and
  - 34.8.8.4. Expenses incurred.
- 34.8.9. The term for the submission of the required information to AGERGS, based on the subclause 34.8, is up to 90 (ninety) days counted from the notification by the Agency.34.8.
- 34.8.9.1. The abovementioned term may be extended for an equal period upon prior authorization by AGERGS.
- 34.9. The calculation and payment of indemnities in the event of early termination of the CONCESSION will be conducted through the instauration of the FINAL ADJUSTMENT procedure.
- 34.10. From the indemnity due to the CONCESSIONAIRE, in any case of early termination, the following shall be discounted, always in the order of preference below:
- 34.10.1. The amounts arising from contractual fines up to the limit of 20% (twenty percent) of the determined indemnity, the tied funds to be allocated to the ADJUSTMENT ACCOUNT already due, but not yet paid, the final marginal cash flow reviews, the balances of factors C, A, D and E, and other sums due to the GRANTING AUTHORITY as a result of the CONTRACT;



- 34.10.2.** The outstanding installments due from the CONCESSIONAIRE to the FINANCIERS related to financing for investments linked to RETURNABLE PROPERTY, plus the contractual interest agreed upon in the respective contractual instruments, assigning to the GRANTING AUTHORITY the option to pay the amounts due directly to the FINANCIERS, procuring discharge thereof.
- 34.10.2.1.** It is also allowed, in the hypothesis of the previous subclause, that the FUTURE OPERATOR succeeds the CONCESSIONAIRE in the financing contract, through the operation of debt assumption;
- 34.10.2.2.** The debt assumption by the FUTURE OPERATOR will be conditioned to the acceptance of the FINANCIERS.
- 34.10.3.** The remaining amount of fines due to the GRANTING AUTHORITY, if any, and the amount of damages caused by the CONCESSIONAIRE to AGERGS and the GRANTING AUTHORITY.
- 34.11.** The calculation of damages referred to in subclause 34.10.3, shall consider the difference between the attributes or performance parameters presented at the end of the CONCESSION and those that should have been fulfilled, as required in the PER and in Exhibit 6 of the CONTRACT.34.10.3.
- 34.12.** The provisions of this clause constitute a general rule of indemnification applicable to all hypotheses of early termination of the CONCESSION, and the GRANTING AUTHORITY must observe, in the terms of the following subclauses, the specificities of each case, notably:
- 34.12.1.** The payment of indemnification for specific items included in each of the cases of early termination of the CONTRACT; and
- 34.12.2.** The moment of payment of the indemnities, ensuring the adjustment, by the IPCA index, of the amounts of the indemnity due until its effective payment.
- 34.13.** In the hypothesis of early termination of the CONCESSION, the compensation to be paid by the GRANTING AUTHORITY must observe the following terms:
- 34.13.1.** In the case of takeover, the payment of the indemnification by the GRANTING AUTHORITY shall be executed prior to the termination of the CONTRACT, pursuant to article 37, of the Federal Law n. 8.987/1995; and
- 34.13.2.** For the other events of early termination, the payment of the indemnity shall observe the proceedings defined by the GRANTING AUTHORITY.



- 34.14.** The GRANTING AUTHORITY budgetary unavailability shall not be considered as a reason to eliminate the incidence of monetary correction and default interest, nor the payment of indemnities.

## **35. RESOLUTORY CONDITION**

- 35.1.** The CONTRACT may be extinguished prematurely by initiative of any of the parties, in the following events:

**35.1.1.** Any delay, not resulting from any fact or act attributable to the parties, which exceeds by 180 (one hundred and eighty) days the time limit established for signing the PROPERTY LISTING AND TRANSFER INSTRUMENT, and which turns the CONTRACT unfeasible from the economic-financial point of view;

**35.1.2.** Infeasibility of contracting long-term financing(s) by the CONCESSIONAIRE, for a fact not attributable to any of the parties, within 24 months from the DATE OF ASSUMPTION;

**35.1.3.** Materialization of act of God or force majeure, when such events are not insurable by at least two insurers and which irreparable consequences extend for more than 90 (ninety) days and compromise the continuity of the CONCESSION from the economic-financial perspective.

- 35.2.** The hypothesis foreseen in Clause 35.1.2 shall not be applied if the CONCESSIONAIRE demonstrates that its capital structure does not require the obtainment of long-term financing(s).35.1.2.

- 35.3.** The early termination of the CONTRACT may be initiated by any of the PARTIES, through formal communication, instructed through the indication of the hypothesis(es) that justify the request, the events that motivate its request and the demonstration of its impact on the economic and financial viability of the CONCESSION;

**35.3.1.** In the hypothesis foreseen in subclause 35.1.1, the notification shall be sent after the exhaustion of the indicated term and be instructed with the explanation of the facts that caused the delay for the signature of the 35.1.1..

**35.3.2.** In the case foreseen in subclause 35.1.2., the notification shall be filed after the refusal of, at least, five (5) financial institutions or equivalents to finance the project and shall contain the demonstration of:

**35.3.2.1.** Technical accuracy of the motivation of the refusals presented by financial institutions or equivalent institutions regarding the concession of the financing(s); and

**35.3.2.2.** Infeasibility of the CONCESSION due to the impossibility of contracting the financing(s).



- 35.3.3.** In the hypothesis foreseen in subclause 35.1.3., the early termination shall be required after the period of ninety (90) days and instructed with the indication of the act of God or force majeure events and the refusal of, at least, two insurers to insure them.
- 35.3.3.1.** The request shall also contain the demonstration of the impacts of the act of God or force majeure event on the CONCESSION economic and financial feasibility
- 35.4.** The communication of early termination, when filed by the CONCESSIONAIRE, in any case, shall be addressed to the GRANTING AUTHORITY, which shall present a statement within 30 (thirty) days about its merits.
- 35.5.** If the communication of early termination is issued by the GRANTING AUTHORITY, the latter must initiate the anticipated termination procedure, notifying the CONCESSIONAIRE so that it may manifest itself, within 15 (fifteen) business days, about the request presented.
- 35.5.1.** The GRANTING AUTHORITY shall present its decision within 30 (thirty) days from the receipt of the CONCESSIONAIRE's manifestation.
- 35.5.2.** The decision will analyze the absence of imputable facts to the CONCESSIONAIRE, the adequacy of the events described to the hypotheses of early termination and the effective economic and financial unfeasibility of the project.
- 35.5.2.1.** In case of divergence with the decision regarding the possibility of early termination issued by the GRANTING AUTHORITY, the CONCESSIONAIRE may address the issue to the mechanisms for dispute resolution indicated in Clause 43.43.
- 35.5.3.** Once the applicability of early termination is decided, the parties may, by mutual agreement, proceed with its implementation, observing the indemnity rules set forth in subclause 35.8.35.8.
- 35.5.4.** In the case of controversy regarding the early termination indemnity conditions, any of the parties may address the issue to the dispute resolution mechanisms indicated in Clause 43.43.
- 35.6.** The early termination of the CONCESSION shall be formalized by an agreement signed by the PARTIES or, in case of disagreement, by a decision issued under the dispute resolution procedures established in Clause 43 of this CONTRACT.43.
- 35.7.** The early termination of the CONTRACT implies the immediate assumption of the object of the CONCESSION by the GRANTING



AUTHORITY, including the operation of the HIGHWAY SYSTEM, the responsibility for the works and maintenance of their respective sites.

**35.8.** The CONCESSIONAIRE and the GRANTING AUTHORITY have the right to be indemnified due to the application of the resolute condition of the CONCESSION, which will be calculated according to the criteria and discounts established by clause 34 and the procedure of clause 32.

## **36. TAKEOVER**

**36.1.** The GRANTING AUTHORITY may, at any time, take over the CONCESSION, for reasons of public interest, by means of a specific authorizing law and upon prior payment of indemnity, to be calculated in accordance with the criteria established in Clause 34.

**36.2.** The indemnification due to the CONCESSIONAIRE in the event of takeover shall cover, in addition to the provisions of the Clause 34, the following items:

**36.2.1.** Amount corresponding to the deposited amounts in the CONTRIBUTION ACCOUNT as a condition for signing the CONTRACT, which have not yet been amortized, considering the linear amortization for the CONCESSION TERM.

**36.2.2.** Opportunity cost of the amount invested in returnable property not amortized or depreciated;

**36.2.3.** The CONCESSIONAIRE'S exemption in relation to its obligations arising from financing agreements, entered into to make the performance of the CONTRACT viable, which may occur, as the case may be, in one of the following forms:

**36.2.3.1.** Prior assumption by the GRANTING AUTHORITY or by the FUTURE OPERATOR, before the FINANCIERS, of the contractual obligations of the CONCESSIONAIRE, notably when the FARE REVENUE is used as a guarantee for the financing; or

**36.2.3.2.** Direct payment of all remaining debts due to the FINANCIERS.

**36.2.4.** All charges and burdens resulting from fines, rescission and indemnities that may be due to suppliers, contractors and third parties in general, including attorney's fees, as a result of the consequent rupture of the respective contractual bonds entered into in function of this CONTRACT.

**36.3.** The indemnity referred to in subclause 36.2.w shall be calculated as follows:

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



In which:

CO = Opportunity Cost of the amount invested in not yet amortized or depreciated returnable property.

A = investments linked to RETURNABLE PROPERTY, not yet amortized or depreciated;

NTNB' = gross real interest selling rate of the IPCA+ Treasury with Semi-Annual Interest (NTN-B), ex ante deduction of Income Tax, with maturity compatible with the expiration of the Contract term, if there were no early termination, published by National Treasury Bureau, considering the average quotation available in the 12 months prior to the date of payment of the indemnity.

n = remaining period between the date of payment of the indemnity and the Concession Term, if there was no early termination of the Contract, on the same basis as NTN-B'.

**36.4.** The payment made as set forth in this clause shall correspond to the complete, general, and unrestricted discharge of the amount owed by the GRANTING AUTHORITY as a result of the indemnification for the takeover, and the CONCESSIONAIRE may not demand, on any account, by any means, other indemnities, including for lost profits and consequential damages.

## **37. FORFEITURE**

**37.1.** The GRANTING AUTHORITY may determine the forfeiture of the CONCESSION in the event of total or partial non-performance of the CONTRACT, especially in the following cases:

- 37.1.1.** Inadequate or deficient provision of the services subject to this CONTRACT on a recurrent basis, based on the rules, criteria, indicators, and performance parameters that define the quality of service;
- 37.1.2.** Repeated non-compliance with the deadlines for implementation and operation of works and services under the PER;
- 37.1.3.** Breach of contractual, legal, or regulatory provisions concerning the CONCESSION that compromises the continuity of the services or safety for users, employees, or third parties;
- 37.1.4.** Shutdown of the service, due to the exclusive or concurrent fault of the CONCESSIONAIRE, except in cases resulting from acts of God or force majeure;
- 37.1.5.** Loss or compromise of the economic, technical, or operational conditions necessary to maintain the adequate rendering of the service provided and the investments provided for in this CONTRACT and the PER;





- 37.1.6.** Failure to comply with the penalties imposed for infringements within the time limits granted for performance thereof;
- 37.1.7.** Failure to attend to a summons from the GRANTING AUTHORITY to bring the provision of the service into good standing;
- 37.1.8.** non-compliance with the subpoena from the GRANTING AUTHORITY or from AGERGS to, within 180 (one hundred and eighty) days, present the documentation related to the fiscal regularity, during the concession term, under the terms of article 29 of Federal Law No. 8.666/1993.
- 37.1.9.** Failure to maintain all the guarantees and insurance required and any unfeasibility or unjustified difficulty in their execution by AGERGS, in the scenarios that may result in execution thereof;
- 37.1.10.** Transfer of the CONCESSION itself without the prior and express consent of the GRANTING AUTHORITY;
- 37.1.11.** Transfer of control of the CONCESSIONAIRE without the prior and express consent of the GRANTING AUTHORITY;
- 37.1.12.** Repeated opposition to the supervision of the Concession, failure to comply with AGERGS' or the GRANTING AUTHORITY's instructions, recurrence or disobedience against the operating standards, in the event that the other penalties provided for in this Contract prove ineffective;
- 37.1.13.** Occurrence of deviation from its corporate purpose by the CONCESSIONAIRE; and
- 37.1.14.** Incidence of contractual penalties that add up, in its aggregate value, to 10% (ten percent) of the CONTRACT VALUE, considering for this purpose the fines that are not subject to appeal at the administrative level.
- 37.2.** The GRANTING AUTHORITY may not order the forfeiture of the CONCESSION with respect to the CONCESSIONAIRE's breach of contract resulting from the events specified in subclause 21.3. or caused by the occurrence of acts of God or force majeure, except in the case of subclause 21.2.23..
- 37.3.** The determination of forfeiture of the CONCESSION shall be preceded by a verification of the CONCESSIONAIRE's contractual default in an administrative proceeding, observing the competences of AGERGS, wherein the Concessionaire is assured the right to full defense.
- 37.4.** No administrative proceedings for forfeiture shall be filed without prior notice to the CONCESSIONAIRE, detailing the contractual violations detected, and it shall be given, in each case, a deadline to correct the faults and violations identified, as well as to requalify under the contractual terms.



**37.4.1.** The establishment of an administrative procedure for the verification of the defaults of the CONCESSIONAIRE, with the offer of a period for defense, shall be immediately communicated to the FINANCIERS.

**37.5.** Once the administrative proceeding has been initiated and the default is confirmed, the forfeiture shall be decreed by the GRANTING AUTHORITY, regardless of prior indemnity, calculated in the course of the proceeding and in accordance with clause 34.34.

**37.5.1.** The indemnity due to the CONCESSIONAIRE in the event of forfeiture shall be limited to the amounts calculated in accordance with clause 34.34.

**37.5.2.** From the amount referred to in subclause 37.5.1, any amounts received by the CONCESSIONAIRE as insurance coverage related to the events or circumstances that led to the declaration of forfeiture shall be discounted.37.5.1.

**37.5.3.** The determination of forfeiture may also result in:

**37.5.3.1.** The execution of the CONTRACT PERFORMANCE BOND, for reimbursement of fines and any damages caused to the GRANTING AUTHORITY;

**37.5.3.2.** The retention of any receivables arising from the CONTRACT, up to the limit of the damages caused to the GRANTING AUTHORITY; and

**37.5.3.3.** Suspension of the right to participate in public bids and from entering into contracts with the Public Administration of the State of Rio Grande do Sul.

**37.5.4.** Once the forfeiture has been determined, the GRANTING AUTHORITY shall not have any kind of liability in relation to charges, burdens, obligations or commitments with third parties or with employees of the CONCESSIONAIRE.

## **38. BANKRUPTCY OF THE CONCESSIONAIRE**

**38.1.** The CONCESSION will be extinguished if the CONCESSIONAIRE has its bankruptcy or extinction determined, by a final and unappealable decision.

**38.2.** In the hypothesis of subclause 38.1, the GRANTING AUTHORITY shall unilaterally terminate the CONTRACT, unless otherwise decided by a judicial decision.38.1.

**38.3.** The indemnity due to the CONCESSIONAIRE in case of its bankruptcy or extinction shall be restricted to the amount of investments linked to RETURNABLE34. PROPERTY not yet amortized, calculated according to the criteria established by subclause 34.



**38.3.1.** From the amount referred to in subclause 38.3, any amounts received by the CONCESSIONAIRE as insurance coverage regarding the events or circumstances that caused the contract termination due to bankruptcy shall be discounted 38.3..

**38.4.** The declaration of bankruptcy or extinction of the CONCESSIONAIRE shall also result in:

**38.4.1.1.** The execution of the CONTRACT PERFORMANCE BOND, for reimbursement of fines and any damages caused to the GRANTING AUTHORITY;

**38.4.1.2.** The retention of any receivables arising from the CONTRACT, up to the limit of the damages caused to the GRANTING AUTHORITY; and

**38.4.1.3.** Suspension of the right to participate in public bids and from entering into contracts with the Public Administration of the State of Rio Grande do Sul.

**38.5.** The GRANTING AUTHORITY may act preventively through the adoption of mechanisms for periodic monitoring of the economic and financial performance of the CONCESSIONAIRE, in order to ensure the maintenance of the qualification conditions required during the bidding procedure.

**38.6.** The division of the respective assets of the bankrupt CONCESSIONAIRE may not be carried out without the GRANTING AUTHORITY's certification, through an inspection report of the conditions of the REETURNABLE PROPERTY, and without the payment by the CONCESSIONAIRE of the amounts title due to the GRANTING AUTHORITY, as indemnity or other.

**38.7.** Once bankruptcy is declared, the GRANTING AUTHORITY, or other entity or public administration body it may choose to appoint, must take possession of all assets related to the CONCESSION, and will immediately assume the execution of the object of this CONTRACT.

## **39. RESCISSION**

**39.1.** The CONTRACT may be terminated by initiative of the CONCESSIONAIRE in the event of breach of the contractual rules by the GRANTING AUTHORITY, by means of a lawsuit specially filed for such purpose, in which case the prior instauration of mediation and arbitration proceedings shall not be required.

**39.2.** The CONCESSIONAIRE shall notify the GRANTING AUTHORITY of its intention to judicially terminate the CONTRACT, indicating the breaches of CONTRACT by the GRANTING AUTHORITY.



**39.3.** The services provided by the CONCESSIONAIRE may only be interrupted or stopped after the final and unappealable judicial decision that determines the rescission of the CONTRACT.

**39.4.** The compensation due to the CONCESSIONAIRE shall observe the criteria and procedures established by clause 34, covering, necessarily, the one established by subclause 36.2.34.36.2.

## **40. ANNULMENT**

**40.1.** The GRANTING AUTHORITY shall declare the nullity of the CONTRACT, thus preventing the legal effects that it should ordinarily produce, in addition to reversing those already produced, if unlawfulness is found in its formalization or in the BIDDING PROCESS.

**40.1.1.** If the annulment of the CONTRACT is imputable to the GRANTING AUTHORITY, the indemnity applicable shall observe the criteria and procedures established by clause 34, covering, necessarily, the one established by subclause 36.2.34.36.2.

**40.1.2.** If the annulment of the CONTRACT 34.37.5.2.37.5.3 is attributable to the CONCESSIONAIRE, the indemnity applicable shall observe the criteria and procedures established by Clause 34 and shall be subject, additionally, to the discounts foreseen by subclause 37.5.2 and, further, to the provisions of subclause 37.5.3.

## **41. INTELLECTUAL PROPERTY**

**41.1.** The CONCESSIONAIRE shall assign to the GRANTING AUTHORITY, free of charge, all projects, plans, blueprints, documents, systems, and computer programs and other materials, of any nature, that have been specifically acquired or prepared in the development of the activities integrated into the CONCESSION, whether directly by the CONCESSIONAIRE or by third parties hired by it and which may prove necessary:

**41.1.1.** For the performance of the duties of the GRANTING AUTHORITY or the exercise of its rights under the CONTRACT; and/or

**41.1.2.** For the continuity of the adequate provision of the service.

**41.2.** Intellectual property rights in studies and plans prepared for the specific purposes of the activities included in the CONCESSION, as well as the projects, plans, blueprints, documents, and other materials described in subclause 41.1 shall be transmitted free of charge to the GRANTING AUTHORITY at the end of the Concession, and it is incumbent upon the CONCESSIONAIRE to adopt all measures necessary for this purpose.41.1.

## **42. INSURANCE**



- 42.1.** During the CONCESSION TERM, the CONCESSIONAIRE shall take out and maintain in force the insurance policies required in subclause 42.5 and under conditions established by the GRANTING AUTHORITY.42.5.
- 42.2.** No work or service may commence or proceed without the CONCESSIONAIRE's submitting to the GRANTING AUTHORITY proof that the insurance policies required by the CONTRACT are in force and comply with the conditions established by the GRANTING AUTHORITY. .
- 42.2.1.** Within 10 (ten) days prior to the beginning of any work or service, the CONCESSIONAIRE must send to the GRANTING AUTHORITY the copies of the insurance policies along with the respective work plans.
- 42.3.** The GRANTING AUTHORITY shall be indicated as a co-insured in the insurance policies referred to in the CONTRACT, and cancellation, suspension, modification, or replacement of any policies must be previously authorized by GRANTING AUTHORITY.
- 42.3.1.** The insurance policies may establish as beneficiaries of the indemnity the CONCESSIONAIRE financiers.
- 42.3.2.** The insurance policies shall foresee direct indemnity to the GRANTING AUTHORITY in the cases in which it is held responsible for the incident.
- 42.4.** In the case of non-compliance by the CONCESSIONAIRE with the obligation to contract and maintain in force the insurance policies, the GRANTING AUTHORITY, regardless of its power to declare the intervention or the forfeiture of the CONCESSION, may proceed to the direct hiring and payment of the respective insurance premium, with all costs at the expense on the CONCESSIONAIRE, who must reimburse the GRANTING AUTHORITY in 05 (five) business days from the date of its notification, under penalty of incidence of default interest corresponding to the variation pro rata temporis of the SELIC rate, from the date of the respective due date until the date of the effective reimbursement, without prejudice to the use of the Performance Bond, to reimburse the costs with the contracting of the referred insurance, as well as other applicable penalties.
- 42.5.** During the CONCESSION TERM, the CONCESSIONAIRE shall maintain in force at least the following insurances:
- 42.5.1.** Insurance of the "all risks" type for property damage, covering loss, destruction or damage to all or any of the assets that are part of the CONCESSION, and must cover what is normally included according to international standards for projects of this nature, in the following modalities:
- i.** Property Damage;
  - ii.** Minor engineering works (existing public assets in the HIGHWAY SYSTEM transferred to the partner);



- iii. Tumults, vandalism, intentional actions;
- iv. Fire, lightning and explosion of any nature;
- v. Robbery and qualified theft (except values);
- vi. Electrical damage;
- vii. Windstorm, smoke;
- viii. Damage caused by glass objects;
- ix. Accidents of any nature;
- x. Flooding, inundation; or
- xi. Damage resulting from operational risks and related to machinery and equipment of the CONCESSION;

**42.5.2.** General liability insurance, covering the CONCESSIONAIRE and the GRANTING AUTHORITY, as well as their officers and directors, employees, staff members, agents, or representatives, for the amounts for which they may be liable for property, personal, and moral damages, legal costs, and any other charges related to property, personal, or moral damages arising from the activities covered by the CONCESSION, including, but not limited to:

- i. Damage caused to third parties;
- ii. Additional coverage for cross liability;
- iii. Accidents of any nature involving third parties;
- iv. Work accidents to the employees involved, according to the legislation in force;
- v. Damages resulting from sudden pollution.
- vi. Involuntary personal injury, death, property damage to third parties and their vehicles, including the GRANTING AUTHORITY.

**42.5.3.** Engineering risk insurance of the "all risks" type that must be in force during the entire period of the works, involving coverage of any investments, costs and/or expenses related to the civil works and infrastructure (construction, installations and assembly, including all acceptance tests), as well as:

- i. Basic engineering risk coverage;
- ii. Project errors;



- iii. Manufacturer's risk;
- iv. Extraordinary expenses;
- v. De-cleaning expenses;
- vi. Flood, inundation;
- vii. Test period and external damages caused to the equipment employed in the works.

**42.5.4.** The amounts covered by property damage insurance and civil liability insurance, including the moral damages covered, shall meet the maximum limits of indemnity calculated based on the greatest probable damage.

**42.6.** The CONCESSIONAIRE shall inform the GRANTING AUTHORITY of all assets covered by the insurance and the method of calculating the maximum indemnity limit of each insurance policy.

**42.7.** The CONCESSIONAIRE assumes all liability for the scope of or omissions arising from the insurance dealt with in the CONTRACT.

**42.8.** The CONCESSIONAIRE is responsible for full payment of the deductible if any insurance provided for in the CONTRACT is used.

**42.9.** The insurance policies must state the obligation of the insurers to inform, immediately, the CONCESSIONAIRE and the GRANTING AUTHORITY of changes to the insurance contracts, principally those involving total or partial cancellation of the insurance policies purchased or reduction in amounts insured.

**42.10.** The insurance policies shall have a minimum term of 12 (twelve) months as of the date of execution of the CONTRACT, and shall be renewed successively for the same period during the CONCESSION TERM.

**42.11.** The CONCESSIONAIRE shall send to the GRANTING AUTHORITY, at least 30 (thirty) days in advance of its expiration, proof that the insurance policies have been renewed or shall be automatically and unconditionally renewed immediately after their expiration.

**42.11.1.** If the CONCESSIONAIRE does not forward the documents proving the renewal of the insurance on time, the GRANTING AUTHORITY may purchase the insurance and charge the CONCESSIONAIRE, at any time, the full amount of the respective premium, or also consider it for the purpose of restoring the economic balance of the CONTRACT, without exempting the CONCESSIONAIRE from the penalties provided for in this CONTRACT.

**42.11.2.** No liability shall be assigned to the GRANTING AUTHORITY if it chooses not to take out insurance the policy of which was not submitted within the timeframe provided for by the CONCESSIONAIRE.



**42.12.** The CONCESSIONAIRE, with prior authorization from the GRANTING AUTHORITY, may modify coverages or other conditions of the insurance policies in order to adapt them to new situations that occur during the term of duration of the CONTRACT.

**42.13.** The CONCESSIONAIRE shall forward to the GRANTING AUTHORITY copies of the insurance policies purchased and renewed.

## **43. DISPUTE RESOLUTION**

### **43.1. Administrative Procedure**

**43.1.1.** The conflicts regarding the CONTRACT, including as to its interpretation or execution, shall be initially settled by administrative means, and AGERGS shall be responsible for appraising and judging the disputes instituted.

**43.1.2.** After the use of the administrative measures, or after expiration of twelve (12) months from the protocol of the request for examination of the controversy by AGERGS, any of the parties may provoke the definitive resolution of the conflicts related to the CONTRACT through arbitration, in the form of subclause 43.2, in conformity with Federal Law No. 9.307/199643.2..

### **43.2. Arbitration**

**43.2.1.** The arbitration shall be conducted by the Center for Arbitration and Mediation of the Chamber of Commerce Brazil-Canada ("CAM-CCBC") and must follow the standards established in its Rules, of which the provisions are part of this contract.

**43.2.1.1.** If the institution referred to by subclause 43.2.1, for any reason, does not become accredited in the form of State Decree No. 55,996/2021, the CONCESSIONAIRE shall indicate a three name list of arbitral institutions accredited in the form of the Decree, and the GRANTING AUTHORITY shall be responsible for choosing one of them in up to thirty (30) days from the communication.

**43.2.1.2.** If there are no arbitration institutions accredited under State Decree No. 55,996/2021, the CAM-CCBC Rules must be adopted.

**43.2.1.3.** The arbitral tribunal shall consist of three arbitrators, appointed in the manner provided in the Rules of the arbitral institution.

**43.2.1.4.** The arbitration shall be held in Porto Alegre, State of Rio Grande do Sul, using Portuguese as the official language for the practice of any and all acts.





- 43.2.1.5.** The applicable law to the merits of the arbitration shall be the Brazilian one, being excluded judgment by equity.
- 43.2.2.** If it is necessary to obtain coercive, precautionary, or urgent measures before the constitution of the arbitral tribunal, or even during the mediation procedure, the parties may request them directly to the competent body of the Judiciary Branch.
- 43.2.3.** The submission to arbitration, under the terms of this item, does not exempt the GRANTING AUTHORITY nor the CONCESSIONAIRE from the obligation to fully comply with this CONTRACT, nor does it allow the interruption of activities related to the CONCESSION, subject to the provisions of this CONTRACT.
- 43.2.4.** Issues related to inalienable rights, such as the nature and public ownership of the service awarded and the authority to supervise the operation of the delegated service may not be the subject of arbitration.
- 43.2.5.** The losing party in the arbitration shall be liable for the proceeding costs.
- 43.2.5.1.** The PARTIES agree that the CONCESSIONAIRE shall bear the expenses of hiring the arbitration court and the entire procedure until the award is rendered, regardless of the party who requests the commencement of the arbitration.
- 43.2.5.2.** If there is an arbitration award entirely unfavorable to the GRANTING AUTHORITY, it shall reimburse the CONCESSIONAIRE for the expenses incurred.
- 43.2.5.3.** Alternatively, in case of impossibility of compensation in cash, and in a consensual agreement between the parties, the reimbursement may occur through the restoration of the economic and financial balance of the contract in favor of the CONCESSIONAIRE.
- 43.2.5.4.** In the event of partial defeat of both parties, the expenses arising out of the arbitration proceeding shall be shared as indicated in the arbitration award.
- 43.2.5.5.** Each of the parties shall bear its own costs related to legal fees.
- 43.2.6.** The parties may choose a different arbitration court from the one provided in subclause 43.2.1, as far as there is mutual agreement 43.2.1..
- 43.2.7.** The parties agree that the decisions rendered by arbitration shall be final and binding on each of them.
- 43.2.8.** The hired arbitration court will act exclusively for the resolution of the controversy or disputes for which it is designated, whereas new contracts must be made for the resolution of future conflicts.



**43.2.9.** The parties renounce any other court that would otherwise have jurisdiction to rule on any matter submitted to arbitration under the terms of this clause.

## **44. FINAL PROVISIONS**

**44.1.** The CONCESSIONAIRE must observe and respect all resolutions and other rules, observing, however, the peculiarities and specificities inherent to the rules and regulations applicable to the concessions and respecting the terms of this CONTRACT.

**44.2.** The non-exercise or the late or partial exercise of any right that assists any of the parties by the CONTRACT does not imply a waiver, nor prevents its subsequent exercise at any time, nor does it constitute a novation of the respective obligation or precedent.

**44.3.** If any provision of the CONTRACT is found or declared void, invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the other provisions contained in the CONTRACT will not, in any way, be affected or restricted by such fact.

**44.3.1.** The PARTIES shall negotiate, in good faith, the replacement of invalid, illegal or unenforceable provisions with valid, legal and enforceable provisions, the economic effect of which shall be as close as possible to the economic effect of the replaced provisions.

**44.4.** Each statement and warranty made by the parties to this CONTRACT shall be treated as an independent declaration and warranty, and the responsibility for any failure will be that of the one who made it and will not be altered or modified to the knowledge of any of the parties.

**44.5.** The CONTRACT shall be governed and interpreted in accordance with the laws of the Federative Republic of Brazil and of the State of Rio Grande do Sul.

**44.6.** Communications and notifications between the Parties shall be made in writing and sent: (i) by hand, as long as proven by protocol; (ii) by registered mail, with acknowledgment of receipt; or (iii) by electronic mail. Either party may modify its address by simply communicating it to the other party.

**44.7.** For deadlines established in days in the CONTRACT, the starting day shall be excluded from the count and the expiration day shall be included to it, and the counting shall be made in calendar days, except when there is an express reference to business days.

**44.8.** The referred deadlines shall only begin or expire in the GRANTING AUTHORITY'S business days.

**44.9.** All documents related to the CONTRACT and the CONCESSION must be written in Portuguese, or translated into it, in the case of foreign documents.



In case of any conflict or discrepancy between versions, the Portuguese version shall control.

## 45. JURISDICTION

- 45.1. The Judicial District of Porto Alegre is hereby elected to decide on claims which, under this CONTRACT and the law, cannot be discussed in arbitration, as well as to decide on provisional and emergency measures, if necessary, and to decide on claims related to the institution of arbitration proceedings and to the enforcement of the arbitral award, pursuant to Federal Law No. 9307/1996.

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Secretary of Logistics and  
Transportation

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[CONCESSIONAIRE]

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STATE REGULATORY AGENCY  
FOR RIO GRANDE DO SUL'S  
GRANTED PUBLIC SERVICES -  
AGERGS



## EXHIBIT 1 - PROPERTY LISTING AND TRANSFER INSTRUMENT

On the [●] day of the month of [●] of the year [●], by this instrument, on the one hand,

(1) Secretary of Logistics and Transportation of the State of Rio Grande do Sul, a body part of the state direct administration, headquartered at Av. Borges de Medeiros, nº 1501 - Centro/Praia de Belas, Porto Alegre - RS, CEP 90020-020, hereby in this act represented by Mr. Secretary [●], hereinafter referred to as “GRANTING AUTHORITY”;

(2) [CONCESSIONAIRE], a corporation, headquartered in [Municipality], State of [●], at [address], enrolled in the National Register of Corporate Taxpayers, of the Ministry of Economy, under No. [●], herein represented by [●], Mrs. [names and information], as per the powers provided for in its bylaws; and

(3) Autonomous Department of Highways, an autarchy linked to the Secretary of Logistics and Transportation of the State of Rio Grande do Sul, headquartered at Av. Borges de Medeiros, 1555 - Porto Alegre, herein represented by its [●], Mr [●], [qualification], hereinafter referred to as "DAER";

Whereas:

- The [CONCESSIONAIRE] was organized, on [●] [●], [●], by the [BIDDER], winner of the Public Tender for the operation of the infrastructure and the rendering of the public service of recovery, operation, maintenance, monitoring, conservation, implementation of improvements, expansion of capacity, and maintenance of the service level of the HIGHWAY SYSTEM service level (as defined in the Concession CONTRACT mentioned below), according to a publication of the Official Federal Gazette on [●] [●], [●];
- The Concession Contract was entered into on [●] [●], [●], as published in the Official Federal Gazette on [●] [●], [●] (the “CONTRACT”); and
- Subsection 4.2.1 of the Concession CONTRACT provides for the transfer by DAER of the CONCESSION PROPERTY to the CONCESSIONAIRE on the DATE OF ASSUMPTION;
- The Art. 1 of Law No. 14,875, of June 9, 2016, authorized the Executive Branch to grant the services of operation, exploration, conservation, maintenance, improvements and expansion of the transport infrastructure of the highways that are part of the State Highway System, pursuant to Federal Laws No. 8,987, of February 13, 1995, and No. 9,074, of July 7, 1995.



The DAER, the GRANTING AUTHORITY and the CONCESSIONAIRE hereby enter into the PROPERTY LISTING AND TRANSFER INSTRUMENT currently used for the operation and maintenance of the HIGHWAY SYSTEM

The CONCESSION PROPERTY are the physical elements of the road stretches comprised by Highway ERS-130 (km 69,19 to km 97,27), Highway ERS-129 (km 67,55 to km 163,34), Highway RSC-453 (km 0,00 to km 29,83), Highway RSC-453 (km 37,97 to km 96,18), Highway ERS-128 (km 13,89 to km 30,27), Highway ERS-135 (km 0,00 to km 78,33), Highway ERS-324 (km 188,12 to km 292,13) and Highway BRS-470 (km 152,87 to km 158,96), observed that the transfer of this last stretch shall only be effective if the suspensive condition described by subclause 4.1.2 of the CONTRACT is met.

The stretches that are part of the CONCESSION and the stretches of BRS 470 is subdivided into road segments, as defined in the PER. As a reference, the returnable assets of the road stretch defined above are presented in the General Registry of the Highway, of the Technical Feasibility Study, comprising:

- Pave and its structure;
- Signaling and safety devices;
- Special works of art;
- Drainage system and current works of art;
- Domain range;
- Accesses;
- Electrical and lighting systems.

\_\_\_\_\_  
SECRETARY OF LOGISTICS AND  
TRANSPORTATION

\_\_\_\_\_  
[CONCESSIONAIRE]

\_\_\_\_\_  
[DAER/RS]



## EXHIBIT 2 - PER



EXHIBIT 3 - BANK GUARANTEE MODEL

[place], [●] [●], [●]

To the

Secretary of Logistics and Transportation of the State of Rio Grande do Sul ("GRANTING AUTHORITY")

Av. Borges de Medeiros, No. 1.501

Centro/Praia de Belas

90020-020 Porto Alegre, RS

Ref: Bank Letter of Guarantee No. [●] (the "LETTER OF GUARANTEE")

- 1. By this LETTER OF GUARANTEE, the Bank [●], headquartered in [●], enrolled in the National Register of Corporate Taxpayers of the Ministry of Finance ("CNPJ/MF") under No. [●] (the "GUARANTOR BANK"), directly for itself and for any of its successors, undertakes to be bound vis-à-vis GRANTING AUTHORITY as joint guarantor of [Concessionaire], headquartered at [●], enrolled in the CNPJ/MF under No. [●] (the "PRINCIPAL OBLIGOR"), with express waiver of the rights provided for under articles 827, 835, 837, 838, and 839 of Law No. 10.406, of January 10, 2002 (the Brazilian Civil Code), for the faithful fulfillment of all obligations assumed by the PRINCIPAL OBLIGOR in CONCESSION CONTRACT No. [●], for the rendering of the public service of recovery, operation, maintenance, conservation, implementation of improvements, and expansion of the capacity of the Highway System (the "CONTRACT"), entered into between GRANTING AUTHORITY and the PRINCIPAL OBLIGOR on [●], and the GUARANTOR BANK expressly represents that is aware of and accepts the terms, provisions, and conditions thereof.
2. As a result of this LETTER OF GUARANTEE, the GUARANTOR BANK undertakes to pay to GOVERNMENT, in the event of breach of the obligations assumed by the PRINCIPAL OBLIGOR in the CONTRACT, including, but not limited to, the scenarios of default provided for in subclause 10.5 of the CONTRACT, the amounts identified blow, for each year of the CONTRACT (the "GUARANTEE"):

Table with 2 columns: Period, Amount



From the 1st year until the 10th year	BRL 408,167,164.87
From the 11th year until the 20th year	BRL 306,125,373.65
From the 21st year until the 30th year	BRL 204,083,582.44

- 2.1. The reduction in the value of the Contract Performance Bond is conditioned on fulfillment of the milestones described in the PER, as attested to by GRANTING AUTHORITY.
- 2.2. The Contract Performance Bond shall be adjusted annually by the same readjustment index of the CONCESSION.
3. The GUARANTOR BANK undertakes also, within the scope of the amounts indicated in item 2 of this BANK LETTER OF GUARANTEE, to pay for the damages caused by the PRINCIPAL OBLIGOR, and undertakes to make payments arising on this account when required of it, within a maximum period of forty-eight (48) hours, as of the receipt by the GUARANTOR BANK of the written notice sent by GRANTING AUTHORITY.
4. The GUARANTOR BANK may not admit any objection or opposition of the PRINCIPAL OBLIGOR or invoked by it for the purpose of refusing to comply with the obligation assumed vis-à-vis GRANTING AUTHORITY pursuant to this LETTER OF GUARANTEE.
5. The GUARANTOR BANK and the PRINCIPAL OBLIGOR may not change any of the terms of the GUARANTEE without the prior written authorization of the GRANTING AUTHORITY.
6. Whenever the PRINCIPAL OBLIGOR uses part of the total of the GUARANTEE, the GUARANTOR BANK undertakes to provide immediate notice to the PRINCIPAL OBLIGOR in order that it proceed, within ten (10) days as of the date of use, to restore the full amount of the GUARANTEE.
7. In the event that the GRANTING AUTHORITY goes to court to demand compliance with the obligation referred to in this LETTER OF GUARANTEE, the GUARANTOR BANK is obliged to pay the judicial or extrajudicial expenses.
8. The GUARANTEE shall be effective for one (1) year as of the date hereof, as per the conditions mentioned in Clause 10 of the CONTRACT.





9. The GUARANTOR BANK represents that:
- 9.1. This LETTER OF GUARANTEE has been duly accounted for, in full compliance with the Central Bank of Brazil's regulations currently in force, in addition to complying with the applicable banking laws and regulations;
  - 9.2. The signatories of this instrument are authorized to provide the GUARANTEE on its behalf and at its responsibility; and
  - 9.3. Its share capital is [●] (R\$ ●), being authorized by the Central Bank of Brazil to issue letters of guarantee, and that the value of this LETTER OF GUARANTEE, in the amount of [●] (R\$ ●), is within the limits authorized by the Central Bank of Brazil.
10. The terms not expressly defined in this LETTER OF GUARANTEE shall have the meanings ascribed to them in the CONTRACT.

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[Notarized Signature of the attorneys-in-fact]

Witnesses:

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Name:

RG:

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Name:

RG:



## EXHIBIT 4 – MODEL OF PERFORMANCE BOND

### MINIMUM TERMS AND CONDITIONS OF THE PERFORMANCE BOND

#### 1. Customer

1.1. Concessionaire

#### 2. Insured

2.1. Secretary of Logistics and Transportation of the State of Rio Grande do Sul

#### 3. Purpose of the Insurance

3.1. Guarantee the faithful fulfillment of all obligations contracted by the CONCESSIONAIRE vis-à-vis the GRANTING AUTHORITY, pursuant to the HIGHWAY SYSTEM CONCESSION CONTRACT, and the Insured shall be indemnified, for the amounts set forth in item 5 below, when contractual breach occurs, including, among others, the events of breach of contract indicated in the Clause 10 of the CONTRACT.

#### 4. Instrument

4.1. Performance Bond Policy issued by an insurance company duly incorporated and authorized to operate by the Superintendence of Private Insurance [“Superintendência de Seguros Privados”] - SUSEP, observing the terms of the SUSEP normative acts applicable to performance bond.

#### 5. Amount of the Guarantee

5.1. The Performance Bond Policy shall provide for the following indemnity amounts for each year of the CONTRACT:

Period	Amount
From the 1st year until the 10th year	BRL 408,167,164.87
From the 11th year until the 20th year	BRL 306,125,373.65
From the 21st year until the 30th year	BRL 204,083,582.44



**5.2.** The reduction in the value of the CONTRACT PERFORMANCE BOND is conditioned on fulfillment of the milestones described in the PER, as attested to by GRANTING AUTHORITY.

**5.2.1.** The Contract Performance Bond shall be adjusted annually by the same readjustment index of the CONCESSION.

## **6. Term of Duration**

**6.1.** The Performance Bond Policy shall have a minimum term of one (1) year, renewable for the same period.

## **7. Additional Provisions**

**7.1.** The Performance Bond Policy shall contain the following additional provisions:

- i. statement by the Insurer that it is aware of and accepts the terms and conditions of the CONTRACT;
  - ii. prohibition on cancellation of the Performance Bond Policy due to nonpayment of all or part of the premium;
  - iii. in the event of proven breach by the Policyholder of the obligations covered by the Performance Bond Policy, the Insured shall have the right to claim from the Insurer the compensation due, when notice to the Policyholder is unsuccessful;
  - iv. that, once the forfeiture of the CONCESSION has been declared, the Secretary of Logistics and Transport of Rio Grande do Sul may execute the Performance Bond Policy to obtain reimbursement for any losses; and
  - v. Any legal issues arising between the Insurer and the Insured shall be resolved in the jurisdiction of the Insured's domicile.
- 8.** The terms not expressly defined in this EXHIBIT shall have the meanings ascribed to them in the CONTRACT.



## **EXHIBIT 5 - REBALANCING DISCOUNT AND REBALANCING ADDITION**

### **1. Introduction**

- 1.1 This EXHIBIT aims to specify the methodology for assessment, calculation, and application of the REBALANCING DISCOUNT and the REBALANCING ADDITION related to the provision of public services subject to the CONCESSION, including those provided for in the STOCK IMPROVEMENTS.
- 1.2 The REBALANCING DISCOUNT and REBALANCING ADDITION shall be calculated in the form of this EXHIBIT, considering the application of the temporal adjustment coefficient and extracting from its calculation the FACTOR D, the FACTOR A and the FACTOR E, all of them incident on the value of the SINGLE LANE BASIC TOLL FARE and the DOUBLE LANE BASIC TOLL FARE, as provided for in this EXHIBIT and in the CONTRACT.

### **2. Rebalancing Discount**

- 2.1 THE REBALANCING DISCOUNT does not constitute a kind of penalty imposed on the CONCESSIONAIRE, but a mechanism to relieve the users of the HIGHWAY SYSTEM. It assumes that if the public service provided in the CONCESSION is in breach of the terms and conditions set forth in the CONTRACT and the PER, such service shall not be fully remunerated. It is a mechanism that is pre-established and agreed upon between the parties to the CONTRACT, in order to maintain its economic and financial balance in cases of non-attainment of the PER's targets or suppression of investments in the Recovery and Maintenance Obligations, Capacity Extension and Improvements Obligations, Service Level Maintenance Obligations, and Operational Service Obligations, in line with their respective Technical Parameters and the Performance Parameters of the PER.
- 2.2 The CONCESSION's performance shall be considered satisfactory when the public service provided to users fully meets the conditions established in the CONTRACT and PER.
- 2.3 The performance evaluation provided for in this EXHIBIT is the objective verification, promoted by AGERGS, to measure the CONCESSION's performance based on the indicators established in TABLES I, II and III below, with a view to maintaining the contractual equivalence between the



services provided by the CONCESSIONAIRE and their remuneration, depending on the execution of the works and services defined in the Recovery and Maintenance Obligations, Capacity Extension and Improvements Obligations, Service Level Maintenance Obligations, and Operational Service Obligations in accordance with the Scopes, Technical Parameters and Parameters of Performance, as provided for in the PER.

- 2.4 The performance evaluation will be carried out on an annual basis and will aim to identify the non-performance of the works and services defined in the Recovery and Maintenance Obligations, Capacity Extension and Improvements Obligations, Service Level Maintenance Obligations, and Operational Service Obligations, in accordance with the Technical Parameters and the Performance Parameters. This identification will be made by verifying the non-compliance with each of the aforementioned activities in the HIGHWAY SYSTEM and for each year of the CONCESSION term, observing that:
  - 2.4.1 the works and services defined in the Recovery and Maintenance Obligations, Capacity Extension and Improvements Obligations, Service Level Maintenance Obligations, and Operational Service Obligations must be carried out in accordance with the Technical Parameters and deadlines established in the PER;
  - 2.4.2 if there is a partial non-compliance with the Scopes, Performance Parameters or Technical Parameters, or their compliance with the specifications established in the CONTRACT and PER, the respective activity will be considered not fulfilled;
  - 2.4.3 non-compliance with each activity will be certified and documented by AGERGS, with support of the GRANTING AUTHORITY.
  - 2.4.4 AGERGS may have the support of an INDEPENDENT VERIFIER to supervise the compliance with the parameters foreseen in this EXHIBIT.
- 2.5 For the fulfillment of all the activities specified in TABLES I, II and III within the period initially foreseen in the PER, there will be no application of the REBALANCING DISCOUNT.
- 2.6 For each year of the CONCESSION'S TERM, except for the last one, the REBALANCING DISCOUNT will be calculated by the sum of the percentages related to the activities not complied with in TABLES I, II and III, observing that the percentages related to the activities of these TABLES will be added to the REBALANCING DISCOUNT only in the year following the non-compliance. Such percentages will be removed from the calculation of the following REBALANCING DISCOUNT if the irregularity



is remedied until the respective performance evaluation and delivery of the works. Thus, the impact on the on the SINGLE LANE BASIC TOLL FARE and on the DOUBLE LANE BASIC TOLL FARE shall occur all at once, in the year following the year of the assessment.

2.7 Failure to comply with the activities of TABLES I, II and III in the last year of the CONTRACT will generate indemnity to the GRANTING AUTHORITY corresponding to the application of the sum of the REBALANCING DISCOUNT percentages, related to the activities not performed, on the revenue of the last year of the CONCESSION.

2.8 The result of the evaluation will determine, annually, the percentage related to the REBALANCING DISCOUNT to be applied to the SINGLE LANE BASIC TOLL FARE and to the DOUBLE LANE BASIC TOLL FARE.

2.9. The percentage related to the Rebalancing Discount - Factor D, which will focus on the SINGLE LANE BASIC TOLL FARE and on the DOUBLE LANE BASIC TOLL FARE, will be calculated according to the following formula:

$$D = Dt \times CAT$$

Where,

D is the Rebalancing Discount - Factor D;

Dt is the predetermined percentage provided for in Tables I, II, and III; and

CAT is the Time Adjustment Coefficient provided for in Table IV and applied as described in item 5 of this Exhibit.

### 3. Rebalancing Addition – FACTOR A

3.1 The REBALACING ADDITION calculated by FACTOR A consists of the percentage increase to the value of the SINGLE LANE BASIC TOLL FARE and of the DOUBLE LANE BASIC TOLL FARE pre-fixed in TABLE II arising from the anticipation of the delivery term of the Capacity Expansion and Improvement Works provided for in the PER.

3.1.1. The anticipation of the delivery term of the Capacity Expansion Works can only be done through previous authorization by the GRANTING AUTHORITY.

3.2 The REBALACING ADDITION is not a type of bonus in favor of the CONCESSIONAIRE, but a pre-fixed mechanism to compensate the CONCESSIONAIRE for the anticipation of investments planned for the implementation of the works of expansion of capacity and improvements provided for in the PER. It assumes that these works had their execution



deadline anticipated by the CONCESSIONAIRE and the additional financial cost should be reimbursed as a result of serving the public interest by expanding the capacity available to users.

- 3.3 The REBALACING ADDITION shall be applied together with the REBALACING DISCOUNT in the ORDINARY REVIEW immediately following the receipt of all the duplication works by the GRANTING AUTHORITY, pursuant to the CONTRACT and PER.
- 3.4. The result of the assessment shall determine the percentage related to the REBALANCING ADDITION to be applied annually to the SINGLE LANE BASIC TOLL FARE and to the DOUBLE LANE BASIC TOLL FARE, as of the ORDINARY REVIEW subsequent to the completion of the works and services until the end of the CONCESSION TERM.
- 3.5. The Time Adjustment Coefficient shall be applied over the pre-set percentages provided for in this EXHIBIT.
- 3.6. In the case of the early completion of the Capacity Expansion and Improvement Works provided for in the PER, the Additional Adjustment Coefficient provided for in Table V shall also be applied, in order to balance revenues and expenses over time, maintaining the neutrality of FACTOR A in the case of anticipation contractual obligations.
- 3.6.1. The Additional Adjustment Coefficient is a coefficient that aims to capture the anticipation time of Capacity Expansion and Improvement Works.
- 3.7. The percentage related to the Rebalancing Addition - FACTOR A, which shall apply on the SINGLE LANE BASIC TOLL FARE and on the DOUBLE LANE BASIC TOLL FARE, shall be calculated according to the following formula:

$$A = [(CAA \times Dt) - Dt] \times CAT$$

Where,

A is the Rebalancing Addition - Factor A;

CAA is the Additional Adjustment Coefficient applied only to the Rebalancing Addition - Factor A, as provided for in Table V;

Dt is the pre-set percentage provided in Table II; and

CAT is the Time Adjustment Coefficient provided for in Table IV and applied as described in item 5 of this Exhibit.



#### 4. Rebalancing Addition – FACTOR E

4.1. The REBALANCING ADDITION calculated by the FACTOR E consists of the percentage increase to the value of the SINGLE LANE BASIC TOLL FARE and of the DOUBLE LANE BASIC TOLL FARE pre-fixed in Table IA or in Table II, as the case may be, arising from the requirement, by the GRANTING AUTHORITY, of works provided for in the STOCK IMPROVEMENTS.4.2. The application of the STOCK IMPROVEMENTS will be carried out based on the characterized improvements indicated in Table IA or in Table II.

4.2.1. In the event that there is no direct correspondence between the necessary improvement and the typification provided for in Table IA or in Table II, AGERGS may compose new percentages considering the pre-fixed percentages in Table IA or in Table II, as the case may be, as a reference, equating them.

4.2.2. The STOCK IMPROVEMENTS limit, as well as its balance after partial use, will be calculated based on the pre-set percentages in Table IA or in Table II, as the case may be, disregarding the application of the Temporal Adjustment Coefficient, since its incidence is only intended to adjust temporally the addition.

4.3. The percentage related to the REBALANCING ADDITION calculated by FACTOR E, which shall apply on the SINGLE LANE BASIC TOLL FARE and on the DOUBLE LANE BASIC TOLL FARE, shall be calculated according to the following formula:

$$E = Dt \times CAT$$

Where,

E is the Rebalancing Addition - Factor E;

Dt is the pre-set percentage provided in Table IA or in Table II, as the case may be; and

CAT is the Time Adjustment Coefficient provided for in Table IV and applied as described in this Exhibit

#### 5. Time Adjustment Coefficient

5.1. The Temporal Adjustment Coefficient consists of multiplying the calculated percentage of Discount or Rebalancing Addition by the pre-fixed amount in Table IV, in order to balance income and expenses over time, maintaining the neutrality of Factors D, A and E.





5.2. The application of the Temporal Adjustment Coefficient shall only apply to the items foreseen in Tables I, IA II and III.

5.3. In the case of Factor D, the reference year of the Temporal Adjustment Coefficient in Table IV shall correspond to the year foreseen for the execution of the works and services listed in the PER.

5.3.1. Factor D shall remain constant and shall be applied for as long as non-execution persists, as of its incorporation through an ORDINARY REVIEW.

5.4. In the case of Factor A and E, the reference year of the Temporal Adjustment Coefficient in Table IV shall correspond to the year of completion of the execution of the works and services listed in the PER.

5.4.1. Factor A and Factor E shall remain constant until the end of the Concession Term, as from their incorporation through an ordinary review.

## 6. Suppression of Works and Services

6.1. In the event of definitive exclusions of works and services contained in the PER, approved by the GRANTING AUTHORITY, and provided for in Tables II and III of this Exhibit, the restoration of the economic and financial balance shall occur through the application of Factor D until the end of the Concession Term.

Table I – REBALANCING DISCOUNT Indicators and Percentages of the HIGHWAY SYSTEM regarding to Recovery and Maintenance Obligations.

Quality indicators or performance parameters in disagreement with the contractual forecast for the PER Recovery and Maintenance Front (1)		%	Unit	Factor
1	Absence of depressions, bumps, or protruding areas on the road or shoulder	0,00489%	Per km	D
2	No unevenness between adjacent traffic lanes	0,00335%	Per km	D
3	Gap between traffic lane and shoulder as established in the PER	0,00335%	Per km	D
4	Absence of arrows on wheel tracks, according to performance parameters	0,00335%	Per km	D
5	Compliance with Maximum Longitudinal Irregularity (IRI) limits	0,00643%	Per km	D
6	Compliance with the maximum cracked area limits (TR)	0,00206%	Per km	D
<b>MAXIMUM ANNUAL PAVIMENT IMPACT</b>		<b>9,71593%</b>	--	--
7	Compliance with vertical signaling performance parameters	0,00035%	Per km	D
8	Compliance with horizontal signaling performance parameters	0,00286%	Per km	D



9	Compliance with the performance parameters for safety and security devices	0,00006%	Per km per year	D
10	Compliance with the performance parameters for electrical and lighting systems	0,00000%	Per km per year	D
<b>MAXIMUM ANNUAL IMPACT SIGNALING, SAFETY DEVICES AND ELECTRICAL AND LIGHTING SYSTEM</b>		<b>1,93413%</b>	--	--
11	Compliance with the performance parameters for the Reinforcement OAEs for TB-45	0,00004%	Per m <sup>2</sup>	D
12	Compliance with the performance parameters for the Enlargement and Recovery OAEs	0,00009%	Per m <sup>2</sup>	D
<b>MAXIMUM ANNUAL IMPACT OAEs</b>		<b>0,73177%</b>	--	--
13	Maintenance of clearings	0,00009%	Per km per year	D
14	Fencing restoration	0,000000%	Per fencing km	D
<b>MAXIMUM IMPACT DOMAIN RANGE AND CENTRAL SITE</b>		<b>1,35739%</b>	--	--
<b>MAXIMUM ANNUAL IMPACT OF THE RECOVERY AND MAINTENANCE FRONT</b>		<b>13,73922%</b>	--	--

Table IA – Stock Improvement for Works and Services for the Capacity Expansion and Improvements Front and foreseen for the HOMOGENEOUS STRETCHES in Table II

Works and Services for the Capacity Expansion and Improvements Front		Obs	Percentage	Unity	Factor	Reference Year
1	Marginal Lanes	(1)	0,03593%	Per km	E	5
2	Pedestrian Bridges	(2)	0,01692%	Per unity	E	5
3	Bus Stops	(2)	0,00259%	Per unity	E	6
4	Construction of accesses	(2)	0,00262%	Per unity	E	7
5	Type 1 - Trumpet	(2)	0,09389%	Per unity	E	11
6	Type 2 - Diamond	(2)	0,10840%	Per unity	E	4
7	Type 3 – Uneven Return	(2)	0,02514%	Per unity	E	20
8	Type 6 - Underpasses	(2)	0,03256%	Per unity	E	7
9	Type 7 – Diamond with roundabout	(2)	0,07969%	Per unity	E	11
10	Type 8 - Level return	(2)	0,02754%	Per unity	E	8
11	Type 9 – Simple roundabout	(2)	0,01511%	Per unity	E	7



12	Type 10 – Elongated roundabout	(2)	0,03655%	Per unity	E	10
13	Duplication/enlargement of Special Works of Art (2)(3)	(2) (3) (4)	0,00013%	Per m <sup>2</sup>	E	8
14	Bike path	(1)	0,00754%	Per km	E	4
15	Escape Areas	(2)	0,01506%	Per unity	E	6
16	Fauna Crossing	(2)	0,004395%	Per unity	E	4

(1) The percentage related to the indicator shall be multiplied by the extension of the work to be included via STOCK IMPROVEMENT, previously approved by the Granting Authority, and adjusted in relation to the REFERENCE YEAR.

(2) The percentage related to the indicator shall be multiplied by the “quantity” of the work to be included via STOCK IMPROVEMENT, previously approved by the Granting Authority, and adjusted in relation to the REFERENCE YEAR.

(3) Corresponds to the Special Works of Art.

(4) Corresponds to the area of the total grid already expanded, without transition slab.

Table II - REBALANCE DISCOUNT Indicators and Percentages for each hom	Duplications, Contours and Variants (includes Expansion, Maintenance and Conservation)	%	Unity	Factor



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15	130ERS0070	0,10281%	Per km	D/A
16	130ERS0080	0,12624%	Per km	D/A
17	130ERS0090	0,09786%	Per km	D/A
18	130ERS0110.1	0,11441%	Per km	D/A
19	130ERS0110.2	0,10888%	Per km	D/A
20	129ERS0080	0,12368%	Per km	D/A
21	129ERS0090	0,12644%	Per km	D/A
22	453RSC0090	0,10683%	Per km	D/A
23	453RSC0110	0,14668%	Per km	D/A
24	128ERS0050.1	0,08241%	Per km	D/A
25	128ERS0050.2	0,09885%	Per km	D/A
26	128ERS0060	0,14743%	Per km	D/A
27	453RSC0010.1	0,10862%	Per km	D/A
28	453RSC0010.2	0,08688%	Per km	D/A
29	135ERS0010	0,13416%	Per km	D/A



30	135ERS0050	0,12642%	Per km	D/A
31	135ERS0070	0,10333%	Per km	D/A
32	135ERS0090	0,10016%	Per km	D/A
33	135ERS0110	0,09713%	Per km	D/A
34	135ERS0130	0,10284%	Per km	D/A
35	135ERS0150	0,15203%	Per km	D/A
36	135ERS0160	0,10613%	Per km	D/A
37	135ERS0170	0,11834%	Per km	D/A
38	324ERS0170	0,12823%	Per km	D/A
39	324ERS0190	0,14102%	Per km	D/A
40	324ERS0210	0,11834%	Per km	D/A
41	324ERS0215	0,12505%	Per km	D/A
42	324ERS0220	0,12314%	Per km	D/A
43	324ERS0230	0,11709%	Per km	D/A
44	324ERS0250	0,11852%	Per km	D/A
45	324ERS0255	0,09877%	Per km	D/A
46	324ERS0260	0,12167%	Per km	D/A
47	470BRS0385	0,11622%	Per km	D/A
<b>Marginal Roads</b>				
48	130ERS0080	0,05256%	Per km	D/A/E
49	130ERS0090	0,04821%	Per km	D/A/E
50	130ERS0110.2	0,03130%	Per km	D/A/E
51	129ERS0090	0,04821%	Per km	D/A/E
52	453RSC0090	0,03413%	Per km	D/A/E
53	135ERS0050	0,05168%	Per km	D/A/E
54	135ERS0170	0,03988%	Per km	D/A/E
55	324ERS0170	0,05168%	Per km	D/A/E
56	324ERS0190	0,04422%	Per km	D/A/E
57	324ERS0215	0,03658%	Per km	D/A/E
58	470BRS0385	0,04056%	Per km	D/A/E
<b>Shoulder Lanes</b>				
59	130ERS0070	0,00724%	Per km	D/A
60	130ERS0080	0,00521%	Per km	D/A
61	130ERS0090	0,00444%	Per km	D/A
62	130ERS0110.1	0,00433%	Per km	D/A
63	130ERS0110.2	0,00289%	Per km	D/A
64	129ERS0080	0,00496%	Per km	D/A
65	129ERS0090	0,00496%	Per km	D/A
66	129ERS0100	0,00336%	Per km	D/A
67	129ERS0110	0,00432%	Per km	D/A
68	129ERS0130.1	0,00432%	Per km	D/A
69	129ERS0130.2	0,00432%	Per km	D/A
70	453RSC0090	0,00359%	Per km	D/A
71	453RSC0110	0,00482%	Per km	D/A
72	453RSC0115	0,00540%	Per km	D/A
73	128ERS0050.1	0,00358%	Per km	D/A
74	128ERS0050.2	0,00391%	Per km	D/A



75	128ERS0060	0,00464%	Per km	D/A
76	453RSC0010.1	0,00370%	Per km	D/A
77	453RSC0010.2	0,00285%	Per km	D/A
78	135ERS0010	0,00727%	Per km	D/A
79	135ERS0050	0,00652%	Per km	D/A
80	135ERS0070	0,00403%	Per km	D/A
81	135ERS0090	0,00384%	Per km	D/A
82	135ERS0110	0,00350%	Per km	D/A
83	135ERS0130	0,00328%	Per km	D/A
84	135ERS0150	0,00984%	Per km	D/A
85	135ERS0160	0,00464%	Per km	D/A
86	135ERS0170	0,00510%	Per km	D/A
87	129ERS0150.2	0,00506%	Per km	D/A
88	129ERS0150.3	0,00450%	Per km	D/A
89	129ERS0170	0,00999%	Per km	D/A
90	129ERS0180	0,00391%	Per km	D/A
91	324ERS0170	0,00707%	Per km	D/A
92	324ERS0190	0,00562%	Per km	D/A
93	324ERS0210	0,00584%	Per km	D/A
94	324ERS0215	0,00440%	Per km	D/A
95	324ERS0220	0,00413%	Per km	D/A
96	324ERS0230	0,00594%	Per km	D/A
97	324ERS0250	0,00339%	Per km	D/A
98	324ERS0255	0,00431%	Per km	D/A
99	324ERS0260	0,00436%	Per km	D/A
100	470BRS0385	0,00417%	Per km	D/A
<b>Highway Layout Corrections</b>				
101	453RSC0090	0,02802%	Per km	D/A
102	324ERS0170	0,03631%	Per km	D/A
103	324ERS0215	0,02570%	Per km	D/A
<b>Intersections</b>				
-	130ERS0070		Per unity	D/A/E
104	Type 1 - Trumpet	0,14482%	Per unity	D/A/E
-	130ERS0080		Per unity	D/A/E
105	Type 6 - Underpasses	0,04008%	Per unity	D/A/E
106	Type 9 - Simple Roundabout	0,02073%	Per unity	D/A/E
-	130ERS0090		Per unity	D/A/E
107	Type 2 - Diamond	0,11307%	Per unity	D/A/E
108	Type 10 - Elongated Roundabout	0,05556%	Per unity	D/A/E
-	130ERS0110.1		Per unity	D/A/E
109	Type 6 - Underpasses	0,03372%	Per unity	D/A/E
110	Type 10 - Elongated Roundabout	0,05097%	Per unity	D/A/E
-	130ERS0110.2		Per unity	D/A/E
111	Type 8 - Level Return	0,02492%	Per unity	D/A/E
112	Type 10 - Elongated Roundabout	0,03608%	Per unity	D/A/E
-	129ERS0080		Per unity	D/A/E
113	Type 1 - Trumpet	0,13283%	Per unity	D/A/E



<b>114</b>	Type 10 - Elongated Roundabout	0,05556%	Per unity	D/A/E
-	129ERS0090		Per unity	D/A/E
<b>115</b>	Type 9 - Simple Roundabout	0,01902%	Per unity	D/A/E
<b>116</b>	Type 10 - Elongated Roundabout	0,05556%	Per unity	D/A/E
-	453RSC0090		Per unity	D/A/E
<b>117</b>	Type 8 - Level Return	0,02717%	Per unity	D/A/E
<b>118</b>	Type 10 - Elongated Roundabout	0,03933%	Per unity	D/A/E
-	453RSC0110		Per unity	D/A/E
<b>119</b>	Type 1 - Trumpet	0,03059%	Per unity	D/A/E
<b>120</b>	Type 10 - Elongated Roundabout	0,01279%	Per unity	D/A/E
-	128ERS0050.1		Per unity	D/A/E
<b>121</b>	Type 10 - Elongated Roundabout	0,01174%	Per unity	D/A/E
-	128ERS0050.2		Per unity	D/A/E
<b>122</b>	Type 10 - Elongated Roundabout	0,03933%	Per unity	D/A/E
-	128ERS0060		Per unity	D/A/E
<b>123</b>	Type 10 - Elongated Roundabout	0,04675%	Per unity	D/A/E
-	453RSC0010.1		Per unity	D/A/E
<b>124</b>	Type 1 - Trumpet	0,11176%	Per unity	D/A/E
<b>125</b>	Type 6 - Underpasses	0,03093%	Per unity	D/A/E
<b>126</b>	Type 10 - Elongated Roundabout	0,04675%	Per unity	D/A/E
-	453RSC0010.2		Per unity	D/A/E
<b>127</b>	Type 3 - Uneven Return	0,02514%	Per unity	D/A/E
<b>128</b>	Type 8 - Level Return	0,00964%	Per unity	D/A/E
<b>129</b>	Type 10 - Elongated Roundabout	0,01395%	Per unity	D/A/E
-	135ERS0010		Per unity	D/A/E
<b>130</b>	Type 10 - Elongated Roundabout	0,05149%	Per unity	D/A/E
-	135ERS0050		Per unity	D/A/E
<b>131</b>	Type 2 - Diamond	0,10372%	Per unity	D/A/E
<b>132</b>	Type 6 - Underpasses	0,03372%	Per unity	D/A/E
<b>133</b>	Type 10 - Elongated Roundabout	0,05097%	Per unity	D/A/E
-	135ERS0070		Per unity	D/A/E
<b>134</b>	Type 10 - Elongated Roundabout	0,04288%	Per unity	D/A/E
-	135ERS0090		Per unity	D/A/E
<b>135</b>	Type 10 - Elongated Roundabout	0,04288%	Per unity	D/A/E
-	135ERS0110		Per unity	D/A/E
<b>136</b>	Type 10 - Elongated Roundabout	0,01395%	Per unity	D/A/E
-	135ERS0130		Per unity	D/A/E
<b>137</b>	Type 10 - Elongated Roundabout	0,01658%	Per unity	D/A/E
-	135ERS0150		Per unity	D/A/E
<b>138</b>	Type 10 - Elongated Roundabout	0,01658%	Per unity	D/A/E
-	135ERS0160		Per unity	D/A/E
<b>139</b>	Type 10 - Elongated Roundabout	0,01521%	Per unity	D/A/E
-	135ERS0170		Per unity	D/A/E
<b>140</b>	Type 10 - Elongated Roundabout	0,03933%	Per unity	D/A/E
-	324ERS0170		Per unity	D/A/E
<b>141</b>	Type 6 - Underpasses	0,03372%	Per unity	D/A/E
<b>142</b>	Type 8 - Level Return	0,03521%	Per unity	D/A/E



143	Type 9 - Simple Roundabout	0,01744%	Per unity	D/A/E
144	Type 10 - Elongated Roundabout	0,05097%	Per unity	D/A/E
-	324ERS0190		Per unity	D/A/E
145	Type 8 - Level Return	0,03521%	Per unity	D/A/E
146	Type 10 - Elongated Roundabout	0,05097%	Per unity	D/A/E
-	324ERS0210		Per unity	D/A/E
147	Type 8 - Level Return	0,03521%	Per unity	D/A/E
148	Type 10 - Elongated Roundabout	0,05097%	Per unity	D/A/E
-	324ERS0215		Per unity	D/A/E
149	Type 1 - Trumpet	0,08624%	Per unity	D/A/E
150	Type 7 - Diamond with Roundabout	0,08869%	Per unity	D/A/E
151	Type 8 - Level Return	0,02492%	Per unity	D/A/E
152	Type 10 - Elongated Roundabout	0,03608%	Per unity	D/A/E
-	324ERS0220		Per unity	D/A/E
153	Type 1 - Trumpet	0,08624%	Per unity	D/A/E
154	Type 6 - Underpasses	0,02387%	Per unity	D/A/E
155	Type 7 - Diamond with Roundabout	0,08869%	Per unity	D/A/E
-	324ERS0230		Per unity	D/A/E
156	Type 8 - Level Return	0,02962%	Per unity	D/A/E
157	Type 10 - Elongated Roundabout	0,04288%	Per unity	D/A/E
-	324ERS0250		Per unity	D/A/E
158	Type 1 - Trumpet	0,02805%	Per unity	D/A/E
-	324ERS0255		Per unity	D/A/E
159	Type 7 - Diamond with Roundabout	0,02646%	Per unity	D/A/E
160	Type 9 - Simple Roundabout	0,00368%	Per unity	D/A/E
161	Type 10 - Elongated Roundabout	0,01076%	Per unity	D/A/E
-	324ERS0260		Per unity	D/A/E
162	Type 6 - Underpasses	0,01006%	Per unity	D/A/E
163	Type 8 - Level Return	0,01051%	Per unity	D/A/E
164	Type 10 - Elongated Roundabout	0,01521%	Per unity	D/A/E
-	470BRS0385		Per unity	D/A/E
165	Type 6 - Underpasses	0,03093%	Per unity	D/A/E
166	Type 7 - Diamond with Roundabout	0,11492%	Per unity	D/A/E
167	Type 9 - Simple Roundabout	0,01600%	Per unity	D/A/E
168	Type 10 - Elongated Roundabout	0,04675%	Per unity	D/A/E
<b>Access Improvement</b>				
169	130ERS0110.1	0,00334%	Per unity	D/A/E
170	130ERS0110.2	0,00247%	Per unity	D/A/E
171	129ERS0080	0,00364%	Per unity	D/A/E
172	129ERS0100	0,00247%	Per unity	D/A/E
173	129ERS0110	0,00247%	Per unity	D/A/E
174	129ERS0130.1	0,00247%	Per unity	D/A/E
175	129ERS0130.2	0,00247%	Per unity	D/A/E
176	453RSC0090	0,00258%	Per unity	D/A/E
177	453RSC0110	0,00247%	Per unity	D/A/E
178	453RSC0115	0,00247%	Per unity	D/A/E
179	128ERS0050.1	0,00247%	Per unity	D/A/E





180	128ERS0050.2	0,00258%	Per unity	D/A/E
181	453RSC0010.1	0,00306%	Per unity	D/A/E
182	453RSC0010.2	0,00247%	Per unity	D/A/E
183	135ERS0050	0,00334%	Per unity	D/A/E
184	135ERS0070	0,00281%	Per unity	D/A/E
185	135ERS0090	0,00281%	Per unity	D/A/E
186	135ERS0110	0,00247%	Per unity	D/A/E
187	135ERS0170	0,00258%	Per unity	D/A/E
188	129ERS0150.1	0,00247%	Per unity	D/A/E
189	129ERS0150.2	0,00247%	Per unity	D/A/E
190	129ERS0150.3	0,00247%	Per unity	D/A/E
191	129ERS0180	0,00247%	Per unity	D/A/E
192	324ERS0170	0,00334%	Per unity	D/A/E
193	324ERS0210	0,00334%	Per unity	D/A/E
194	324ERS0215	0,00247%	Per unity	D/A/E
195	324ERS0230	0,00281%	Per unity	D/A/E
196	324ERS0250	0,00247%	Per unity	D/A/E
197	324ERS0255	0,00247%	Per unity	D/A/E
198	470BRS0385	0,00306%	Per unity	D/A/E
<b>Implementation of OAE</b>				
199	130ERS0070	0,00010%	Per m <sup>2</sup>	D/A/E
200	130ERS0080	0,00010%	Per m <sup>2</sup>	D/A/E
201	130ERS0090	0,00009%	Per m <sup>2</sup>	D/A/E
202	130ERS0110.1	0,00009%	Per m <sup>2</sup>	D/A/E
203	130ERS0110.2	0,00006%	Per m <sup>2</sup>	D/A/E
204	129ERS0090	0,00009%	Per m <sup>2</sup>	D/A/E
205	453RSC0090	0,00007%	Per m <sup>2</sup>	D/A/E
206	128ERS0050.1	0,00002%	Per m <sup>2</sup>	D/A/E
207	128ERS0050.2	0,00007%	Per m <sup>2</sup>	D/A/E
208	128ERS0060	0,00008%	Per m <sup>2</sup>	D/A/E
209	453RSC0010.2	0,00002%	Per m <sup>2</sup>	D/A/E
210	135ERS0010	0,00010%	Per m <sup>2</sup>	D/A/E
211	135ERS0050	0,00009%	Per m <sup>2</sup>	D/A/E
212	135ERS0150	0,00003%	Per m <sup>2</sup>	D/A/E
213	135ERS0160	0,00003%	Per m <sup>2</sup>	D/A/E
214	324ERS0170	0,00009%	Per m <sup>2</sup>	D/A/E
215	324ERS0190	0,00009%	Per m <sup>2</sup>	D/A/E
216	324ERS0210	0,00009%	Per m <sup>2</sup>	D/A/E
217	324ERS0215	0,00006%	Per m <sup>2</sup>	D/A/E
218	324ERS0230	0,00007%	Per m <sup>2</sup>	D/A/E
219	324ERS0250	0,00002%	Per m <sup>2</sup>	D/A/E
220	324ERS0260	0,00003%	Per m <sup>2</sup>	D/A/E
221	470BRS0385	0,00008%	Per m <sup>2</sup>	D/A/E
<b>Enlargement and Reinforcement of OAE</b>				
222	130ERS0070	0,00012%	Per m <sup>2</sup>	D/A
223	130ERS0080	0,00007%	Per m <sup>2</sup>	D/A
224	130ERS0090	0,00011%	Per m <sup>2</sup>	D/A



225	130ERS0110.1	0,00010%	Per m <sup>2</sup>	D/A
226	130ERS0110.2	0,00007%	Per m <sup>2</sup>	D/A
227	129ERS0100	0,00008%	Per m <sup>2</sup>	D/A
228	129ERS0110	0,00008%	Per m <sup>2</sup>	D/A
229	453RSC0090	0,00004%	Per m <sup>2</sup>	D/A
230	453RSC0115	0,00005%	Per m <sup>2</sup>	D/A
231	128ERS0050.1	0,00007%	Per m <sup>2</sup>	D/A
232	128ERS0050.2	0,00008%	Per m <sup>2</sup>	D/A
233	128ERS0060	0,00009%	Per m <sup>2</sup>	D/A
234	453RSC0010.2	0,00004%	Per m <sup>2</sup>	D/A
235	135ERS0010	0,00012%	Per m <sup>2</sup>	D/A
236	135ERS0050	0,00010%	Per m <sup>2</sup>	D/A
237	135ERS0150	0,00007%	Per m <sup>2</sup>	D/A
238	135ERS0160	0,00004%	Per m <sup>2</sup>	D/A
239	324ERS0170	0,00010%	Per m <sup>2</sup>	D/A
240	324ERS0210	0,00010%	Per m <sup>2</sup>	D/A
241	324ERS0215	0,00005%	Per m <sup>2</sup>	D/A
242	324ERS0230	0,00006%	Per m <sup>2</sup>	D/A
243	324ERS0250	0,00004%	Per m <sup>2</sup>	D/A
244	324ERS0260	0,00004%	Per m <sup>2</sup>	D/A
-	<b>Implementation of Pedestrian Bridges</b>			
245	130ERS0070	0,02215%	Per unity	D/A/E
246	130ERS0080	0,02215%	Per unity	D/A/E
247	130ERS0090	0,02032%	Per unity	D/A/E
248	130ERS0110.1	0,01761%	Per unity	D/A/E
249	129ERS0090	0,02032%	Per unity	D/A/E
250	129ERS0100	0,01615%	Per unity	D/A/E
251	129ERS0130.1	0,01615%	Per unity	D/A/E
252	453RSC0090	0,01568%	Per unity	D/A/E
253	453RSC0115	0,01709%	Per unity	D/A/E
254	128ERS0050.2	0,01481%	Per unity	D/A/E
255	128ERS0060	0,01615%	Per unity	D/A/E
256	453RSC0010.1	0,01615%	Per unity	D/A/E
257	453RSC0010.2	0,01481%	Per unity	D/A/E
258	135ERS0010	0,02093%	Per unity	D/A/E
259	135ERS0050	0,01863%	Per unity	D/A/E
260	135ERS0070	0,01568%	Per unity	D/A/E
261	135ERS0130	0,01481%	Per unity	D/A/E
262	135ERS0150	0,01481%	Per unity	D/A/E
263	129ERS0150.3	0,01615%	Per unity	D/A/E
264	324ERS0170	0,01863%	Per unity	D/A/E
265	324ERS0190	0,01863%	Per unity	D/A/E
266	324ERS0215	0,01481%	Per unity	D/A/E
267	324ERS0220	0,01481%	Per unity	D/A/E
268	324ERS0250	0,01568%	Per unity	D/A/E
269	324ERS0255	0,01481%	Per unity	D/A/E
270	324ERS0260	0,01481%	Per unity	D/A/E



271	470BRS0385	0,01615%	Per unity	D/A/E
	<b>Implementation of Bus Stops</b>			
272	130ERS0070	0,00338%	Per unity	D/A/E
273	130ERS0080	0,00338%	Per unity	D/A/E
274	130ERS0090	0,00310%	Per unity	D/A/E
275	130ERS0110.1	0,00284%	Per unity	D/A/E
276	130ERS0110.2	0,00239%	Per unity	D/A/E
277	129ERS0080	0,00310%	Per unity	D/A/E
278	129ERS0090	0,00310%	Per unity	D/A/E
279	129ERS0100	0,00261%	Per unity	D/A/E
280	129ERS0110	0,00261%	Per unity	D/A/E
281	129ERS0130.1	0,00261%	Per unity	D/A/E
282	129ERS0130.2	0,00261%	Per unity	D/A/E
283	453RSC0090	0,00239%	Per unity	D/A/E
284	453RSC0110	0,00239%	Per unity	D/A/E
285	453RSC0115	0,00261%	Per unity	D/A/E
286	128ERS0050.1	0,00239%	Per unity	D/A/E
287	128ERS0050.2	0,00239%	Per unity	D/A/E
288	128ERS0060	0,00261%	Per unity	D/A/E
289	453RSC0010.1	0,00261%	Per unity	D/A/E
290	453RSC0010.2	0,00239%	Per unity	D/A/E
291	135ERS0050	0,00284%	Per unity	D/A/E
292	135ERS0070	0,00239%	Per unity	D/A/E
293	135ERS0090	0,00239%	Per unity	D/A/E
294	135ERS0160	0,00239%	Per unity	D/A/E
295	135ERS0170	0,00239%	Per unity	D/A/E
296	129ERS0150.1	0,00261%	Per unity	D/A/E
297	129ERS0150.2	0,00261%	Per unity	D/A/E
298	129ERS0150.3	0,00261%	Per unity	D/A/E
299	129ERS0170	0,00261%	Per unity	D/A/E
300	129ERS0180	0,00261%	Per unity	D/A/E
301	324ERS0170	0,00284%	Per unity	D/A/E
302	324ERS0190	0,00284%	Per unity	D/A/E
303	324ERS0210	0,00284%	Per unity	D/A/E
304	324ERS0215	0,00239%	Per unity	D/A/E
305	324ERS0230	0,00239%	Per unity	D/A/E
306	324ERS0250	0,00239%	Per unity	D/A/E
307	324ERS0255	0,00239%	Per unity	D/A/E
308	324ERS0260	0,00239%	Per unity	D/A/E
309	470BRS0385	0,00261%	Per unity	D/A/E
	<b>Enlargement Works unrelated to Traffic</b>			
	<b>Funds for the Adequacy of existing Single Lane Cut-through Roundabouts</b>			
310	ERS-129 - Stretch 17	0,00890%	Per unity	D/A/E
311	RSC-453 - Stretch 18	0,00892%	Per unity	D/A/E
312	ERS-129 - Stretch 25	0,00898%	Per unity	D/A/E
	<b>Other Intersections</b>			
-	129ERS0100		Per unity	D/A/E



313	Type 9 - Simple Roundabout	0,01468%	Per unity	D/A/E
314	Type 10 - Elongated Roundabout	0,04288%	Per unity	D/A/E
-	129ERS0110		Per unity	D/A/E
315	Type 9 - Simple Roundabout	0,01600%	Per unity	D/A/E
-	129ERS0130.1		Per unity	D/A/E
317	Type 9 - Simple Roundabout	0,01468%	Per unity	D/A/E
318	Type 10 - Elongated Roundabout	0,04288%	Per unity	D/A/E
-	453RSC0115		Per unity	D/A/E
319	Type 1 - Trumpet		Per unity	D/A/E
320	Type 9 - Simple Roundabout	0,01468%	Per unity	D/A/E
-	129ERS0150.2		Per unity	D/A/E
321	Type 9 - Simple Roundabout	0,01468%	Per unity	D/A/E
-	129ERS0150.3		Per unity	D/A/E
322	Type 6 - Underpasses		Per unity	D/A/E
323	Type 9 - Simple Roundabout	0,01600%	Per unity	D/A/E
-	129ERS0170		Per unity	D/A/E
324	Type 10 - Elongated Roundabout	0,04288%	Per unity	D/A/E
-	129ERS0180		Per unity	D/A/E
325	Type 9 - Simple Roundabout	0,01468%	Per unity	D/A/E
	<b>Other Additional Lanes</b>			
326	129ERS0150.1	0,02549%	Per unity	D/A/E
327	129ERS0150.1	0,02549%	Per unity	D/A/E
328	129ERS0150.2	0,02549%	Per unity	D/A/E
329	129ERS0150.2	0,02549%	Per unity	D/A/E
330	129ERS0150.2	0,02549%	Per unity	D/A/E
331	129ERS0150.2	0,02549%	Per unity	D/A/E
332	129ERS0150.2	0,02549%	Per unity	D/A/E
333	129ERS0170	0,04057%	Per unity	D/A/E
334	129ERS0180	0,02150%	Per unity	D/A/E
335	129ERS0180	0,02150%	Per unity	D/A/E
336	129ERS0180	0,02150%	Per unity	D/A/E
	<b>Marginal Lanes</b>			
337	129ERS0110	0,04740%	Per km	D/A/E
	<b>Bike Paths</b>			
338	130ERS0080	0,00845%	Per unity	D/A/E
339	130ERS0090	0,00775%	Per unity	D/A/E
340	130ERS0110.1	0,00711%	Per unity	D/A/E
	<b>Escape Areas</b>			
341	453RSC0110	0,01506%	Per unity	D/A/E
	<b>Fauna Crossing</b>			
342	Stretches in general	0,00439%	Per unity	D/A/E
	<b>MAXIMUM ANNUAL IMPACT OF THE CAPACITY EXPANSION AND IMPROVEMENTS FRONT</b>	<b>49,28118%</b>	--	--



Table III - Indicators and Percentages of the HIGHWAY SYSTEM REBALANCE DISCOUNT related to Obligations of Operational Services Works.

Works and Services from the Operational Services Front		Percentage	Unit	Factor
343	Reform of the PRF (Federal Highway Police) Inspection Posts	0,02467%	Per unit	D
344	Implementation of Operational Services Bases	0,14430%	Per unit	D
345	Implementation of Vehicle Weighing Stations	0,44674%	Per unit	D
346	Implementation of truck stop stations	0,17204%	Per unit	D
347	Implementation of Lane Detection and Sensing Equipment	0,00187%	Per unit	D
348	Implementation of Fixed Variable Message Panels	0,00787%	Per unit	D
349	Implementation of pedestrian bridge camera system	0,00044%	Per bridge	D
350	Implementation of highway CCTV system	0,00073%	Per unit	D
351	Implementation of Velocity Control System	0,00450%	Per unit	D
352	Implementation of Optic Fiber	0,00199%	Per km	D
<b>MAXIMUM ANNUAL IMPACT OF THE OPERATIONAL SERVICES FRONT</b>		<b>3,42509%</b>	--	--
<b>TOTAL MAXIMUM ANNUAL IMPACT</b>		<b>66,44549%</b>		

Table IV – Time Adjustment Coefficient (CAT) for each Concession Year

Year	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
CAT	1,098	1,207	1,328	1,462	1,611	1,777	1,963	2,171	2,405	2,669	2,967	3,307	3,695	4,140	4,654

Year	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
CAT	5,252	5,955	6,787	7,786	9,000	10,503	12,402	14,868	18,184	22,862	29,923	41,749	65,489	136,886	

Table V – Additional Adjustment Coefficient (CAA) - Rebalancing Addition

Years Accelerated	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
CAA	1,090	1,189	1,296	1,413	1,540	1,679	1,831	1,996	2,176	2,372	2,586	2,820	3,074	3,351	3,654



Years Accelerated	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
CAA	3,9 84	4,3 43	4,7 35	5,1 62	5,6 28	6,1 36	6,6 89	7,2 93	7,9 51	8,6 68	9,4 50	10,3 03	11,2 32	12,2 46	13,3 51



## EXHIBIT 6 - PERFORMANCE MEASUREMENT SYSTEM

The Quality Performance Index (IQD) is composed by the average of the Services Rendered Performance Coefficient (CSP), and shall be equivalent to the arithmetic average of all CSP measured, calculated according to the following formula:

$$IQD_{year} = \frac{\sum_{j=1}^p CSP_j}{p}$$

In which:

- CSP<sub>j</sub> is the monthly CSP calculated in month j;
- year is the contract year for which the CSP is being calculated;
- j is the month of measurement of the CSP value, which starts in the first measurement month of the year (j=1) and continues until the last month of the analysis period (j=p);
- p is the number of months between the first and the last month considered for the measurement of the IQD of the year under analysis.

The indicators shall be measured in accordance with the following possible scores:

- **Score 1:** shall only be assigned to reflect full compliance, by the Concessionaire, with a certain PERFORMANCE INDICATOR. A score of 1 shall also be assigned to the indicators whose compliance deadline, as set in the PER, has not yet been reached.
- **Score 0:** shall be assigned in case of non-compliance, partial compliance or non-conformity in the observance of the PERFORMANCE INDICATOR, verified through the inspection activities related to the period under analysis.

The CONCESSIONAIRE shall measure all indicators in accordance with the guidelines and frequency set forth by the PER.

The CONCESSIONAIRE shall send the results of its measurement to AGERGS through the Monitoring Reports, provided for in item 4 of the PER, sending them in the periodicity defined by the PER already with the indication of the IQD applicable for the year.

AGERGS shall certify the referred reports before the homologation of the IQD. This certification shall follow the procedure foreseen in a specific AGERGS' Resolution and shall take into consideration the stage of compliance with the corporate governance standards provided for in Exhibit 14.

The table below presents the performance indicators that make up the IQD.



Category	Indicator	Description	Gauging Methodology	Weight
User Service Indicators	Waiting time in toll queue	Waiting time in toll queues (manual) and service time in automatic toll collection lanes, if the vehicle is stopped for any reason (item 3.4.6)	Maximum queues at toll plazas, limited to 200 m in length, a limit that must be displayed by means of a strip marked on the road pavement. In order to measure this indicator, it shall be analyzed, for 15 minutes, if the queues are continuously longer than the stipulated threshold of 200 m	7,5%
			Maximum queues limited to 400 m on the eve of and on holidays, on weekends and during outstanding events, being this extension also signaled on the Highway. Outstanding events shall be defined at the discretion of the GRANTING AUTHORITY, according to the particularities of each stretch granted.	7,5%
	User Services	Keep up the User Information System (item 3.4.4.)	The periodic bulletin of the User Information System shall be published monthly	1,0%
	Response time of the winch services	Observe the arrival time of the winch/mechanical help to the service location (item 3.4.4.2) and other incidents (item 3.4.4.3)	Light winch service: maximum arrival time at the site equal to 60 minutes, in 90% of monthly occurrences, and in the remaining 10%, it must not exceed 70 minutes. The arrival time shall be calculated from the moment of identification of the incident until the arrival of the vehicle at the site of the occurrence. In the occurrence of simultaneous incidents, the response times may be recalculated. In the transitory BSO: maximum arrival time at the site equal to 70 minutes, in 90% of monthly occurrences, and in the remaining 10%, it must not exceed 80 minutes.	3,0%
			Heavy winch service: maximum arrival time at the site equal to 90 minutes, in 90% of monthly occurrences, and in the remaining 10%, it must not exceed 100 minutes. The arrival time shall be calculated from the moment of identification of the incident until the arrival of the vehicle at the site of the occurrence. In the occurrence of simultaneous incidents, the response times may be recalculated	3,0%
			Service for other incidents: Maximum arrival time at the site equal to 120 minutes, in 100% of monthly occurrences. The arrival time shall be calculated from the moment of identification of the incident until the arrival of the vehicle at the site of the occurrence	3,0%
	Ambulance service time	Observe the arrival time of the pre-hospital care service to the point of care (item 3.4.4.1)	For type C ambulance: maximum arrival time at the site equal to 20 minutes, in 90% of monthly occurrences, and in the remaining 10%, it must not exceed 30 minutes. The arrival time shall be calculated from the moment of identification of the incident until the arrival of the vehicle at the site of the occurrence. In the occurrence of simultaneous incidents, the response times may be recalculated. In the transitory BSO: maximum arrival time at the site equal to 30 minutes, in 90% of monthly occurrences, and in the remaining 10%, it must not exceed 40 minutes.	10,0%

Category	Indicator	Description	Gauging Methodology	Weight
Safety Indicators	Pavement conditions	Keep the road pavement in compliance with the conditions established by the PER ( item 3.1.1)	Absence of exuded areas larger than 1 m <sup>2</sup>	3,0%
			Absence of plate elevation defects, corner cracking, split (broken) plates, staggering or stepping, moving plates, localized breaks or level crossing with severity grade rated high	2,0%
			Fulfillment of the ICP parameters within the deadlines established in item 3.1.1. of the PER	1,0%
			Absence of unsealed joints, depressions, cambers, pans or, still, defects that characterize security issues to users	3,0%





			Minimum width of lanes in accordance with the rules from DAER for the geometric design of rural roads	2,0%
			Absence of area affected by interconnected Class 3 cracks	3,0%
			Sand height (HS), within the range: 0.6 mm < HS < 1.2 mm (for porous friction layers the maximum limit is waived)	2,0%
			Skid resistance value: VRD > 47	2,0%
			Patches shall be allowed as long as they do not present: exudations; deformations greater than 5mm in relation to the original pavement (measured with a 3.6m ruler) or crumbling	2,0%
			Absence of Ripples - a more or less regular succession of transverse depressions and protrusions defined in accordance with DNIT Standard PRO 08/2003 3	2,0%

Category	Indicator	Description	Gauging Methodology	Weight
Safety Indicators	Maintenance of road elements	Maintain the drainage system and OAC (item 3.1.4), OAE (item 3.1.3), embankments and containment structures (item 3.1.5), and the highway median strip and domain range (item 3.1.6)	OAEs: Guard rails and sidewalks without the need for recovery or replacement	3,0%
			OAEs: Absence of dirty and clogged tray drainage systems	0,5%
			OAEs: Viaducts, pedestrian overpasses and underpasses with signposts signaling, with indication of the vertical jig	1,0%
			OAEs: Absence of emergency problems, of any kind that, in the short term, could endanger the stability of OAEs	2,0%
			OAEs: Absence of joints and support devices outside their service life	1,0%
			OAEs: Absence of structural problems on pedestrian overpasses	1,0%
			OAEs: Painting and cleaning of OAEs guardrails	0,5%
			All structural elements of the infra, meso and superstructure that are visible should be free of pathological manifestations. The non-visible ones shall be checked through indirect criteria.	1,0%
			OAEs: Absence of settling at the encounter with the road	1,0%
			OACs: Total absence of drainage element or OAC in need of emergency repair or replacement	1,0%
			OACs: Total absence of water-deposited sections on roadways	3,0%
			OACs: Total absence of dirty or obstructed drainage element or OAC. They shall be considered unobstructed if the entire length of the drainage devices shows 90% of the height of the unobstructed wet section	1,0%
			OACs: Total absence of emergency problems of any kind that, in the short term, could put the Highway at risk	2,0%
			Total absence of embankments or containment works with emergency problems of any kind that, in the short term, could endanger the safety of users	1,0%
			All embankments and containment works drainage elements fully functional, clean and unobstructed	1,0%
			Total absence of material resulting from landslides or erosion within four meters of the lanes	1,0%
			Mulch on slopes and unprotected cuts	0,5%
			Total absence of undergrowth in prime areas (accesses, clovers, toll plazas and weighing stations) longer than 10 cm in a minimum width of 10 m	0,5%
			Total absence of undergrowth longer than 30 cm in length in the other areas of the domain range in a minimum width of 4m	0,5%
			Total absence of undergrowth longer than 30 cm in the Highway Median Strip	0,5%
Total absence of vegetation that affects the visibility of users or causes danger to the safety of traffic or physical structures, or that is dead or affected by disease in a minimum width of 5m	1,0%			
Blocking of unauthorized private access in which a situation of risk for the Highway user is configured, with notification of those responsible.	1,0%			



		Percentage of private accesses regularized in relation to the total existing private accesses by the deadlines established in item 3.1.6. of the PER.	1,0%
		Evictions authorized by the GRANTING AUTHORITY carried out in the deadlines provided in item 3.1.6. of the PER.	1,0%

Category	Indicator	Description	Gauging Methodology	Weight
Operational Indicators	Tolling System	Maintain the collection system in accordance with the parameters determined in the PER (item 3.4.6)	The tolling system shall be considered satisfactory if it is operational 100% of the time and meets the standards and deadlines set forth by the PER, during the entire evaluation period, excluding the quality indicators already specified in the User Service Indicators.	2,0%
	Weighing System	Maintain the weighing system in accordance with the PER (item 3.4.8)	Maintain permanent assessment by INMETRO, with a maximum periodicity of 1 year, in accordance with item 3.4.8 of the PER	1,0%
			Any equipment or element of the fixed scales that presents a problem must be repaired or replaced within a maximum of 24 hours	0,5%
			Any scale must not suffer downtime exceeding 120 hours per year, except by DAER/RS determination	0,5%
	Traffic Monitoring System	Maintain the traffic monitoring system in accordance with the PER (item 3.4.3)	The sum of the interruption time of the traffic control systems cannot exceed 24 hours per month, in each system	1,0%
			The sum of the interruption time in the operation of the equipment that make up the traffic control system cannot exceed 24 hours per month.	1,0%
	Inspection System	Maintain the traffic inspection system in accordance with the PER (item 3.4.5)	The social management shall be considered satisfactory if it meets the standards and deadlines set forth by the PER, during the entire evaluation period	2,0%
	Operational Control Center	Maintain the CCO in accordance with the PER (item 3.4.1)	The social management shall be considered satisfactory if it meets the standards and deadlines set forth by the PER, during the entire evaluation period	2,0%
	Installations	Maintain the conservation of buildings, operational facilities, electrical and lighting systems (items 3.1.7 e 3.1.8)	Existing buildings and operational facilities on the Highway fully recovered and refurbished to suit the required functionalities and operating standards, in compliance with the provisions of the Operational Services Obligations	1,0%
			New buildings, to be constructed during the Initial Works phase, must also be adequate to the required functionalities and operating standards, in compliance with the provisions of the Operational Services Obligations	0,50%
Existing, as well as new, buildings and operational facilities, in compliance with the accessibility standards required by the most recent version of ABNT Standard NBR 9.050			0,50%	

Category	Indicator	Description	Gauging Methodology	Weight
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Socio-environmental Indicators	Environmental Management	Recover the environmental "non-conformities" in accordance with the PER guidelines (item 5)	The environmental recovery services shall be considered adequate when the CONCESSIONAIRE meets 90% of the non-conformities detected, in accordance with the PER, in the evaluation period.	2,0%
	Social Management	Perform social management in accordance with the PER guidelines (item 6)	The social management shall be considered satisfactory if it meets the standards and deadlines set forth by the PER, during the entire evaluation period	2,0%



## **EXHIBIT 7 - DRAFT OF THE CONCESSION ACCOUNT MANAGEMENT AGREEMENT**

By the present Account Management Agreement ("Agreement"), the parties:

- (i) **STATE OF RIO GRANDE DO SUL**, legal entity under public law, through the **SECRETARY OF LOGISTICS AND TRANSPORTATION OF RIO GRANDE DO SUL**, body part of the direct State Administration, headquartered in Av. Borges de Medeiros, nº 1501 - Centro/Praia de Belas, Porto Alegre - RS, CEP 90020-020, hereby represented by Mr. Secretary [●];

[●], a corporation, headquartered in [Municipality], State of [●], at [address], enrolled in the National Register of Corporate Taxpayers of the Ministry of Finance ("CNPJ/MF"), under No. [●], herein duly represented by Messrs. [●], [name and information] (the "**Concessionaire**");

and, as custodian bank and administrator of the accounts subject to this Contract,

[●], [name and information] (the "**Custodian Bank**" and, when referred to together with the Granting Authority, AGERGS and the Concessionaire, the "**Parties**" and, individually and indistinctly, "**Party**");

### **WHEREAS:**

- (i) On [date], the Granting Authority, with the intervention and consent of AGERGS, and the Concessionaire signed the Concession Contract No. [●] (the "Concession Contract") relating to the recovery, operation, maintenance, monitoring, conservation, implementation of improvements, expansion of capacity, and maintenance of the service level of the Highway System, as defined in the Concession Contract, Bid Notice, and their respective Exhibits (the "Project");
- (ii) According to the relevant contractual regulation, from the date of assumption, the Concessionaire will start to explore the Highway System, being able, according to the respective terms and conditions established by contract, to start the commercial exploration of the existing toll plazas and the execution the works and services necessary for the construction and operation of the Concession's other toll plazas;



- (iii) Pursuant to the regulation established by the Concession Contract, the Concessionaire shall transfer amounts to the Adjustment Account, pursuant to subclause 12.1.2;
- (iv) The Parties agree to sign this Contract, in order to regulate the movements of the Adjustment Account, pursuant to the Concession Contract, it being recognized that the Concessionaire is fully responsible to the Granting Authority and AGERGS for its correct compliance, not being enforceable against them any limiting rules of responsibilities expressed in this contract.

The Parties RESOLVE, with the intervention and consent of the Granting Authority, to sign this Contract, which shall be governed by the clauses and conditions below.

## 1. Definitions

1.1. For the purposes of this Contract, unless otherwise provided, terms beginning in capital letters shall be understood and interpreted in accordance with the Concession Contract. In addition, the following terms will be understood in accordance with their respective meanings as specified below:

“(i) **“Temporary Management”** - Has the meaning ascribed to it in the Tripartite Contract, if entered into, or in the Concession Contract, if the Tripartite Contract is not entered into.

(ii) **“Tripartite Contract”** - Means the optional contract entered into by and among the Agent, representing the Financiers, AGERGS, and the Concessionaire, which governs the relationship between the three parties, seeking the full performance of the Concession Contract and the preservation of the Financiers' interests.

(iii) **“Final Adjustment”** - Has the meaning ascribed to it in the Concession Contract.

(iv) **“Assumption of Control”** - Has the meaning ascribed to it in the Tripartite Contract, if entered into, or in the Concession Contract, if the Tripartite Contract is not entered into.

(v) **“Custodian Bank”** - Is the financial agent with powers to carry out the movement of funds and administration of the bank accounts referred to in this Contract, selected by the Parties and remunerated by the Concessionaire.

(vi) **“Adjustment Account”** - Means current account No. [●], maintained by the Concessionaire at the branch [●] of [bank].

(vii) **“Contract”**- this account administration contract



- (viii) “**Concession Contract**” - It has the meaning given in Whereas “(i)”.
- (ix) “**Financing Contracts**” - These are the contracts entered into with the project's Financiers.
- (x) “**Closing Date**” - Means the date on which all obligations arising from the Concession Documents are fulfilled, as attested by the Granting Authority.
- (xi) “**Concession Documents**” - Means, when referred to together, all documents entered into with the Granting Authority relating to the Concession, including, but not limited to, this Contract, the Concession Contract and the Tripartite Agreement, together with all attached documents and accessories to said instruments.
- (xii) “**Factor C**” - It has the meaning given in the Concession Contract.
- (xiii) “**Addition and Discount Factors**” - It has the meaning given in the Concession Contract.
- (xiv) “**Financiers**” - persons, agents or institutions that are responsible for the financing and/or guarantees to the Concessionaire and are holders of rights arising from the Concession, pursuant to art. 28 and 28-A of Law No. 8.987/95.
- (xv) “**Permitted Investments**” - Means the following assets: federal government bonds indexed to SELIC.
- (xvi) “**Frequent User Discount Offset Notice**” - notification from the Granting Authority to the Custodian Bank issued at the end of each period of calculation of compensation for the application of Frequent User Discount, to transfer amounts from the Adjustment Account to the Concessionaire as provided for in Concession contract.
- (xvii) “**Final Adjustment Notice**” - notification from the Granting Authority to the Custodian Bank, issued at the end of the Final Adjustment procedure, which may authorize the payment of indemnity to the CONCESSIONAIRE with funds from the ADJUSTMENT ACCOUNT and the transfer of the remaining balance to the GRANTING AUTHORITY, in as provided for in the Concession Contract.
- (xviii) “**Exercise Notice**” - notification from the Granting Authority to the Custodian Bank informing on the exercise of Temporary Administration or Assumption of Control by the Financiers pursuant to the Tripartite Agreement.
- (xix) “**Rebalancing Notice**” - notification from the Granting Authority to the Custodian Bank authorizing the payment of indemnity to the Concessionaire for



purposes of restoring the economic and financial balance, through resources existing in the Adjustment Account, pursuant to this Contract.

(xx) “**Project**” - It has the meaning given in Recital “(i)” above.

(xxi) “**Extraordinary Revenues**” - Has the meaning ascribed to it in the Concession Contract.

(xxii) “**Toll Fare Revenue**” - Has the meaning ascribed to it in the Concession Contract.

(xxiii) “**Tied Funds**” - amounts to be deposited in the ADJUSTMENT ACCOUNT, for the formation of a contingency reserve with the exclusive purpose of compensating for events foreseen in the Concession Agreement.

(xxiv) “**Remuneration**” - Means the sources of revenue of the Concessionaire under the terms of the Concession Contract, namely receipt of the Toll Fare, Extraordinary Revenue, and resulting financial income.

(xxv) “**Concession Balance**” - existing balance in the Adjustment Account.

(xxvi) “**Highway System**” - Has the meaning ascribed to it in the Concession Contract.

(xxvii) “**Toll Fare**” - Has the meaning ascribed to it in the Concession Contract.

(xxviii) “**Inspection Fee**” - Means the inspection fee, to be deposited in accordance with AGERGS guidelines and as provided for in the Concession Contract, for the execution of its Concession inspection activities, in which the Concessionaire will pay AGERGS a fee related to the supervision and control of delegated public services, as provided for in item 1 of Title IX of the Table of Incidence attached to Law No. 8109, of December 19, 1985, as amended by Law No. 11.863, of December 16, 2002 and current regulations, or another that will succeed it.

1.2. Nothing in this Contract changes or modifies any obligations of the Concessionaire with respect to the Granting Authority as set forth in the Concession Contract.

1.3. Terms beginning in capital letters that are not defined in this Agreement shall have the meaning defined in the Concession Contract or in the other Concession Documents.



## 2. Accounts

**2.1.** The Custodian Bank hereby expressly represents that the Adjustment Account have been duly opened in accordance with the specific rules and is able to perform the activities provided for in this Contract and in the other Concession Documents.

**2.1.1.** The Granting Authority acknowledges that the deposits made in the Adjustment Account shall not, under any circumstances, form part of the State of Rio Grande do Sul's assets.

**2.2.** The Adjustment Account shall be handled exclusively by the Custodian Bank, subject to the provisions of the Concession Contract and this Contract.

**2.2.1.** The Concessionaire undertakes not to give any instructions to the Custodian Bank regarding the Adjustment Account.

**2.2.2.** The Granting Authority undertakes not to provide any instructions to the Custodian Bank regarding the Adjustment Account, except the Frequent User Discount Offset Notice, the Concession Accounts, the Rebalancing Notice, and the Final Adjustment Notice.

**2.2.3.** The Adjustment Account may only be used for the purposes provided for in this Contract, and may not be encumbered or set up any right or preference on its revenues.

**2.3.** The Concessionaire hereby grants to the Custodian Bank all the authorizations necessary to manage the Adjustment Account, pursuant to the terms of this Contract.

**2.4.** For the purposes of this Contract, the Concessionaire waives the right of banking secrecy with respect to information on the Adjustment Account, pursuant to article 1, paragraph 3, item V, of Supplementary Law No. 105/2001, thereby authorizing the Custodian Bank to disclose them to AGERGS and the Granting Authority.

**2.5.** Whenever requested by AGERGS and/or the Granting Authority, the Custodian Bank shall send, within two (2) business days, information about the Adjustment Account, including balances, statements, and historical investments, deposits, and transfers.

## 3. MANAGEMENT OF THE ADJUSTMENT ACCOUNT

**3.1.** In the event of a Frequent User Discount Offset Notice or a Rebalancing Notice by the Granting Authority to the Custodian Bank, the transfer of funds in the amount





informed in the notice from the Adjustment Account to the Concessionaire is authorized.

- 3.2.** Transfers arising from each Frequent User Discount Offset Notice or from each Rebalancing Notice shall occur within two (2) business days as of the date the notice is received by the Custodian Bank.
- 3.3.** Once the Concession is terminated, and the Final Adjustment is completed, the Custodian Bank shall receive from the Granting Authority a Final Adjustment Notice, with guidelines for the transfer of the remaining balance of the Adjustment Account, in the following manner:
  - 3.3.1.** In case there is an indemnity due to the Concessionaire, the Final Adjustment Notice shall authorize the transfer to the Concessionaire of the calculated amount, discounted from the amount of the indemnities due to the Granting Authority;
  - 3.3.2.** To the Sole Treasury Account, if there is a remaining balance after the payment of the above indemnity or credit in favor of the Granting Authority;
  - 3.3.3.** The transfer resulting from the Final Adjustment of Results Notice shall occur within two (2) business days as of the date on which the respective notice is received by the Custodian Bank.

#### **4. Permitted Investments**

- 4.1.** The Parties agree that the Custodian Bank shall apply the funds deposited into the Adjustment Account n Permitted Investments, in the manner set forth in this section, provided that such funds have not been subject to transfer or scheduled therefor, per the terms of this Contract.
- 4.2.** Investments in Permitted Investments must be in accordance with the laws and regulations in force and have the liquidity necessary to permit the use of such amounts by the Custodian Bank, as provided for in this Agreement and in the other Concession Documents, it being provided that:
  - 4.2.1.** All investments in Permitted Investments shall be made with funds from the Adjustment Account, and redemptions shall be carried out by a credit in the same account;
  - 4.2.2.** Income from Permitted Investments, less taxes and expenses due, shall be credited to the accounts mentioned above, as the case may be;



**4.2.3.** Investments should be restricted to federal government bonds linked to the SELIC rate; and

**4.2.4.** The Custodian Bank shall not act as financial advisor to the other Parties.

## **5. DEPOSIT OF REPRESENTATIVE DOCUMENTS**

**5.1.** The Concessionaire shall maintain, as trustee, the possession of all documents related to the Adjustment Account, including balance statements and extracts, as well as other documents entered into with the Custodian Bank for opening and maintaining said account.

**5.1.1.** The Concessionaire shall perform all acts necessary for the existence and proper preservation of the documents referred to in Clause 5.1 above.

**5.1.2.** The Granting Authority and AGERGS may, at any time, request from the Concessionaire information regarding such documents, as well as the presentation thereof.

**5.1.3.** The Concessionaire must comply with the request provided for in Clause 5.1.2 above within two (2) business days of receipt, or a lesser period, if in order to meet legal requirements.

## **6. OBLIGATIONS OF THE CONCESSIONAIRE**

**6.1.** Without prejudice to other obligations provided for in this Contract, the Concessionaire undertakes to:

**6.1.1.** Report, in writing, the terms and conditions of this Agreement and the other Concession Documents, to its officers and directors and agents, for them to comply with and cause compliance with all its terms and conditions;

**6.1.2.** Forward to AGERGS and the Granting Authority information about any legal business, corporate resolution, or measure that may affect the fulfillment of any of its obligations under this Contract;

**6.1.3.** Report, within one (1) business day, to AGERGS and the Granting Authority awareness of:

**6.1.3.1.** any information that may result in blocking or encumbering of the Adjustment Account; or



**6.1.3.2.** any act or information that may in any way impair the performance of this Contract.

**6.1.4.** During the term of duration of this Contract, keep accurate the representations provided in this instrument;

**6.1.5.** Always keep valid, in force, and in perfect order all authorizations that may be required to perform under this Contract;

**6.1.6.** Timely fulfill all obligations assumed in this Contract;

**6.1.7.** Not assign rights or create liens, encumbrances, charges, restrictions, or preferences of any kind on the Adjustment Account;

**6.1.8.** Perform any acts and sign any documents necessary for the maintenance of the Adjustment Account, thereby undertaking, moreover, but not limited to, timely and effectively defending said accounts, as well as any rights arising thereunder, against any proceedings or claims that may be brought by third parties or of which the Concessionaire becomes aware and which may in any way adversely affect the terms of this Contract.

## **7. Representations and Warranties**

**7.1.** The Concessionaire represents and warrants that::

**7.1.1.** it is a company duly organized in accordance with the laws and regulations currently in force in the Federative Republic of Brazil;

**7.1.2.** it has the ability to enter into this Agreement and perform the acts contemplated hereby;

**7.1.3.** All authorizations were obtained and all corporate measures and procedures were taken to validly sign this Agreement;

**7.1.4.** The execution of this Agreement and the assumption of the obligations arising hereunder are in accordance with its constituent acts and are fully effective;

**7.1.5.** The persons who sign this Agreement on its behalf have the power to assume the obligations set forth herein;

**7.1.6.** The execution of this Contract and the fulfillment of the obligations arising hereunder do not result, directly or indirectly, in total or partial breach of (a) any



contracts or instruments signed prior to the date of the execution of this Contract of which the Concessionaire, its subsidiaries, affiliates, or controllers, direct or indirect, are a party or to which the property or property rights of any of the above persons are linked, on any account; (b) any legal or regulatory provision to which, on the date of execution of this Contract, the Concessionaire, its subsidiaries, affiliates, or controllers, direct or indirect, or any property or right of ownership of any of the above persons is bound; and (c) any court order or decision, even if preliminary, that, on the date of execution of this Contract, affects the Concessionaire, its subsidiaries, affiliates, or controllers, direct or indirect, or any property or right of ownership of any of the above persons;

**7.1.7.** It is the sole holder of the Adjustment Account, which, on the date hereof, is free and clear of any lines, encumbrances, charges, or restrictions of any kind;

**7.1.8.** The Adjustment Account is not, on the date of execution of this Contract, subject to any judicial, extrajudicial, or administrative action that may, directly or indirectly, compromise its liquidity and/or the terms of this Contract; and

**7.1.9.** There is no reason, on the date of execution of this Contract, that allows any third party to perform any discounts on the amounts related to the Remuneration or that prevents the realization of the deposits under this Contract.

**7.2.** The Custodian Bank represents and warrants that:

**7.2.1.** It is a financial institution duly organized and authorized to operate in accordance with the laws and regulations currently in force in the Federative Republic of Brazil;

**7.2.2.** It has the ability to enter into this Contract and perform the acts contemplated herein, possessing all regulatory authorizations to perform the acts provided for in this Contract;

**7.2.3.** All authorizations were obtained and all measures and procedures were taken to validly sign this Contract;

**7.2.4.** The execution of this Contract and the assumption of the obligations arising hereunder are in accordance with its constituent acts and are fully effective; and

**7.2.5.** The persons who sign this Contract on its behalf have the power to assume the obligations set forth herein.

## **8. OBLIGATIONS OF THE CUSTODIAN BANK**

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- 8.1.** Through this Contract, the Custodian Bank is appointed to provide custody services for the financial resources deposited into the Adjustment Account, it being the sole and only person responsible for the management of the funds held therein, in strict accordance with the provisions of this Contract.
- 8.1.1.** The Custodian Bank may freely withdraw from the exercise of its functions, by simple notice to the Granting Authority, to the Concessionaire, to be delivered at least thirty (30) days in advance of its effective exoneration, remaining vested with all the duties inherent to the custody of the financial resources deposited into the Adjustment Account, by the end of this period, subject further to the provisions of this Section.
- 8.1.2.** If the Custodian Bank withdraws from the exercise of its duties prior to the expiration of the term of duration of this Contract, it shall be incumbent upon the Concessionaire, with the consent of the Granting Authority, within thirty (30) days from the notice of withdrawal, to appoint a new custodian bank, with the Custodian Bank remaining in the exercise of its duties until its actual replacement.
- 8.1.3.** Once the new custodian bank has accepted its appointment, (i) the new custodian bank shall succeed it and shall be vested with all rights, powers, privileges, and duties of the Custodian Bank; (ii) the Custodian Bank shall be relieved of the respective duties and obligations set forth herein, which shall continue to be fully fulfilled until the actual replacement thereof and until the full transfer of ownership and control of the Adjustment Account of the Concession and the respective documentation; and (iii) the management of the funds in the Adjustment Account, as well as all related documentation, shall be transferred to the new custodian bank.
- 8.2.** Notwithstanding the other provisions of this Contract, the Custodian Bank shall:
- 8.2.1.** Meet, regardless of the consent or prior consultation of the Concessionaire, all orders of the Granting Authority that are supported by the Concession Documents, as provided for in this Contract.
- 8.2.2.** Ensure the faithful performance of the obligations provided for in this Agreement and comply, in the performance hereof, with the provisions of this Agreement; and



**8.2.3.** Remain in the exercise of its duties in the event of its replacement until execution of the respective amendment to this Contract, even if the time limit of thirty (30) days provided for in this subclause 8.1.1 of this Contract is exceeded.

**8.3.** The Parties agree irrevocably and irreversibly that::

**8.3.1.** This Agreement expressly governs all duties of the Custodian Bank with respect to any and all matters pertaining to this Agreement;

**8.3.2.** The Custodian Bank shall not be liable, except for fault or duly proven intent, for any harm, obligations, claims, actions, damages, and expenses, including reasonable attorneys' fees and disbursements arising out of or related to this Contract;

**8.3.3.** The Custodian Bank is hereby authorized to obey and comply with all measures, warrants, judgments, or decisions issued by the judicial authority that affect the Adjustment Account;

**8.3.4.** The Custodian Bank shall comply with a judicial or arbitral decision, as provided for in this Contract, without being required to verify the authenticity or accuracy of the facts stated therein or the appropriateness thereof;

**8.3.5.** The Custodian Bank shall not be liable to either Party with respect to the fulfillment of judicial or arbitral decisions;

**8.3.6.** The Custodian Bank makes no representation as to the validity, value, or authenticity of any third party document or instrument held by or delivered to it;

**8.3.7.** The Concessionaire shall pay or refund to the Custodian Bank, upon request, any taxes levied or that may be levied on the placement into operation of this Contract, except those in which said bank is considered taxpayer of the tax obligation, as well as indemnify and hold the Custodian Bank harmless for any amounts it is required to pay with respect to such taxes, provided that they are duly proven;

**8.3.8.** The Custodian Bank shall not be liable if, by judicial or arbitral decision, it takes or fails to take any action that would otherwise be required;

**8.3.9.** The Custodian Bank shall comply with all provisions of the notices and documents received, provided that they are in conformity with the provisions of this Contract;



**8.3.10.** The Custodian Bank shall not be liable if the amounts deposited in the Adjustment Account are blocked by court order or as a result of an arbitral decision; and

**8.3.11.** The Custodian Bank shall not be liable with respect to any other instrument entered into among the Concessionaire, AGERGS, the Granting Authority, the Financiers, and the Agent, and shall under no circumstances be required to act as arbitrator with respect to any dispute arising between the Parties or interpreter of the conditions established therein.

**8.4.** The Parties agree that the provisions relating to the remuneration due to the Custodian Bank for services rendered under this Contract shall be established and enforced in accordance with a private instrument to be entered into between the Concessionaire and the Custodian Bank, and shall not create any liability for the Granting Authority.

## **9. Effectiveness**

**9.1.** This Agreement shall enter into force on the date of its execution and shall remain in force until the Closing Date.

**9.1.1.** The Parties agree that, notwithstanding the provisions of Section 9.1 above, while the Custodian Bank is not duly notified of the Closing Date, the remuneration provided for in this Contract shall continue to be charged.

**9.1.2.** After the Closing Date, the Adjustment Account shall be closed according to the regulations in force, and upon completing the closure process, they shall be automatically closed and the Custodian Bank is hereby authorized to take all necessary measures in that regard.

**9.1.3.** Without prejudice to the provisions of Clause 9.1.2 above and in order to avoid doubt, the maintenance of the Adjustment Account shall not be linked to the term of the Concession, it being provided that, in any event of expiration of the Concession, the closure of said accounts and the reversal of their residual balances to the Granting Authority shall be conditioned on the discharge by the Granting Authority of indemnification of any nature due to the Concessionaire, as provided for in the calculation of the Final Adjustment.

**9.1.3.1.** In the event of the initiation of an arbitration proceeding to debate the outcome of the procedure of Final Adjustment, as provided for in the



Concession Contract, the closing of the Adjustment Account shall also be subject to the completion of the aforementioned arbitral proceeding.

**9.1.3.2.** For the purposes of the provisions of Section above, the Custodian Bank must close the Adjustment Account, upon receipt of the Final Adjustment Notice, issued after the end of the arbitration procedure.

**9.1.4.** The Parties agree that the Custodian Bank shall have up to four (4) business days to commence operation of this Agreement, counted as of the date on which the Custodian Bank receives its signed copy of this Agreement and provided that no pending issue is found in the documentation sent.

**9.2.** This Agreement may be terminated, in accordance with the laws and regulations in force, at the discretion of the innocent or injured party, in the following scenarios:

**9.2.1.** If either Party breaches its obligation under this Contract and, after being notified in writing by the other Party, it, within five (5) days of receipt of such notice, fails to present its claims, to cure its default, and to pay to the injured Party the damages proven to have been caused;

**9.2.2.** If either Party breaches its obligation under this Contract and, after being notified in writing by the other Party, within five (5) days counted as of receipt of such notice, it shall indemnify the injured Party for damages that are proven to have been caused when it is no longer possible to fulfill the obligation or the fulfillment thereof does not satisfy the interests of the injured Party, as per a final and unappealable decision; and

**9.2.3.** Regardless of prior notice, if either Party suffers legitimate protest of title, for a minimum amount of [●] (R\$ [●]), has been declared bankrupt, has a request for extrajudicial or judicial reorganization granted, or is subject to liquidation or intervention, whether judicial or extrajudicial.

**9.3.** Should any of the events described in Clause 9.2 above occur, and the procedure for Final Adjustment of the Concession Contract has not been completed, the Custodian Bank shall provide the services described in this Contract until the Parties execute a new contract, the terms and conditions of which shall fully replace the terms of this Contract.

## **10. PENALTIES**

**10.1.** The Concessionaire agrees that if it fails to fulfill any provision of this Contract in the manner set forth in and/or within the term established herein, it shall





be subject to the payment of any losses and/or damages incurred by the Custodian Bank and the Granting Authority.

- 10.2.** In addition, in the event of non-fulfilment of obligations to deposit or transfer funds, the Concessionaire shall be subject to the penalties provided for in the Concession Contract.
- 10.3.** The Parties agree that the penalties provided for in this section may be demanded independently and without prejudice to the other penalties provided for in the other Concession Documents.
- 10.4.** The requirement of any penalty provided for in this section does not prevent the Party harmed from demanding fulfillment of the obligation breached or exempt the Concessionaire from fulfilling such obligation.

## **11. General Provisions**

- 11.1.** This Contract binds the Parties and their successors.
- 11.2.** The provisions of the Concession Contract supplement this Agreement for the purpose of construction and perfect understanding of the business dealt with herein.
- 11.3.** Without prejudice to the indemnification due in the event of breach of any provision of this Agreement, the Party harmed may demand of the defaulting Party, if applicable, specific performance of the obligation due.
- 11.4.** Any amendment to this Agreement shall be deemed valid, enforceable, and effective only if made in writing and signed by all Parties or their successors.
- 11.5.** The rights of each Party provided for in this Agreement (i) are cumulative with other rights provided for by law and the other Concession Documents; and (ii) only allow specific and written waiver.
- 11.6.** Failure to exercise, in whole or in part, any right arising under this Agreement shall not imply novation of the obligation or waiver of the respective right by its holder.
- 11.7.** Any invalidity and/or ineffectiveness of one or more provisions shall not affect the other provisions of this Agreement.



- 11.8.** If any provision of this Agreement is held to be invalid and/or ineffective, the Parties shall use their best efforts to replace it with content that is similar and has the same effect.
- 11.9.** All notices and other communications to be given by either Party under this Agreement shall be sent to the following addresses::
- (i) If to the Granting Authority: [●]
  - (ii) If to the Concessionaire: [●]
  - (iii) If to the Custodian Bank: [●]
- 11.9.1.** Communications shall be deemed delivered when they are received with notice of receipt or with “acknowledgment of receipt” sent by the Brazilian Postal Company, at the addresses above.
- 11.9.2.** Communications made by electronic mail shall be considered received on the date of their sending, provided that receipt thereof is confirmed by means of a transmission verification report (receipt issued by the machine used by the sender). The original copies of the documents sent by electronic mail must be sent to the addresses above within five (5) business days after the message is sent.
- 11.9.3.** Change in any of the above addresses must be communicated to the other Parties by the Party whose address has changed, within three (3) days counted from the occurrence thereof.
- 11.10.** The assignment of rights and transfer of obligations arising from this Agreement without the consent of the other Parties is prohibited, except in the event that (i) the Custodian Bank assigns all or part of its rights to a company belonging to its economic conglomerate and provided that the assignees are authorized by the regulatory agencies to carry out the activities arising under this agreement; and (ii) set forth in the Concession Contract.
- 11.11.** The payment of taxes levied on this agreement shall be made by the Party defined as a taxpayer by the tax laws and regulations, in the manner set forth therein.
- 11.12.** This Agreement shall be governed by and construed in accordance with the laws of the Federative Republic of Brazil.
- 11.13.** The Parties elect the courts of the Judicial District of Porto Alegre, State of Rio Grande do Sul to resolve any issues arising under this Agreement.



The Parties sign this Agreement in [●] ([●]) counterparts of form and content, in the presence of the two (2) undersigned witnesses.

[Place], [●] de [●] de [●]

\_\_\_\_\_  
State of Rio Grande do Sul, represented by Secretary of Logistics and Transportation of Rio Grande do Sul

Name:  
Position:

\_\_\_\_\_  
[CONCESSIONAIRE]

Name:  
Position:

\_\_\_\_\_  
[Custodian Bank]

Name:  
Position:

\_\_\_\_\_  
[GRANTING AUTHORITY]

Name:  
Position:

Witnesses:



1. \_\_\_\_\_  
Nome:  
RG:  
CPF:

2. \_\_\_\_\_  
Nome:  
RG:  
CPF:



## **Exhibit 8 - Transition A**

### **1. Introduction**

1.1. The transition dealt with in this Exhibit to the CONTRACT considers the interaction between the CONCESSIONAIRE and the GRANTING AUTHORITY or the PRIOR OPERATOR and is intended to facilitate the assumption of the operation of the HIGHWAY SYSTEM.

1.2. The transition dealt with in this Exhibit is intended to facilitate the assumption of the operation of the Highway System and the transfer of the RETURNABLE PROPERTY, as well as to guarantee the quality, continuity, and timeliness of the provision of services that are part of the scope of the CONTRACT, and all actors related to the CONCESSIONAIRE and the GRANTING AUTHORITY or the PRIOR OPERATOR should make the efforts necessary for effective and quick operational transition.

1.3. Transition A is not necessary or indispensable for the fulfillment of the CONTRACT by the CONCESSIONAIRE, which assumes that it has full conditions for the assumption of the CONTRACT regardless of the performance of the activities dealt with in this Exhibit.

1.4. The GRANTING AUTHORITY or the PRIOR OPERATOR is not responsible for any mistakes, errors, or problems that may occur in this transition process, which shall not exempt the CONCESSIONAIRE from any liability provided for in the CONTRACT.

### **2. Transition Team**

2.1. The CONCESSIONAIRE shall create a transition team responsible for implementing the Operational Transition Plan.

2.1.1. The transition team shall be made up of professionals with the CONCESSIONAIRE allocated to the areas of expertise necessary for the continued operation of the Highway System.

2.2. The transition team shall monitor the operation of the Highway System until the end of COEXISTENCE PHASE A, shall assimilate the information available, and shall implement the Operational Transition Plan.



2.3. The Transition Team shall send to the GRANTING AUTHORITY, at the end of COEXISTENCE PHASE A, a final report on the activities carried out during the transition phase.

### **3. Coexistence Phase A**

3.1. COEXISTENCE PHASE A shall commence on the day following the date of execution of the CONTRACT and shall end with the execution of the Property Listing and Transfer Instrument, pursuant to the CONTRACT.

3.2. During COEXISTENCE PHASE A, the transition team shall, among other activities:

3.2.1. Implement the Operational Transition Plan;

3.2.2. Monitor the operation of the Highway System;

3.2.3. Plan the composition of its staff;

3.2.4. Initiate interaction with the players and agents involved in the operation of the Highway System;

3.2.5. Use the physical spaces provided by the GRANTING AUTHORITY or by the PRIOR OPERATOR.

3.3. During that period the prior CONCESSION PROPERTY that shall revert to the future Concession shall be available for use by the CONCESSIONAIRE, provided that their use does not compromise the operation during the transition.

3.4. The CONCESSIONAIRE may employ alternative means to those indicated above to obtain information relevant to the performance of its activities during the transition phase.



## Exhibit 9 - Transition B

### 1. Presentation

1.1. The Transition dealt with in this Exhibit considers the interaction between the CONCESSIONAIRE and the GRANTING AUTHORITY or the FUTURE OPERATOR at the end of the Concession.

1.2. The Transition dealt with in this Exhibit is intended to facilitate assumption of the operation of the HIGHWAY SYSTEM and the transfer of the RETURNABLE PROPERTY, as well as to guarantee the quality, continuity, and timeliness of the provision of the service.

1.3. The GRANTING AUTHORITY is not responsible for any mistakes, errors, or problems in this transition arising from the relationship between the CONCESSIONAIRE and the FUTURE OPERATOR.

1.4. The CONCESSIONAIRE's obligations and responsibilities under the Contract shall remain unchanged during TRANSITION B.

1.5. For all TRANSITION B procedures, one shall apply, without prejudice to the other contractual provisions, the provisions contained in the Contract.

### 2. Initial Closing Inspection

2.1. Twenty-four months prior to the expiration of the Concession's contractual term, the Initial Closing Inspection shall begin, at the end of which the Initial Closing Report shall be issued.

2.2. The Initial Closing Report shall be issued within one (1) month from the beginning of the Initial Closing Inspection.

2.3. The Initial Closing Report shall contain, in detail, the monitoring result, the inventory with the list of goods and their status, as well as the nonconformities of the elements with respect to their performance and functionality parameters.

2.4. The Initial Closing Report should cover a review of:

2.4.1. Concession Property and elements of the HIGHWAY SYSTEM in relation to their Performance Parameters defined in the PER;



2.4.2. Concession Property and elements of the HIGHWAY SYSTEM, including those necessary for its monitoring and its functionality;

2.4.3. Other Concession Property and elements of the HIGHWAY SYSTEM that are not covered by the scenarios described in items 2.4.1 and 2.4.2.

2.5. The GRANTING AUTHORITY or a third party authorized by it may use the prerogative provided for in the Contract for the preparation of the inventory of Concession Property.

### **3. Interim Closing Inspection**

3.1. Twelve months prior to the expiration of the Concession's contractual term, the Interim Closing Inspection shall begin, at the end of which the Interim Closing Report shall be issued.

3.2. The Interim Closing Report shall be issued within one (1) month from the beginning of the Interim Closing Inspection.

3.3. The Interim Closing Report shall contain, in addition to those items provided for in item 2.3, the evaluation of the outstanding issues found in the Initial Closing Report.

3.4. The GRANTING AUTHORITY or a third party authorized by it may use the prerogative provided for in the Contract for the preparation of the inventory of Concession Property.

### **4. Final Closing Inspection**

4.1. One month prior to the expiration of the Concession's contractual term, the Final Closing Inspection shall begin, at the end of which the Final Closing Report shall be issued.

4.2. The Final Closing Report shall contain, in addition to those items provided for in item 2.3, the evaluation of the outstanding issues found in the Final Closing Report.

4.3. The Final Closing Report shall be issued no later than five (5) business days prior to the end of the Concession.

4.3.1 In the event of non-fulfillment of any of the issues indicated in the Interim Closing Report, they shall be cleared in accordance with the terms of the Contract.





4.3.2 The list of RETURNABLE PROPERTY shall be drafted considering the inventory of Concession Property contained in the Final Closure Report.

4.4. The GRANTING AUTHORITY or a third party authorized by it may use the prerogative provided for in the Contract for the preparation of the Inventory of Concession Property.

## 5. Coexistence Phase

5.1. COEXISTENCE PHASE B is the period of coexistence between the CONCESSIONAIRE the GRANTING AUTHORITY or the FUTURE OPERATOR, aiming at the appropriate operational transition and continuity of the adequate rendering of services.

5.2. Obligations of the CONCESSIONAIRE:

5.2.1 During COEXISTENCE PHASE B, the CONCESSIONAIRE shall:

5.2.2. Provide documents and contracts related to the purpose of the Concession;

5.2.3. Provide operational documents related to the purpose of the Concession;

5.2.4. Provide other information regarding the operation of the HIGHWAY SYSTEM;

5.2.5. Cooperate with the GRANTING AUTHORITY or the FUTURE OPERATOR and AGERGS for the proper transmission of knowledge and information;

5.2.6. Allow the monitoring of the operation of the HIGHWAY SYSTEM and the regular activities of the CONCESSIONAIRE by the GRANTING AUTHORITY or the FUTURE OPERATOR;

5.2.7. Promote the training of the GRANTING AUTHORITY or the FUTURE OPERATOR regarding the operation of the HIGHWAY SYSTEM;

5.2.8. Cooperate with the GRANTING AUTHORITY or the FUTURE OPERATOR in the preparation of any reports required for the transition process;

5.2.9. Appoint professionals from relevant knowledge areas for operational transition during the Coexistence Phase;

5.2.10. Provide physical space to accommodate the working groups of the GRANTING AUTHORITY or the FUTURE OPERATOR during this period;



5.2.11. Assist in staff planning;

5.2.12. Interact with the GRANTING AUTHORITY or the FUTURE OPERATOR and other players and agents involved in the operation of the HIGHWAY SYSTEM;

5.2.13. Cooperate in the other ways indicated by AGERGS.

5.3. During this period the CONCESSION PROPERTY that will be reverted to the FUTURE OPERATOR or the GRANTING AUTHORITY shall be available for their use, provided that their use does not compromise the operation during the transition.



## Exhibit 10 - Factor C

### 1. Introduction

1.1 The purpose of this Exhibit is to specify the methodology for the measurement, calculation, and rebalancing arising from events that impact exclusively on toll or extraordinary revenues or amounts due from the CONCESSIONAIRE for the provision of the public services covered by the CONCESSION.

1.2 The rebalancing events that impact on the CONCESSIONAIRE's toll or extraordinary revenues or funds, under the terms of the subclause above, shall be calculated pursuant to this Exhibit, extracting from its calculation FACTOR C applied to the SINGLE LANE BASIC TOLL FARE and to the DOUBLE LANE BASIC TOLL FARE, in the manner provided for in the Concession Contract.

1.3 FACTOR C is applicable for the purpose of rebalancing the CONTRACT, when the expansion or reduction of toll or extraordinary revenues or the non-utilization of the CONCESSIONAIRE's funds arising from the following events is found (exemplary list):

1.3.1 Failure to use all annual Traffic Safety funds as provided for in the CONTRACT;

1.3.2 Failure to use all funds with Resources for Technological Development - RDT, as provided for in the CONTRACT;

1.3.3 Change in revenue from rounding of the TOLL FARE as provided for in the Contract;

1.3.4 Changes in revenues resulting from delay in applying the TOLL FARE adjustment in the prior period;

1.3.5 Change in revenue due to the reduction or increased rate of Tax on Services of Any Nature - ISSQN and PIS and COFINS;

1.3.6 Change in revenue due to judicial decision that makes it impossible to partially or fully charge the TOLL FARE;

1.3.7 Any balance from events from prior years not paid to the TOLL FARE;



1.3.8 Change in revenue from the performance of works and services after the time limit set in the PER;

1.3.9 Change in revenues resulting from indemnification to the Government, described in subclause 2.7 of Exhibit 5 of the CONCESSION CONTRACT;

1.3.10 FREQUENT USER DISCOUNT compensation when there is no balance in the ADJUSTMENT ACCOUNT.

1.3.11 Reversal to toll fare moderation of the CONCESSION BALANCE within the scope of the five-year review.

1.4 All events in subclause 1.3 relating to toll fare installments or percentages shall be converted into amounts to be credited or debited from the balance of Account C, as provided for in item 2.1, based on traffic and revenues earned during the corresponding year, such as would happen if the events actually took place.

1.5 FACTOR C shall be calculated annually and shall start as of the beginning of collection of the TOLL FARE by the Concessionaire, with its first application provided for in the ordinary review following the lapse of one (1) year from the beginning of collection of the TOLL FARE.

1.5.1 The first application of FACTOR C shall take into account all rebalancing events that impact on the CONCESSIONAIRE's revenues and funds as of the DATE OF ASSUMPTION of the CONCESSION.

1.6 FACTOR C shall be adjusted for inflation for the same base date for toll fare adjustment, applying the IRT rate.

## 2. Calculation methodology for FACTOR C

2.1 Factor C shall be calculated in accordance with the following formula:

$$C_{t+1} = \frac{Cd_{t+1} + (c_t \times (\sqrt{VTPeq_t} - VTPeq_t)) \times (1+r_t)}{\sqrt{VTPeq_{t+1}}}$$

Where:

t: represents the year of occurrence of the events subject to the application of FACTOR C



$c_t$ : Factor C applied to the SINGLE LANE BASIC TOLL FARE and to the DOUBLE LANE BASIC TOLL FARE of year t

$c_{t+1}$ : Factor C applied to the SINGLE LANE BASIC TOLL FARE and to the DOUBLE LANE BASIC TOLL FARE for the year following t. Prior to its application on the toll fare, FACTOR C should be converted into initial prices.

$VTPeq_t$ : Equivalent Total Toll Volume for the Highway, expressed in vehicles equivalent to category 1 indicated in the Contract, effectively found in year t. The equivalence factor for vehicles not falling under category 1 shall be the Fare Multiplier indicated in the table in the Contract for each category.

$\widetilde{VTPeq}_t$ : Equivalent Tolled Total Volume Projection, calculated in the prior year for the current year, expressed in vehicles equivalent to category 1 as shown in the Contract. The equivalence factor for vehicles not falling under category 1 shall be the Toll Fare Multiplier indicated in the table in the Contract for each category.

$\widetilde{VTPeq}_{t+1}$ : Projection of the Equivalent Total Toll Volume, expressed in vehicles equivalent to category 1 indicated in the Contract, for the following t. The equivalence factor for vehicles not falling under category 1 shall be the Fare Multiplier indicated in the table in the Contract for each category.

$r_t$ : Nominal Interest Rate equivalent to the Marginal Cash Flow discount rate provided for in the Contract defined below in year t.

$$\text{Interest Rate} = [(1 + i) \times (1 + f)] - 1$$

Where:

Interest Rate: interest rate that shall be applied to the remaining balance of Account C, that is to say,  $r_t$ .

$i$ : represents the variation, in the period, in the same index used for the calculation of the adjustment for inflation of the Toll Fare per the IRT.

$f$ : Actual interest rate equivalent to the Marginal Cash Flow discount rate provided for in the Contract.

$Cd_{t+1}$ : Account C amount to be applied in the year following t, as per item 2.3.

$Cd_t$ : Amount of rebalancing events properly adjusted to actual year traffic and effectively applied to the calculation of  $c_t$ .



The balance of Account C shall be calculated using the following formulas:

$$C'_t = \sum_{i=1}^n F_{i,t} + FC_t$$

$$FC_t = C_{t-1} \times (1 + r_t)$$

$$C_t = C'_t - Cd_{t+1}$$

Where:

$C'_t$ : Account C provisional balance at the end of year t.

$F_{i,t}$ : Event as provided for in item 1.3 of year t, except as provided for in item 1.3.10.

$FC_t$ : Any balance for events from prior years not paid to the Toll Fare provided for in item 1.3.10 subject to the treatment provided for in item 2.3.1.

$C_t$ : Account C ending balance at the end of year t.

2.2 The calculation of the parameters provided for in item 2.1 shall be based on the following criteria:

2.2.1 For the parameter for rebalancing events:

2.2.1.1. Rebalancing events shall be ascertained by calculating the difference between the amount originally provided for under the CONTRACT and the amount actually found according to the increase or decrease resulting from the rebalancing event.

2.2.2 For the Traffic Projection parameter:

2.2.2.1. The Traffic Projection for the first application of FACTOR C, at t+1, as provided for in item 1.5, shall be the Total Equivalent Volume Tolloed on the Highway expressed in vehicles equivalent to category 1 indicated in the CONTRACT, in year t, plus two percent (2%), in accordance with the following formula:

$$\widetilde{VTPeq}_{t+1} = 1,02 \times VTPeq_t$$



2.2.2.2. The Traffic Projection for the second application of FACTOR C, at t+1, shall be the Total Equivalent Volume Tolled on the Highway expressed in vehicles equivalent to category 1 shown in the Contract, in year t, plus the growth rate of the Equivalent Total Tolled Volume of the Highway in the last two years, according to the following formula:

$$\widehat{VTPeq}_{t+1} = VTPeq_t \times \left( \frac{VTPeq_t}{VTPeq_{t-1}} \right)$$

Where:

$VTPeq_{t-1}$ : Equivalent Total Toll Volume for the Highway, expressed in vehicles equivalent to category 1 indicated in the Contract, effectively found in year t-1. The equivalence factor for vehicles not falling under category 1 shall be the Toll Fare Multiplier indicated in the table in the Contract for each category.

2.2.2.3. The Traffic Projection for the third and remaining applications of Factor C shall be the Total Equivalent Volume Tolled for the highway expressed in vehicles equivalent to category 1 shown in the table of the Contract, in year t, plus the average growth rate of the equivalent Total Tolled Volume for the Highway for the last three (3) years, according to the following formula:

$$\widehat{VTPeq}_{t+1} = VTPeq_t \times \sqrt{\frac{VTPeq_t}{VTPeq_{t-2}}}$$

Where:

$VTPeq_{t-2}$ : Equivalent Total Toll Volume for the Highway, expressed in vehicles equivalent to category 1 indicated in the Contract, effectively found in year t-2. The equivalence factor for vehicles not falling under category 1 shall be the Toll Fare Multiplier indicated in the table in the Contract for each category.



2.3 AGERGS shall determine the amount of Account C to be used in the calculation of Factor C which shall affect the following year's SINGLE LANE BASIC TOLL FARE and DOUBLE LANE BASIC TOLL FARE, and may opt for an amount less than the total balance of Account C to avoid large fluctuations in the toll fare.

2.3.1 The events provided for in items 1.3.1 to 1.3.5 shall necessarily be applied to the SINGLE LANE BASIC TOLL FARE and to the DOUBLE LANE BASIC TOLL FARE of the following year.

2.4. The remaining balance shall be increased by the interest rate equivalent to the Marginal Cash Flow discount rate provided for in the Contract defined below until the date of its application and shall be transferred to the FACTOR C of subsequent years as per items 1.3.

$$\text{Interest Rate} = [(1 + i) \times (1 + f)] - 1$$

Where:

Interest Rate: interest rate that shall be applied to the remaining balance of Account C.

i: represents the variation, in the period, in the same index used for the calculation of the adjustment for inflation of the Toll Fare per the IRT.

f: Interest rate equivalent to the Marginal Cash Flow discount rate provided for in the Contract.

2.5. The rebalancing events that have an impact on the Concessionaire's revenues and funds, under the terms of item 1.1, calculated in the last 2 years of the CONCESSION TERM shall generate an indemnity corresponding to the balance of Account C in favor of the CONCESSIONAIRE or the GRANTING AUTHORITY, depending on the circumstances.





## **Exhibit 11 - Guidelines for Preparing the Tripartite Contract**

The attached draft is a reference and is intended to guide the discussion between the Parties regarding the scope and procedure for exercising the rights of the Financiers, and, if necessary, it may have its content adjusted to the effective market conditions before its signature, since that with prior approval of the Granting Authority and consent of AGERGS.

The signature of the Tripartite Agreement is optional for the Financiers and implies the binding of the Grantor with respect to the way in which the Financiers will exercise the rights provided for in art. 27 and art. 27-A of Law No. 8.987/1995, if the draft established herein is maintained. Failure to enter into the Tripartite Agreement will not be considered, in any way, to the detriment of the Financiers.

Funders may choose to enter into the Tripartite Agreement (i) jointly; (ii) represented only by one of the Funders; or (iii) by a duly appointed third party (Agent).

Alert Events are events typified in this Annex that trigger the obligation of notification between the Granting Authority and the Financiers, arising from non-compliance with the Agreement and/or the Financing Documents.

The Cure Period consists of a time limit granted by AGERGS or by the Financiers, upon notice to the Concessionaire, as the case may be, to cure any breaches observed in the Contract or in the Financing Documents.

If the Concessionaire does not cure the breaches indicated in the Alert Events during the Cure Period, the Agent, representing the Financiers, shall be allowed to exercise the rights provided for in the Tripartite Agreement. In this case, there shall be a provision for the Exercise Period, which shall consist of a period during which the Agent, as representative of the Financiers, if they so wish, may exercise the rights conferred on them in this instrument.

In the event of breach of obligations arising from the Financing Documents, subject to any applicable curing periods, the Financiers may exercise the rights provided for in the Contract for the duration of the default.

The exercise of the rights of Temporary Administration and Assumption of Control will imply the elaboration of a Restructuring Plan, which must be presented by the Financiers to the Concessionaire, to AGERGS and to the Granting Authority. The non-exercise of these rights by the Financiers will not be considered to the disadvantage of the Financiers.



The Restructuring Plan may not compromise the rendering of the services covered by the Concession.

The exercise of Temporary Administration will not affect the responsibility of the Financiers or the Temporary Administrator in relation to the taxation, charges, liens, sanctions, obligations or commitments of the Concessionaire before the Grantor, the Grantor, third parties or employees of the Concessionaire, remaining responsible for such charges, liens, sanctions, obligations or commitments.

It is the Financiers' right, during the Assumption of Control, to fully exercise all rights arising from the resolvable ownership of the Concessionaire's shares or other possible guarantee, such as: (i) accessing all of the Concessionaire's information related to the Contract for the preparation of the Restructuring Plan; and (ii) electing or dismissing the members of the Concessionaire's management when such powers are that of the shareholders.

AGERGS may interrupt the Temporary Management and the Assumption of Control if breach of the Restructuring Plan is proven in a separate proceeding.

#### DRAFT AGREEMENT

As the Granting Authority, the GOVERNMENT OF RIO GRANDE DO SUL, through the Secretary of Transportation, an autonomous body of the State Administration, headquartered in ●, herein represented by its Secretary, Mr [•], [qualification], appointed by Decree of [•], published in the Official Gazette of the State of [•], and by its Director [•], appointed by the Decree of [•], published in the Official Gazette of the State of [•], hereinafter referred to as "Granting Authority"; [•], acting as a representative of the Financiers of the Concessionaire listed in the Financing Documents, as mandated by the respective entities, and

[•], special purpose company awarded the object of the Concession Notice No. [•]/[•];

AGERGS, an autarchy belonging to the State Administration, headquartered in ●, herein represented by its Chief Executive Officer, Mr [•], [qualification], appointed by Decree of [•], published in the Official Gazette of the State of [•], in the capacity of consenting intervener;

The [...] Financiers (or the Agent)

WHEREAS the Granting Authority, and [•], a special purpose company, on the date of [•], entered into Contract No. [•], in which the first appears as Contractor and the second as Concessionaire, having as object the exploration of infrastructure and provision of public service of recovery, operation, maintenance, monitoring, conservation, implementation of

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improvements, expansion of capacity and maintenance of the service level of the Highway System, under the terms, within the term and under the conditions established in the Contract, in the Notice and the respective Exhibits;

WHEREAS the investments to be made by the Concessionaire, in achieving the object of the Contract, may be made through financing and guarantee obtained from the Financiers, in the amount and according to the references contained in the Financing Documents that integrate this agreement as an Appendix;

WHEREAS the Financiers have appointed the Agent to represent them and exercise the rights and obligations set forth in this Agreement [if applicable];

WHEREAS the Concessionaire's bylaws are adequate to the present provisions, and its shareholders are obliged to respect, as well as to adopt all measures that may be necessary to fulfill the obligations established herein;

WHEREAS, under the terms of the Contract, the Financiers were granted the right to enter into this Tripartite Agreement, in order to better regulate the relationship between the Concessionaire, the Financiers, represented by the Agent, and the Granting Authority;

WHEREAS this Agreement, for the purposes of the Contract, falls within the concept of Tripartite Agreement to which such instrument refers;

CONSIDERING the common interest of the Granting Authority, the Concessionaire and the Financiers in the perfect exploitation of the infrastructure and the provision of the public service of recovery, operation, maintenance, monitoring, conservation, implementation of improvements, expansion of capacity and maintenance of the System's service level Road, as established in the Contract;

Resolve to enter into this Agreement, which will be governed by the following clauses and conditions.

## **1. SUBJECT MATTER**

1.1. This Contract is intended to govern the rights and duties conferred upon the Parties on the occasion of the occurrence of an Alert Event, according to the provisions contained herein, as well as the establishment of the terms and conditions under which, in this event, the Assumption of Control and the Temporary Management of the Concessionaire shall take place, pursuant to articles 27 and 27-A of Law No. 8.987/1995.

## **2. DEFINITIONS**

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Bidding Processes Central Subsecretariat – CELIC/RS  
Av. Borges De Medeiros, No. 1501 – 2nd Floor – CEP: 90110-150 Telephone: (51) 3288-1160



2.1. Capitalized terms or terms in this Contract beginning with a capital letter, unless expressly provided otherwise, and without prejudice to the other definitions contained in the Contract, shall be understood and construed in accordance with the following meanings:

- i. **Temporary Management:** exercise by the Financiers, without the transfer of ownership of the shares, of specific powers to reorganize the Concessionaire's business activity.
- ii. **Administrator:** appointment of the officer responsible for the proper conduct of the Temporary Management process, appointed by the Agent in the Restructuring Plan.
- iii. **Agent:** the representative of the Financiers, such as the lead bank or coordinator, or a third party appointed by the Creditors, before the Granting Authority, who is responsible for exercising the rights and obligations conferred upon it in this Agreement [if applicable].
- iv. **Assumption of Corporate Control:** acquisition of the corporate control of the Concessionaire, as required by article 116 of Law No. 6.404/1976, from the resolvable ownership of the Concessionaire's shares by the Financiers or other possible form of guarantee.
- v. **Attending to an Alert Notice:** occurrence of any of the scenarios described in this Contract, sufficient to close the Exercise Period.
- vi. **Concession:** has the meaning provided for in the Contract.
- vii. **Adjustment Account:** has the meaning provided for in the Contract.
- viii. **Contract:** is the Concession Contact.
- ix. **Financing Contracts:** Instruments entered into by the Concessionaire with the Financiers for structuring the transaction in order to obtain funds for the performance of the obligations assumed in the Contract, which are part of the Financing Documents.
- x. **Exercise Period Close Date:** end of the Exercise Period granted to the Agent for the adoption of the measures permitted, as per this Contract, to procure financial restructuring and ensure the continuity of the provision of services.



- xi. Date of Discharge: date of settlement and fulfillment by the Concessionaire of all obligations provided for in the Financing Documents, irrevocably and completely, as attested to by the Agent as representative of the Financiers.
- xii. Financing Documents: these are the Financing Contracts, including the respective guarantees linked thereto, the breach of which, by the Concessionaire, accelerates the payment of the debt or entails its early termination, constituting an Alert Event.
- xiii. Bid Notice: has the meaning provided for in the Contract.
- xiv. Improvement Stock: has the meaning provided for in the Contract.
- xv. Alert Event: events provided for in clause 8.1 of this Agreement, the occurrence of which implies the obligation of the Granting Authority to notify the Agent, as well as the obligation of the Agent to notify the Granting Authority, depending on the type of Alert Event found.
- xvi. Financiers: persons, agents or institutions that are responsible for financing and/or guarantees to the Concessionaire and are holders of rights arising from the Concession, pursuant to art. 28 and 28-A of Law 8.987/95, under the terms of the Financing Documents.
- xvii. Contract Performance Bond: has the meaning set forth in the Contract.
- xviii. Alert Notification: notice to be issued by the Granting Authority or by the Agent to the Concessionaire, as the case may be, whenever any of the Alert Events provided for in this Agreement occurs, and whose receipt by the Concessionaire starts the Cure Period.
- xix. Notification of the Granting Authority: notice to be issued by the Granting Authority to the Agent, after the end of the Cure Period granted to the Concessionaire, and receipt of which starts the Exercise Period.
- xx. Notification of Temporary Administration: notification sent by the Agent to the Granting Authority to communicate the beginning of the exercise of Temporary Administration.
- xxi. Notification of Assumption of Corporate Control: notification sent by the Agent to the Granting Authority to communicate the beginning of the exercise of the Assumption of Corporate Control.



- xxii. Exercise Notice: notice to be issued by the Agent to the Granting Authority, after the end of the Cure Period granted to the Concessionaire, with a view to exercising the rights provided for in this Agreement.
- xxiii. Parties: the Granting Authority, the Agent, and the Concessionaire.
- xxiv. Cure Period: term granted by the Granting Authority or by the Agent, as the case may be, upon notification to the Concessionaire, so that non-compliances observed in this Agreement, in the Agreement or in the Financing Documents are remedied, as provided for in clause 9.4 of this Agreement.
- xxv. Exercise Period: period starting on the date the Agent receives the Notification of the Granting Authority, with the duration provided for in clause 9.7 of this Agreement, and which ends in accordance with one of the following three items, whichever occurs first: (i) Ending Date of the Exercise Period; (ii) Compliance with the Notification of the Granting Authority; or (iii) termination of the Financing Contracts.
- xxvi. Restructuring Plan: plan containing the measures proposed to cure the defaults identified and allow the regularization of the execution of the Contract in the case of Temporary Management and Assumption of Control.
- xxvii. Granting Authority: has the meaning provided for in the Contract.
- xxviii. Toll Revenue: has the meaning provided for in the Contract.
- xxix. Extraordinary Revenue: has the meaning provided for in the Contract.
- xxx. Tied Resources: amounts to be deposited in the Adjustment Account, for the formation of a contingency reserve with the exclusive purpose of compensating for events foreseen in the Concession Contract.
- xxxi. Regulatory Status Report: report prepared by the Granting Authority on an annual basis in favor of the Agent, in order to maintain full transparency of the regulatory status of the Concessionaire, whose minimum content is that provided for in clause 7.6 of this Agreement.

### 3. INTERPRETATION

3.1. In the event of any conflict, ambiguity or inconsistency between the terms of the Agreement and this Agreement, those contained in this Agreement shall control.



#### **4. APPOINTMENT, REMUNERATION, AND REPLACEMENT OF THE AGENT [if that's the case]**

4.1. The Concessionaire and its Financiers, according to free adjustment, will be responsible for the remuneration of the Agent in consideration for the performance of the duties provided for in this Agreement, being prohibited the collection of any expense of the Granting Authority and the Granting Authority in this regard.

4.2. The Concessionaire may arrange for any Financier with whom it enters into contract after the execution of this Agreement, also to be represented by the Agent before the Granting Authority.

4.3. The provisions of section 4.2 of this Contract does not constitute an obligation assigned to the Concessionaire, and the new Financiers may or may not join this Contract.

4.4. The Agent shall notify Granting Authority of its replacement by another Agent in the role it exercises, by requesting the signing of a new Tripartite Contract or the execution of an amendment hereto, and shall remain responsible until the time formalization of its replacement.

4.5. The Granting Authority hereby agrees, unless there is any impediment preventing the replacement agent from entering into contract with the government, to enter into a new Tripartite Contract, the terms of which shall be substantially the same as this Contract.

4.6. Until the replacement of the Agent has been formalized, any notice issued by Granting Authority to the Agent hereby indicated, especially the Granting Authority Notice, shall be deemed valid and effective.

#### **5. LACK OF EFFECT ON THE CONTRACT**

5.1. Nothing in this Contract amends or modifies any of the obligations of the Concessionaire provided for in the Contract, except in the situations expressly identified in this Agreement.

#### **6. CONSENT WITH REGARD TO FINANCING AND GUARANTEES CONTRACTED AND GUARANTEES OFFERED**

6.1. Notwithstanding any provision to the contrary in the Contract, the Granting Authority acknowledges receipt of the Financing Documents listed in the Appendix and non-objection to the terms of the engagement, with the guarantees offered by the



Concessionaire to the Creditors, as well as the conditions under which they may be executed, recognizing that there is no breach of the Contract.

## **7. EXCHANGE OF INFORMATION BY THE PARTIES**

7.1. The Concessionaire shall keep the Agent informed every six months of the performance of its obligations under the Contract, informing it of any failures and breaches identified, regardless of whether or not they are of sufficient size to constitute an Alert Event, as provided for in this Contract.

7.2. The Agent may at any time confirm with the Granting Authority the accuracy of the information provided by the Concessionaire, as well as request other information about the Concession that it deems convenient at the request of the Financiers and which may be provided by the Granting Authority.

7.3. The Concessionaire hereby grants: (i) to the Agent the right to access all information related to the Concession that has been provided by the Concessionaire to the Granting Authority, or obtained by the latter in the exercise of its legal powers; and (ii) to the Granting Authority, authorization to send to the Agent all information that it has received from the Concessionaire, or obtained in the exercise of its legal powers, regarding the Concession.

7.4. To enable fulfillment of the terms of this Contract, the Concessionaire expressly consents to the sharing of its bank information to the Parties, without such disclosure being a breach of banking secrecy under the terms of Complementary Law No. 105/2001, as well as waives the right of secrecy regarding administrative proceedings for the ascertainment of infractions and application of penalties under article 78-B of Law No. 10.233/2001.

7.5. The Granting Authority shall forward to the Agent the communications of expectations and claims, under the terms of Exhibit 4, within twenty-four (24) hours from its receipt, aiming at monitoring the execution of the Contract.

7.6. The Granting Authority shall forward to the Agent, on an annual basis, the Regulatory Status Report, which shall contain, among other information deemed pertinent by the Granting Authority, the following information:

a) balance of investments made by the Concessionaire in the Concession and not amortized, duly accounted for and approved by the Granting Authority in accordance with the accounting standards in force and the methodology for assessment provided





for in the Contract for compensation in the event of early termination of the Concession, subject to the regulations of the Granting Authority;

b) events of economic and financial imbalance recognized within the scope of the Concession, including with the respective amounts calculated, if any, up to the date of preparation of the Regulatory Situation Report of the Concessionaire, in favor of the Concessionaire or the Granting Authority; and

c) list of fines applied to the Concessionaire by the Granting Authority in the performance of the Contract, due to administrative proceedings that have become final and unappealable, therein detailing the amounts actually paid to the Granting Authority or, potentially, pending payment by the Concessionaire, with amounts updated for inflation.

7.7. Communications from the Concessionaire and the Granting Authority to the Agent shall report the status of fulfillment of each of the contractual obligations, covering the following categories:

a) Scheduled: obligation whose original completion date has not expired;

b) Postponed: obligation whose original deadline for completion has not expired, but whose deadline for completion was postponed with the authorization of the Granting Authority;

c) Rescheduled: obligation whose original completion deadline has expired, but whose completion deadline has been rescheduled with the permission of the Granting Authority;

d) Fulfilled: obligation completed under the Agreement and accepted by the Granting Authority; and

e) Non-fulfilled: obligation whose completion deadline has expired and has not been fulfilled or rescheduled by the Granting Authority.

## **8. ALERT EVENTS**

8.1. The following are Alert Events:

a) the breach by the Concessionaire of any obligation or set of obligations of the Contract that, as a consequence, may give rise to the execution of the guarantees provided by the Concessionaire under the Contract, provided that at least one of the scenarios listed below is established:



- (i) infractions that authorizes the forfeiture of the Contract;;
  - (ii) failure to maintain the Contract Performance Bond, in the manner established in the Contract; and
  - (iii) it is in arrears regarding the payment of fines and/or amounts due to the Granting Authority in an amount exceeding the amount of the Contract Performance Bond.
- b) the initiation by Granting Authority of a prior procedure offering a deadline to cure the failures and breaches determined pursuant to paragraph 3 of article 38 of Law No. 8.981/95; and
- c) serious financial insolvency or compromise of the Concessionaire's liquidity of funds that endangers the effective fulfillment of the provisions of the Contract or the financial obligations taken on by the Concessionaire vis-à-vis the Financiers.

## **9. NOTICE AMONG THE PARTIES AND RESULTING EFFECTS**

9.1. The Granting Authority shall send the Alert Notice to the Agent, within ten (10) days from awareness of one of the Alert Events provided for in section 8.1, items (a) e (b) of this Contract, with the Agent being assigned the same obligation to notify Granting Authority, within the same time period provided for in this subclause, whenever it becomes aware of the Alert Event provided for in letter (c).

9.2. The Alert Notice must necessarily contain:

- a) the full description of the Alert Event;
- b) contractual obligations violated or not performed by the Concessionaire, in accordance with the terms of the Contract;
- c) indication of all amounts owed by the Concessionaire to the Granting Authority or the Financiers, as the case may be, and due on the date of the Alert Notice, together with all amounts due, accompanied by a description of the nature of the Concessionaire's obligation to pay such amounts., as per the provisions of the Contract and the Financing Documents; and
- d) in the specific case provided for in section 8.1, item (c), presentation of an economic and financial report prepared by an independent auditing firm retained by the Financiers that contains an analysis of the Concessionaire's solvency and liquidity based on its accounting information. The Concessionaire hereby agrees with the obligation to make available to the Agent, whenever requested, any economic,



financial, or accounting documents for the solvency analysis contemplated in this section.

9.3. Any updating of the terms of said notice, or occurrence of another Alert Event, shall give rise to the issuance of a new Alert Notice.

9.4. In the event of one or more Alert Events, the Cure Period shall commence upon the sending by the Agent or Granting Authority of the Alert Notice, with a copy to the third party of this Contract, so that the Concessionaire may, within up to ninety (90) days as of the date of delivery of the first notice, cure the Alert Events indicated.

9.4.1. The Granting Authority, if requested by the Concessionaire, or at the request of the Agent, may extend the Cure Period if it deems the period initially granted to cure the Alert Events indicated in the notice to be insufficient.

9.4.2. The time limit mentioned in this item shall not apply if there is an express provision in the Contract, or in the Financing Documents, for another time limit to cure specific events of default, in which case the Cure Period shall have the same time limit as established in the Contract, or in the Financing Documents, as the case may be.

9.4.3. The Cure Period shall be considered, for the purposes of legal classification, as being the prior procedure for offering a time limit for the curing errors and violations, pursuant to paragraph 3 of article 38 of Law 8.987/95.

9.5. If the Concessionaire has not cured all defaults identified in the Alert Event within the respective Cure Periods, the Agent, representing the Financiers, may take one of the following measures:

- a) perform in its own name the obligations for which the Concessionaire is in default before the Grantor or AGERGS, in which case they will be subrogated to the Concessionaire;
- b) request that the Granting Authority exercise the Temporary Management of the Concessionaire to procure its financial restructuring and assure continuity of provision of the public services, upon a Notice of Exercise; and
- c) request of the Granting Authority Assumption of Corporate Control of the Concessionaire to procure its financial restructuring and assure continuity of provision of the public services, upon a Notice of Exercise.



9.6. If the requirements contained in articles 27 and 27-A of Law No. 8.987/1995 are met, Granting Authority shall authorize, as the case may be, Temporary Management or the assumption of corporate control, as described in letters (b) and (c) of section 9.5 of this Contract.

9.7. The Agent may exercise the rights provided for in section 9.5, thus starting the Exercise Period, in the following scenarios:

a) at any time, in the event of default by the Concessionaire on the obligations stipulated in the Financing Documents and if the Concessionaire remains in a situation of default after the Cure Period has expired, upon prior written notice to the Granting Authority and the Concessionaire; or

b) within up to thirty (30) days counted from the Notice from the Granting Authority, in the event of default by the Concessionaire against the obligations stipulated in the Contract, if the Concessionaire remains in situation of default during this period.

9.8. The rights granted in section 9.5 of this Contract represent a power granted to the Agent, the non-exercise of which shall not result in any punishment for the Agent or the Financiers, and neither will it be valued in any way to the detriment of the Financiers by the GRANTING AUTHORITY and/or AGERGS.

9.9. In order to fulfill the obligations of the Concessionaire provided for in the Contract, the Agent may, at its sole and exclusive discretion, on behalf of the Concessionaire, perform or arrange for the performance of any act required of it, or remedy any violation or omission on its part.

9.10. During the Temporary Management or the Assumption of the Corporate Control, the Agent may hire third parties on behalf of the Concessionaire for the performance of obligations provided for in the Contract.

9.11. The regular performance of the obligation provided for in the contract, pursuant to subclause 9.9, after acceptance by the Granting Authority, shall be recognized by the Granting Authority as if performed by the Concessionaire itself, in order that such obligation be considered discharged, if all contractual parameters and technical standards are met.

9.12. The use of the power conferred by clause 9.9 of this Contract shall not be construed as an assumption by Agent, or by a person acting on its behalf, of any other liabilities, although ancillary, assigned to the Concessionaire by the Contract.



9.13. The use of the power conferred by clause 9.9 of this Contract does not preclude the obligation to comply with the contractual technical and performance parameters and does not give rise to any right to economic and financial rebalancing for the Concessionaire.

9.14. During the Exercise Period, no administrative proceedings shall be initiated for a decree of forfeiture.

9.15. The execution of works of the Inventory of Improvements, administrative sanctioning processes not definitively decided, as well as the deposit of the Linked Resources will be suspended during the Exercise Period, and the compensation provided for in the exchange protection mechanism will likewise become inoperative.

9.16. The amounts corresponding to the penalties and the payments of the Escrow Funds shall be adjusted per the IPCA, and must be settled by the Concessionaire after the end of the respective period, or, in the event of early extinguishment of the Concession, included in the calculation of any compensation due to the Concessionaire in the manner provided for in the Contract.

9.16.1. In any case, the respective receivable shall be calculated in favor of the Granting Authority, in order to enable the settlement of amounts by the Concessionaire after the end of the Exercise Period.

9.16.2. During the Cure Period and the Exercise Period, the Concessionaire shall pay as normal the Supervision Fee, and the application of Factors A, C, and D in the manner set forth in the Contract shall also be maintained.

9.17. The ascertainment of the circumstances that give rise to the breach of contract by the Concessionaire, including any causes excluding culpability, shall be conducted in a proper administrative proceeding.

9.18. The Agent shall notify Granting Authority, at a later time or together with the Alert Notice issued by it, regarding any decision with respect to the acceleration of debts or the exercise of enforcement measures provided for in the Financing Documents, within ten (10) days of making the decision.

9.19. The Agent shall immediately notify Granting Authority as soon as any Alert Event no longer persists, upon fulfillment of the obligation that led to the sending of the Alert Notice.

9.20. The receipt by the Granting Authority of the Alert Notice issued by the Agent, in cases where the Alert Event does not represent any breach of the Contract, but only



concerns obligations agreed upon between the Concessionaire and its Financiers, does not oblige Granting Authority to perform any act, except as provided for in this Agreement.

9.21. From the end of the Exercise Period Closing Date, the performance of the works of the Stock Improvements, the collection of penalties applied by the Granting Authority, as well as the portions of the Escrow Funds may be resumed, which shall be deposited by the Concessionaire in the Concession Accounts, in the manner set forth in the Contract.

9.21.1. In the event of two or more Exercise Years in progress simultaneously, the resumption of the obligations provided for in section 9.21 shall occur upon the advent of the first Closing Date of the Exercise Period.

9.22. The Granting Authority, during the Cure Period and the Exercise Period, shall not suspend any contractual obligations attributed to them by the Contract, subject to the Restructuring Plan.

## **10. RESPONSE TO THE ALERT NOTICE**

10.1. An Alert Notice shall be considered met in cases in which:

- a) the fulfillment of the Concessionaire's obligations by the Agent occurs, pursuant to clause 9.9;
- b) the Concessionaire itself performs the obligations identified in the Alert Notice without the exercise of the rights granted to the Agent;
- c) the Agent chooses to exercise the Temporary Management and, within the Exercise Period, the Concessionaire fulfills the obligations indicated in the Alert Notice;
- d) the Agent chooses to exercise the Assumption of the Corporate Control and, within the Exercise Period, the Concessionaire fulfills the obligations indicated in the Alert Notice;

10.2. When the Alert Event is restricted solely to defaults on the Financing Documents, the Exercise Period shall last until the Concessionaire fulfills the respective obligations.

10.3. Compliance with the Alert Notice shall result in the termination of the Exercise Period and the shelving of the administrative proceedings that led to the issuance of



the Alert Notice, except for those regarding sanctions, focused on the application of contractual penalties.

## 11. TEMPORARILY ADMINISTRATION

11.1. The commencement of the Temporary Management shall be subject to approval by the Granting Authority as to the proof of fulfillment by the Agent of the requirements of legal, tax, and labor good standing under the exact terms set forth in the Bid Notice.

11.1.1. Any denial by the Granting Authority regarding the Temporary Management due to failure to meet the criteria provided for in clause 11.1 does not preclude the presentation of a new Temporary Management Notice, if the failure identified is cured.

11.2. The Financiers are granted the following powers for the purposes of Temporary Administration, without prejudice to others arising from the provisions of article 27-A, paragraph 4, of Law No. 8.987/1995:

- a) the possibility of calling a general meeting at any time and appointing the members of the board of directors to be elected by the shareholders of the Concessionaire, thus removing the former members from office;
- b) the possibility of calling a general meeting at any time and appointing the members of the audit committee to be elected by the shareholders of the Concessionaire, thus removing the former members from office;
- c) the exercise of veto power over any proposal submitted for vote by the shareholders that, in the view of the Financiers, may compromise the restructuring.

11.3. The Agent must, within sixty (60) days after the beginning of the Temporary Management, prepare and present the Restructuring Plan to the Concessionaire and Granting Authority, therein indicating the powers that may be exercised by the Agent during the course of the performance thereof, as well as the measures proposed to cure the breaches, so as to allow the return to good standing of the performance of the Contract, and this Plan must be in conformity with the Alert Event that gave rise to the exercise of the prerogatives provided for in this Agreement.

11.3.1. The Restructuring Plan to be presented by the Agent shall necessarily contain the following elements:



- a) appointment of the officer responsible for the proper conduct of the Temporary Management process;
- b) detailed breakdown of the means of restructuring to be employed, which may include, without prejudice to others that may be applicable:
  - (i) conversion into shares issued by the Concessionaire, of the amounts of the loan and/or advances for future capital increases effectively disbursed by its shareholders in favor of the Concessionaire;
  - (ii) granting special terms and conditions for the payment of obligations due or falling due in the Financing Agreements and, subject to the terms of applicable law, in the Contract;
  - (iii) total or partial replacement of the officers and directors of the Concessionaire;
  - (iv) granting the Financiers the right to separately elect officers and directors and the power of veto with respect to the matters specified by the Restructuring Plan;
  - (v) capital increases that may be required for the financial recovery of the Concessionaire;
  - (vi) changes in employment contracts, including changes in career structure, offsetting of work hours/schedules, and reduced working hours, by means of a collective bargaining agreement or convention to be entered into by the Concessionaire and the relevant union entities, within the limits allowed by current labor laws and regulations;
  - (vii) transfer in lieu of payment or novation of debts, with or without providing its own or a third party guarantee;
  - (viii) partial sale of assets, observing subclause 4.3 of the Concession Contract the Granting Authority standards applicable to the Returnable Property;
  - (ix) equalization of financial charges related to debts of any nature, having as an initial term the date on which Granting Authority authorizes the Temporary Management, without prejudice to the provisions of specific laws and regulations;
  - (x) issuance of debt instruments or securities;





(xi) hiring, at the Concessionaire's expense, specialized professionals or firms, when necessary, to give support to the Temporary Administrator in the exercise of its duties;

(xii) proposal for a schedule for the fulfillment of the original overdue obligations under the Contract, with the establishment of partial schedules with a maximum period of six (6) months, within the maximum total time frame established by the Granting Authority, including the suspension of late penalties with respect to such obligations until the end of the time period provided for the completion of these obligations in the schedule proposed, in the manner set forth in Clause 11.4;

(xiii) Proposed renegotiation with the Financiers on how to fulfill existing financing.

c) the Restructuring Plan may not compromise the rendering of the services covered by the Concession;

d) demonstration of the economic and technical feasibility of the Restructuring Plan;

e) the financial statements for the last fiscal year and those prepared especially to support the Restructuring Plan, prepared in strict compliance with applicable corporate laws and regulations;

f) the period required for the full performance of the Restructuring Plan, which may not exceed the period of twelve (12) months, unless with express and duly justified authorization by the Granting Authority, if the circumstances of the case so require and make this solution convenient and timely;

g) other measures deemed necessary for the Concessionaire's financial and operational recovery, whether or not arising from the execution of guarantees.

11.4. The proposed schedule for fulfillment of the original obligations of the Contract dealt with in subclause 11.3.1, b), (xii), shall not suspend the application of factors D and C, which shall continue to apply until completion of the obligations, per the terms of the Contract.

a) Late penalties for breach of the obligations shall be suspended upon approval of the structuring plan by Granting Authority and shall be resumed if the schedules are breached as of the date of the breach.

b) In the event of breach of the schedule, the delay shall be counted as of the date of approval of the structuring plan by the Granting Authority.



11.5. The Restructuring Plan shall be submitted to the Concessionaire and Granting Authority, and the latter shall, within sixty (60) days:

a) approve the Restructuring Plan, in which case the deadline provided for therein for the fulfillment thereof shall begin; or

b) reject the Restructuring Plan.

11.6. When the Restructuring Plan is rejected by Granting Authority, the Agent shall have the option to present a new Restructuring Plan within sixty (60) days, or to execute the guarantees provided for in the Financing Documents.

11.6.1. In the event of a new rejection, the right of the Agent to execute such guarantees shall remain unaffected.

11.7. The Temporary Management authorized pursuant to this section shall not entail the liability of the Agent, the Financiers, or the Temporary Administrator with respect to taxation, charges, liens, sanctions, obligations, or commitments to third parties held by the Concessionaire, including Granting Authority or employees.

11.8. The Temporary Management shall not entail the personal liability of the Agent or the Financiers for the obligations held by the Concessionaire under the Concession, except for the obligations arising from the measures proposed in the Restructuring Plan.

11.9. The Agent may request conversion of the Temporary Management into Assumption of the Corporate Control, upon the occurrence of events pre-established in the Restructuring Plan including the significant deterioration of the Concessionaire's economic and financial situation and/or the ineffectiveness of the Temporary Management.

11.10. The Granting Authority may interrupt the Temporary Management at any time if it is proved, in a separate administrative proceeding, that the Restructuring Plan has not been presented or has been breached by the Agent, by the Financiers, or by the Concessionaire, or if said Plan is rejected for the second time.

## 12. ASSUMPTION OF CONTROL

12.1. The beginning of Assumption of the Corporate Control by the Financiers, pursuant to the terms of article 27-A of Law 8.987/1995, is condition on proof, on their part, that they meet the requirements of good legal, tax, and labor standing per the exact terms set out in the Bid Notice.



12.1.1. Any denial by the Granting Authority to start the Assumption of Control due to failure to meet the criteria provided for in section 12.1 does not prevent the presentation of a new Assumption of Control Notice, within 15 days, if the failure is cured.

12.2. The rights of the Agent/Financiers, during the Assumption of the Corporate Control, to exercise in full all rights arising from the ownership of the shares whose returnable ownership is transferred to them or through any other form of possible collateral, in particular (i) the calling of a general meeting, election, or dismissal of the members of the Concessionaire's board of directors and audit committees, when such powers are assigned to the shareholders; (ii) accessing all information of the Concessionaire related to the Contract for the preparation of the Restructuring Plan.

12.3. The Agent shall, within 15 (fifteen) days after approval of the Assumption of Corporate Control, formulate and submit to the Granting Authority the Restructuring Plan or the readjustment of the Restructuring Plan in force, maintaining the total schedule referred to in item 11.3. 1, b), (xii), containing the proposed measures to remedy the identified defaults and allow the regularization of the execution of the Contract, as provided for in clause 11.3.1, with no alteration to said schedule. The Restructuring Plan or its readjustment must be presented to the Granting Authority, which must, within 30 (thirty) days:

a) approve the Restructuring Plan, in which case the deadline provided for therein for the fulfillment thereof shall begin; or

b) reject the Restructuring Plan.

12.4. When the Restructuring Plan is rejected by the Granting Authority, the Agent shall have the option to present a new Restructuring Plan within sixty (60) days, or to execute the guarantees provided for in the Financing Documents.

12.4.1. In the event of a new rejection, the right of the Agent to execute such guarantees shall remain unaffected.

12.5. In the event of approval of the Restructuring Plan or the reworking thereof, the Financiers shall follow the same liability regime applicable to the former controlling shareholders of the Concessionaire, not being jointly and severally liable for the obligations provided for in the Contract before the Assumption of Control.

12.6. The Agent shall inform Granting Authority in advance of any restoration of corporate control by the former controllers of the Concessionaire.



12.7. The Granting Authority may interrupt the Assumption of the Corporate Control at any time if it is proved, in a separate administrative proceeding, that the Restructuring Plan has not been presented or has been breached by the Agent, by the Financiers, or by the Concessionaire, or if said Plan is rejected for the second time.

### **13. TOLL FARE**

13.1. During the preparation of the Restructuring Plan and until its entire fulfillment, the Parties agree that the amounts collected with the Toll Fare and Extraordinary Revenue shall be used exclusively for the purposes set forth below:

- a) defraying of expenses and investments strictly necessary for the placement into operation and continuity of the rendering of services related to the Concession; and
- b) in the case of excess in the allocation provided for in the item above, amortization or settlement of the financing granted by the Financiers.

13.2. The payment of penalties imposed by Granting Authority not recorded as outstanding debt shall be stayed until the completion in full of the Restructuring Plan or until breach thereof is shown.

13.3. The Parties agree that the provisions of clause 13.1 of this Contract shall not prejudice the ability of the Financiers to execute the guarantees granted under the financing granted to the Concessionaire.

### **14. EFFECTIVENESS OF THE AGREEMENT**

14.1. This Contract shall enter into force until discharge of the obligations relating to the finance contract by the Concessionaire or the formalization of the Final Adjustment and Discharge Instrument, as defined under the Concession Contract.

### **15. PRESERVATION OF RETURNABLE PROPERTY**

15.1. Notwithstanding the other provisions of this Contract, the Agent agrees, on its own behalf and on behalf of the Financiers, that it shall not exercise any rights granted to it or take any other measures that may impair the return of the property regulated by the Contract.

### **16. DISCLOSURE OF INFORMATION**

16.1. The Granting Authority and the Agent shall, to their mutual benefit, fulfill the requirements set forth in Law No. 12.527/2011 (Access to Information Act) with



respect to public disclosure of information regarding the Concession, as though any reference to the Concessionaire made in the Contract also referred to the Agent.

## **17. AMENDMENT TO THIS AGREEMENT**

17.1. The exercise by either Party of any right or corrective measure provided for in this Agreement or by law shall not constitute a waiver or impediment of the subsequent exercise of these or other corrective rights or measures.

17.2. The corrective measures set forth herein are cumulative and do not exclude any others provided for by law and may be exercised by the Agent or the Financiers, or through a power-of-attorney.

17.3. No waiver by the Parties of any right or corrective measure under this Agreement or by law shall be construed as a waiver of other or subsequent rights or corrective measures under this Agreement and under specific laws and regulations.

17.4. The consent of one of the Parties with respect to any act performed by another Party that required such consent shall not make it unnecessary to obtain the consent for any subsequent act requiring it.

## **18. DISPUTE RESOLUTION**

18.1. In the event of any dispute between Granting Authority and the Agent, the Parties shall settle the dispute following the dispute resolution procedures established in the Contract to resolve disputes, and the Agent shall have the same rights and obligations as the Concessionaire, in accordance with the procedures set forth in the Contract.

18.2. None of the provisions of section 18.1 of this Contract amends the rights and actions that may be exercised by the Agent vis-à-vis the Concessionaire, the rights of the Concessionaire described in the Financing Documents, or legal procedures assured to the Agent to execute its guarantees.

## **19. SUCCESSORS AND REPRESENTATIVES**

19.1. Neither Party to this Contract may assign or transfer any part of its rights or obligations without the prior written consent of the other Parties, except for, however, the Agent's replacement under section 4.4 of this Contract, in which case the Agent may assign or transfer its rights and obligations to the successor Agent, provided that it is in accordance with the Financing Documents and all the conditions that supported the prior approval of the Granting Authority are maintained.



## 20. INVALIDITY

20.1. In the event any one or more provisions of this Contract for any reason come to be held to be invalid, illegal, or otherwise unenforceable, such invalidity, illegality, or unenforceability shall not affect any other provision of this Contract that may be maintained, and this Contract shall be interpreted and construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

## 21. EFFECTIVENESS OF NOTICES AND COUNTING OF TIME LIMITS

21.1. Where, pursuant to the provisions of this instrument, it is necessary or advisable for a Party to deliver to any other Party any approval, notice, request, demand, report, or other form of communication, such actions shall be performed in writing and shall not be effective, for any purpose, unless received with confirmation of receipt or mailed with confirmation of receipt to the addresses listed below:

If to Granting Authority: [•]:

If to the Concessionaire: [•]:

If to the Agent: [•]

21.2. Either Party may, by giving written notice to the other Parties, designate an additional address and/or other address, or an additional person and/or other person to whom all such notices, requests, requirements, reports, and communications as of that moment must be addressed.

21.3. Any notice, request, demand, report, or other communication shall be deemed delivered on the date of receipt, therein applying the provisions regarding the topic in the Concession Contract.

21.4. The time limits provided for in this Agreement shall be counted in calendar days, excluding the day of the start and including the day of expiration.

## 22. EFFECTS OF TERMINATION ON THE CONTRACT

22.1. Without prejudice to any rights that a Party may exercise, breach of this Agreement shall not in itself result in the right to terminate the Contract.

## 23. NO INTERFERENCE FROM THE CONCESSIONAIRE



23.1. The Concessionaire enters into this Contract acknowledging and agreeing to the provisions set forth herein, and also undertakes not to perform or fail to perform any action that may prevent any of the Parties from enjoying the rights provided for in this Agreement.

23.2. The Parties acknowledge that the execution of this Contract does not alter the risk distribution established in the Contract.

#### **24. DUTY OF THE AGENT**

24.1. The Granting Authority acknowledges and agrees that the Agent shall not be required to perform any of the Concessionaire's obligations, as provided for in the Contract, subject to the prerogatives and obligations arising from the adoption of any of the measures set out in sub-clause 9.5 of this Exhibit.

#### **25. APPLICABLE LAW AND JURISDICTION**

25.1. This Contract shall be governed by and construed in accordance with the laws of the Federative Republic of Brazil, and the Judicial District of Porto Alegre shall be competent to resolve any dispute not amenable to resolution through the dispute resolution mechanisms provided for in this Agreement.



## Exhibit 12 – Toll Fare Structure

### 1. Introduction

This EXHIBIT aims to describe the composition of the TOLL FARE charged in the toll plazas of the CONCESSION.

### 2. The Composition of the Toll Fare

The toll fares of the CONCESSION are composed by the product between the BASIC TOLL FARE per kilometer and the length of the HOMOGENEOUS STRETCH covered by the respective toll plaza.

The BASIC TOLL FARE shall assume different values for single lanes and for double lanes, which shall be charged, at each toll plaza, in proportion to the length of the single lane and double lane HOMOGENEOUS STRETCHES covered by the PLAZA COVERAGE STRETCH (TCP).

The value of the parts that compose the TOLL FARE (THE SINGLE LANE BASIC TOLL FARE and the DOUBLE LANE BASIC TOLL FARE), initially, shall be that which results from the bidding process, calculated through the linear application of the DISCOUNT VALUE proposed by the winning bidder, as indicated in the ratification term of the FINAL ECONOMIC PROPOSAL.

After the TOLL FARE readjustment and revision procedures, the TOLL FARE components shall be considered in the amounts resulting from these procedures.

Considering the above elements, the TOLL FARE for category 1 of vehicles at each toll plaza shall be calculated using the following formula:

$$TP = (TBP_{PS} \times TH_{PS}) + (TBP_{PD} \times TH_{PD})$$

**Where:**

TP = Toll Fare;

TBP<sub>PS</sub> = Single Lane Basic Toll Fare per kilometer;

TH<sub>PS</sub> = Length, in kilometers, of the Single Lanes Homogeneous Stretches considered in the PLAZA COVERAGE STRETCH;

TBP<sub>PD</sub> = Double Lane Basic Toll Fare per kilometer;





$TH_{PD}$  = Length, in kilometers, of the Double Lanes Homogeneous Stretches considered in the PLAZA COVERAGE STRECTH.

As long as the duplication works of the Homogeneous Sections are not completed and approved by the GRANTING AUTHORITY in the form of subclause 18.3 of the CONTRACT, the TOLL FARE for Category 1 of Vehicles, of each toll plaza, shall be calculated considering, in the formula indicated above:

- the current Single Lane BASIC TOLL FARE and the current Double Lane BASIC TOLL FARE; and
- the lengths of the single lane and double lane HOMOGENEOUS STRETCHES defined, for each toll plaza on the DATE OF ASSUMPTION.

After the completion of the duplication works and the issuance of the respective acceptance by the Granting Authority, AGERGS shall authorize the FARE RECLASSIFICATION. This procedure requires AGERGS to consider, in the formula for calculating the TOLL FARE for Category 1 Vehicles, at each toll plaza, the following factors:

- the current Single Lane BASIC TOLL FARE and the current Double Lane BASIC TOLL FARE; and
- the lengths of the single lane and double lane HOMOGENEOUS STRETCHES reconfigured after the completion of the duplication works, as defined, for each toll plaza.

The TOLL FARE at each toll plaza shall also be distinguished by vehicle category, due to the number of axles and wheels. The definition of the TOLL FARE for each category of vehicles shall be based on the incidence of the toll fare multipliers, indicated in the table below, on the TOLL FARE, calculated according to the formula indicated above.

**Table I – Toll Fare Multipliers**

CATEGORY	TYPES OF VEHICLES	NUMBER OF AXELS	WHEELS	TOLL FARE MULTIPLIER
1	Automobile, prototype automobile, Pick Up Truck and van	2	SIMPLE	1,0
2	Light Truck, bus, Tractor Truck and van	2	DOUBLE	2,0
3	Automobile and Truck with semi-trailer	3	SIMPLE	1,5
4	Truck, Tractor Truck, Tractor Truck with semi-trailer and bus	3	DOUBLE	3,0
5	Tow Automobile and Tow Truck, Automobile with Tow Dolly	4	SIMPLE	2,0
6	Truck with trailer, Tractor Truck with semi-trailer	4	DOUBLE	4,0



7	Truck with trailer, Tractor Truck with semi-trailer	5	DOUBLE	5,0
8	Truck with trailer, Tractor Truck with semi-trailer	6	DOUBLE	6,0
9	Motorcycles, tricycles, scooters and motorbikes	2	SIMPLE	0,5
10	Official Vehicles, Diplomatic Corps, volunteer firefighters and ambulances			TOLL FARE EXEMPT

For vehicles with more than six axles, the value of the basic toll corresponding to category 1 shall be multiplied by the total number of axles of the vehicle. The axle count for the purposes of calculating the applicable multiplier shall disregard the suspended axles for vehicles that travel empty, pursuant to art. 17, of Federal Law No. 13.103/2015.



## Exhibit 13 – Five-Year Review Procedure

1. The FIVE-YEAR REVIEW is the review carried out every five years, with the objective of adapting the CONTRACT to the dynamics of the HIGHWAY SYSTEM, allowing for the inclusion, exclusion, alteration and reschedule of works and services demanded by the PER, the reversal of EXTRAORDINARY REVENUES in favor of toll fare moderation and the decision of claims for the restoration of the economic-financial balance which are not subject to extraordinary reviews, provided that the procedures established in this CONTRACT are observed.
2. The CONCESSIONAIRE shall present a propose for the FIVE-YEAR REVIEW at least 12 (twelve) months before the date defined by the clause 18.8.3 for the FIVE YEAR REVIEW.
3. The propose must contain, at least, the following documents:
  - 3.1. Cost benefit analysis report, that details the benefits to users arising from the eventually proposed inclusions, exclusions, alterations or reschedule of the works and services demanded by the PER;
  - 3.2. The functional design of the proposed inclusions, exclusions or alterations, which must contain sufficient elements to its characterization, including satellite images to enable its understanding;
  - 3.3. The estimated implementation cost of the proposed inclusions, exclusions or alterations of the works and services demanded by the PER;
  - 3.4. The physical and financial schedule estimated for the implementation of the proposed inclusions, exclusions or alterations of the works and services demanded by the PER;
  - 3.5. The estimated impact of the inclusions, exclusions or alterations of the works and services in the PER over the SINGLE LANE BASIC TOLL FARE and over the DOUBLE LANE BASIC TOLL FARE;
  - 3.6. Study of the technical, economic and environmental feasibility for major works or, in any case, when demanded by AGERGRS;
  - 3.7. The identification of productivity gains in the sector and the proposition of their incorporation into the SINGLE LANE BASIC TOLL FARE and into the DOUBLE LANE BASIC TOLL FARE;
  - 3.8. Proposal for the allocation of 10% of the gross revenue of each EXTRAORDINARY REVENUE contract, calculated in the five-year period, in



favor of toll fare moderation, as demanded by the subclause 19.9.1 of the CONTRACT.

4. For the proposals of inclusions, exclusions, or alterations of works and services, the documents mentioned by the sub-clauses 3.1 to 3.6, above, must include a comparison between the works and services originally established in the PER and the works and services object of the proposal presented in the procedure of FIVE-YEAR REVIEW.
5. The CONCESSIONAIRE proposed mechanism for the allocation of the EXTRAORDINARY REVENUES in favor of toll fare moderation must be accompanied by technical studies that demonstrate its technical, legal, economic and financial feasibility, including, the demonstration that the amount allocated in favor of toll fare moderation, pursuant to subclause 19.9 of the CONTRACT, shall be enough to support the costs of the implementation and operation of the proposed mechanism.
6. AGERGS shall analyze the proposal within 30 (thirty) days, hearing the GRANTING AUTHORITY on the adequacy of the proposed inclusions, exclusions, or alterations of works and services of the PER and other topics presented by the CONCESSIONAIRE, within 30 (thirty) days.
7. The decision of AGERGS and the manifestation of the GRANTING AUTHORITY shall consider:
  - 7.1. The technical suitability of the proposed inclusions, exclusions, or alterations of works and services of the PER proposed by the CONCESSIONAIRE;
  - 7.2. The impact of the implementation of the proposed inclusions, exclusions, or alterations of works and services over the original schedule of the expansion and improvement works originally demanded by the PER;
  - 7.3. The benefits for the users arising from the implementation of the proposed inclusions, exclusions, or alterations of works and services of the PER;
  - 7.4. The impacts over the SINGLE LANE BASIC TOLL FARE and over the DOUBLE LANE BASIC TOLL FARE and over the moderation of its value, arising from the implementation of the proposed inclusions, exclusions, or alterations of works and services of the PER;
  - 7.5. The adherence of the proposed inclusions, exclusions, or alterations of works and services of the PER to the effective needs of the HIGHWAY SYSTEM, considering the characteristics of its traffic and the communities in its surroundings
  - 7.6. The proposal to transfer productivity gains to the SINGLE LANE BASIC TOLL FARE and to the DOUBLE LANE BASIC TOLL FARE;
  - 7.7. The proposed mechanism for the allocation of EXTRAORDINARY REVENUES in favor of toll fare moderation.

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Bidding Processes Central Subsecretariat – CELIC/RS  
Av. Borges De Medeiros, No. 1501 – 2nd Floor – CEP: 90110-150 Telephone: (51) 3288-1160



8. Provided that it is motivated by the analysis indicated in subclause 7, AGERGS may request the revision of the proposal presented by the CONCESSIONAIRE, demanding the exclusion and alteration of the proposed modifications to the PER that are not suitable and proposing other interventions that are more adequate to the dynamics of the HIGHWAY SYSTEM.
- 8.1. The CONCESSIONAIRE shall present a new propose of FIVE YEAR REVIEW within 30 (thirty) days, including the demands of AGERGS.
- 8.2. The approved version of the proposal must be submitted by AGERGS to consultation procedures and public hearings in the locations affected by the changes proposed in the FIVE-YEAR REVIEW.
- 8.3. After the hearing and public consultation procedures, AGERGS shall evaluate the contributions received and shall decide, within 30 (thirty) days, on the suitability of making changes to the FIVE-YEAR REVIEW proposal presented.
- 8.4. If AGERGS demands changes in the proposal of FIVE YEAR REVIEW after the public hearing and consultation processes, the CONCESSIONAIRE shall implement them within 60 (sixty) days.
- 8.5. The new version of the proposal shall be analyzed by AGERGS and shall be submitted to its Superior Board for approval, containing at least the following information:
- 8.5.1. values and schedules of the proposed works and services, including its related costs;
  - 8.5.2. the percentual impact over the SINGLE LANE BASIC TOLL FARE and over the DOUBLE LANE BASIC TOLL FARE and its proposed value for the subsequent ordinary review;
  - 8.5.3. the estimated impact over the SINGLE LANE BASIC TOLL FARE and over the DOUBLE LANE BASIC TOLL FARE for the ordinary review from the 2<sup>nd</sup> to the 5<sup>th</sup> year after the approval of the present FIVE YEAR REVIEW;
  - 8.5.4. draft of an amendment to the CONTRACT, with the conditions foreseen for the RESPECTIVE FIVE-YEAR REVIEW and with the changes to be made onto the PER;
  - 8.5.5. the new physical and financial schedule, the approved functional designs and, when applicable, the executive plans for the execution of the proposed works;
  - 8.5.6. report with the analysis of the contributions received in the hearing and public consultation procedures;





## **Exhibit 14 - Environmental, Governance and Social Responsibility Standards**

- 1.1.** The CONCESSIONAIRE commits to comply with the practices of environmental responsibility, social and governance provided for in this EXHIBIT.
- 1.2.** In the field of environmental responsibility, the CONCESSIONAIRE commits to the following obligations:
  - 1.2.1.** To implement, within a maximum period of two (2) years from the DATE OF ASSUMPTION, Quality Management Systems of Environmental Management for all works and services required to fulfill the Contract purpose, in accordance with the series of norms NBR ISO 9,000 and 14,001, from ABNT or others that eventually replace or change them;
  - 1.2.2.** Create, within the 24th month from the DATE OF ASSUMPTION, a Committee of Management and Reporting of Environmental Risks to the Board of Directors of the SPE.
  - 1.2.3.** To submit, within the 24th month from the DATE OF ASSUMPTION, a Plan for Implementation of Structures for Natural Resources Management, Highway System Impact Mitigation and Energy Efficiency.
    - 1.2.3.1.** The plan shall contain the CONCESSIONAIRE's assessment of the impacts generated by the implementation and operation of the HIGHWAY SYSTEM and indicate the measures it considers feasible to implement in order to mitigate them.
    - 1.2.3.2.** The proposal shall contain the planning of the stages of implementation of the selected measures and structures, as well as the timetable for their implementation.
    - 1.2.3.3.** The plan shall be sent to the GRANTING AUTHORITY, which shall manifest itself within 30 (thirty) days from its receipt, regarding its approval.
      - 1.2.3.3.1.** Any requests for revisions shall be delivered within 60 (sixty) days, as from the reception of the manifestation from the GRANTING AUTHORITY, that shall have a new period of up to 30 (thirty) days to manifest about the revisions.
    - 1.2.3.4.** From the approval by the GRANTING AUTHORITY, the CONCESSIONAIRE shall implement the Plan for Implementation of Structures for Management of Natural Resources, Highway System



Impact Mitigation and Energy Efficiency, sending annual reports to the GRANTING AUTHORITY containing the descriptions of the application progress.

**1.2.3.5.** The implementation of the Plan for Implementation of Structures for Management of Natural Resources, Highway System Impact Mitigation and Energy Efficiency must be considered by the CONCESSIONAIRE in its WRITTEN ECONOMIC PROPOSAL and shall not give rise to the right to the restoration of the economic and financial balance of the CONTRACT.

**1.3.** In the field of social responsibility, the CONCESSIONAIRE commits to the following obligations:

**1.3.1.** To implement, until the end of the 24th month from the DATE OF ASSUMPTION, a Labor Health and Safety Management System, in accordance with the series of norms NBR ISO 45.001, from ABNT or any other that may alter it.

**1.3.2.** To implement in the administrative and operational facilities to be built and, until the end of the 24th month from the DATE OF ASSUMPTION, in the already existing facilities, adequate structures to allow access to the public with reduced mobility and people with disabilities, under the terms of the current legislation.

**1.3.3.** To implement, until the end of the 12th month from the DATE OF ASSUMPTION, a Human Resources Policy, containing the following items:

**1.3.3.1.** code of conduct for employees and outsourced workers based on ethical principles, including the promotion of diversity and inclusion and awareness of discriminatory or violent practices inside and outside the workplace;

**1.3.3.2.** training and qualification of the workforce, including outsourced workers, including informative programs and actions on diversity and inclusiveness issues, in line with the code of conduct;

**1.3.3.3.** procedures to guarantee and promote gender equality opportunities for the CONCESSIONAIRE's positions;

**1.3.3.4.** program to promote gender, racial, disability and LGBTQI+ diversity;

**1.3.3.5.** mechanisms for consultation, report and file of complaints by of workers, including outsourced workers, properly disclosed and that





guarantee ample access and anonymity, including but not limited to practices of discrimination, moral or physical harassment; and

**1.3.3.6.** isonomy for Working Conditions in all the activities of the CONCESSION.

**1.3.4.** The promotion program mentioned in subclause Error: Reference source not found shall contain appropriate and recognized methodology, including, for example, the steps of business census, publicity and engagement, recruitment, training, talent retention and career advancement.

**1.3.5.** The promotion program mentioned in Error: Reference source not found shall contain appropriate and recognized methodology based on the Guiding Principles on Business and Human Rights, approved by the United Nations Human Rights Council in June 2011 (principles 11 to 24) or another methodology that may replace it.

**1.3.6.** Every two years from the anniversary of the DATE OF ASSUMPTION, the CONCESSIONAIRE shall send a report to the GRANTING AUTHORITY, informing about the progress of the program, achieved results and challenges to its implementation. The report must contain the conclusions of an audit on Human Rights, according to principle 17 of the Guiding Principles on Business and Human Rights.

**1.3.7.** Implement until the end of the 24th month of the CONCESSION the social management plan foreseen by item 6 of the PER.

**1.4.** In the field of corporate governance, the CONCESSIONAIRE commits to the following obligations, which must be expressly stated in its corporate acts, throughout the whole CONCESSION period:

**1.4.1.** To implement, within six (6) months from the DATE OF ASSUMPTION, a Compliance Program, with mechanisms and internal procedures of integrity, auditing and incentive to the denunciation of irregularities and the effective application of codes of ethics and conduct, policies and guidelines with the objective of detecting and remedying deviations, frauds, irregularities and illicit acts practiced against the Public Administration, within the CONCESSIONAIRE;

**1.4.2.** To develop, publish and implement the Transaction Policy for RELATED PARTIES, within six (6) months from the effective date of this CONTRACT, observing, as applicable, the best practices recommended by the Brazilian Code of Corporate Governance - Listed Companies, edited by the Interagents Working Group (GT Interagentes), coordinated by the Brazilian Institute of Corporate Governance (IBGC), as well as the governance rules of the CVM, and containing, at least, the following elements:



- 1.4.2.1.** criteria that must be observed for the realization of transactions between the CONCESSIONAIRE and its RELATED PARTIES, which must observe equitable market conditions, including price-wise;
- 1.4.2.2.** procedures to assist in the identification of individual situations that may involve conflicts of interest and, consequently, determine the impediment of voting with regard to shareholders or administrators of the CONCESSIONAIRE;
- 1.4.2.3.** procedures and responsible people for identifying the RELATED PARTIES and for classifying operations as transactions with RELATED PARTIES;
- 1.4.2.4.** indication of the instances of approval of transactions with RELATED PARTIES, depending on the amount involved or other relevant criteria;
- 1.4.2.5.** duty of the company's management to formalize, in a written document to be filed at the company, the justifications for the selection of RELATED PARTIES in detriment to other market alternatives.
- 1.4.3.** Within one (1) month from the execution of a contract with RELATED PARTIES, and with, at least, five (5) business days from the beginning of the performance of the obligations agreed upon in it, the CONCESSIONAIRE must disclose, on its website, the following information about the contract entered into:

  - 1.4.3.1.** general information about the contracted RELATED PARTY;
  - 1.4.3.2.** purpose of the contract;
  - 1.4.3.3.** duration of the contract;
  - 1.4.3.4.** general conditions of payment and readjustment of the amounts due by virtue of the contract; and
  - 1.4.3.5.** management's justification for contracting with the RELATED PARTY in view of other market alternatives.
- 1.5.** In case of non-implementation of the obligations provided for in this EXHIBIT, the CONCESSIONAIRE shall adopt the "practice-or-explain", so that by not adopting such standards it must explain the reasons for its conduct, without prejudice to the application of the penalties established by clause 20 of the CONTRACT.



- 1.5.1.** The explanation must be reasoned, congruent, clear, objective, and must demonstrate a cost-benefit and cost-efficiency analysis related to the adoption of the standards.
- 1.5.2.** The explanation must be presented to the GRANTING AUTHORITY, by the CONCESSIONAIRE, within thirty (30) days from the deadline established for the adoption of the standard, and it must be made available on the website of the CONCESSIONAIRE, in a visible and easily accessible area, being the GRANTING AUTHORITY hereby authorized to disclose it.



## **Exhibit 15 – Free Flow**

### **1. Introduction**

- 1.1. The objective of this EHXIBIT is to discipline the benchmarks for the implementation of FREE FLOW in the CONTRACT.
- 1.2. The implementation of FREE FLOW may be requested at any time by the parties, and its introduction in the CONTRACT and the impacts on the economic-financial balance of the CONCESSION shall be defined in the FIVE-YEAR REVIEW of the CONTRACT.
- 1.3. The implementation of FREE FLOW must be preceded by technical studies that define the technical and operational characteristics of this toll collection system, the form, schedule and locations for its implementation in the HIGHWAY SYSTEM and other factors necessary for its implementation, as well as the estimated impact that its introduction shall cause on the economic and financial balance of the CONCESSION.
  - 1.3.1. The economic-financial rebalancing shall be due for the expenses actually spent and previously authorized for the accomplishment of the technical studies that point out to the unfeasibility of the FREE FLOW implementation, when carried out by the CONCESSIONAIRE by determination of the GRANTING AUTHORITY.
- 1.4. The implementation of the FREE FLOW shall only be mandatory to the CONCESSIONAIRE after the conclusion of the FIVE-YEAR REVIEW, with the definition of the terms of restoration of the economic and financial balance of the CONTRACT.
  - 1.4.1. The parties may determine, by agreement, the inclusion of FREE FLOW before the FIVE-YEAR REVIEW.

### **2. Technical Parameters to be Defined by the Studies**

- 2.1. The technical studies that will instruct the application for the implementation of FREE FLOW shall define the technical parameters to be observed in its implementation, expressing itself, at least, about the following aspects:
  - 2.1.1. the charging method to be adopted in the implementation of FREE FLOW;



- 2.1.2. the initial sizing of the quantity and location of the gantries and other collection equipment;
- 2.1.3. the technical and operational characteristics of the automatic collection system;
- 2.1.4. installation of signaling systems that allow the user to visualize that the access to the highway is subject to collection through the FREE FLOW system, as well as the display of the fare values to be paid for stretch traveled for vehicles in category 1.
- 2.1.5. installation of power systems that ensure the operation of electric and electronic equipment in case of interruption of the electric power supply.
- 2.1.6. approach areas properly signaled and with sufficient extension to enable traffic safety;
- 2.2. The studies that will instruct the introduction of FREE FLOW in the CONCESSION may establish other technical parameters, modifying or adding others not provided for in this EXHIBIT and that are relevant to the introduction of FREE FLOW in the CONCESSION.

### **3. Performance Parameters to be Defined by the Studies**

- 3.1. The technical studies that will instruct the application for the implementation of FREE FLOW shall propose the performance parameters to be observed in its implementation, stating, at least, the following parameters:
  - 3.1.1. acceptable queue levels at system inputs and outputs;
  - 3.1.2. adaptation of the lighting systems of the lanes where the toll shall be collected;
  - 3.1.3. minimum capacity for the identification of vehicle that pass through the collection points to be accepted for the collection system to be installed;
- 3.2. The studies that will instruct the introduction of FREE FLOW in the CONCESSION may establish other technical parameters, modifying or adding others not provided for in this EXHIBIT and that are pertinent to the introduction of FREE FLOW in the CONCESSION.

### **4. Toll Evasion**



- 4.1. The CONCESSIONAIRE shall identify the users who do not pay the FREE FLOW TOLL FARE and submit the information of the offending vehicles to the GRANTING AUTHORITY, the Highway Command of the Military Brigade and DAER/RS.
  - 4.1.1. The CONCESSIONAIRE shall elaborate and send reports to AGERGS containing the records, evidences and calculation memories related to the evasions occurred in the automatic collection lanes of the FREE FLOW, for monitoring purposes.
- 4.2. The CONCESSIONAIRE shall collaborate with the GRANTING AUTHORITY in the identification of defaulting users, for the purpose of application of penalties foreseen in Federal Law No. 9.503/1997 or any other law that may replace it.
- 4.3. DAER/RS and DENTRAN/RS, in accordance to their competencies, shall, within the limits of article 26, paragraph 1, items I and IV, of Federal Law No. 13.709/2018, transfer to the CONCESSIONAIRE the data of defaulting users so that, at its own expense and risk, it may seek judicial recovery of the tare values due.
- 4.4. The CONCESSIONAIRE shall provide platforms for the payment of the FREE FLOW TOLL FARE, which shall be fully auditable, for users who do not make the automatic and immediate payment in the automatic collection lanes.

## **5. Free Flow Toll Fare Collection**

- 5.1. The transition from the collection of the TOLL FARE through the manual collection system with collection booths to the automatic collection system of the FREE FLOW shall be authorized by AGERGS immediately after the acceptance, by the GRANTING AUTHORITY, of the installation of the FREE FLOW in the HIGHWAY SYSTEM.
- 5.2. The studies that instruct the implementation of FREE FLOW shall propose the fare structure to be applied in its operation.
- 5.3. No FREQUENT USER DISCOUNT nor BASIC FARE DISCOUNT shall be applicable for the highway stretches where FREE FLOW comes to be implemented.
  - 5.3.1. Due to the provisions of the subitem above, the procedure for restoration of the economic-financial balance that guides the introduction of the FREE FLOW in the CONCESSION shall consider the impacts of the termination of the FREQUENT USER DISCOUNT in the highway stretches in which the FREE FLOW is implemented and, in particular, the cessation of the obligation to bear the losses provided for in subclause 18.5.5 of the CONTRACT.



5.3.2. The CONCESSIONAIRE is allowed to implement discounts to users in order to encourage the use of certain means of payment or for any other purpose in the interest of the CONCESSION, without this entitling it to the restoration of the economic-financial balance of the CONTRACT.

## **6. Adjustments and Revision of the Exhibit**

6.1. The procedures provided for in this EXHIBIT may be revised and complemented, by agreement between the parties and AGERGS, for its greater effectiveness, including in case of a supervening specific rule that regulates the toll collection system by FREE FLOW.



## Exhibit 16 – Accredited Inspection Body

- 1.1. The CONCESSION's preliminary and executive plans must be delivered by the CONCESSIONAIRE accompanied by an inspection certificate issued by an ACCREDITED INSPECTION BODY.
- 1.2. The CONCESSIONAIRE is responsible for the hiring and remuneration of the ACCREDITED INSPECTION BODY.
  - 1.2.1. The CONCESSIONAIRE shall not have the right to economic-financial rebalancing claims due to the costs incurred by the hiring and remuneration of the ACCREDITED INSPECTION BODY.
- 1.3. In order to contract the ACCREDITED INSPECTION BODY, the CONCESSIONAIRE shall present to the GRANTING AUTHORITY a three candidates list of institutions able to perform the inspection attributions of the preliminary and final engineering plans of the CONCESSION.
  - 1.3.1. Only institutions that are not RELATED PARTIES to the CONCESSIONAIRE and that are not submitted to liquidation, intervention or to the Temporary Administration Regime, bankruptcy or judicial reorganization can be indicated in the three candidates list provided for in the previous item.
  - 1.3.2. The CONCESSIONAIRE may propose, at its own expense, the hiring of more than one ACCREDITED INSPECTION BODY.
- 1.4. The GRANTING AUTHORITY shall indicate, within 15 (fifteen) days, which of the institutions shall be hired by the CONCESSIONAIRE.
  - 1.4.1. The GRANTING AUTHORITY may reject the institutions indicated by the CONCESSIONAIRE, in which case the latter shall present a new three candidates list, with different accredited inspection bodies, within 30 (thirty) days, so that the GRANTING AUTHORITY may indicate the institution to be contracted within 15 (fifteen) days from the receipt of the new list.
  - 1.4.2. In case of a new refusal, the CONCESSIONAIRE may contract an ACCREDITED INSPECTION BODY of its choice, as long as it is duly accredited by INMETRO, in the terms of Inmetro Ordinance No. 367/2017.
- 1.5. The contract with the ACCREDITED INSPECTION BODY shall be signed by the CONCESSIONAIRE and shall have a term of up to 5 (five) years, without the possibility of renewal or extension of the contract.





- 1.5.1.** In up to ninety (90) days before the termination of the contract with the ACCREDITED INSPECTION BODY, the CONCESSIONAIRE shall submit to the GRANTING AUTHORITY a new three candidates list, applying the deadlines and procedures described by subitems 1.4. and 1.4.1..
- 1.6.** The contract signed with the ACCREDITED INSPECTION BODY shall be sent to the prior evaluation and approval of the GRANTING AUTHORITY, which shall manifest itself, in any case, in 15 (fifteen) days.
- 1.7.** The certificates, reports and other outputs resulting from the performance of the ACCREDITED INSPECTION BODY shall be sent to the GRANTING AUTHORITY, which shall promote its wide dissemination to users and other interested parties.
- 1.7.1.** The GRANTING AUTHORITY may use the reports and other outputs resulting from the ACCREDITED INSPECTION BODY's work to instruct its activities of inspection and monitoring of the CONCESSION.
- 1.7.2.** The outputs produced by the ACCREDITED INSPECTION BODY do not elude or limit the inspection and regulatory powers and competences of the GRANTING AUTHORITY, and its acceptance does not bind the analyses and decisions of the latter.
- 1.7.3.** The CONCESSIONAIRE shall have the right to access the reports and other outputs produced by the ACCREDITED INSPECTION BODY.
- 1.8.** The CONCESSIONAIRE may also hire, at its own expenses, an ACCREDITED INSPECTION BODY to carry out the certification of the execution and delivery of the works of the CONCESSION.
- 1.8.1.** The CONCESSIONAIRE shall be responsible for the hiring and remuneration of the ACCREDITED INSPECTION BODY for the purposes described in subitem 1.8, without being entitled to claims for restoration of the economic-financial balance of the CONTRACT.
- 1.8.2.** The hiring of the ACCREDITED INSPECTION BODY by the CONCESSIONAIRE, for the purposes indicated in the previous item, shall be submitted to the same procedure of subitems 1.3, 1.4, 1.5 and 1.6 of this EXHIBIT.
- 1.8.3.** The certificates, reports and other outputs related to the works of the CONCESSION, prepared by the ACCREDITED INSPECTION BODY shall be forwarded to the GRANTING AUTHORITY, which shall promote its wide dissemination to users and other interested parties.



- 1.8.4.** The GRANTING AUTHORITY may use the reports and other outputs resulting from the ACCREDITED INSPECTION BODY's work of the CONCESSION to instruct its activities of inspection and monitoring of the works of the CONCESSION, of reprogramming of investments, calculation of fare factors, restoration of the economic-financial balance, calculation of the use of contractual funds and indemnities, and other purposes compatible with the contracted products.
- 1.8.5.** The outputs produced by the ACCREDITED INSPECTION BODY do not elude or limit the inspection and regulatory powers and competences of the GRANTING AUTHORITY, and its acceptance does not bind the analyses and decisions of the latter.
- 1.8.6.** The CONCESSIONAIRE shall have the right to access the reports and other outputs produced by the ACCREDITED INSPECTION BODY.
- 1.9.** If any irregularity, deficiency in the provision of services by the ACCREDITED INSPECTION BODY, loss of contractual or regulatory requirements, or loss of the condition of accredited body is found, the GRANTING AUTHORITY shall determine its replacement by the CONCESSIONAIRE.
- 1.10.** Any interest of the CONCESSIONAIRE in terminating the contract with the ACCREDITED INSPECTION BODY shall be previously submitted to the approval of the GRANTING AUTHORITY, with the presentation of the respective justifications and the indication of a new three candidates list.
- 1.11.** By decision of the GRANTING AUTHORITY, the ACCREDITED INSPECTION BODY that violates technical standards, the standards of good practice and the regulation of the CONCESSION or that acts in collusion with the CONCESSIONAIRE, observing the right to adversary and full defense, shall be automatically banned, for up to two hiring cycles, from participating in the three candidates list presented by the CONCESSIONAIRE.
- 1.11.1.** In case of violations or collusion, the GRANTING AUTHORITY shall report the violations committed to the responsible body for the accreditation of the institution, so that the appropriate measures are adopted and shall forward the information to the competent bodies for possible civil and criminal penalties in the judicial sphere.