

ARTESP AGREEMENT 10/2019

DRAFT CONCESSION AGREEMENT

INTERNATIONAL TENDER Nº 01/2019

SÃO PAULO - SP

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CONCESSION AGREEMENT

The object of this CONCESSION AGREEMENT is to govern relations of delegation by the GRANTING AUTHORITY to the CONCESSIONAIRE, through ARTESP, of public operating, preservation and maintenance services, and implementation of investments required for exploitation of the highway network formed by the HIGHWAY SYSTEM described in ANNEX 2 to this AGREEMENT, called Piracicaba – Panorama Lot for the purposes of this CONCESSION entered into on [•] by the parties described below:

On one side, in the capacity of **CONTRACTING PARTY**:

AGÊNCIA REGULADORA DE SERVIÇOS PÚBLICOS DELEGADOS DE TRANSPORTE DO ESTADO DE SÃO PAULO - ARTESP, inscribed under the Register of Brazilian Corporate Taxpayers (CNPJ) 05.051.955/0001- 91, with head office at Rua Iguatemi, 105 – Itaim Bibi – São Paulo City, The State of São Paulo, represented herein by its General Manager, Mr. ..., bearer of the Identity card RG [•] and individual taxpayer CPF [•], hereinafter called ARTESP;

The other party, in the capacity of **CONCESSIONAIRE** or **CONTRACTING PARTY**:

CONCESSIONAIRE [•]

WHEREAS:

- A) Since creation of the State Privatization Program in 1996, and as of the concession of 20 lots of the São Paulo highway network since 1998, the State of São Paulo has developed studies and acquired experience that has led it to decide on the feasibility, especially technical, financial and administrative aspects, of continuing the process of delegating, to private enterprise, activities of exploitation, operation, preservation and maintenance of the State of São Paulo highway network;
- B) These studies and experience, alongside current economic circumstances, point to onerous common concession as being the most suitable delegation model for this purpose, which is to concentrate efforts and resources upon fulfilling the State's obligations, thereby ensuring adequate provision of public services;
- C) The State Privatization Program Council (*Conselho Diretor do Programa Estadual de Desestatização* – CDPED), created by Law 9.361, of July 5, 1996, authorized the launching of approved the development of technical studies for the CONCESSION at its 233rd Ordinary Meeting, held on March 27, 2018, as recorded in the minutes of the 22nd Extraordinary Meeting, held on 17, August 2018 and, after further deep discussion, approved their disclosure to the public by means of Public Hearings and Public Consultations, as deliberated and agreed at the 25th EXTRAORDINARY Meeting of the CDPED, held on February 12, 2019;
- D) The Digital Platform of Partnerships was supplied with key modeling information, followed by other modeling steps. This was formalized by means of ARTESP Protocol 421.802/2018.
- E) The proposal for ONEROUS CONCESSION of public services for exploitation of highways and transport infrastructure of the new lot of the highway network of São Paulo was authorized by Decree 61.371/15 of July 19, 2019, published in the State of São Paulo Official Gazette on July 20, 2019 that also approved the Regulation of the CONCESSION, described in ANNEX 1, and the minimum parameters for the bidding and delegation of the public services that are the object of the REQUEST-FOR-BIDS;
- F) The project was presented to the public by Public Hearings carried out in the period of March 11, 12, 13 and 27, 2019, in the cities of São Paulo, Bauru, Rio Claro, Osvaldo Cruz, Rancharia and Marília, as previously published in the State of São Paulo Official Gazette [DOE/SP] dated February 16, 2019, and March 1, 2019, in the Estado de São Paulo newspaper of February 18, 2019, Page B4, with ample readership in The State of São Paulo, and in regional newspapers, in addition to release on the website www.artesp.sp.gov.br. The audio transcript of the Public Hearings is available for access on the website www.artesp.sp.gov.br.
- G) The drafts of the REQUEST-FOR-BIDS and the AGREEMENT, related to this ONEROUS CONCESSION, were submitted to public consultation, with a notice published in the DOE of February 16, 2019 and of March 1, 2019 and made available to all interested parties on the website www.artesp.sp.gov.br, from February 18 to March 31, 2019;
- H) After the analysis of all contributions received at Public Hearings and Consultations, the necessary adjustments were made and the pertinent contributions inserted into the final documents which, after approval by ARTESP, according to the Minutes of the 1st Extraordinary Meeting of the Board of Directors, held on July 23, 2019. The CDPED also discussed inclusion of this ONEROUS CONCESSION in the The State of São Paulo Privatization Program, according to the Minutes of the 27th Extraordinary Meeting, held on June 24, 2019;
- I) Motivated by the aforementioned decisions, ARTESP, in the exercise of powers vested in it by Enabling Law 914, of January 14, 2002 and Decree 64.334, of July 19, 2019, held a regular tender in the modality of International Tender, and its results were confirmed and published in the DOE on [•] and its award granted to [WINNING BIDDER], as published in the DOE of [•]; and
- J) As a condition for signing of this AGREEMENT, the WINNING BIDDER established a SPECIAL PURPOSE COMPANY (SPC) and has accordingly met in timely fashion, other

necessary obligations, especially those specified in item 16.5 in the REQUEST-FOR-BIDS.

The above-described PARTIES mutually agree to sign this CONCESSION AGREEMENT, which shall be ruled by the clauses and conditions herein.

CHAPTER I – GENERAL CONDITIONS

CLAUSE ONE – DEFINITIONS

- 1.1. For purposes of this AGREEMENT, except where otherwise stated, the terms, phrases and expressions listed below, when used in this AGREEMENT and its ANNEXES and written in upper case or with capitalized first letter, shall be understood and interpreted according to the following meanings, and may be used in the plural or singular forms, without any change in meaning:

Access	Every non-accidental interruption of the RIGHT-OF-WAY, which necessarily implies obtaining previous authorization from ARTESP.
IPCA/IBGE or IPCA	Extended National Consumer Price Index, released by the Brazilian Institute of Geography and Statistics (IBGE), used to correct the values of the KILOMETER TARIFFS, according to rules established in the AGREEMENT, or in another agreement that may replace it upon termination hereof.
Accredited Broker	A brokerage company accredited by the Central Bank of Brazil and by the Securities and Exchange Commission, duly authorized to operate in B3 (Brasil, Bolsa, Balcão) and contracted by the BIDDER(s) to represent him (them) before B3 in all acts relating to the TENDER, in accordance with the B3 Procedures Manual that comprises ANNEX 22 hereof.
Accredited Representative	Individuals authorized to represent the BIDDERS in all documents and events relating to the TENDER, except those before B3.
Adequate Service	Service, the performance of which meets regularity, continuity, efficiency, safety, updating, generality and courtesy criteria, within best-quality parameters, utilizing all means and resources during execution and meeting all standards and procedures established in the AGREEMENT, by the GRANTING AUTHORITY and by ARTESP, under the terms of current legislation and regulations, especially observing article 6 of Federal Law 8.987 of February, 13, 1995, and article 17 of State Law 7.835 of May 8, 1992.
Ancillary Revenues	Alternative, complementary or accessory revenues, stemming from execution of accessory activities, management and inspection of COMPLEMENTARY SERVICES or of associated projects.
Annexes	Set of documents that are an integral part of the CALL FOR BIDS and of the AGREEMENT, as listed.
Annual Notification	Notification sent by ARTESP to the DEPOSITORY BANK to determine transfer of the sums available in the RESERVE GRANT ACCOUNTS, disciplined by APPENDIX G.
Arbitration Tribunal	Arbitration tribunal for resolving disputes submitted for arbitration, under the terms of Clause fifty-three.
ARTESP Board of Directors	Final decision-making level of ARTESP, members and roles of which are defined in the State Enabling Law 914/2002 and in the Bylaws of ARTESP.
ARTESP Contracting Party or	Regulating Agency of Delegated Public Transport Services of the State of São Paulo, created by the Enabling Law 914, of January 22, 2002, which appears in this AGREEMENT in the capacity of CONTRACTING PARTY.
B3	B3 S.A – Brasil, Bolsa e Balcão, located in the municipality of São Paulo, State of São Paulo, at Rua XV de Novembro n. 275 responsible for provision of specialized technical assistance and operational support services relating to procedures necessary for holding of the tender.
Bid Bond or Guarantee Execution	Guarantee of Compliance with the proposal, to be presented by BIDDERS, under the terms of this REQUEST FOR BIDS.

Bidder	Separate company or companies, funds and/or entities joined together under a CONSORTIUM taking part in the TENDER.
Brazilian Traffic Code	Federal Law 9.503/97, of September 23, 1997, and its respective amendments and regulations.
CADE	Administrative Council for Economic Defense.
CDPED	São Paulo State Privatization Program Steering Council.
Centralizing Bank Account or Escrow Bank Account	A restricted movement bank account in the name of the CONCESSIONAIRE, disciplined by Appendix D
CETESB	São Paulo State Environment Company.
Coefficient of Performance of Services (CSP)	Coefficient calculated by measurement of PERFORMANCE INDICATORS, detailed in ANNEX 3 of the AGREEMENT, to monitor the quality of services provided by the CONCESSIONAIRE.
Commercial Operation of Toll Stations	Activation of TOLL STATIONS implemented in the HIGHWAY SYSTEM by the CONCESSIONAIRE, for purposes of charging TOLL FEES, which is conditioned to rules established in ANNEX 4 of the AGREEMENT, on implementation of the intensive initial program –INITIAL INTENSIVE PROGRAM (PII), described in ANNEX 5 and 6 of the AGREEMENT, and upon compliance with obligations provided for in the AGREEMENT and in ANNEX 4.
Committee for Return	Committee created by the CONTRACTING PARTY to monitor adoption of measures by the CONCESSIONAIRE prior to returning and/or transferring the HIGHWAY SYSTEM, as established in ANNEX 10 of the AGREEMENT.
Compensation Notice	Notification sent by ARTESP to the DEPOSITORY BANK to determine compensation referent to the exchange protection mechanism, disciplined in ANNEX 22 of the CONTRACT.
Complementary Services	Services considered convenient, but not essential, targeted at maintaining ADEQUATE SERVICE levels throughout the HIGHWAY SYSTEM, under the terms of the AGREEMENT.
Concession Adjustment Account	A bank account in the name of the GRANTING AUTHORITY, in accordance with identification foreseen in the Accounts Management Contract, in which sums stemming from DISCOUNTS FOR DELAY OR NON EXECUTION OF WORK and application of QUALITY AND PERFORMANCE INDICATORS shall be deposited.
Concession Agreement or Agreement	Concession Agreement for provision of public operation and maintenance services, and making of investments required for exploitation of the HIGHWAY SYSTEM comprised of the LOT and its ACCESSES, at its own cost and risk, through tariffs paid by users, under terms and conditions hereby agreed upon.
Concession Fee Reserve Account 1	A bank account with restricted movement, disciplined by Appendix G

Concession Fee Reserve Account 2	A bank account with restricted movement, disciplined by Appendix G
Concession Fee Reserve Accounts	Bank accounts with restricted movement, disciplined by Appendix G
Concession Law	Federal Law 8.987/95 and respective amendments and regulation.
Concession Term	The period of thirty (30) years, counted as from the Date of TERM OF TRANSFER OF THE EXISTING SYSTEM, launched on the date of signing of the INITIAL TRANSFER TERM.
Consolidated Inspection Report	Report that compiles all the INITIAL INSPECTION REPORTS of the respective stretch, that shall be submitted for assessment and approval of ARTESP, in the form and within the deadline foreseen in ANNEX 18 of the AGREEMENT.
Consortium	Association of companies, funds or entities for the purpose of taking part in the TENDER and, if declared the winner, founder of a SPECIAL PURPOSE COMPANY, under the Brazilian law.
Contracted Party or Concessionaire	SPECIAL PURPOSE COMPANY set up by the WINNING BIDDER, which signs this AGREEMENT with ARTESP.
Control	For purposes foreseen herein, "Control" is exercised by an individual or group of persons, individual or legal, or by a group of persons bound by a voting agreement, or under common control, directly or indirectly, alone or collectively, that: (a) is the holder of rights that permanently ensure a majority of votes in corporate resolutions and the power to elect a majority of administrators or managers of another company, investment fund or supplementary pension entity, as the case may be; and (b) effectively uses its power to direct corporate activities and guide the functioning of others, investment fund or supplementary pension entities.
Controlling Block	Group of shareholders of the SPECIAL PURPOSE COMPANY which has CONTROL of the company.
CREA	Regional Engineering and Agronomy Council of the respective Brazilian State.
Date of Signing of the AGREEMENT	Date of Signing of the AGREEMENT. i.e., >>>>
Declaration of Public Utility	Decree enacted by the Head of the São Paulo State Executive Branch declaring areas required to execute the purpose of this CONCESSION to be of public utility, for purposes of expropriation and administrative right-of-way.
Delegated Public Services or Delegated Services	Services to be provided by the CONCESSIONAIRE comprising those correspondent to operational functions of exploration, management, expansion, operation and maintenance activities.
Demobilization Plan	Document to be prepared by the CONCESSIONAIRE and submitted for approval of ARTESP, providing for decommissioning of the HIGHWAY SYSTEM at the end of the CONCESSION period, with a view to enabling reversion of REVERTIBLE ASSETS, and assure adequate and continued provision of services.
Depository Bank	FINANCIAL INSTITUTION, authorized to provide custodial financial services for the PARTIES, under the terms of the AGREEMENT and its ANNEXES.
DER/SP	São Paulo State Highway Department

Direct Agreement or Three-Party Agreement	An agreement signed by a fiduciary agent representing the FINANCIERS, the CONTRACTING PARTY and the CONCESSIONAIRE that disciplines the relationship between the three parties, with a view to full execution of the CONTRACT and preservation of the interests of the FINANCIERS
Discount for Delay or Non-execution of Work	The rate to be applied on the annual calculation of TARIFF REVENUE OWED FOR DELAY OR NON-EXECUTION OF CONSTRUCTION PHASES foreseen in the PHYSICAL-EXECUTIVE SCHEDULE and in the PHYSICAL-FINANCIAL SCHEDULES and agreed between the CONCESSIONAIRE and ARTESP in investment plans, in accordance with regulations in ANNEX 3.
DOE/SP	São Paulo State Official Gazette.
Economic Group	For the purposes of the AGREEMENT, the CONCESSIONAIRE'S ECONOMIC GROUP includes affiliates, controlled companies or investors, under the terms of article 1.097 and subsequent articles of the Civil Code, and article 278 of Federal Law 6.404/76. Also considered part of the Economic Group are companies or investment funds with officers, managers or shareholders (with more than a 10% stake) or legal representatives in common, as well as those that are economically or financially supported by another company or investment fund. Finally, companies or investment funds subject to the same global structure, including overall sharing of knowledge, governance and corporate policy are also classified herein as economic group.
Economic-Financial Qualification	Documentation required, attesting to financial-economic capacity to sign contracts with the PUBLIC ADMINISTRATION.
Environmental Crime Law	Federal Law 9.605/98 and respective amendments and regulation.
Environmental License for Installation, Installation License or LI	Environmental License that authorizes the implantation of the venture or activity in accordance with specifications in the approved plans, programs and projects, including environmental control measures and other conditioning factors.
Environmental License to Operate, Operating License or LO	Environmental License authorizing the activity or venture, after verification of effective compliance with items in previous licenses – PRIOR LICENSE and INSTALLATION LICENSE – with measures for environmental control and conditioning factors required for operation.
Estimated Value of the Contract	Sum of estimates foreseen in the TFFS, which includes the FIXED CONCESSION FEE, in accordance with Clause 7.1 of the AGREEMENT.
Executive Project	Set of elements necessary and sufficient for complete execution of the works, in accordance with the detailed description presented in ANNEX 7 and APPENDIX J.
Existing System	All highways sections stated in ANNEX 2 of the AGREEMENT and graphically represented in images presented in APPENDIX A1, the roadway segments of which shall be transferred to the CONCESSIONAIRE, upon signing of the INITIAL TRANSFER TERM.
Extraordinary Review	Review of the AGREEMENT, at the request of the CONCESSIONAIRE, or by official act of the GRANTING AUTHORITY, through mediation of ARTESP, with a view to adapting it to changes, alterations or conditions that may influence fulfillment of the contract, under terms of the AGREEMENT, and restore its economic-financial balance, applicable only in exceptional circumstances foreseen in the AGREEMENT, in which it is not possible to address the issue at headquarters during an ORDINARY REVIEW.

Financial Institution	Any institution authorized by the Central Bank of Brazil, or analogous body in the case of a foreign institution, principally or accessorially engaged in gathering, intermediation or investing of own or third-party financial resources, in domestic or foreign currency, and custody of third-party resources.
Financiers Lenders or	Commercial banks, development banks, multilateral agencies, export credit agencies, trustees, fund managers or other entities that grant loans to the CONCESSIONAIRE or represent creditors thereto.
Fiscal and Labor Law Compliance	Attribute stemming from presentation and acceptance of the documentation necessary to demonstrate fiscal and labor qualification for contracting with the PUBLIC ADMINISTRATION.
Fixed Concession Fee	Amount offered in the PRICE PROPOSAL presented by the CONCESSIONAIRE during the bidding process, to be paid to the GRANTING AUTHORITY in accordance with regulations foreseen in this AGREEMENT and in the REQUEST-FOR-BIDS.
Free Flow	Collecting systems by means of gantry gates (without TOLL STATIONS), that do not require deceleration of vehicles for charging of a TOLL FEE, equivalent to the Coverage Area of the Gates, of a sum proportional to the distance effectively covered by the USER.
Frequent User Discount (DFU or DUF)	A special modality of Tariff Tolls applicable for users considered frequent customers, as provided for in the terms of ANNEX 4 of the AGREEMENT and APPENDIX F.
Functional Project	Set of elements which, without limiting or rejecting other risks assigned to the CONCESSIONAIRE, allow characterization of the work, service or group of works and services which comprise the venture, so that their main characteristics and desired performance are perfectly defined, making it possible to estimate their cost and the time required to execute them, in accordance with the detailed description presented in ANNEX 7 and APPENDIX J.
Grantee	BIDDER to whom the purpose of the TENDER is delegated, under terms of applicable legislation and of the REQUEST FOR BIDS.
Granting Authority	The State of São Paulo.
Gross Revenue	Sum of GROSS ACCESSORY REVENUE and GROSS TARIFF REVENUE, before deducing taxes on Revenue.
Gross Revenue Tariff	Comprises the summation of TARIFF REVENUE charged of the USERS, calculated based on the KILOMETER TARIFF, along the STRETCH COVERED BY THE TOLL, and on the multiplying factor for each vehicle type, without applying the QUALITY AND PERFORMANCE INDICATOR (IQD) and the DEDUCTIONS FOR DELAY OR FAILURE TO MAKE INVESTMENTS (DA), as established in ANNEX 4 of the AGREEMENT.
Guarantee	Guarantee of faithful compliance with obligations of the CONCESSION AGREEMENT, to be maintained by the CONCESSIONAIRE on behalf of ARTESP and the GRANTING AUTHORITY, of sums and terms defined in the Thirty-Second Clause and in ANNEX 16 of the AGREEMENT.

Guarantee Plan	Document submitted by the CONCESSIONAIRE as a condition for signing of the AGREEMENT, containing the list of all guarantees that must be provided by CONCESSIONAIRE, and to ensure, unconditionally, compliance with obligations undertaken within the scope of the AGREEMENT, and which may be liable for review, in accordance with terms of the AGREEMENT.
Highway	Section encompassed by the LOT
Highway System or Road System	The highway network delegated to the CONCESSIONAIRE, comprised of the EXISTING SYSTEM, and REMAINING SYSTEM, as described in ANNEX 2, including all the component elements of the RIGHT OF WAY, and also ACCESSES and loops, buildings, lands, pavement, shoulder, special engineering works, possible new works, and investments effected by the CONCESSIONAIRE within the scope of the AGREEMENT, and any other elements and areas with operational and administrative installations relating to the CONCESSION.
Independent Rapporteur	Individual or legal entity, with no connection to the CONCESSIONAIRE and its RELATED PARTIES, chosen by ARTESP, after submission of a triple list by the CONCESSIONAIRE, which has not received from them any form of remuneration in the 12 (twelve) months prior to performance of activities under this AGREEMENT and its ANNEXES and that, at the CONCESSIONAIRE's expense, shall be responsible for drafting surveys and reports on the HIGHWAY SYSTEM, under circumstances foreseen in the AGREEMENT, in order to present a Technical Report regarding possible disagreements and/or inconsistencies among the PARTIES, to inform ARTESP's decision.
Infraction Notice	Document containing contractual or regulatory penalties arising from irregularities identified during inspections of the HIGHWAY SYSTEM. ARTESP shall refer it to the CONCESSIONAIRE, under the terms of this AGREEMENT and its ANNEXES, especially ANNEX 11.
Initial Adaptation Program - IAP or PAI	Set of investments and interventions to be carried out by the CONCESSIONAIRE, necessary for adaptation of the REMAINING SYSTEM and in compliance with regulations established in ANNEXES 5 and 6 of the AGREEMENT
Initial Inspection Report	Reports that shall be produced by the CONCESSIONAIRE or RAPPOREUR, within deadlines established in ANNEX 18 of the AGREEMENT, relating to conditions and possible liabilities and irregularities of the REMAINING SYSTEM.
Initial Intensive Program - PII or IIP	Set of initial investments and interventions to be carried out by the CONCESSIONAIRE, as especially described in ANNEXES 5 and 6 of the AGREEMENT, delivery of which comprises one of the conditions for start of charging of the TOLL FEE from USERS of the HIGHWAY SYSTEM
Initial Transfer Term	Document signed by the PARTIES which enables transfer, by the GRANTING AUTHORITY and through ARTESP, of control of the EXISTING SYSTEM and/or REMAINING SYSTEM to the CONCESSIONAIRE, as of the signing of which the CONCESSION TERM begins.
Inspection Fee	Amount corresponding to three percent (3%) of monthly GROSS REVENUE collected by the CONCESSIONAIRE to be paid, monthly, to ARTESP for performance of its duties.

Inspection Term	Document containing records of any occurrences identified during any inspections of the HIGHWAY SYSTEM, which ARTESP shall refer to the CONCESSIONAIRE, under the terms of the AGREEMENT.
Insurance Plan	Document containing a listing of all compulsory insurance policies, under terms of the AGREEMENT and its ANNEXES, which shall remain valid and in effect throughout the entire CONCESSION PERIOD and may be liable for review, in accordance with terms of the AGREEMENT.
Interferences	Overhead, surface or underground urban facilities of public or private utilities, which may interfere or suffer direct or indirect interference, from activities under the responsibility of the Concessionaire.
Inventory	Inventory of assets, investments and construction work to be maintained by the CONCESSIONAIRE over the Concession Period, which shall be conducted by means of georeferenced video recordings, as specified in ANNEX 6 of the AGREEMENT.
Investment Plan	Document prepared jointly by the CONCESSIONAIRE and ARTESP, after ORDINARY REVIEWS and EXTRAORDINARY REVIEWS, whereby the investments to be made by the CONCESSIONAIRE in subsequent years shall be established. Each INVESTMENT PLAN shall contain a PHYSICAL-FINANCIAL SCHEDULE, detailing the development expected for each investment.
Kilometer Tariff or Kilometric Rate	Tariff corresponding to the amount charged from simple and two axle vehicles, per kilometers for dual-lanes, at "barrier" type Toll gates, on bi-directional highways, by Manual and Automatic Charging Systems, under rules laid down in ANNEX 4, the value of which shall be calculated individually for each TOLL STATION that comprises the HIGHWAY SYSTEM.
Legal Qualification	Documentation required for proof of qualification for contracting with the PUBLIC ADMINISTRATION.
Lot	Lot consisting of roadway sections forming part of the HIGHWAY SYSTEM, as defined in ANNEX 2.
Main Financier	Investor, commercial bank, development bank, multilateral agency, exporting credit agency, trustee, fund manager or other isolated entity, union or quota holder that detains immediate rights of the CONCESSION, under the terms of Article 28-A of Act 8.987/1995.
Non Delegated Services	Those for which the PUBLIC AUTHORITIES are exclusively responsible, not encompassed in the purpose of this CONCESSION, such as: I. Uniformed, preemptive and punitive traffic policing; II. Enforcement and issuing of fines for infractions relating to: a. Vehicle; b. Documentation; c. Driver; d. Rules for circulation, parking and stopping; e. Excessive weight. III. Issue of concessions, under the law, referring to: a. Public road transportation services - international, interstate, and intercity; b. Public transport services - urban, intercity, suburban, metropolitan or municipal; c. Transport service for rural workers or people in cargo vehicles; d. Organization of events on the highway; e. Special and hazardous cargo transport services.

Notification	Notification sent by ARTESP to the DEPOSITORY BANK on the START DATE DUF and in subsequent ORDINARY REVIEWS to determine transfer of sums referent to the VARIABLE GRANT of the CENTRALIZING BANK ACCOUNT to RESERVE CONCESSION ACCOUNT 1, disciplined by APPENDIX G.
Onerous Concession or Concession	Legal relationship established by delegation of the public services described in the preamble of this AGREEMENT, by the GRANTING AUTHORITY, through ARTESP, to the SPECIAL PURPOSE COMPANY, a private company set up by the WINNING BIDDER, for operation, in its own name, at its own cost and risk, through a tariff paid by the USER.
Ordinary Review	Review of the AGREEMENT, carried out every four (4) years, the scope of which includes adapting the PERFORMANCE INDICATORS, INVESTMENT PLAN, INSURANCE PLAN, GUARANTEE PLAN, and any conditions in the CONCESSION to changes perceived during this period, with a view to restoring its economic-financial balance, as provided for in Clause 24 of the AGREEMENT.
Original Investment Plan (OIP or POI)	Document submitted by CONCESSIONAIRE, as a condition for signing of the AGREEMENT, comprised of works and investment defined and detailed in ANNEX 21 of the AGREEMENT, which shall be reviewed at each four (4) year period. The ORIGINAL INVESTMENT PLAN shall contain the PHYSICAL-EXECUTIVE SCHEDULE, which shall be prepared according to the specifications in ANNEX 21.
Owed Revenue Tariff	Sum of GROSS TARIFF REVENUE, calculated based on the KILOMETER TARIFF applied to each vehicle type, applying the QUALITY AND PERFORMANCE INDEX (IQD) and the DISCOUNTS DUE TO DELAY OR FAILURE TO MAKE INVESTMENTS (DA).
Parties	ARTESP and CONCESSIONAIRE.
Performance Assessment Report – PAS (IQD)	Report containing the CONCESSIONAIRE's PERFORMANCE ASSESSMENT referring to purpose of the AGREEMENT, which shall be periodically prepared by ARTESP and delivered to CONCESSIONAIRE under the terms of rules established in the AGREEMENT and ANNEX 3.
Performance Indicators	Set of parameters to measure the quality of services, that assist in determining the Service Provision Coefficient, under the terms of ANNEX 3 of the CONCESSION AGREEMENT.
Physical-Executive Schedule	SCHEDULE included in the ORIGINAL INVESTMENT PLAN, to be presented by the WINNING BIDDER as a condition for signing the AGREEMENT, containing details, with initial, intermediary and final milestones for each investment, considering the initial and final deadlines for completing the works defined therein, based on TFFS, the AGREEMENT and ANNEX 7 thereto.
Physical-Financial Schedule	Physical and financial schedule containing the details of the investments included in the events of the ORDINARY and EXTRAORDINARY REVIEWS and which will include the corresponding INVESTMENT PLANS.
PIC	Set of complementary investments and interventions to be carried out by the CONCESSIONAIRE, as especially described in ANNEXES 5 and 6 of the AGREEMENT.

Policy Transactions for with Related Parties	Document drafted and approved by administrative bodies of the CONCESSIONAIRE, that shall comprise rules and conditions for the conduct of transactions between the CONCESSIONAIRE and RELATED PARTIES, under the terms of this AGREEMENT.
Price Proposal	Proposal establishing the amount of the FIXED CONCESSION FEE for exploitation of the purposes of the CONCESSION, as established in the REQUEST-FOR-BIDS.
Prior Environmental License, Previous License, or LP	Environmental License granted in the preliminary planning phase of the venture or activity, approving its location and concept, attesting to its environmental feasibility and establishing basic requisites and conditions to be met in subsequent implementation phases.
Procedures Manual	Document prepared by B3 (Brasil, Bolsa Balcão) containing guidance, rules, and templates of documents for procedures of posting a PROPOSAL GUARANTEE, operational procedures, and all other procedures pertinent to conduct of the competitive bidding process.
Public Administration	Bodies or entities of the direct and indirect Public Administration, at the federal, state, municipal or Federal-District level.
Public Business	Potential assets or ACCESSORY REVENUE sources identified by ARTESP, by the GRANTING AUTHORITY or by the CONCESSIONAIRE that could be exploited by means of contractual or corporate structures, or even through corporation-law and/or capital-market tools, proposal of which includes participation of the GRANTING AUTHORITY, providing for clear rules on the activities and responsibilities of public and private players, in addition to sharing of risks involved and of estimated revenues.
Public Consultation	A stage of the TENDER when the draft REQUEST-FOR-BIDS, the AGREEMENT and other ANNEXES is disclosed, and when suggestions of are received from interested parties.
Public Hearing	The initial stage of the bidding process referring to the International TENDER, under terms of article 39 of Law 8.666/93, held during the the period of March 11, 12 and 13, 2019, in order to make this CONCESSION model public, clarify doubts and gather inputs for drafting of this REQUEST-FOR-BIDS.
Public Session	A public meeting for receipt of envelopes and execution of other actions pertinent to the TENDER.
Qualification Documents	Documents to be submitted by Bidder in the Qualifying Envelope, related to Legal Qualification, Tax and Labor Compliance, Technical Qualification and Economic-Financial Qualification.
Qualified Subcontracting	A possibility granted to BIDDERS, for demonstration of technical conditions compatible with investments, the execution of which require proof of technical qualification before ARTESP, or for demonstration of technical capacity compatible with operation of the HIGHWAY SYSTEM, through signing of a contract with an entity that possesses the technical qualification required for the venture, in accordance with requirements laid down in ANNEX 6 of the

	CALL FOR BIDS.
Qualifying Conditions	Documents and respective conditions presented by participants in International Tender 01/2019, relating to Legal Qualification, Tax and Labor Compliance, Technical Qualification, and Economic-Financial Qualification, under the REQUEST-FOR-BIDS.
Quality and Performance Index	Index comprising the PERFORMANCE COEFFICIENT OF SERVICES PROVIDED (CSP) appraised in accordance with regulations and intervals established in ANNEX 3 of the AGREEMENT.
Quarterly Performance Assessment of the CSP	Report containing the quarterly results of the Coefficient of Services Provided of the CONCESSIONAIRE that shall be prepared by ARTESP and delivered to the CONCESSIONAIRE, under terms of the regulations established in the AGREEMENT and in ANNEX 3.
Related Parties	With respect to the CONCESSIONAIRE, any person in its ECONOMIC GROUP, as well as those considered under current accounting standards.
Remaining System	The highway network encompassed by CONCESSION AGREEMENT 008/CR/1998 and the other highway segments and ACCESS roads indicated in ANNEX 2 and APPENDIX A 1, which shall compulsorily become part of the HIGHWAY SYSTEM, upon signing of the REMAINING SYSTEM TRANSFER TERM.
Request For Bids or Call for Proposals	This call for proposals or International REQUEST FOR BIDS 01/2019 and all its ANNEXES
Request for Transfer of Control	Request made by the CONCESSIONAIRE, subject to prior approval by ARTESP, for the TRANSFER OF CONTROL of the SPC, except in cases foreseen in a three-party agreement, should one be signed.
Revertible Assets	Assets tied to the CONCESSION, listed in ANNEX 10 of the AGREEMENT, indispensable for provision of services, which shall be reversed and/or returned to the GRANTING AUTHORITY, upon termination of this AGREEMENT, in order to guarantee continued service provision.
Right-of-Way or Domain Range	According to the definition in ANNEX I of Federal Law 9.503/1997 (BRAZILIAN TRAFFIC CODE), these are the surfaces adjacent to rural roads, delimited by specific law and under the responsibility of the relevant traffic agency or entity with circumscription over the road.
Session Director	The B3 Representative who shall conduct the PUBLIC PRICE PROPOSAL SESSION, on behalf of the SPECIAL TENDER COMMITTEE, in accordance with the terms of the REQUEST FOR BIDS.
Share Capital payment Schedule	Schedule for paying up of the SPC's Corporate Stock, proportionally to the necessary investments, as presented in ANNEX 13 of the AGREEMENT.
SPAs	Access Roads highlighted in ANNEX 2.

Special Cargoes	Cargoes with dimensions above the limits established by the National Traffic Council (CONTRAN), which require special traffic authorization, under terms and conditions established by CONTRAN.
Special Purpose Company SPC [SPE]	A joint-stock company established under Brazilian law, for the specific purpose of provision of the public services that are the purpose of this CONCESSION.
Special Tender Committee (STC)	Committee responsible for receipt, examination and judgment of all tender-related documents, and also for conducting procedures relating to the TENDER.
STATE CADIN	Registry of Information on Outstanding Credits of State-level Bodies and Entities, instituted by State Law 12.799/2008 and brought into effect by State Decree 53.455/2008, where names of individuals and corporate entities with debts to bodies and entities of the STATE Administration are listed.
Subcontractor	Third party contracted at the expense and risk of the CONCESSIONAIRE for execution of services related to the CONCESSION.
Successor	A CONCESSIONAIRE, winner of a concluded TENDER, the full or partial purpose of which is the HIGHWAY SYSTEM comprised of the LOT, or body or entity of the PUBLIC ADMINISTRATION that is successor of the CONTRACTED PARTY.
Tariff Revenues	Revenues stemming solely from charging of TOLL FEES, paid entirely by USERS of the highway.
Technical Board	Commission set up under the AGREEMENT to solve any technical divergences submitted during the CONCESSION TERM.
Technical Qualification	Documentation required, attesting to technical capacity to sign contracts with the PUBLIC ADMINISTRATION.
Technician Responsible	Individual indicated to take responsibility for expansion, operation and maintenance services, to be carried out by the SPECIAL PURPOSE COMPANY, through a direct or indirect link, in this case, through a third party contracted, when possible, by means of QUALIFIED SUBCONTRACTING.
Tender	INTERNATIONAL TENDER 01/2019 organized by ARTESP for contracting of this CONCESSION.
Tender and Administrative Contract Law or Law 8.666/93	Federal Law 8.666/93 and respective amendments and regulation.
Term of Definitive Lien or Term of Lien of REVERSIBLE ASSETS	Document containing a listing of REVERSIBLE ASSETS of the AGREEMENT, adding those preexisting to those newly established, acquired or in any manner modified by the CONCESSIONAIRE, to be prepared by the PARTIES upon the occasion of signing of the INITIAL TERM OF TRANSFER and updated in accordance with an INVENTORY kept by the CONCESSIONAIRE.
Term of Transfer of the Remaining System	Document signed by the PARTIES that formalizes the transition of the highway network corresponding to the scope of Contract 008/CR/1998, and other highway and ACCESS road segments described in ANNEX 18, enabling the CONCESSIONAIRE to begin operations on that stretch and to effect charges at the corresponding TOLL STATIONS, provided that the conditions established in the AGREEMENT are fulfilled.

TFFS (EVTE)	Technical and Economic-Financial Feasibility Study that presents contractual amounts and years for investments that shall be part of the ORIGINAL INVESTMENT PLAN, and which shall serve as a basis for designing the PHYSICAL-EXECUTIVE SCHEDULE to be presented by the CONCESSIONAIRE and its effects, under the terms of this AGREEMENT.
Toll Coverage Stretch	Stretch of a highway considered when calculating the KILOMETER TARIFF of the respective TOLL STATION.
Toll Fee, Rate or Tariff	Tariffs charged from USERS by the CONCESSIONAIRE, under the terms of the AGREEMENT, and especially ANNEX 4, and under regulations established by ARTESP.
Toll Stations	Area comprising the approach, charging booths, with or without physical barriers, as well as any other equipment and systems used in the TOLL FEE charging and billing activity.
Transfer of Control	Any alteration in corporate structure implying change to direct or indirect CONTROL of the CONCESSIONAIRE, subject to Federal Law 6.404/76.
Transfer of the Highway System	Direct whole or partial transfer of the HIGHWAY SYSTEM, from the CONCESSIONAIRE to a successor, in response to the purpose of a concluded tender, or relating to a CONCESSION transfer procedure.
Unbalancing Event	Event, act or fact, which gives rise to the economic-financial unbalance of the AGREEMENT, in accordance with Clauses 20 and 21 thereof, and which leads to restructuring, corresponding to effectively proven losses suffered by the CONCESSIONAIRE or by the GRANTING AUTHORITY.
Users	Any individual or corporate entity that uses DELEGATED PUBLIC SERVICES.
Variable Concession Fee	Amount to be paid to the GRANTING AUTHORITY, according to the provisions of ANNEX 20, calculated at nine percent (9%) of the GROSS REVENUE, as of the thirteenth (13 th) month counted as of signing of the INITIAL TRANSFER FEE as the price of the CONCESSION, as established in the AGREEMENT, where the percentage due may vary according to the mechanism described in ANNEX 22 of the AGREEMENT.
Winning Bidder	The Bidder declared winner for having presented the best classified proposal, compliant with all the conditions of the REQUEST-FOR-BIDS, to which the TENDER was awarded.

CLAUSE TWO – INTERPRETATION OF THE AGREEMENT

2.1. For the purpose of this AGREEMENT, except when otherwise stated:

- i. The definitions of this AGREEMENT described in Clause 1, shall have the meaning attributed in that Clause, whether in plural or singular form;
- ii. All references in this AGREEMENT to Clauses, sub-clauses or other subdivisions hereof refer to the Clauses, sub-clauses or other divisions in this AGREEMENT, except if expressly otherwise stated;
- iii. Pronouns of both genders, depending upon the case, shall consider the other pronoun forms;
- iv. All references to this AGREEMENT or to any other document in connection with this CONCESSION shall encompass amendments and/or addendums that may be agreed between the PARTIES;
- v. Any reference to legislation and regulations shall be construed as current legislation and

regulations in effect at the time of the actual case, and applicable thereto, of any level of the Brazilian Government, including any amendments;

- vi. The use in this AGREEMENT of the terms “including” or “inclusive” shall mean “including, but not limited to” or “inclusive, but not limiting to”;
 - vii. All deadlines established in this AGREEMENT shall consider calendar days, unless business days is expressly stated. When a deadline falls on a weekend, holiday or a non-working day at ARTESP, the deadline will be automatically postponed to the following working day.
 - viii. Any references to this AGREEMENT refer both to this document and to the other documents listed as ANNEXES, subject to rules of interpretation established in this clause.
- 2.2. Any controversies in the application and/or interpretation of provisions and/or documents relating to this AGREEMENT shall be settled as follows:
- i. The wording in this CONCESSION AGREEMENT shall take precedence, and shall supersede all other documents in the contractual relationship, except as provide for in ANNEX 8 – DIRECT AGREEMENT, which shall take precedence over the terms of this AGREEMENT;
 - ii. In the event of any divergence between the ANNEXES and this AGREEMENT, ANNEXES issued by the GRANTING AUTHORITY or ARTESP shall have precedence;
 - iii. In case of any divergence between the ANNEXES issued by the GRANTING AUTHORITY or ARTESP, the most recent instrument shall prevail.

CLAUSE THREE – APPLICABLE LEGISLATION AND GENERAL CONDITIONS OF THE AGREEMENT

- 3.1. This AGREEMENT shall be governed by the rules established in the body of its text and ANNEXES, and by the State Law of Concessions 7.832/92 and by the Federal Law of Concessions 8.987/1995. Alternatively, Federal Law 8.666/93 and State Law 6544/89 shall also govern this AGREEMENT, and the other current standards applicable to this case, especially, but not limited to, regulations issued by ARTESP.
- 3.2. Unless otherwise stated in this Agreement, the base date for the amounts in this AGREEMENT shall be March 2019, which shall be corrected using the Extended Consumer Price Index (IPCA) or another index that may replace it.

CLAUSE FOUR – ANNEXES AND APPENDICES

- 4.1. The following ANNEXES, for all purposes, are a part of this AGREEMENT:

Annex 1	Regulations of the CONCESSION
Annex 2	Road System
Annex 3	Performance Indicators for services provided and Discounts for Delay or Lack of Implementation of the Work
Annex 4	Tariff Structure
Annex 5	Services Correspondent to Operational Functions
Annex 6	Services Correspondent to Conservation Functions
Annex 7	Services Correspondent to Expansion Functions
Annex 8	Guidelines for the Direct Agreement
Annex 9	REQUEST FOR BIDS
Annex 10	Conditions for returning the Road System
Annex 11	Penalties
Annex 12	Functional Projects of the Road Concession Network

Annex 13	Share Capital Payment Schedule
Annex 14	INVESTMENT PLAN (ORIGINAL INVESTMENT PLAN to be submitted by the CONCESSIONAIRE as a condition for signing of the CONTRACT and other plans, as issued or presented and duly approved by ARTESP).
Annex 15	INSURANCE PLAN AND POLICY (delivered by the CONCESSIONAIRE and duly approved by ARTESP).
Annex 16	GUARANTEE PLANS AND PERFORMANCE BOND (delivered by the CONCESSIONAIRE and duly approved by ARTESP).
Annex 17	SPC Documents
Annex 18	Regulation of the Transition of Road System
Annex 19	Initial Term of Transfer and Remaining System Transfer Term
Annex 20	Conditions and Schedule for payment of the FIXED CONCESSION FEE and VARIABLE CONCESSION FEE
Annex 21	Technical and Economic-Financial Feasibility Study (TFFS)
Annex 22	Exchange Protection Mechanism
Annex 23	Glossary of the Annexes

APPENDICES

A.1	Rectigraphic
A.2	Registry of Special and Current Works of Art
A.3	Interferences
B	Registry of Environmental Liabilities
C	Sheets for Performance Indicators
D	Accounts Management Agreement
E	Access Registration
F	Discount for Frequent Users
G	Functioning of DELEGATED RESERVE ACCOUNTS
H	Digital Systems
I	Service Levels
J	Procedure for Presentation, Review, and Approval of Projects, Start and Receipt of Work
K	Geometric Adaptations

ANNEXES TO THE REQUEST-FOR-BIDS

Annex I	Concession Regulations
Annex II	Road System
Annex III	Draft of Concession Agreement and Annexes to the Agreement
Annex IV	Functional Projects of the Road Concession Network
Annex V	Share Capital Payment Schedule
Annex VI	Technical conditions compatible with the Initial Investment and required for the signature of the Agreement
Annex VII	Price Proposal
Annex VIII	Bid Bond
Annex IX	Term of Acceptance of Conditions of the Request-For-Bids
Annex X	Notice and Acknowledgement Agreement of the State Court of Auditors
Annex XI	Accreditation Letter
Annex XII	Declaration of Compliance with Article 1 of State Law 10.218/99

Annex XIII	Declaration of Compliance before the Ministry of Labor and Awareness of Inset 33 of Article 7 of the Federal Constitution
Annex XIV	Declaration of non-existence of bankruptcy procedures
Annex XV	Declaration of Non-Existence of Impeding Fact
Annex XVI	Declaration of financial capacity
Annex XVII	Declaration of compliance with provisions of Article 117, sole paragraph, of the São Paulo State Constitution
Annex XVIII	Declaration of Compliance with provisions of State Law 12.799/ 08 and Federal Law 12.846/12
Annex XIX	Declaration of Compliance with provisions of Article 1 State Decree 5.3047/08
Annex XX	Templates for Statements and Letters of Financial Capacity and Financing Proposals
Annex XXI	Declaration of Commitment to Contract Performance Guarantee
Annex XXII	Procedures Manual, to be provided on the ARTESP website
Annex XXIII	Technical and Economic-Financial Feasibility Study (TFFS)

CHAPTER II – CONCESSION

CLAUSE FIVE – OBJECTIVE OF THE CONCESSION

- 5.1. The object of this CONCESSION AGREEMENT comprises the operation, conservation and maintenance services and the investments required for exploitation of the HIGHWAY SYSTEM, under the terms established in this AGREEMENT and the ANNEXES hereto, and exploitation of its ACCESSORY REVENUES.
- 5.2. The HIGHWAY SYSTEM comprises the specification of roads and highway sections detailed in ANNEX 2 hereto, in addition to other investments and stretches that may be included, and that shall comprise updated inventories under the responsibility of the CONCESSIONAIRE, in accordance with ANNEX 6.
- 5.3. The price payable by the CONCESSIONAIRE to the GRANTING AUTHORITY for grating public services for exploitation of the HIGHWAY SYSTEM is the FIXED CONCESSION FEE and VARIABLE CONCESSION FEE, based on the rules established in the AGREEMENT:
 - i. The FIXED CONCESSION FEE amounting to R\$ [•] ([•]) on the base date of March/2019 was paid by the CONCESSIONAIRE, with sums updated by the IPCA/IBGE, as a condition for signing of this AGREEMENT; in accordance with the terms of ANNEX 20 and APPENDIX G;
 - ii. The VARIABLE CONCESSION FEE, which shall be paid to the GRANTING AUTHORITY, under the terms of ANNEX 20 and of APPENDIX G hereto, calculated at nine percent (9%) of GROSS REVENUE collected by the CONCESSIONAIRE, as of the

thirteenth(13th) month, counted as of signing of the INITIAL TRANSFER TERM.

- 5.3.1. The CONCESSION price described in Clause 5.3 shall not be confused with the amounts payable by the CONCESSIONAIRE to ARTESP as the inspection for activities under its responsibility, especially the INSPECTION FEE.
- 5.3.2. Default of payments, under the conditions and terms stated in this AGREEMENT, shall subject the CONCESSIONAIRE to the relevant penalties, which shall not affect the possibility of execution by ARTESP of guarantees and bonds signed by the CONCESSIONAIRE, in addition to any declaration of INVALIDATION.
- 5.4. This CONCESSION presumes provision of ADEQUATE SERVICES, which shall be service provided in consonance with this AGREEMENT, observing perfect fulfillment of PERFORMANCE INDICATORS and service levels that meet the conditions of compliance, efficiency, safety, updatedness, generality, courtesy, equity, affordability of TARIFFS and continuity, under the terms of the legislation.
- 5.5. For performing the object of this AGREEMENT, the CONCESSIONAIRE shall be entitled to receive payment for exploitation of the public service delegated hereby, by charging toll fees from USERS, under the terms of ANNEX 4 hereto.

CLAUSE SIX – CONTRACTUAL TERM, INITIAL TRANSFER AND CONDITIONS FOR FULL EFFECTIVENESS OF THE AGREEMENT

- 6.1. The CONCESSION TERM is thirty (30) years, as of the date of signing of the INITIAL TRANSFER TERM of the EXISTING SYSTEM.
 - 6.1.1. Signing of the INITIAL TRANSFER TERM is a condition for the AGREEMENT entering full effect.
 - 6.1.2. The period foreseen in Clause 6.1 may exceptionally be extended, at the exclusive discretion of the GRANTING AUTHORITY provided that the economic-financial balance is preserved, under the following circumstances:
 - i. to restore the economic-financial balance of the AGREEMENT; and
 - ii. to ensure continuity of provision of the public service, in the event of failure to conclude, prior to termination of the CONCESSION term, a new tender for the concession of services, under the terms of article 16 of State Law 16.933/20119.
- 6.2. The EXISTING SYSTEM shall be transferred to CONCESSIONAIRE within thirty (30) days as of the date of signing of this AGREEMENT, upon signing of the initial TRANSFER TERM, as established in Annex 19.
 - 6.2.1. The PARTIES shall endeavor to sign the INITIAL TRANSFER TERM as soon as possible.
- 6.3. As of the INITIAL TRANSFER TERM until the expiry of the CONCESSION, shall be the exclusive responsibility of CONCESSIONAIRE, by performance of DELEGATED SERVICES and support to NON-DELEGATED SERVICES, and management of SUPPLEMENTARY SERVICES and other activities specified in this AGREEMENT, under the CONCESSION REGULATIONS, with responsibility for charging toll fees and for services provided to USERS, under the terms hereof.
- 6.4. The AGREEMENT may be terminated early by initiative of the PARTIES, provided regulations established herein are respected, in the event of:
 - i. Delay exceeding one hundred and eighty (180) days as of the deadline set forth for the transfer of the EXISTING SYSTEM and/or REMAINING SYSTEM, or identification of the impossibility of transfer of the EXISTING SYSTEM and/or REMAINING SYSTEM, excepting if the CONCESSIONAIRE chooses to enforce its right to review contractual

conditions, under the terms of this AGREEMENT;

- ii. Realization, in the twenty-fourth (24th) month as of the date of signing of the INITIAL TRANSFER TERM, of unfeasibility of contracting long-term financing by the CONCESSIONAIRE, in cases when such financing is required for continuity of the CONCESSION; and
- iii. Occurrence of fortuity or force majeure events, when said events were uninsurable under regulations established in this AGREEMENT, with irreparable consequences that extend over ninety (90) days, or for a period agreed upon by common accord of both PARTIES, when verified that such effects may irreversibly compromise exploitation of the CONCESSION.

6.4.1. The hypothesis foreseen in Clause 6.4, “ii”, shall not be applied, should the CONCESSIONAIRE demonstrates that its financial structure does not require long-term financing.

CLAUSE SEVEN – ESTIMATED CONTRACT VALUE

- 7.1. The ESTIMATED VALUE OF THE AGREEMENT is R\$ [•] ([•]) on the base date of March 2019.
- 7.2. The purpose of the estimated CONTRACTUAL VALUE shall be merely for reference, and shall not be used, by any PARTY, as a basis for restoration the economic-financial balance of this AGREEMENT, or for any other purpose implying use of the ESTIMATED CONTRACTUAL VALUE as a parameter for compensation, reimbursements and similar purposes.

CLAUSE EIGHT – REMUNERATION

- 8.1. The remuneration of the CONCESSIONAIRE shall comprise the OWED TARIFF REVENUE and ACCESSORY REVENUES, in accordance with rules established in this AGREEMENT and in ANNEX 4.
- 8.2. The CONCESSIONAIRE hereby declares awareness of the amounts, risks and conditions relating to TARIFF REVENUE and ACCESSORY REVENUES, acknowledging that these are sufficient to remunerate all investments, costs and expenses related to the object hereof, so that the conditions hereby originally agreed upon provide for the economic-financial balance of the CONCESSION.

CLAUSE NINE - TARIFF REVENUE

- 9.1. TOLL FEES shall be charged from USERS under the terms of ANNEX 4, the CONCESSIONAIRE being fully responsible for implementing TOLL STATIONS and other collection systems, either physical or electronic, and for the corresponding activities and investments required, and also for collection of amounts payable, in accordance with the terms specified in ANNEX 4.
- 9.2. The CONCESSIONAIRE shall observe all specifications presented in ANNEX 4, including the procedure and term for entering into COMMERCIAL OPERATIONS of TOLL STATIONS, their location, amounts, rounding-up rules, and respective KILOMETER-TARIFF variations, and all other relevant provisions.
- 9.3. The KILOMETER TARIFF and the OWED KILOMETER TARIFF shall be calculated based on rules established in ANNEX 4;
- 9.3.1. The CONCESSIONAIRE'S performance in execution of the contractual object hereof shall be assessed on a monthly basis by ARTESP, pursuant to rules established in ANNEX 3;

- 9.4. The CONCESSIONAIRE shall be entitled only to the OWED TARIFF REVENUE;
- 9.4.1. The deductible amounts resulting from application of PERFORMANCE INDICATORS and DEDUCTIONS FOR DELAYS OR FAILURE TO PERFORM CONSTRUCTION WORK for each investment shall be deposited in the CONCESSION ADJUSTMENT ACCOUNT, as established in APPENDIX D.

CLAUSE TEN – CALCULATION AND ADJUSTMENT OF KILOMETER TARIFFS OF TOLL STATIONS

- 10.1. The KILOMETER TARIFF shall be recalculated annually, considering readjustment by application of the IPCA/IBGE variation in the period, referenced to the base date [•], the month of the anniversary of the AGREEMENT, in accordance with rules established in ANNEX 4.

CLAUSE ELEVEN – ACCESSORY REVENUES

- 11.1. The CONCESSIONAIRE at its sole discretion may, directly or indirectly exploit alternative and complementary ACCESSORY REVENUE sources, with a view to earning ACCESSORY REVENUES, provided that such activities do not compromise the safety of operations and quality standards of the DELEGATED SERVICE, as foreseen in the standards and procedures that comprise this AGREEMENT and current legislation.
- 11.2. The following are examples of ACCESSORY REVENUES:
- i. Charging for advertising permitted by law, pursuant to regulations issued by the Public Authorities;
 - ii. Charging for installation and maintenance of ACCESSES, pursuant to regulations issued by the Public Authorities;
 - iii. Charging for use of the RIGHT OF WAY, pursuant to regulations issued by the Public Authorities and in compliance with regulations in applicable legislation, excepting with respect to the RIGHT OF WAY, which may be open for sharing with railroad networks, under terms of the AGREEMENT;
 - iv. Revenues resulting from commercial use of electronic data network systems, including those foreseen in ANNEX 5 and APPENDIX H, or any other that may be placed at the service of USERS;
 - v. Revenues resulting from provision of SUPPLEMENTARY SERVICES; and
 - vi. Other applicable revenues permitted by current legislation, including those stemming from exploitation of activities related to this CONCESSION that may be derived from RELATED PARTIES, based upon legal instruments signed by the CONTRACTED PARTY.
- 11.2.1. Revenues stemming from investments on the financial market, sums received from insurance and compensation or monetary penalties stemming from contracts signed between the CONCESSIONAIRE and third parties, shall not be considered ACCESSORY REVENUES.
- 11.2.2. Exploitation of advertising shall observe current legislation and CONAR regulations, and shall not be offensive to morals or good customs, or of a religious or party-political nature, or allude to any type of affront, discrimination, or prejudice whatsoever, including color, race, creed, gender, sexuality, social-status, or xenophobic prejudice.
- 11.3. All and any ACCESSORY REVENUE shall be a part of the CONCESSIONAIRE'S GROSS REVENUE, which shall be used as the basis for calculation of the nine-percent (9%) rate referent to the VARIABLE CONCESSION FEE paid to the GRANTING

AUTHORITY, and the three-percent (3%) rate payable to ARTESP for conducting inspection activities.

- 11.3.1. ASRTEP'S authorization to begin exploitation of ACCESSORY REVENUES in areas under this CONCESSION shall not imply responsibility for investments or guarantee of estimated remuneration to be earned by the CONCESSIONAIRE.
- 11.3.2. For purposes of this AGREEMENT, the ACCESSORY REVENUES shall be considered random, and thus the CONCESSIONAIRE shall not be entitled to economic-financial rebalance, nor to any compensation for investments conducted, even though the associated venture has been subject of acceptance by ARTESP.
- 11.4. In the exploitation of ACCESSORY REVENUES, the CONCESSIONAIRE shall assume responsibility for all and any offences or legal breaches of specific regulations on the part of third parties and any competent inspection and regulatory bodies, exempting ARTESP from any demands of this nature.
- 11.5. In the event that third parties desire to exploit any activities that generate ACCESSORY REVENUE, they shall enter into a contract with the CONCESSIONAIRE, which shall be governed by private law, and shall not establish any legal relationship between such third parties and ARTESP and/or the GRANTING AUTHORITY.
 - 11.5.1. ARTESP, the GRANTING AUTHORITY and/or the CONCESSIONAIRE may propose PUBLIC BUSINESS, for the purpose of establishing projects associated with exploitation of the HIGHWAY SYSTEM and generation of ACCESSORY REVENUES.
 - 11.5.1.1. The potential of PUBLIC BUSINESS ventures stemming from exploitation of buildings within the RIGHT OF WAY and Remaining Areas shall be considered, provided they do not affect the delegated public service, and that the activities to be carried out in such buildings is not illegal.
 - 11.5.2. PUBLIC BUSINESS, and legislative changes enabling additional revenues, may be designed under legal arrangements that are compliant with the relevant legislation, making it possible for the CONCESSIONAIRE and ARTESP and/or the GRANTING AUTHORITY to exploit activities, services, assets and any other structured operations, always conditional to fulfillment of requirements relating to the nature of the associated project, as mentioned in the above sub-clause, and other conditions for serving the public interest established by ARTESP or by the GRANTING AUTHORITY.
 - 11.5.3. PUBLIC BUSINESS shall be of a random and ad hoc nature, and shall not represent a commitment to authorize or agree to any kind of possible business proposals on the part of the GRANTING AUTHORITY or of ARTESP, made by the CONCESSIONAIRE, and shall be entirely conditional to ARTESP's authorization, and assessment of such proposals shall depend not only upon compliance with the law, technical-operational service levels and requirements foreseen in contracts, but also convenience and opportuneness for the Public Authorities.
 - 11.5.4. No contract signed between the CONCESSIONAIRE and private parties within the scope of this Clause shall extend beyond the term of the CONCESSION, except with express prior consent of ARTESP, and the CONCESSIONAIRE shall adopt all pertinent measures to deliver the areas for exploitation of ACCESSORY REVENUES, free and unencumbered by any goods or rights, including those of residual-tax, charges, obligations, liens, or any liability to the GRANTING AUTHORITY or to ARTESP, or charge of any sum by the CONCESSIONAIRE and its subcontractors.
 - 11.5.5. In the event of signing contracts with a term extending beyond the CONCESSION period, aside from the authorization foreseen in Clause 11.5.4, the following conditions shall be observed: (i) ARTESP shall be party to negotiation with the broker, the CONCESSIONAIRE not being entitled to any remuneration, on any grounds, during the period that extends beyond the term of the CONCESSION; and (ii) upon ending of the

term of the CONCESSION, such remuneration shall be owed to ARTESP or to the GRANTING AUTHORITY.

- 11.6. For all and any new SUPPLEMENTARY SERVICES that the CONCESSIONAIRE wishes to have exploited, it shall request prior consent from ARTESP, sending a copy, in a yet to be defined format, of the drafts of all the contracts to be signed and other pertinent documents, presenting and identifying at least the following:
- (i) The contract term;
 - (ii) The source and amounts of estimated ACCESSORY REVENUES, per year, or per action when isolated;
 - (iii) The nature of the SUPPLEMENTARY SERVICE to be exploited;
 - (iv) Absence of dispute and/or negative impact on the CONCESSION stemming from exploitation of ACCESSORY REVENUES;
 - (v) Prices to be practiced and periodic parameter adjustments;
 - (vi) A commitment that any changes to exploitation of SUPPLEMENTARY SERVICES shall be communicated and duly justified to ARTESP.
- 11.6.1. The consent mentioned in Clause 11.2 shall not be required for exploitation of services foreseen in Clause 11.2, insets (i) to (iv).
- 11.7. In the event that ARTESP rejects the proposal for exploitation of SUPPLEMENTARY SERVICES, it shall do so on reasonable grounds, and may present an alternative proposal for acceptable exploration.
- 11.8. All SUPPLEMENTARY SERVICES, exploration of which is permitted under the terms of this AGREEMENT, shall be conducted with quality and efficiency, attending to the primary purpose of convenience in the provision of adequate public service.

CLAUSE TWELVE – CONCESSION ASSETS REGIME

- 12.1. The CONCESSION comprises:
- i. All the equipment, machinery, devices, accessories, special engineering works and, in general, all other assets relating to the operation and maintenance of the HIGHWAY SYSTEM transferred to CONCESSIONAIRE;
 - ii. Movable or fixed assets acquired, incorporated, prepared or built by the CONCESSIONAIRE, throughout the CONCESSION TERM, and all improvements, whether useful or decorative, used in operation and maintenance of the HIGHWAY SYSTEM;
- 12.1.1. All specifications regarding assets to be included in the CONCESSION are also described in the ANNEXES and shall be observed by the CONCESSIONAIRE, on pain of being found in contractual default and application of appropriate penalties.
- 12.2. All assets that are or shall become part of this CONCESSION shall be considered REVERTIBLE ASSETS for purposes of this AGREEMENT and the applicable legislation, and all relevant provisions shall apply.
- 12.3. Possession, safekeeping, maintenance, and security of assets that comprise the CONCESSION are the responsibility of the CONCESSIONAIRE;
- 12.4. All REVERTIBLE ASSETS shall be kept in perfect state and in good working condition by the CONCESSIONAIRE throughout the CONCESSION TERM.
- 12.5. The CONCESSIONAIRE pledges to maintain, in full conditions of use, conservation safety and at its own expense, the assets that comprise the CONCESSION throughout the term of the AGREEMENT, effecting to that end, the necessary repairs, renovations and adaptations for good performance of the DELEGATED SERVICES, under the terms

of this AGREEMENT.

- 12.6. The CONCESSIONAIRE is expressly authorized to propose, on its own behalf, legal measures to ensure or recover possession of assets that comprise the CONCESSION.
- 12.7. The CONCESSIONAIRE is fully responsible for maintenance of the INVENTORY of assets that comprise the CONCESSION in current condition, and any act that may be construed as attempted or actual fraud, by guile or guilt, in characterization of the assets that comprise the CONCESSION, shall be regarded as an offense on pain of the penalties described in this AGREEMENT.
- 12.8. The component assets of the CONCESSION shall be duly registered in the accounts of the CONCESSIONAIRE, so as to enable their easy identification by the CONTRACTING PARTY, including any distinction with regard to exclusively private assets, observing current accounting standards.
- 12.9. At the end of the useful life of REVERTIBLE assets, the CONCESSIONAIRE shall immediately replace them with new and similar assets, of equal or better quality, observing continuity of service obligations under this AGREEMENT and, especially, mandatory updating of technology and the fulfillment of PERFORMANCE INDICATORS, in compliance with relevant contractual provisions.
- 12.10. Replacement of REVERTIBLE ASSETS throughout the CONCESSION TERM shall not justify any request by any PARTY to restore the economic-financial balance of the AGREEMENT.
 - 12.10.1. The CONCESSIONAIRE declares, on the date of signing of this AGREEMENT, that all amounts required to replace and maintain REVERTIBLE ASSETS have already been considered in its PRICE PROPOSAL, and therefore agrees that the remuneration specified under the terms of this AGREEMENT is sufficient for such replacement and maintenance over their respective useful life spans.
- 12.11. All investments originally foreseen in this CONCESSION AGREEMENT, including for maintenance and replacement of REVERTIBLE ASSETS, shall be depreciated and amortized by the CONCESSIONAIRE over the CONCESSION TERM, and no request or claim for compensation for any balance not amortized by the end of the CONCESSION TERM, concerning such assets, shall be applicable, upon cessation of the contract term.
- 12.12. All the intellectual property rights relating to highway infrastructure and exploration of public transport services (including copyrights, patents, brands, trade secrets and other proprietary rights) shall remain property of the party that produced them.
- 12.13. The CONCESSIONAIRE hereby grants, free of any encumbrance and definitively, to ARTESP and to future SUCCESSORS of this HIGHWAY SYSTEM, permission to employ the studies, projects, and other works of an intellectual nature created and used during development of the project and its respective intellectual property rights (including the right to make and use works deriving therefrom), including in future concession contracts, and without any restriction, in the hypothesis of conditioning continuity of the services, their updating and/or review;
 - 12.13.1. The CONCESSIONAIRE consents to ARTESP's use of all the information shared and gathered within the scope of inspection activities performed, including those generated, stored and disclosed by means of the Digital Systems under this AGREEMENT, as described in APPENDIX H, for purposes of research, development and transparency, and enhancement to its regulations and inspection activities.
- 12.14. The DEFINITIVE TERM FOR CATALOGING of REVERTIBLE ASSETS shall encompass the CONCESSION'S INVENTORY OF REVERTIBLE ASSETS, and shall be kept updated by the CONCESSIONAIRE over the entire CONCESSION TERM, according to established rules, including through video recordings, and shall be subject to the

applicable penalties.

- 12.15. The lien, encumbrance or transfer to third parties, for any purpose, of REVERTIBLE ASSETS, shall require prior approval from ARTESP, under the terms of this AGREEMENT, excepting for replacement of movable assets, with a view to preserving their respective working life, within limits foreseen in the AGREEMENT and its ANNEXES.
- 12.16. All legal business of the CONCESSIONAIRE with third parties involving REVERTIBLE ASSETS shall expressly mention the binding of REVERTIBLE ASSETS involved in the CONCESSION.
- 12.17. The assets that comprise the CONCESSION, including movable or fixed assets acquired in any manner by the CONCESSIONAIRE for performance of DELEGATED SERVICES affecting its operations, shall be considered unmarketable, and shall not on any pretext be assigned, transferred, encumbered, leased, loaned or pledged, or their occupation, seizure, mortgage or any other such measure permitted in any way, except in the cases foreseen under this AGREEMENT.
- 12.17.1. Other assets used by the CONCESSIONAIRE not included in the DEFINITIVE TERM and not classified as REVERTIBLE ASSETS shall be deemed exclusively private assets, and may be freely used and transferred by the CONCESSIONAIRE, without prejudice to the duty to fulfill PERFORMANCE INDICATORS and other provisions under this AGREEMENT.

CLAUSE THIRTEEN – INVESTMENT PLANS, ENGINEERING PROJECTS AND INVESTMENTS IN THE HIGHWAY SYSTEM

- 13.1. The CONCESSIONAIRE undertakes, on its own account and at its own risk, the services encompassed by the ORIGINAL INVESTMENT PLAN, the INVESTMENT PLANS, and described in the REQUEST-FOR-BIDS, in this AGREEMENT and in the respective ANNEXES, within the terms and under the conditions set forth therein, without prejudice to investments not foreseen in INVESTMENT PLANS for fulfillment of PERFORMANCE INDICATORS.
- 13.1.1. As a condition for signing this AGREEMENT, the CONCESSIONAIRE submitted an ORIGINAL INVESTMENT PLAN, which shall contain a PHYSICAL-EXECUTIVE SCHEDULE detailing, by means of initial, intermediate and final milestones, for each investment presented in ANNEX 7;
- 13.2. When new investments are included based on ORDINARY REVIEWS or EXTRAORDINARY REVIEWS of this AGREEMENT, the CONCESSIONAIRE shall prepare new INVESTMENT PLANS or revise existing INVESTMENT PLANS and, after approval from ARTESP and signing of the corresponding amendment, the respective SCHEDULES shall be binding.
- 13.3. The CONCESSIONAIRE is responsible for preparing and maintaining engineering projects updated, observing the conditions and specifications in ANNEX 7.
- 13.3.1. Approval or receipt by ARTESP of projects or studies presented by the CONCESSIONAIRE, whether or not certified as the case may be, shall not imply any responsibility on the part of ARTESP, neither shall it, fully or partially, exempt the CONCESSIONAIRE from its obligations under this AGREEMENT, or from the relevant legal or regulatory provisions, remaining responsible for any imperfections in the project or the quality of services provided.
- 13.3.2. The CONCESSIONAIRE may not impose upon the CONTRACTING PARTY any exceptions or means of defense to exempt itself, fully or partially, from contractual obligations, based on facts stemming from contractual relations established with any

possible subcontractors.

- 13.4. All milestones and stages, including initial and intermediary milestones presented in INVESTMENT PLANS, established for follow-up of each investment, as required, shall be duly and timely complied with by the CONCESSIONAIRE, on pain of the penalties provided for in this AGREEMENT and other applicable consequences.
- 13.4.1. Delay in the terms set for making investments, indicating both the beginning and end of each construction stage, shall be subject to the procedure established in ANNEX 3, without prejudice to application of relevant penalties against the CONCESSIONAIRE, as established in ANNEX 11.
- 13.5. Together with the preparation and review of INVESTMENT PLANS, the CONCESSIONAIRE shall prepare the respective INSURANCE PLANS and GUARANTEE PLANS that shall provide a list of the arrangements and instruments to be signed by the CONCESSIONAIRE to ensure unconditional compliance with its obligations and investments.
- 13.5.1. The contracting of insurance and corresponding guarantees is a condition for start of each investment or construction stage;

CLAUSE FOURTEEN – OPERATION AND FUNCTIONING CONDITIONS OF THE HIGHWAY SYSTEM

- 14.1. It is the obligation of the CONCESSIONAIRE to provide services for operation of the HIGHWAY SYSTEM and maintenance of its continued and permanent operation, in minimum operational and conservation conditions, on its own account and at its own risk, and to comply with the applicable legislation, the provisions of this AGREEMENT, acknowledged best practices for such activities, and also the PERFORMANCE INDICATORS.
- 14.2. As of signing of the INITIAL TRANSFER TERM, the CONCESSIONAIRE shall assume operation of the EXISTING SYSTEM, as determined in ANNEX 2, until the end of the CONCESSION TERM or termination of this AGREEMENT, whichever comes first.
- 14.3. As of signing of the TERM of TRANSFER OF THE REMAINING SYSTEM, the CONCESSIONAIRE shall assume operation of the REMAINING SYSTEM, as defined in ANNEXES 2 and 18, until the end of the CONCESSION TERM or termination of this AGREEMENT, whichever comes first.

CLAUSE FIFTEEN - MECHANISMS FOR PRESERVATION OF THE UPDATEDNESS OF SERVICE PROVISION AND INCORPORATION OF NEW TECHNOLOGIES

- 15.1. The CONCESSIONAIRE shall maintain updated technology for execution of works and services under this AGREEMENT through modernization of equipment, facilities, and techniques for service provision and, in compliance with sub-clause 15.15, also techniques for operation and maintenance of the HIGHWAY SYSTEM, provided that such technological updating is necessary in view of (i) obsolescence of CONCESSION assets, as foreseen in Clause Twelve (12) or (ii) the need to comply with PERFORMANCE INDICATORS and other requirements set forth in this AGREEMENT and its ANNEXES.
- 15.2. The CONCESSIONAIRE shall carry out, regardless of any determination of the GRANTING AUTHORITY and/or ARTESP, all measures necessary for compliance with its contractual obligations, including those in relation to PERFORMANCE INDICATORS, observing the provisions laid down in this AGREEMENT and its ANNEXES.
- 15.3. The CONCESSIONAIRE shall take into consideration the useful life of assets of the CONCESSION and their adequate use and functioning, and shall, when necessary, arrange for their replacement by other technologically more modern assets and equipment, that function as well or better than those replaced.

- 15.4. Encompassed in the concept of technological updating are situations in which the CONCESSIONAIRE, observing the provision of sub-clause 15.3 for the purpose of complying with PERFORMANCE INDICATORS and other requirements set forth in the AGREEMENT and its ANNEXES, conducts updates and improvements to the assets of the CONCESSION when made available by the respective manufacturers.
- 15.5. Technological obsolescence of assets of the CONCESSION shall be characterized when, during the CONCESSION TERM, significant losses to their initial functions are verified or, when they prove inadequate for compliance with PERFORMANCE INDICATORS and other requirements set forth in this AGREEMENT and its ANNEXES.
- 15.6. Not covered by the provision of sub-clause 15.5 is the hypothesis of poor conservation or lack of maintenance of CONCESSION ASSETS by the CONCESSIONAIRE, and such situations shall be governed by specific rules foreseen in this AGREEMENT and its ANNEXES.
- 15.7. Expenses and investments of the CONCESSIONAIRE that have been carried out for purposes of updating of the CONCESSION, including compliance with PERFORMANCE INDICATORS and other requirements set forth in this AGREEMENT and its ANNEXES, shall be amortized within the CONCESSION TERM, and shall not entitle the CONCESSIONAIRE to any right or compensation, or economic-financial rebalance.
- 15.8. The provisions of sub-clauses 15.1 to 15.7 shall not be confused with the possibility of adoption and incorporation of technological innovations by the CONCESSIONAIRE, at its own discretion or by decision of the GRANTING AUTHORITY and/or ARTESP.
- 15.9. Observing the provision in Clause Nineteen, for purposes of the AGREEMENT, technological innovations shall be considered those technologies which are state-of-the-art at the time of their adoption and incorporation by the CONCESSIONAIRE and which are not commonly distributed in the national highway-infrastructure sector, use of which, notwithstanding potential efficiency and productivity gains within the scope of the AGREEMENT, are expendable for attainment of PERFORMANCE INDICATORS and other elements initially foreseen in this AGREEMENT and its ANNEXES.
- 15.10. The CONCESSIONAIRE shall have full discretion to incorporate, throughout the CONCESSION period, technological innovations during pursuit of its objectives, in compliance with the provision of this Clause and the allocation of risks under this AGREEMENT foreseen in Clause Nineteen.
- 15.11. Incorporation of technological innovations by the CONCESSIONAIRE, when so determined by ARTESP or the GRANTING AUTHORITY, shall result in restoration of the economic-financial balance of the CONCESSION in accordance with Marginal Cash Flow methodology, under the terms of sub-clause 22.3.2, observing the provision of sub-clause 15.4.
 - 15.11.1. In the event of the case foreseen in sub-clause 15.11, the PERFORMANCE INDICATORS shall be updated by ARTESP, so as to encompass performance improvements related to incorporation of a given technological innovation.
- 15.12. The incorporation of technological innovations by determination of ARTESP or the GRANTING AUTHORITY, in any case and observing the provision of sub-clause 15.11, shall only occur within the scope of an ordinary or extraordinary review, under the terms of Clause Twenty-Four and Twenty-Five and shall result in prior restoration of the economic-financial balance of the CONCESSION.
- 15.13. The CONCESSIONAIRE shall be responsible for implementing all digital systems for project management and monitoring of conditions of the HIGHWAY SYSTEM, as specified particularly in ANNEXES 6 and 7, APPENDIX H and Clause 16.1, maintaining their compatibility with technologies used by ARTESP, so as to enable sharing of

information and data generated, thus making feasible the regulation and inspection activities to be performed by ARTESP.

- 15.14. The provisions of this Clause shall not exempt the CONCESSIONAIRE from the obligation to adopt, implement and defray all and any procedural and/or operational measure, including those of a tax, labor and/or environmental nature determined by inspection agents other than ARTESP, the CONCESSIONAIRE not being entitled to any right or compensation or economic-financial rebalance.

CHAPTER III – OBLIGATIONS OF THE PARTIES AND ECONOMIC-FINANCIAL BALANCE OF THE AGREEMENT

CLAUSE SIXTEEN - MAIN RIGHTS AND OBLIGATIONS OF THE CONCESSIONAIRE

- 16.1. The main rights and obligations of the CONCESSIONAIRE, without prejudice to other obligations laid down in this AGREEMENT, failure to comply with which may result in application of penalties pursuant to rules established in ANNEX 11, are:
- i. Provide ADEQUATE SERVICES to comply and ensure compliance with the AGREEMENT, with care and diligence, using the best applicable techniques for each of the tasks performed, in compliance with legal and regulatory provisions and determinations of the GRANTING AUTHORITY and ARTESP;
 - ii. Adequately and uninterruptedly provide the DELEGATED PUBLIC SERVICE, throughout the entire CONCESSION period to fully attend to the USERS, relying upon all means and resources for such provision, in compliance with relevant norms, standards and procedures laid down in this AGREEMENT and those determined by the GRANTING AUTHORITY and ARTESP;
 - iii. Adequately deploy permanent execution and supervision of services, so as to achieve correct and effective operation, performing services in a meticulous and constant manner, always maintaining all facilities used for execution of the AGREEMENT in perfect order;
 - iv. Cooperate with and support development of ARTESP's monitoring and inspection activities, under the terms of the ANNEXES to this AGREEMENT;
 - v. Present to ARTESP in no less than 180 (one hundred and eighty) days prior to the starting date of the improvement/enlargement works, all the elements and documents necessary for the dispatch of the relevant PUBLIC UTILITY DECLARATION and/or the DECLARATION OF SOCIAL INTEREST before the GRANTING AUTHORITY;
 - vi. Expropriate, vacate and set up administrative easements required for provision of the services under this CONCESSION, at its own expense and under its responsibility, in obedience to the provisions in applicable legislation;
 - vii. Transfer, to the DER/SP, ownership of expropriated areas, at the end of judicial and/or administrative procedures that address expropriations, vacancies and institution of administrative easements, necessary for the accomplishment of services under this CONCESSION, at its expense and responsibility, in obedience to the provisions of applicable legislation;
 - viii. Conduct, using its own resources or hiring of third parties, all works and other adaptations to the infrastructures specified in this AGREEMENT, assuming full responsibility, and preventing any liability to ARTESP or the GRANTING AUTHORITY, especially concerning labor and criminal aspects, even in cases where the works and investments are not conducted directly by the CONCESSIONAIRE, observing timeliness and quality requirements established in this AGREEMENT;
 - ix. Not sign contracts with third parties if execution thereof is incompatible with the CONCESSION period, excepting in situations expressly foreseen in this AGREEMENT;

- x. Re-do, adjust or correct, either directly or indirectly, without detriment to the GRANTING AUTHORITY, ARTESP or execution of any services under this AGREEMENT, all and any work or service performed inappropriately or not compliant with quality standards established in this AGREEMENT, observing deadlines defined by ARTESP;
- xi. Present, after ORDINARY and EXTRAORDINARY REVIEWS of the AGREEMENT, a PHYSICAL-FINANCIAL SCHEDULE, together with the INVESTMENT PLAN, containing the development of investments, with milestones, stages, activities and deadlines that shall be binding and complied by the CONCESSIONAIRE, according to rules established under this AGREEMENT;
- xii. Prepare and submit to ARTESP the INSURANCE PLAN and GUARANTEE PLAN, which shall detail the insurance and guarantee conditions taken out by the CONCESSIONAIRE, and abide by the foreseen investment schedule, so as unconditionally to cover the risks involved in its implementation;
- xiii. Prepare all studies, projects and other documents required for compliance with the object of this AGREEMENT, obtain the necessary certification of such documents, as the case may be, including correction of projects, observing the deadlines defined by ARTESP, and in accordance with the provisions of this AGREEMENT, especially in ANNEXES 6 and 7 and APPENDIX J.
- xiv. Furnish ARTESP with all documents and any information relevant to the CONCESSION, allowing free and easy access for inspection and the conduct of audits;
- xv. Obtain all licenses, authorizations, permissions and other requirements on a timely and regular basis, including those relating to the environmental legislation;
- xvi. Obtain, apply and manage all financial resources required to implement the activities and investments foreseen within the scope of this AGREEMENT;
- xvii. Effect timely payment of all installments of the FIXED CONCESSION FEE, VARIABLE CONCESSION FEE and INSPECTION FEE;
- xviii. Pay the taxes levied on its activities and abide by the tax laws, including those referent to exploitation of activities that generate accessory revenues, seeking the most efficient means, in accordance with mechanisms provided for under legislation;
- xix. Comply with legal decisions relating to labor, social-security, safety and work-place health laws in relation to its employees, assuming responsibility, as sole employer, for all due social, labor and social-security charges on the cost of labor used during its operations and maintenance activities, and any others conducted within the context of the CONCESSION, and also any court decisions stemming from work-accident insurance.
- xx. Assume full responsibility and take the measures necessary to care for its employees suffering from accidents or sudden illness, as required by law;
- xxi. Update annually documents of INSS and FGTS regularity, and of regularity with the Federal, State and Municipal Revenue Services, throughout the entire period of this AGREEMENT and forward such documents to ARTESP;
- xxii. Demonstrate proof to ARTESP, when requested and within ten (10) business days, of legally-required quittance of all and any charges referent to operational services and others under its responsibility, including INSS and FGTS payments, and other pertinent taxes and charges.
- xxiii. Take responsibility, on its behalf or on behalf of its administrators, employees, agents, subcontractors, service providers or any other individual or company relating to the object of this AGREEMENT, before the GRANTING AUTHORITY, ARTESP and third parties, for all and any damages caused by any act of commission or omission performed by the

CONCESSIONAIRE, if deriving either directly or indirectly from works and services under its responsibility, not excluding or mitigating such responsibility for inspection or monitoring of this AGREEMENT by ARTESP;

- xxiv. Preempt responsibility on the part of its agents for damages to third parties, to USERS, and, as the case may be, to the Public Authorities, ensuring the right to recourse against those responsible in cases of guile or blame;
- xxv. Inform the GRANTING AUTHORITY and ARTESP whenever summoned or subpoenaed in any legal or administrative proceeding that may implicate them in matters relating to this AGREEMENT, including procedural terms and deadlines, exerting all efforts to defend common interests and conducting all applicable legal actions to this end;
- xxvi. Keep the GRANTING AUTHORITY and ARTESP free from any litigation, assuming liability in any lawsuit filed by third parties arising from acts of commission or omission by the CONCESSIONAIRE in performance of the object of this AGREEMENT;
- xxvii. Reimburse or compensate the GRANTING AUTHORITY and ARTESP, keeping them exempt from any claim or loss that they may incur, as a consequence, among others, of:
 - a. disbursements resulting from court orders or arbitration awards of any type, even with accrued interest or legal charges, to satisfy obligations originally imputable to the CONCESSIONAIRE, including labor claims filed by employees or thirds parties linked to the CONCESSIONAIRE, and damages to USERS and control and inspection bodies;
 - b. actions performed by the CONCESSIONAIRE, as a public-service provider, its administrators, employees, representatives, service providers, third parties it may have contracted or any other individual or company with links to it;
 - c. tax, labor, social-security or accident-related matters concerning employees of the CONCESSIONAIRE and hired third parties;
 - d. environmental damages caused by the CONCESSIONAIRE while implementing and performing the DELEGATED SERVICES and activities for generation of alternative, supplementary, accessory revenue sources, and associated projects;
 - e. court costs, attorney's fees and other charges incurred due to the events described herein;
- xxviii. Support the performance of NON-DELEGATED SERVICES, including with the collaboration of the Highway Police and other public or private agents assigned by the PUBLIC AUTHORITIES, as detailed in ANNEX 5;
- xxix. Deploy a temporary and permanent Center for Operational Control (CCO), under the terms and deadlines established in ANNEXES 5 and 7, and provide all information requested by ARTESP, and all digital systems described in APPENDIX H, to enable integration of all data into the Center for Information Control (CCI) and other programs specified by ARTESP.
- xxx. File reports, documents, and data from any survey, inventory and projects performed during the contractual term in the digital management systems to be implemented by the CONCESSIONAIRE, to enable ACCESS to such information by ARTESP, as specified in ANNEX 7 and APPENDIX H;
- xxxi. Comply with the schedule for deployment of the Electronic System for Information Exchange with Users via a Wireless Data Network or any other alternative means that may be implemented for purposes of communication, provision of information, and enabling of monitoring by the USER, relating to detailed conditions of the HIGHWAY

SYSTEM, in real time, which shall be duly and previously approved by ARTESP, under the terms of ANNEX 5;

- xxxii. Ensure, at any moment, free access of people responsible for inspection or in any other manner indicated by ARTESP to installations and places where activities related to the object of the CONCESSION are carried out;
- xxxiii. Promptly provide all information requested by ARTESP or other authorities, including municipal authorities, within up to two (2) business days as of receipt of the request, according to the applicable procedure, except in special situations duly justified to ARTESP and to the requesting authorities, as the case may be;
- xxxiv. Maintain in full operation and within established standards, the Ombudsperson's Office and the Systems and Channels for USER Relations, determined under current legal and non-statutory standards, and regulatory standards to be issued by ARTESP, as provided for in ANNEXES 5 and 6;
- xxxv. Report to ARTESP in writing, within twenty-four (24) hours, any abnormal event or accident on the HIGHWAY SYSTEM, without prejudice to any verbal communication and communication via digital means which shall be immediate;
- xxxvi. Observe all measures and obtain licenses for authorization or permission from municipal, state or federal authorities that may be involved in provision of the services and investments required, including the licenses relating to environmental legislation;
- xxxvii. Execute the conditioning factors, environmental programs and mitigating measures;
- xxxviii. Maintain in effect, for the entire CONCESSION TERM, the environmental programs prescribed by the environmental authority at any phase of the Environmental Licensing for the HIGHWAY SYSTEM, even when implemented by the GRANTING AUTHORITY;
- xxxix. Guarantee compliance with demands of the Performance Standards of the International Financial Corporation (IFC) of January 1, 2012, that provide for compliance with socio-environmental requirements applied to activities of the CONCESSION, as described in ANNEX 6 of this AGREEMENT;
- xl. Upon identification of environmental liabilities and/or irregularities unacknowledged by the PARTIES and not part of the Conditioning factors, Liabilities and Environmental Conditions listed in ANNEX 2 and APPENDIX B, take all measures required to demonstrate and prove that the triggering event occurred before signing of the INITIAL TRANSFER TERM, as the case may be;
- xli. Safeguard the integrity of the assets that comprise the CONCESSION and remaining areas, including those referent to the RIGHT-OF-WAY and its ACCESSES, taking all required measures, pursuant to regulations established in ANNEXES 5, 6 and 7;
- xl. Repair any damage to communication roads, water pipes, sewage mains, electricity grid, gas or telecommunications networks and their respective equipment, and any third-party assets, while performing the services under its responsibility;
- xlii. Conduct activities required for removal of INTERFERENCES, necessary for performance of the object of this AGREEMENT;
- xliii. Accept and cooperate, with best efforts, in accordance with the legislation and applicable standards, when the RIGHT-OF-WAY is used by concession holders, permission holders or those authorized to provide services that require installation of water pipes, sewage mains, electricity grid or natural gas or telecommunications networks;
- xliv. Share use of the RIGHT OF WAY with those responsible for possible railroad projects, during both the construction and operation phases, the CONCESSIONAIRE being

- forbidden to charge any type of revenue or absorb any costs as a consequence of this obligation;
- xlvi. Promote all activities and defray investments required to implement, operate and maintain TOLL STATIONS;
 - xlvii. Promote all activities required to implement the TOLL FEE collection system, under the free flow modality, in which investments shall be treated as an IMBALANCING EVENT at ORDINARY REVIEWS, under the terms of this AGREEMENT, subject to the rules established in ANNEX 4;
 - xlvi. Inform the population and USERS in general, when so requested by the GRANTING AUTHORITY or by ARTESP, whenever there is a change in the TOLL FEE, the new price, and the date it goes into effect;
 - xlix. Provide the material and financial resources required or performance of traffic inspection and policing, and any construction and/or adaptation works on facilities required for such activities, in accordance with the limits and specifications established in ANNEXES 5 and 7, including with respect to ARTESP orientations on the allocation of such resources;
 - I. Comply and ensure compliance with the environment-protection legislation, taking the necessary measures for prevention and/or correction of any environmental damage, regardless of whether the triggering event occurred prior or after ownership of the REVERTIBLE ASSETS;
 - li. Notify ARTESP immediately, and adopt the necessary measures, whenever materials or objects of geological or archeological interest are discovered, and upon occurrence of any unexpected environmental event or INTERFERENCES with other public-utility concessionaires.
 - lii. Maintain an updated INVENTORY OF REVERTIBLE CONCESSION ASSETS throughout the entire CONCESSION TERM, with all relevant information, and with a georeferenced video record of the HIGHWAY SYSTEM, under the terms of ANNEX 6.
 - liii. Perform preventive and corrective maintenance of CONCESSION assets, including the RIGHT-OF-WAY, keeping them in full operation and with capacity to comply with the provisions of the CONCESSION AGREEMENT;
 - liv. Perform all activities and make the investments required for perfect fulfillment of PERFORMANCE INDICATORS, subject to provisions of this AGREEMENT;
 - lv. Perform activities necessary for ORDINARY REVIEWS, including through provision of the SISDEMANDA Platform for receipt, management and definition of new investments and/or investment adjustments, and execution of the necessary projects and budgeting of new investments, pursuant to the regulations in ANNEX 7 and APPENDIX H;
 - lvi. Assist ARTESP and the GRANTING AUTHORITY in the holding of public hearings prior to ORDINARY REVIEWS, according to the procedures described in ANNEX 7 and APPENDIX H;
 - lvii. Adopt best practices defined by Federal Law 12.846/2014, including implementation of integrity mechanisms as described in articles 41 and 42 of Federal Decree 8.420/2015 and in State Decree 60.106/2015 or another law or rule that may replace or amend them;
 - lviii. Maintain services performed in compliance with the determinations of Federal Law 6.514/1977, brought into effect by Ministry of Labor Order 3.214/1978 (and subsequent alterations) and with specific engineering, safety and workplace-health standards;
 - lix. Maintain, for all activities relating to engineering services, the required regularity before all regulatory bodies for exercise of the profession, requiring the same from contracted third parties;

- lx. Respond before the GRANTING AUTHORITY, ARTESP and third parties, for the quality and safety of investments in works performed by the CONCESSIONAIRE, including any possible additional investments, assuming full responsibility for them, for their durability with full functioning and operational conditions, in view of demands by the GRANTING AUTHORITY and by the CONTRACTING PARTY under the AGREEMENT, throughout the entire CONCESSION period;
- lxi. Provide the Emergency Accident Service for the HIGHWAY SYSTEM, in accordance with the terms described in ANNEX 5;
- lxii. Maintain the HIGHWAY SYSTEM clean, including arranging for removal of spilled cargos on lanes, according to the specifications in ANNEXES 5 and 6;
- lxiii. Install USER Service Stations (SAU) on the HIGHWAY SYSTEM and an inviolable system for recording complaints and suggestions, under the terms of ANNEX 5.
- lxiv. Adequately serve and ensure service to the general public and to USERS of the HIGHWAY SYSTEM especially, including provision of systems for communication with USERS, as determined in ANNEX 5.
- lxv. Establish, in consonance with current law, a Compliance Program, observing ARTESP regulations and the provision in ANNEX 5;
- lxvi. Agree upon conviviality rules for teams involved with the CONCESSIONAIRE and other agents in services and works to be carried out in shared areas, while fully respecting the conditions established in this AGREEMENT;
- lxvii. Deploy, under the terms of Clause Twenty-Six, specific regulations for contracting of RELATED PARTIES;
- lxviii. Not infringe any patents, trademarks or copyrights of the goods, services or information supplied as a consequence of the AGREEMENT;
- 16.2. The CONCESSIONAIRE'S responsibility shall persist even after this AGREEMENT expires or is terminated, and both the GRANTING AUTHORITY and ARTESP may seek reimbursement for possible losses resulting from obligations under this AGREEMENT, including before stockholders of the CONCESSIONAIRE, in accordance with corporate law, in the event of extinction of the SPC.

CLAUSE SEVENTEEN – MAIN RIGHTS AND OBLIGATIONS OF THE CONTRACTING PARTY

- 17.1. The following are the main rights and obligations of the CONTRACTING PARTY, without prejudice to other obligations stated in this AGREEMENT:
 - i. Transfer to the CONCESSIONAIRE, after signing the INITIAL TRANSFER TERM, control of the EXISTING SYSTEM, under the terms of this AGREEMENT;
 - ii. Transfer to the CONCESSIONAIRE the REMAINING SYSTEM, after deployment of the transition phase described in ANNEX 18, and upon signing the TERM OF TRANSFER OF THE REMAINING SYSTEM;
 - iii. Exert best efforts to collaborate with obtaining of licenses and authorizations necessary for the CONCESSIONAIRE to fulfill the object of this AGREEMENT, including through joint participation in meetings and sending of any information deemed necessary;
 - iv. Oversee compliance with norms and regulations affecting execution of the object of the CONCESSION;
 - v. Supervise the execution of the DELEGATED SERVICES and the SUPPLEMENTARY

SERVICES, guaranteeing their quality, which includes receiving and verifying grievances and complaints from USERS, and employing, according to the case, applicable measures, notwithstanding the other prerogatives of regulating, supervising and following up on what is established in this AGREEMENT and in applicable legislation;

- vi. Inspect all installations for the purpose of verifying full conservation of the delegated assets and assessing the technical services used by the CONCESSIONAIRE for provision of the DELEGATED SERVICES and COMPLEMENTARY SERVICES;
- vii. Conduct periodic audits, including, if deemed convenient, through specialized auditing companies, of the accounts and records of the CONCESSIONAIRE, in order to prevent occurrence of situations that might compromise the provision of the DELEGATED SERVICES and COMPLEMENTARY SERVICES;
- viii. Arrange the DECLARATION OF PUBLIC UTILITY and/or the DECLARATION OF SOCIAL INTEREST before the GRANTING AUTHORITY, so that the CONCESSIONAIRE may carry out expropriation of areas necessary for exploitation of the services and make the investments that comprise the CONCESSION;
- ix. Supervise the conduct of the CONCESSIONAIRE'S expropriation processes, temporary occupations and easements;
- x. Duly ground decisions, authorizations, approvals requests and other acts, within the scope of this AGREEMENT;
- xi. Evaluate and authorize possible new ACCESSES to the HIGHWAY SYSTEM, and revoke authorization for possible existing ACCESSES, when the case applies;
- xii. Ensure provision of NON-DELEGATED SERVICES, at its own discretion and risk, during the entire CONCESSION PERIOD, according to necessity, in adequate conditions, collaborating to ensure good operation of the HIGHWAY SYSTEM;
- xiii. Conduct audits and oversee compliance of the CONCESSIONAIRE'S accounting, economic and financial obligations;
- xiv. Monitor the quality and performance of services provided by the CONCESSIONAIRE under this AGREEMENT;
- xv. Accompany, in accordance with the schedule established together with the CONCESSIONAIRE, the drafting of engineering projects and studies exerting best efforts to reduce approval deadlines;
- xvi. Provide institutional support for the necessary understandings with other public bodies, whenever execution of services under their responsibility interferes with activities foreseen under the object of the AGREEMENT, without allowing any change to the risks assumed by each of the PARTIES, under the terms of this AGREEMENT;
- xvii. Safeguard the economic-financial balance of the AGREEMENT; and
- xviii. Carry out ORDINARY REVIEWS and, with the support of the CONCESSIONAIRE and together with the GRANTING AUTHORITY, conduct the necessary public hearings, and other activities under responsibility, as described in ANNEX 7 and APPENDIX H.

CLAUSE EIGHTEEN – MAIN OBLIGATIONS AND RIGHTS OF USERS

- 18.1. Without prejudice to provisions in applicable legislation, the rights and obligations of HIGHWAY SYSTEM USERS are:
 - i. Receive ADEQUATE SERVICES, within the quality and performance standards established in this AGREEMENT and its ANNEXES, as a counterpart to payment of TOLL

FEES, excepting applicable exemptions;

- ii. Receive from the GRANTING AUTHORITY, ARTESP and the CONCESSIONAIRE information for defense of individual or collective interests and for correct use of the HIGHWAY SYSTEM;
 - iii. Receive information, from the GRANTING AUTHORITY, ARTESP and the CONCESSIONAIRE on issues relating to the value of the TOLL FEE applicable to the DELEGATED SERVICES;
 - iv. Communicate with the CONCESSIONAIRE by means of different Relationship Systems and Channels, Ombudsman and social-media services, among others;
 - v. Bring to the attention of ARTESP, the GRANTING AUTHORITY and the CONCESSIONAIRE irregularities, referent to provision of the DELEGATED SERVICES, management of the SUPPLEMENTARY SERVICES and support for the NON-DELEGATED SERVICES.
 - vi. Notify the competent authorities of illegal acts performed by the CONCESSIONAIRE in the provision of DELEGATED SERVICES;
 - vii. Contribute toward good order of the assets that comprise the CONCESSION, by means of which the DELEGATED SERVICES are provided;
 - viii. Comply with legal and regulatory obligations pertinent to utilization of the DELEGATED SERVICES;
 - ix. Have access to the ombudsman of the CONCESSIONAIRE, under the terms disciplined in ANNEX 5; and
 - x. Be guaranteed by insurance foreseen in this AGREEMENT, as applicable.
- 18.2. The CONCESSIONAIRE shall obey State Law 10.294/1999, altered by State Law 12.806/2008, that provides for protection and defense of users of public services within at the STATE level, safeguarding the guarantee of compliance with basic standards for protection and defense of USERS, and also Federal Law 13.460/2017, that provides for participation, protection and defense of the rights of users of public services of the PUBLIC ADMINISTRATION.

CLAUSE NINETEEN – ALLOCATION OF RISKS

RISKS OF THE CONCESSIONAIRE

- 19.1. The CONCESSIONAIRE assumes full responsibility for inherent operation and execution risks of services foreseen under this AGREEMENT, excepting only those where the opposite is expressly stated in this AGREEMENT, and including the main risks listed as follows:
- i. Approval or presentation, as the case may be, before ARTESP of the necessary projects for application of investments that may be required for optimum exploitation of the HIGHWAY SYSTEM, under the terms of ANNEX 7 and APPENDIX J;
 - ii. Obtaining of approvals and Environmental Licenses, and the deadlines and costs entailed by the process, within limits established in the AGREEMENT, excepting of demand for (i) new investments in expansion works or special engineering structures not foreseen in the TFFS (or EVTE), or (ii) non-conventional construction methods, for which the provisions of clause 21.2.6 shall be observed;
 - iii. Obtaining of authorizations, licenses and/or permissions to be issued by administrative authorities, required for performance of activities foreseen in the object of the

CONCESSION, obtaining of which is the responsibility of the CONCESSIONAIRE, under the terms of this AGREEMENT, and the deadlines and costs involved in the process;

- iv. Execution of works and investments foreseen in this AGREEMENT to enable exploitation of the HIGHWAY SYSTEM;
- v. Environmental liabilities and/or irregularities the cause of which becomes apparent after signing of the INITIAL TRANSFER TERM, if relating to the EXISTING SYSTEM and after signing of the TERM OF TRANSFER OF THE REMAINING SYSTEM, if relating to the REMAINING SYSTEM, under the terms of ANNEX 18, or that are on the list of conditioning factors, liabilities and environmental programs, in ANNEX II and APPENDIX B or originating from said list;
- vi. Decreases in TARIFF REVENUES stemming from toll evasion, as established in this AGREEMENT, with exception of the hypotheses expressly foreseen;
- vii. Variations in input, operational, maintenance and investments cost, or any other costs incurred by the CONCESSIONAIRE during pursuit of its contractual objectives;
- viii. Problems, delays or inconsistencies in the supply of inputs necessary for provision of the DELEGATED SERVICE;
- ix. The risks associated with any investments, costs and/or expenses arising during implementation of services for management of ACCESSORY REVENUES, except in cases where, with prior consent of ARTESP, there are specific arrangements that give rise to joint public-private exploitation of assets, with predefined rules for sharing of risks;
- x. Variation in ACCESSORY REVENUES in relation to those estimated by the CONCESSIONAIRE, including when arising from the creation and/or extinction of taxes or alterations in tax legislation or regulations, observing the rules established in this AGREEMENT;
- xi. Delay in meeting schedules and deadlines established in this AGREEMENT, especially deadlines for final milestones expressed in the current schedule(s), whenever the delay is related to obligations and risks not expressly allocated to ARTESP or to the GRANTING AUTHORITY;
- xii. Geological circumstances in areas encompassed by the CONCESSION;
- xiii. Treatment of the INTERFERENCES and all related consequences, including encumbrances, costs and deadlines arising from the need for removal or relocation, and other costs associated with possible arrangements necessary, such as those relating to engineering projects and associated investments;
- xiv. Alterations proposed by the CONCESSIONAIRE in current INVESTMENT PLANS or in the respective engineering projects;
- xv. Risks related to contracting of mandatory insurance and guarantees, respecting the deadlines, limits and rules established in this AGREEMENT and in the respective GUARANTEE PLANS and INSURANCE PLANS, including the possible risk of difficulty or unfeasibility of execution of insurance and guarantees by ARTESP in hypostases that would give rise to such execution;
- xvi. Errors in projects, errors in cost and/or expense estimates, even in cases requiring prior approval from ARTESP;
- xvii. Flaws in service provision, defects in works or equipment, and errors or flaws caused by third parties or subcontractors;
- xviii. Any problems of any nature stemming from the relationship between the

CONCESSIONAIRE and its contracted parties;

- xix. All risks inherent to provision of ADEQUATE SERVICES, including, among others, variations in investments, costs or expenses required to meet current PERFORMANCE INDICATORS, and technical standards and contractual rules, observing the provision of Clause Fifteen;
- xx. Theft, robbery, destruction, losses or damage to work sites or their assets, occurrence of which was not caused by the GRANTING AUTHORITY or ARTESP;
- xxi. Health and safety of workers of the HIGHWAY SYSTEM, subordinate to the CONCESSIONAIRE, its subcontractors or third parties;
- xxii. Strikes and collective labor disputes involving workers of the CONCESSIONAIRE, their suppliers, subcontractors or third parties;
- xxiii. Civil, administrative, environmental and criminal responsibility for damages to third parties, or caused by third parties, whether such people work for the CONCESSIONAIRE, its employees, agents, outsourced or subcontracted companies, stemming from execution of activities under the CONCESSION;
- xxiv. Alteration in the macroeconomic scenario, increase in capital cost, variations in the exchange rate, changes in interest rates practiced in the market;
- xxv. Variations in exchange rates, except as established in ANNEX 22;
- xxvi. Delays in starting commercial operation of the TOLL STATIONS, except when proven that such delay occurred exclusively due to a fact attributable to the GRANTING AUTHORITY or ARTESP;
- xxvii. Need to make investments to implement the electronic TOLL CHARGE SYSTEM, and the need to adapt its technology, observing the provision of Clause Fifteen;
- xxviii. Adapt to regulations controlled by any body or entity other than ARTESP, with competencies that encompass activities which are the object of this AGREEMENT;
- xxix. Adapt to the regulations applied by ARTESP and other inspection agents, including impacts resulting from changes to the regulatory framework, whether merely procedural or for purposes of standardization;
- xxx. Unforeseeable factors, foreseeable factors and incalculable consequences, fortuity or force majeure which, under normal market conditions may be covered by insurance offered in Brazil if, at the time of occurrence, the risk is insurable for no less than two (2) years and by at least two (2) insurance companies, up to the limit of the average payable amounts under insurance policies normally practiced in the market, regardless of whether the CONCESSIONAIRE has contracted them;
- xxxi. Damage caused to third parties by the CONCESSIONAIRE, its employees, service providers, third parties, subcontractors or any other person or company connected to the CONCESSIONAIRE, while performing activities comprised in this AGREEMENT;
- xxxii. CONCESSIONAIRE tax planning;
- xxxiii. The CONCESSIONAIRE'S financial capacity and/or ability to raise funds, and the costs of loans and financing obtained for fulfillment of obligations deriving from this AGREEMENT;
- xxxiv. Failure by the USERS to pay TOLL FEES;
- xxxv. Judicial decisions that suspend the works or the provision of services, due to acts of

commission or omission by the CONCESSIONAIRE;

- xxxvi. Compliance with judicial decisions relating to provision of the DELEGATED SERVICES, when resulting from acts of commission or omission by the CONCESSIONAIRE;
- xxxvii. Inefficiency or economic losses deriving from flaws, negligence, ineptitude, omission or activities of the CONCESSIONAIRE itself, in pursuit of the object of this AGREEMENT;
- xxxviii. Supervening verification of errors or omissions in INVESTMENT PLANS, and in engineering projects related to each investment, including surveys that provided inputs, even those required for assessment of the data and projects disclosed by ARTESP;
- xxxix. Variations in tariff revenues due to demand for use of the HIGHWAY SYSTEM; excepting the provision in Clause 19.2, xv;
- xl. Variation in the demand for use of the HIGHWAY SYSTEM;
- xli. Variation in costs, deadlines or any other circumstance relating to vested possession or conducting and concluding of expropriation processes of properties required for exploitation of the HIGHWAY SYSTEM, excepting in the case of blame for delay in issuing a DECLARATION OF PUBLIC UTILITY or DECLARATION OF PUBLIC INTEREST, solely attributable to ARTESP or the GRANTING AUTHORITY;
- xlii. Direct and indirect costs and deadlines for solution of squatting in properties of the CONCESSIONAIRE;
- xlili. Treatment of liabilities that have not been identified by the CONCESSIONAIRE, under the terms of ANNEX 18;

19.1.1. It is the sole responsibility of the CONCESSIONAIRE to conduct a meticulous survey and to know all the risks it is assuming in the execution of duties within the scope of this AGREEMENT, and to adopt the solutions, processes and techniques it deems most adequate and efficient to mitigate the risks assumed, taking responsibility for eventual consequences.

RISKS OF THE GRANTING AUTHORITY

- 19.2. The GRANTING AUTHORITY, notwithstanding other risks expressly assumed in other Clauses of this AGREEMENT, assumes the following risks relating to the CONCESSION:
 - i. Judicial or administrative decisions that may prevent or impede the CONCESSIONAIRE from providing the services, excepting in cases where the CONCESSIONAIRE has given cause for the decision or, if under this AGREEMENT, there is a provision allocating the associated risk to the CONCESSIONAIRE;
 - ii. Delays or failure on the part of the CONCESSIONAIRE in meeting obligations caused by deferral or omission by the GRANTING AUTHORITY or ARTESP in carrying out activities and obligations attributed to them under this AGREEMENT;
 - iii. Unforeseeable factors, foreseeable factors of incalculable consequences, fortuity or force majeure which, in normal market conditions, can not be covered by insurance offered in Brazil and, at the time of occurrence of the risk, have not been insurable for at least two (2) years in the Brazilian market, by at least two (2) insurance companies, or in relation to an installment that exceeds the average compensation amount established in policies practiced on the market, regardless of whether the CONCESSIONAIRE has contracted them, under the terms of sub-clause 19.1, xxx;
 - iv. Environmental liabilities and/or irregularities unacknowledged by the PARTIES, and not on the List of Conditioning factors, Liabilities and Environmental Conditions in ANNEX 2 and APPENDIX B nor resulting therefrom, the originating fact of which occurred prior to

signing of the INITIAL TRANSFER TERM, if related to the EXISTING SYSTEM, and prior to signing of the TERM OF TRANSFER OF THE REMAINING SYSTEM, if relating to the REMAINING SYSTEM;

- v. Damage caused to the HIGHWAY SYSTEM, the REVERTIBLE ASSETS, the CONCESSIONAIRE, third parties or the USERS, when resulting from occurrence of risks attributed to the GRANTING AUTHORITY or under its responsibility;
- vi. Damage caused to the HIGHWAY SYSTEM, the REVERTIBLE ASSETS, the CONCESSIONAIRE, third parties or the USERS, resulting from execution of construction under the GRANTING AUTHORITY'S responsibility;
- vii. Archeological or paleological findings in areas involved in the CONCESSION;
- viii. Creation and/or cancellation of taxes or alterations in tax legislation or regulations, except those relevant to income taxes/contributions that may have a direct impact on the CONCESSIONAIRE'S revenue or expenses, related specifically to execution of the object of this AGREEMENT;
 - a. In the hypothesis that provisional contributions are created on transmission transactions of amounts, credits and rights of a financial nature, or other taxes, as in the case of extinction of the Provisional Contribution on Financial Transactions (*Contribuição Provisória sobre Movimentação Financeira* - CPMF), to verify the impact on the economic-financial balance of the AGREEMENT, the effectively proven loss shall be considered, limited to one single occurrence of the tax on the total amount of revenue earned per year of the CONCESSION;
 - b. The risks described in this sub-item viii shall not be borne by the GRANTING AUTHORITY in regard to exploitation of ACCESSORY REVENUES and related activities, and shall be attributed and exploited exclusively by the CONCESSIONAIRE, including the attributable tax risk, excepting in the hypotheses specifically expressed in this AGREEMENT.
- ix. Treatment of INTERFERENCES whenever identified and of all related consequences, including the burden derived from the need for their removal or displacement and further costs associated with arrangements that may be necessary, provided they are not listed in ANNEX 2 and APPENDIX A.3, and when such INTERFERENCES are proven to have already existed in the HIGHWAY SYSTEM prior to signing of the INITIAL TRANSFER TERM, if related to the EXISTING SYSTEM, and prior to signing of the TERM OF TRANSFER OF THE REMAINING SYSTEM, if related to the REMAINING SYSTEM;
- x. Impacts stemming from creation, revocation or revision the standards issued by ARTESP, concerning activities under this AGREEMENT, excepting those merely of a procedural or standardization nature;
- xi. Unilateral modification, imposed by ARTESP, to conditions for performance of this AGREEMENT;
- xii. Factum principis which effectively burdens performance of this AGREEMENT;
- xiii. Modifications effected by ARTESP to PERFORMANCE INDICATORS, as described in ANNEX 3, which may cause proven and effective impacts or encumbrances to the CONCESSIONAIRE, superior to those felt in the hypothesis of performance of a delegated service under updated and adjusted conditions;
- xiv. Determination that the CONCESSIONAIRE incorporate new technologies, under the terms of sub-clause 15.11;

- xv. Reduction of the TARIFF REVENUES stemming exclusively from Toll Fees, attributable to the DISCOUNT FOR FREQUENT USERS, under the terms of ANNEX 4;
- xvi. Positive or negative investments and impacts derived from implementation of the system for collection of TOLL FEES under the FREE FLOW modality, or another that may come into being;
- xvii. Treatment of liable identified by the CONCESSIONAIRE, under the terms of ANNEX 18;
- xviii. Reduction of costs or reduction of sectoral charges or revenue increases, generated due to occurrence of any of the risks expressly attributed to the GRANTING AUTHORITY;
- xix. Consequences deriving from delay or early transfer of the REMAINING SYSTEM to the CONCESSIONAIRE, and a transfer occurring in noncompliance with conditions established in ANNEX 18;
- xx. Treatment of hidden errors identified at any time by the CONCESSIONAIRE, either in the EXISTING SYSTEM or in the REMAINING SYSTEM, provided they derive from activities performed prior to the respective INITIAL TRANSFER TERM OF THE REMAINING SYSTEM.

CLAUSE TWENTY – MAINTENANCE OF THE ECONOMIC-FINANCIAL BALANCE OF THE AGREEMENT

- 20.1. Whenever the conditions of the AGREEMENT are met, its economic-financial balance shall be considered maintained.
- 20.2. The economic-financial imbalance of the AGREEMENT is deemed to have occurred whenever any of the PARTIES suffers effects, positive or negative, stemming from risk of an event not attributable to it, which demonstrably causes imbalance of the economic-financial equation thereof.
 - 20.2.1. The AGREEMENT shall be deemed imbalanced in cases when any of the PARTIES obtains benefits as a consequence of noncompliance, or delay in compliance, of obligations assigned to it;
 - 20.2.2. Upon occurrence of an IMBALANCING EVENT, restoration of the economic-financial balance of the AGREEMENT shall occur only in relation to the imbalanced portion claimed, the exact measure of which is demonstrated by the requesting party.
 - 20.2.3. Beyond the hypotheses foreseen in Clause 20.2, restoration of the economic-financial balance of this AGREEMENT shall also be justified in the hypothesis of unilateral modification of conditions for execution of the AGREEMENT, imposed by the GRANTING AUTHORITY or by ARTESP, provided that, as a direct result of said modification, an effective and substantial change, for more or for less, is verified in the CONCESSIONAIRE'S costs or TARIFF REVENUES;

CLAUSE TWENTY-ONE – IDENTIFICATION OF EVENTS GIVING RISE TO ECONOMIC-FINANCIAL IMBALANCE OF THE AGREEMENT

- 21.1. The procedure for restoration of the economic-financial balance may be initiated at the request of the CONCESSIONAIRE or as determined by ARTESP, given that the requesting party shall be responsible for timely demonstration of the occurrence and identification of the IMBALANCING EVENT.
 - 21.1.1. The requesting PARTY shall identify the IMBALANCING EVENT and notify the other PARTY within a period not longer than 180 (one hundred and eighty) days as of said occurrence, with the aim of preserving current contractual relations and making it possible to address the consequences of said IMBALANCING EVENT.

- 21.1.1.1. In cases where the hidden error is by the PARTY, the period identified in the previous sub-clause shall be counted as of the date of identification of IMBALANCING EVENT.

Requests by initiative of the CONCESSIONAIRE

- 21.2. When the request for restoration of the economic-financial balance is initiated by the CONCESSIONAIRE, it shall be submitted by means of a documented request and accompanied by all documentation required to demonstrate aptness of the request, including with respect to:
- 21.2.1. Precise identification of the IMBALANCING EVENT, accompanied, when pertinent, by evidence that responsibility is attributable to the GRANTING AUTHORITY or to ARTESP;
- 21.2.2. A request, if it be the case, for an EXTRAORDINARY REVIEW, provided a potential risk to the solvency or continuity of execution/performance of the services of the CONCESSIONAIRE, stemming from occurrence of the IMBALANCING EVENT, is demonstrated.
- 21.2.2.1. Potential damage to the solvency of execution/provision of services of the CONCESSIONAIRE, among other hypotheses that need to be assessed by the GRANTING AUTHORITY, shall be demonstrated when:
- i. there is imminent risk of noncompliance with obligations, early termination, or anticipation of maturities of funding contracted from FINANCERS and/or;
 - ii. occurrence of the IMBALANCING EVENT has a direct impact on the TARIFF REVENUES of the CONCESSIONAIRE, causing losses higher than five percent (5%) of GROSS REVENUE.
- 21.2.3. Assessment of imbalances effectively identified in cash flow, with the date of occurrence of each, or estimates, in the case of new investments, for calculation of the restoration of the economic-financial balance of the AGREEMENT, pursuant to Clause 22.3, depending upon the IMBALANCING EVENT.
- 21.2.4. Proof of direct and indirect expenses effectively incurred by the CONCESSIONAIRE, stemming from the IMBALANCING EVENT which triggered the request, accompanied by a brief explanation containing the accounting and tax regimes applicable to the allegedly imbalanced revenues or costs;
- 21.2.5. In the case of assessment of any future imbalances, with a detailed demonstration of the supposition and parameters used to estimate the impacts of the IMBALANCING EVENT on the CONCESSIONAIRE'S cash flow.
- 21.2.6. If during the process of approval of Environmental Licenses deployment of non-conventional construction methods is demanded, non-compliant with specifications laid down in technical standards and/or rules established by ARTESP, under this AGREEMENT or its ANNEXES, the CONCESSIONAIRE shall demonstrate (i) the nature of the determination, characterizing it as provenly non-compliant with expected specifications; and (ii) the direct impact of said demand for purposes of requesting restoration of the economic-financial balance.
- 21.3. Faced with a request from the CONCESSIONAIRE, ARTESP shall, within no more than sixty (60) days, issue a statement regarding the aptness of the request and evaluate whether the procedure for restoration of the economic-financial balance of the AGREEMENT shall be processed in an extraordinary manner.
- 21.3.1. If the treatment of the IMBALANCING EVENT is not accepted as urgent or deemed justified by ARTESP, it shall be treated in the next ORDINARY REVIEW.

Access to information required for requested assessment of imbalances

- 21.4. For assessment of requests initiated by the CONCESSIONAIRE, ARTESP may, at any time, contract specific technical and/or economic certificates.
- 21.4.1. At ARTESP's discretion, through a specialized and reputable technically qualified entity, an audit may be conducted to appraise the situation which triggered the request for restoration of the economic-financial balance.
- 21.5. ARTESP, or its designated appointee, shall have free access to information, assets and facilities of the CONCESSIONAIRE or of its third-party CONTRACTING PARTYS, for purposes of assessment of sums claimed by the CONCESSIONAIRE in a possible proceeding for restoration of the economic-financial balance.

Requests initiated by ARTESP

- 21.6. The request for restoration of the economic-financial balance initiated by ARTESP shall be the object of notification to the CONCESSIONAIRE, accompanied by a copy of the relevant certificates and studies, including, as the case may be, the proposal to examine the request in an EXTRAORDINARY REVIEW, motivated by its potentially relevant impact of restoration on the USERS.
- 21.6.1. Upon receiving notification on the IMBALANCING EVENT, the CONCESSIONAIRE shall have sixty (60) days to present a well-grounded statement regarding the request for restoration of the economic-financial balance of the AGREEMENT presented by ARTESP in its notification, on pain of tacit consent to the request, and shall also be obliged, within the same period, to remark upon the proposal to assess the request during an EXTRAORDINARY REVIEW.
- 21.6.2. In considering its response to ARTESP's request, the CONCESSIONAIRE shall have thirty (30) days to ratify the aptness of restoration the economic-financial balance and the possibility of assessing it in an EXTRAORDINARY REVIEW.

Events or grounds that do not give rise to imbalance of the AGREEMENT

- 21.7. Restoration of the economic-financial balance in favor of the CONCESSIONAIRE shall not be applicable in the following cases:
- 21.7.1. When negligence, imprudence, malpractice, ineptitude or omission occur during exploitation of services under the CONCESSION and the treatment of the risk attributed thereunder;
- 21.7.2. When, in any manner and to any degree, the CONCESSIONAIRE may have contributed, directly or indirectly, toward the event causing the imbalance.
- 21.7.3. If occurrence of the events that triggered the CONCESSIONAIRE'S request does not effectively give rise to an impact on the contractual conditions nor result in effective loss stemming from the imbalance in the economic-financial equation of the AGREEMENT, the exact measure of which can be demonstrated.

CLAUSE TWENTY-TWO – RESTORATION OF THE ECONOMIC-FINANCIAL BALANCE

- 22.1. At each EXTRAORDINARY REVIEW or each ORDINARY REVIEW, requests deemed applicable from both PARTIES shall be assessed jointly, with a view to settling positive and negative economic-financial impacts resulting from IMBALANCING EVENTS.
- 22.2. Any restoration of the economic-financial balance, even when the request is formulated by the CONCESSIONAIRE, shall necessarily consider eventual impacts in favor of the GRANTING AUTHORITY:
- 22.3. The restoration of the economic-financial balance of the AGREEMENT as a whole, or

with respect to a specific IMBALANCING EVENT, shall be conducted out to obtain the Net Present Value of the balance of Cash Flow equal to zero, considering the IRR related to the nature of each IMBALANCING EVENT, determined as follows:

- 22.3.1. Upon occurrence of IMBALANCING EVENTS resulting from cancellations, delays or early investments established in the ORIGINAL INVESTMENT PLAN, restoration shall be performed taking into consideration the amounts attributed to investments in the TEFS, in accordance with the physical-executive distribution established in the POI, and an Internal Rate of Return of nine point three five percent (9.35%).
 - 22.3.1.1. IMBALANCING EVENTS that occur during the first two (2) ORDINARY REVIEW cycles shall take into account, for calculation of the restoration of the economic-financial balance of the AGREEMENT, an Internal Rate of Return of nine point three five percent (9.35%).
- 22.3.2. In the event of any other IMBALANCING EVENTS, excepting the first two ORDINARY REVIEW cycles, restoration of the economic-financial balance shall take place by establishment of a marginal cash flow, considering: (i) marginal cash flows, positive or negative, calculated based upon the difference between situations with and without the EVENT; and (ii) marginal cash flows required for restoration of the economic-financial balance.
 - 22.3.2.1. IMBALANCING EVENTS in new investments shall consider, for calculation of the restoration of the economic-financial balance of the AGREEMENT, the Internal Rate of Return calculated on the date of signing of the respective modifying amendments, as established in sub-clause 22.5.3.
 - 22.3.2.2. All other hypotheses of IMBALANCING EVENTS shall consider, for calculation of the restoration of the economic-financial balance of the AGREEMENT, the Internal Rate of Return calculated on the date of occurrence of the IMBALANCING EVENT, in compliance with sub-clause 22.5.3.
- 22.4. For each restoration of economic-financial balance, the Internal Rate of Return of that calculation shall be definitively defined for the entire CONCESSION period, in accordance with current rates for the IMBALANCING EVENTS considered therein, according to clause 22.4.3.

Restoration of the Economic-Financial Balance using Marginal Cash Flow

- 22.5. For restoration of the economic-financial balance of the IMBALANCING EVENTS described in sub-clause 22.3.2, the following procedures shall be observed when setting Marginal Cash Flow:
 - 22.5.1. Restoration the economic-financial balance shall be carried out so that the net present value of the Marginal Cash Flow projected in view of the event which gave rise to restoration is null, considering, on the same base date (i) the marginal cash flows resulting from the event which triggered restoration, and (ii) the marginal cash flows resulting from restoration the economic-financial balance.
 - 22.5.2. To determine the cash flows of marginal expenditures, the best information available shall be used for portrayal of the real and effective current conditions, to estimate the value of investments, costs and expenses, and any revenues and other earnings, resulting from the IMBALANCING EVENT;
 - 22.5.2.1. The CONCESSIONAIRE shall provide estimates of the extent of the imbalance, even in cases where the request is initiated by ARTESP, using, for this purpose, the best public and/or private-sector price references available at the time of the request.
 - 22.5.2.1.1. Except as otherwise stated under sub-clause 22.3.1, such information should preferably be based on existing DER Highway Price Composition Tables, or another document that may replace them and, in the absence of more current information

and at ARTESP's discretion, the projections made at the time of the TENDER or other parameters, for example, those used and published in national and international engineering journals.

- 22.5.2.2. ARTESP may request the CONCESSIONAIRE to demonstrate that the values required to comprise new investments are calculated based on market values, considering the overall cost of similar projects or activities in Brazil, or based upon cost systems which use, as inputs, market values in the specific sector of the project, assessed, in any case, via a summarized budget, based on efficient or parametric methodology.
- 22.5.3. The yearly real Discount Rate to be used for calculation of the amount established in Clauses 22.3.2.1 and 22.3.2.2 shall be composed of the average of the gross interest rate for the last twelve (12) months on sale of IPCA+ Treasury Notes, with biannual interest (NTN-B) or another that replaces it, prior to deduction of Income Tax, due on August 15, 2050 or another maturity date more compatible with the date of the contract term, published by the Secretariat of the National Treasury, assessed at the beginning of each contract year, capitalized on a spread or surcharge on interest equivalent to one hundred and forty-eight point three two per cent per year (148.32% p.a.), over a two hundred and fifty-two (252) business-day period;
- 22.5.4. Regardless of the result of the calculation mentioned in the above sub-clause, the real annual Discount Rate to be used for calculation of Present Value shall not be lower than two point three two percent (2.32%).
- 22.5.5. In the event of restoration of the balance of the AGREEMENT by means of an extension of term, the methodology for appraising income and expenses for the extended term shall consider:
- 22.5.5.1. For projection of collection revenues and definition of cash inflows, traffic projections, expressed in terms of equivalent axes, shall be assessed and multiplied by the average tariff of the concession over the past 24 (twenty-four) months, thereby obtaining toll revenue estimates.
- 22.5.5.1.1. The projection of collected revenue, resulting from projected traffic, multiplied by the average tariff of the concession over the past twenty-four (24) months, shall be replaced by the revenue of the real toll effectively collected, periodically verified, in accordance with Modifying Amendment Term yet to be signed.
- 22.5.5.1.2. The projection of accessory revenues, resulting from the historical average over the five (5) years prior to signing of the amendment on new investments and services, or the available historical average.
- 22.5.5.1.3. The projection of ancillary revenues, described in sub-clause 22.5.5.1.2 will be replaced by the real ancillary revenues actually collected, verified, periodically, in accordance with the Modifying Amendment Term to be signed.
- 22.5.5.2. For calculation of the cost and expenses projection of the CONCESSIONAIRE and definition of the cash outflow, counted as of the initial term of the marginal cash flow, including the extensions of term already formalized, for purposes of calculating the term be extended, the following shall be considered:
- 22.5.5.2.1. The amounts related to costs and expenses accounted by the CONCESSIONAIRE within the five (5) years immediately prior to the base date for cash flow.
- 22.5.5.2.2. The average of amounts related to the Fixed Costs shall be used as the basis for extension of the concession term, without any variation or other kind of alteration.
- 22.5.5.3. The costs and expenses related to conservation and maintenance of new works shall also be considered when calculating Marginal Cash Flow.

- 22.5.5.4. The amounts projected for costs, especially for Marginal Cash Flow, shall be considered a risk for the CONCESSIONAIRE.
- 22.5.5.5. For purposes of Marginal Cash Flow, calculation of Amortization and Depreciation shall be carried out in accordance with applicable standards and legislation.
- 22.5.5.6. Upon start of the contractual term, verification shall take place as to whether the Net Present Value (NPV) for summation of cash flows is equal to zero, considering the internal rate(s) of return for each cash flow established in Clauses 22.3.1 and 22.3.2.
- 22.5.5.6.1. In the event that the NPV is found to be other than zero, the methods for restoration, established in this AGREEMENT, shall be applied.
- 22.5.5.7. Installments of the VARIABLE CONCESSION FEE and INSPECTION FEES foreseen in the CONCESSION AGREEMENT shall be considered in the Marginal Cash Flow which is the object of this methodology.
- 22.5.6. To determine the amount to be rebalanced, the effects of direct and indirect taxes effectively charged on the flow of marginal expenses shall be considered.
- 22.5.7. In the hypotheses of restoration of the balance of the AGREEMENT by means of a Review based upon the KILOMETER TARIFF, the methodology for appraisal of revenues for the period of the change shall consider the provisions of sub-clauses 22.5.5.1 and 22.5.5.1.1, if applicable.
- 22.5.7.1. Upon start of the contractual term, verification shall take place as to whether the Net Present Value (NPV) for summation of cash flows is equal to zero, considering the internal rate(s) of return for each cash flow, established in Clauses 22.3.2.1 and 22.3.2.2.

CLAUSE TWENTY-THREE – MODALITIES FOR RESTORATION OF THE ECONOMIC-FINANCIAL BALANCE OF THE AGREEMENT

- 23.1. The GRANTING AUTHORITY shall have the prerogative to choose the modality whereby the economic-financial balance of this AGREEMENT shall be restructured, especially, but not exclusively, by using the following modalities:
 - i. Extension or reduction of the CONCESSION TERM;
 - ii. Review of the KILOMETER TARIFF amount;
 - iii. Compensation or indemnification;
 - iv. Changes to the ORIGINAL INVESTMENT PLANS or to current INVESTMENT PLANS;
 - v. Review of the amounts of the fixed or variable CONCESSION FEE, or of the INSPECTION FEE;
 - vi. A combination of the above modalities or others permitted by legislation, at the discretion of the GRANTING AUTHORITY, and observing Clause 23.2.
- 23.2. Besides the modalities listed in Clause 23.1, restoration of the economic-financial balance of this AGREEMENT may also be implemented using the following modalities, depending, in such cases, upon prior consent from the CONCESSIONAIRE:
 - i. Donation in quittance of assets and/or assignment of equity revenues;
 - ii. The GRANTING AUTHORITY assumes costs attributed under this AGREEMENT to the CONCESSIONAIRE;

- iii. Exploitation of ACCESSORY REVIEWS beyond the duration of the CONCESSION AGREEMENT and/or alterations to the standards for sharing ACCESSORY REVIEWS;
 - iv. A combination of the above modalities or others allowed by legislation.
- 23.3. The modality indicated in inset “v” of sub-clause 23.1 shall not reduce the applicable percentage of the VARIABLE CONCESSION FEE by any sum lower than those provided below, except in cases agreed to by the PARTIES:
- i. nine percent (9%), when the mechanism described in Annex 22 is activated;
 - ii. five percent (5%), when the mechanism described in Annex 22 is not activated;
- 23.4. In compliance with rules established in this AGREEMENT, the GRANTING AUTHORITY, up until the third cycle of ORDINARY REVIEWS shall preferentially use the VARIABLE CONCESSION FEE values available in CONCESSION RESERVE ACCOUNT 2, under the terms of APPENDIX G, for restoration of the financial economic balance of the AGREEMENT.
- 23.5. In compliance with rules established in this AGREEMENT the GRANTING AUTHORITY shall only use the extension of the CONCESSION TERM as a means for restoration of the economic-financial balance hereof, described in inset “i” of Clause 23.1 above, as of the third cycle of ORDINARY REVIEWS which this AGREEMENT addresses, and it is certain that for the two first ORDINARY REVIEWS, any imbalance noted and addressed in the procedure of such ORDINARY REVIEWS shall be restored only by the other means established in this Clause;
- 23.5.1. Extension of the CONCESSION TERM, mentioned in inset “i” of Clause 23.1 above, for purposes of restoration of the economic-financial balance caused by any new investments which may be incorporated in the ORDINARY REVIEWS or in the EXTRAORDINARY REVIEWS, the CONCESSION shall not increase the term by more than fifteen (15) years, considering the additional impacts brought about by such new investments;
- 23.5.2. In each four-year cycle where it is possible for restoration of the economic-financial balance of this AGREEMENT, using the mechanism determined in inset “i” of Clause 23.1 above, for restoration of the balance by incorporating any new investments, extensions longer than five (5) additional years shall not be accepted;
- 23.5.3. In choosing the means for restoration of the economic-financial balance, the GRANTING AUTHORITY shall consider the intervals and amount of payments due and overdue under the responsibility of the CONCESSIONAIRE, regarding financing contracts it has signed for attainment of the object of this AGREEMENT.
- 23.5.4. For restoration of the economic-financial balance of the Agreement, even when stemming from proceedings of ORDINARY REVIEWS, an amendment to this AGREEMENT shall be formalized.

CHAPTER IV – REVIEWS OF THE AGREEMENT

CLAUSE TWENTY-FOUR – ORDINARY REVIEW OF THE AGREEMENT

- 24.1. At every four-year cycle as of the date of signing of the INITIAL TRANSFER TERM, ORDINARY REVIEWS of the CONCESSION shall be carried out, which may culminate in review of the ORIGINAL INVESTMENT PLAN, the current INVESTMENT PLAN, or the drafting of new INVESTMENT PLANS and their corresponding SCHEDULES, INSURANCE PLANS AND GUARANTEE PLANS, and PERFORMANCE INDICATORS, with a view to adapting them to the modifications or alterations that may have been perceived in each ORDINARY REVIEW cycle, always respecting the economic-financial balance of this AGREEMENT and other pertinent contractual standards.
- 24.1.1. The demands for new investments in the CONCESSION shall primarily be implemented during the ORDINARY REVIEWS, in order to improve the planning and the performance

of investments, even when they derive from events that occurred or were identified prior to holding of the ORDINARY REVIEWS.

- 24.2. New investments, not initially foreseen in the ORIGINAL INVESTMENT PLAN, and that may be implemented in each ORDINARY REVIEW cycle, shall not result in a review of the CONCESSION TERM that could increase the term by more than fifteen (15) years and/or exceed, as a whole, the initial amount of total investments under the responsibility of the CONCESSIONAIRE by fifteen percent (15%), in accordance with the amounts and milestones of the work defined in Annex 21.
- 24.2.1. The investments limited to fifteen percent (15%) of the initial amount, outlined in Clause 24.2, shall only be mandatory if the assessment of the hypothesis of their application does not imply a drop in the risk classification obtained by the concession or, in the case of a new issue of securities or a new bank loan, the possible outcome would not be a rating lower than that obtained by the issuer or original borrower, and this rating, on a national scale, shall be issued by Fitch Ratings or, on an equivalent scale, by Standard and Poor's (S&P) or Moody's.
- 24.2.2. The limit on the amount presented in item 24.2. may be exceeded, with due justification and with prior authorization of ARTESP and with the consent of the CONCESSIONAIRE, and, as the case may be, of the FINANCERS and the GUARANTORS for the CONCESSIONAIRE.
- 24.2.2.1. New investments not initially foreseen in the ORIGINAL INVESTMENT PLAN shall not give rise to interventions that, over the past four (4) years of the CONCESSION, represent investments greater than five (5%) percent of total sum originally foreseen in the TEFS,
- 24.2.2.1.1. For purpose of this calculation, the amounts for the work defined in the TEFS shall be readjusted using the IPCA up to the base date for ratification of requests made in the ORDINARY REVIEW.
- 24.2.2.1.2. Should the amount for new investments resulting from the ORDINARY REVIEW and the EXTRAORDINARY REVIEW be lower than fifteen percent (15%) of the initial total of investments under the CONCESSIONAIRE'S responsibility, the CONCESSIONAIRE shall be obliged to make said investments, provided that the conditions established in Clause 24.2.1 are met.
- 24.2.2.2. If there are urgent demands which, for technical, economic-financial, safety or public interest reasons demand immediate intervention, and it is impossible to wait until the end of the contractual four (4)-year cycle for each ORDINARY REVIEW, such new investments shall be implemented via EXTRAORDINARY REVIEW, which shall respect the terms and procedures established in this AGREEMENT and in the pertinent legislation and regulations.
- 24.2.3. The review of the PERFORMANCE INDICATORS shall occur during ORDINARY REVIEWS, and ARTESP may demand, under a method foreseen in Clause Twenty-Five for the incorporation of new technologies, changes to meet the PERFORMANCE INDICATORS established in ANNEX 3, or create new indicators which reflect current, modern and innovative standards for implementation of the works and services that are the object of this AGREEMENT.

Conducting of Ordinary Reviews

- 24.3. Each cycle of ORDINARY REVIEWS shall be conducted by means of the following steps:
- 24.3.1. Receipt, evaluation, processing and technical prioritization of demands and changes or other observed requirements, through the SISDEMANDA system, and drafting of functional projects, with prior approval from ARTESP, if it is deemed necessary to meet demand for new works, interventions or investments and changes needed to improve the

service provided and conditions of the HIGHWAY SYSTEM that are the object of the CONCESSION;

- 24.3.2. Prioritization of investments, adaptations and interventions necessary for the CONCESSION and the HIGHWAY SYSTEM, to be made by the CONCESSIONAIRE in the following years, if applicable;
- 24.3.3. Holding of public hearings to obtain suggestions and improvements to the proposal made in the ORDINARY REVIEW considered by the CONCESSIONAIRE and approved by ARTESP;
- 24.3.4. Approval and definition of new investments, changes, and necessary interventions, by ARTESP, with authorization for the CONCESSIONAIRE to draft executive projects;
- 24.3.5. Budgeting of investments, adaptations and necessary interventions and assessment of any impacts upon the economic-financial equation of this AGREEMENT;
- 24.3.6. Promotion, when applicable, of the procedure for restoration of the economic-financial balance of this AGREEMENT, in accordance with the applicable contractual standards, and signing of the corresponding amendment.
- 24.4. A decision of ARTESP or of the GRANTING AUTHORITY, after the authorization referred to in Clause 24.3.4, to not include the investments, adaptations or interventions approved during reviews of the ORIGINAL INVESTMENT PLAN, current INVESTMENT PLANS or in the drafting of new INVESTMENT PLANS shall place upon the GRANTING AUTHORITY an obligation to reimburse any duly proven costs incurred by the CONCESSIONAIRE for the drafting of executive projects, by means of one of the economic-financial rebalancing mechanisms foreseen in the AGREEMENT.
 - 24.4.1. A decision of ARTESP or of the GRANTING AUTHORITY, at a time prior to the authorization referred to in Clause 24.3.4, to not include the investments, adaptations or interventions approved during reviews of the ORIGINAL INVESTMENT PLAN, current INVESTMENT PLANS, or in the drafting of new INVESTMENT PLANS shall not give rise to any right to compensation, reimbursement or economic-financial rebalancing of the AGREEMENT.
 - 24.4.2. The reimbursement foreseen in Clause 24.4 is conditional upon waving of rights to all material produced by the CONCESSIONAIRE, on behalf of ARTESP.
- 24.5. Bringing forward of works established in the INVESTMENT PLANS, at the suggestion of the CONCESSIONAIRE, shall be presented and analyzed in an ORDINARY REVIEW, or EXTRAORDINARY REVIEW, as the case may be.
 - 24.5.1. In cases of duplication works brought forward in areas adjacent to investments already underway, and bringing forward of provisions for such stretches that are essential for safety and freeing up of operation of said stretch of the highway, at the CONCESSIONAIRE'S initiative, said works shall undergo a simplified procedure to obtain ARTESP's prior consent, and such anticipation shall only be considered an IMBALANCING EVENT when carried out with prior approval of ARTESP.
 - 24.5.1.1. In cases foreseen under Clause 24.4, a request for prior consent shall be presented to ARTESP in an isolated fashion, separate from any other request to bring forward or delay any investment, with identification of items in the PHYSICAL-ECONOMIC SCHEDULE and accompanied by documentation relevant to the investment(s) that it wishes to bring forward, including respective provisions, as the case may be.

Receipt and analysis of demands, interventions, adaptations and investments.

- 24.6. The CONCESSIONAIRE shall install and maintain an appropriate digital system –

SISDEMANDA, in accordance with specifications listed in APPENDIX H, for receipt, processing and prioritization of technical demands, investments and improvements proposed by citizens, private entities and members of the PUBLIC ADMINISTRATION, constituting an exclusive and appropriate channel for management of such demands, which shall not be confused with the Ombudsman or USERS service.

- 24.6.1. The SISDEMANDA digital platform shall be created in accordance with specifications detailed in ANNEX H, and shall be constantly available online, serving as mechanism for receipt of demands. The CONCESSIONAIRE shall ensure ACCESS of ARTESP to the information and the data inputted and processed through SISDEMANDA;
- 24.6.2. SISDEMANDA shall be exclusively dedicated to management of demands which considered while planning changes and interventions, and which may be performed by the CONCESSIONAIRE;
- 24.6.3. For prioritization of the analysis of the demands, the CONCESSIONAIRE shall take into consideration the quality and the level of detail of the information inputted to SISDEMANDA by interested parties, including the availability of functional projects and prior budgeting of investments, in accordance with project standards adopted by ARTESP.
- 24.7. Up to the beginning of the third year of each ORDINARY REVIEW cycle, the CONCESSIONAIRE shall have analyzed all the demands received in the previous period, and drafted, in accordance with the form and content indicated by ARTESP, a report indicating the investments and adaptations proposed through SISDEMANDA. This report shall also contain other investments, interventions and changes which, although not originating from proposals submitted to SISDEMANDA, are necessary or pertinent, in view of the need to meet parameters for updating the services and PERFORMANCE INDICATORS.
- 24.8. The report shall contain suggestions for prioritization of demands, considering, for this purpose, criteria of urgency, feasibility of implementation, comfort and improvements when providing service to USERS and the CONCESSIONAIRE'S economic-financial capacity to implement works;
 - 24.8.1. If the CONCESSIONAIRE is operating highway stretches with "E" or "F" service levels for more than 50 h/year (fifty hours per year), any investment which may be necessary for expansion of the capacity of such highway stretches shall be presented planning presented by the CONCESSIONAIRE, reflecting the prioritizations on the list presented to ARTESP.
 - 24.8.1.1. Deferral of investments established for stretches which have achieved "E" or "F" service levels, including those for restoration of the economic-financial balance of this AGREEMENT, is forbidden.
 - 24.8.2. The CONCESSIONAIRE, in accordance with the rules established in this AGREEMENT, shall take the necessary measures to submit to ARTESP a list accompanied by the respective operational projects for each demand for interventions, adaptations and investments.
 - 24.8.3. ARTESP shall, based on the report presented by the CONCESSIONAIRE and other documents, data and information made available via SISDEMANDA, approve the plan for adaptations, investments and interventions, determining, when applicable and in accordance with the pertinent rules, the need to change the ORIGINAL INVESTMENT PLAN and/or current INVESTMENTS PLANS, and to design new INVESTMENT PLANS when needed, excepting under terms of Clause 24.8.1.1 above.
 - 24.8.4. ARTESP may require the CONCESSIONAIRE to adapt the prioritization plan for demands presented, to conform to the public interest;

Public Hearings and other transparency and social-participation procedures for planning and deployment of adaptations, interventions and investments

- 24.9. Until the end of the third year of each ORDINARY REVIEW cycle, ARTESP and the GRANTING AUTHORITY, with the support of the CONCESSIONAIRE, shall conduct public hearing(s), in accordance with deadlines and rules established in ARTESP's regulations, to offer society the opportunity to evaluate the demands compiled and suggest new investments and improvements which may be considered to adapt current INVESTMENT PLANS or new INVESTMENT PLANS;
- 24.10. As a result of the public hearings, ARTESP and the GRANTING AUTHORITY may define the need to revise prioritization of demands and/or the inclusion of demands consigned in the document originally submitted to public hearings.

Execution of engineering projects and of budgeting demands

- 24.11. As the demands are received for new investments or adaptations, arising from submission of proposals through SISDEMANDA, the CONCESSIONAIRE shall request that interested parties draft operational projects for new investments or request authorization from ARTESP to prepare corresponding operational projects, in accordance with the rules established in ANNEX 7 and APPENDIX H;
- 24.12. At the end of the public hearings process, the CONCESSIONAIRE, with authorization from ARTESP and in accordance with provisions of ANNEX 7 and APPENDIX J, shall implement and perform executive projects related to the investments, adaptations and interventions deemed necessary;
- 24.13. Based on the executive projects, the quantities and schedules related to each investment, adaptation and/or intervention shall be defined, with a view to enabling budgeting, to which the current DER Highway Price Tables, or another document that may replace them, and in the absence of more current information and at the discretion of ARTESP, projections made in the TENDER, or other parameters such as, for example, those used and published in national and international engineering magazines, in compliance with rules established under this AGREEMENT;
- 24.13.1. The CONCESSIONAIRE shall formally present for ARTESP's approval the executive projects and budgets, so that it may define the investments, interventions and adaptation that are to be carried out by the CONCESSIONAIRE;
- 24.13.2. In case of disagreement with ARTESP regarding the executive project(s), quantities and budget(s) presented by the CONCESSIONAIRE, ARTESP may conduct surveys and studies to demonstrate the alleged discrepancies and present grounds for its decision.

Planning for execution of new investments, interventions and adaptations

- 24.14. ARTESP shall decide, after processing each of the steps established in this Chapter, which interventions, investments and adaptations shall be made by the CONCESSIONAIRE;
- 24.15. ARTESP shall define the need to readapt the current INVESTMENT PLAN and/or draft new INVESTMENT PLAN(S), which shall go into effect, after approval, and shall be binding upon the CONCESSIONAIRE in the subsequent years.
- 24.16. Depending upon the need to readapt the ORIGINAL INVESTMENT PLAN, current INVESTMENT PLAN and/or to draft new INVESTMENT PLAN(S), in accordance with needs assessed by ARTESP, possible adaptations to INSURANCE PLAN(S) and GUARANTEE PLAN(S) may be conducted to reflect the need to contract insurance policies or structure other operations that ensure timely, quantitative and qualitative compliance of interventions, investments, and adaptations defined by ARTESP.

- 24.17. After conducting each of the steps previously described in this Chapter, the PARTIES shall proceed with calculation of the imbalance, if applicable, considering any compensations of assets or encumbrances duties owed by each of the PARTY and, in accordance with the rules established in this AGREEMENT, effect of restoration of the economic-financial balance.
- 24.18. Re-adaptation of the ORIGINAL INVESTMENT PLAN, current INVESTMENT PLAN and/or drafting of new INVESTMENT PLAN(S), and other impacts related to ORDINARY REVIEW of the CONCESSION AGREEMENT shall be formalized by means of a modifying amendment to the AGREEMENT.
- 24.18.1. Analysis of the readaptation of current INVESTMENT PLANS does not suspend the initial and final deadlines for work laid down in the respective PHYSICAL-EXECUTIVE SCHEDULE and/or the PHYSICAL-FINANCIAL SCHEDULE, nor its milestones, which shall remain valid and in effect for purposes of follow up, inspection and application of penalties.
- 24.19. The modifying amendment referred to in Clause 24.17 above shall, while simultaneous including new investments, establish a mechanism for restoration of the economic-financial balance of this AGREEMENT.

CLAUSE TWENTY-FIVE – EXTRAORDINARY REVIEWS OF THE AGREEMENT

- 25.1. Any of the PARTIES may request an EXTRAORDINARY REVIEW of the AGREEMENT, upon the concrete or imminent occurrence of an event, the consequences of which are sufficiently serious, to the point of leading to a need for assessment and urgent measures, applying to the EXTRAORDINARY REVIEW provisions established in Clause 24.2 and its sub-clauses.
- 25.2. If the EXTRAORDINARY REVIEW is initiated by request of the CONCESSIONAIRE, the latter shall refer the necessary information to demonstrate to ARTESP that failure immediately to address the event shall result in extraordinarily worsening and harmful consequences.
- 25.3. ARTESP shall have sixty (60) days, as of the date of formalization of the request presented by the CONCESSIONAIRE, to assess whether the motives presented justify the immediate treatment and whether the seriousness of the consequences justify discarding of the ordinary REVIEW procedure under the AGREEMENT, underscoring the importance of not abiding by the established timeframe and waiting until holding of the next ORDINARY REVIEW.

Chapter V – CONCESSIONAIRE

CLAUSE TWENTY-SIX – LEGAL STRUCTURE OF THE SPC

- 26.1. The bylaws of the CONCESSIONAIRE are an ANNEX to this AGREEMENT and its specific and exclusive corporate purpose, for the entire duration of this AGREEMENT, shall be performance of the object of this CONCESSION, with head offices and venue in the State of São Paulo.
- 26.1.1. The CONCESSIONAIRE is prohibited from carrying out any activity not expressly stated in this AGREEMENT.
- 26.1.2. The CONCESSIONAIRE shall exploit, directly or indirectly, including through subsidiaries, activities which generate alternative, complementary or accessory revenue or associated projects, provided it has prior approval from ARTESP.
- 26.2. The SPC shall observe corporate governance standards and adopt standardized accounting and financial records, especially in relation to transactions with RELATED

PARTIES, in accordance with the accounting practices adopted in Brazil, based upon Brazilian Corporate Law (Federal Law 6.404, of December 15, 1976 and amendments) and Accounting Standards issued by the Federal Accounting Council (CFC).

- 26.2.1. The information, balance sheets and financial statements of the CONCESSIONAIRE, including the working documents and other information to be periodically presented to ARTESP, shall be audited by a reputable highly specialized independent auditing company that has, in the previous two (2) years, audited companies publicly-listed on the São Paulo Stock Market (Bovespa).
- 26.2.2. The specialized auditing company shall also verify compliance with the forecasts concerning RELATED PARTIES provided for in sub-clauses 26.8 to 26.11, regardless of the accounting regime or governance structure of the SPC.
- 26.3. The minimum paid-up capital stock of the SPC shall be five hundred and fifty million, eight thousand, one hundred and eleven reais and thirty-eight centavos, (R\$555,008,111.38) on the base date of March 2019.
 - 26.3.1. For the signing of this AGREEMENT, the SPC shall have no less than one hundred and eleven million, one thousand, six hundred and twenty-two reais and twenty-eight centavos (R\$111,001,622.28) on the base date of March 2019, in duly paid-up capital stock, in national currency.
 - 26.3.2. Paying up of the remaining capital stock shall abide by the Capital Payment Schedule, presented in ANNEX 13 to this AGREEMENT;
 - 26.3.3. The SPC cannot, during the CONCESSION TERM, reduce its corporate stock below a minimum amount established in this Clause, without prior and express approval from ARTESP;
 - 26.3.4. While the corporate stock is not fully paid up, under the terms of ANNEX 13, shareholders of the SPC shall remain jointly responsible, regardless of stake of each, before the GRANTING AUTHORITY, for the CONCESSIONAIRE'S liabilities under this AGREEMENT, up to the amount of the outstanding portion of initially subscribed stock capital.
 - 26.3.4.1. If the corporate stock is not fully paid up, should the FINANCERS assume CONTROL of the CONCESSIONAIRE, the previous shareholders shall remain jointly responsible for the amount of the outstanding portion, in proportion to their respective stakes.
- 26.4. The business year of the SPC and the fiscal year for this AGREEMENT shall be the calendar year.
- 26.5. Non-Brazilian capital in the SPC shall obey current Brazilian legislation.
- 26.6. Dissolution of the SPC shall only occur after conclusion of all the activities described in ANNEX 10.
- 26.7. Even after extinction of the CONCESSION, the SPC shall maintain the minimal subscribed capital stock referred to in this Clause until its dissolution.
- 26.8. The CONCESSIONAIRE shall, within one (1) month as of start of the term of this AGREEMENT, develop, publish and implement a TRANSACTION POLICY WITH RELATED PARTIES, observing, as appropriate, the best practices recommended by the Brazilian Corporate Governance Code – Publically Traded Companies - published by the Interagency Work Group (GT Interagencias) coordinated by the Brazilian Corporate Governance Institute (IBGC), and by New Market Regulation, or by those who replace them as a reference before the Brazilian Securities and Exchange Commission (CVM), and containing at least the following elements:

- i. criteria to be observed in transactions between the CONCESSIONAIRE and its RELATED PARTIES, requiring observance of fair conditions, compatible with market practice;
 - ii. procedures to assist in identification of individual situations that may involve conflicts of interest and, consequently, determine impediment of voting right of shareholders or administrators of the CONCESSIONAIRE;
 - iii. procedures and those responsible for identification of RELATED PARTIES and for classification of transactions with RELATED PARTIES;
 - iv. indication of the approval levels of transactions with RELATED PARTIES, depending upon the amount involved or other relevant criteria;
 - v. the requirement to carry out competitive processes with the market, in accordance with rules approved by the SPC's management, as a condition for contracting of works and services with RELATED PARTIES; and
 - vi. the duty of the SPE's management to formalize, in a written document to be filed with the SPE, justifications for selection of RELATED PARTIES in detriment to market alternatives.
- 26.9. The TRANSACTION POLICY WITH RELATED PARTIES shall be updated by the CONCESSIONAIRE whenever necessary, observing the updates to the recommendations of best practices referred to in sub-clause 26.8, and the need to include or amend specific provisions that seek to confer transparency and commutativity upon transactions with RELATED PARTIES.
- 26.10. The CONCESSIONAIRE'S POLICY FOR TRANSACTION WITH RELATED PARTIES shall foresee the sums and circumstances of transactions with the RELATED PARTIES in which the CONCESSIONAIRE shall disclose, on its website, the following information on contracts signed:
- i. general information about the contracted RELATED PARTY;
 - ii. purpose of the contract;
 - iii. contracting period;
 - iv. general conditions of payment and readjustment of amounts referring to contracting; and
 - v. description of negotiation of the transaction with the RELATED PARTY and of the decision to sign the transaction.
- 26.10.1. The disclosure referred to in sub-clause 26.10. shall take place within a period of thirty (30) days counted as of signing of the transaction with the RELATED PARTY and no less than five (5) business days as of start of execution of the obligations stemming from the transaction.
- 26.11. For purposes of the provision of sub-clause 26.10, the CONCESSIONAIRE'S POLICY FOR TRANSACTIONS WITH THIRD PARTIES shall observe the need to disclose the transaction or the set of related transactions when the total value exceeds the levels foreseen in CMV Instruction 480, of December 2009, or a standard that replaces it, for cases of communication of transactions among RELATED PARTIES.

CLAUSE TWENTY-SEVEN – TRANSFER OF CONTROL OF THE SPC

- 27.1. The CONCESSIONAIRE shall obtain prior approval of ARTESP, for any change to its corporate structure that implies direct TRANSFER OF CONTROL of company stock,

under the terms of this AGREEMENT and article 27 of Federal Law 8.987/1995.

- 27.1.1. The approval required in Clause 27.1 encompasses acts that imply direct TRANSFER OF CONTROL of the CONCESSIONAIRE'S CORPORATE STOCK, even when indirect control remains within the same ECONOMIC GROUP.
- 27.1.2. For purposes of this AGREEMENT, the direct controller of the CONCESSIONAIRE shall be deemed to be the natural person or corporate entity, or group of persons linked by a voting agreement, or under common control, that comprise the direct stockholding structure of the CONCESSIONAIRE, fulfilling the conditions indicated in lines of article 116 of Federal Law 6.404/1976.
- 27.2. To obtain ARTESP'S assent, in cases required under this Clause, the applicant shall submit to ARTESP a REQUEST TO TRANSFER CONTROL, requesting consent for the proposed transfer and presenting, at least, the following information:
- i. Explanations of intended corporate operations and stock-holding structure for the period immediately following the TRANSFER OF CONTROL;
 - ii. Documents relating to the intended corporate operations, such as a copy of minutes of meetings of partners or stockholders of the CONCESSIONAIRE, correspondence, audit reports and financial statements;
 - iii. Justification for the change in CONTROL;
 - iv. Recommendation and qualifications of people who shall become CONTROLLER(S) or who shall be part of the CONTROL BLOCK of the SPC, presenting the list of members of the SPC's administration and their CONTROLLERS;
 - v. Demonstration of the SPC's board of shareholders after the desired TRANSFER OF CONTROL;
 - vi. Demonstration of Capability of partners that shall become CONTROLLERS or part of the SPC's CONTROL BLOCK, presenting documents equivalent to QUALIFICATION DOCUMENTS necessary for continued provision of the DELEGATED SERVICE;
 - vii. Expressed commitment of those who are to become CONTROLLERS of the SPC's CONTROL BLOCK, indicating that they fully meet all obligations of this AGREEMENT, and support the SPC in everything necessary for perfect and full compliance with the obligations attributed to them;
 - viii. Commitment from all parties involved that the operation to TRANSFER CONTROL shall be suspended until approval from the competent bodies, including CADE, is obtained.
- 27.3. If in view of the stage of the CONCESSION, some requests for good financial standing and technical capacity, required in the REQUEST-FOR-BIDS, are no longer required to adjust the provision of services, ARTESP may forego such proof.
- 27.4. The TRANSFER OF SHAREHOLDER CONTROL shall not occur prior to the transfer of the REMAINING SYSTEM, except in the hypothesis of the CONCESSIONAIRE'S imminent insolvency, provided that such insolvency is duly grounded, and except when shareholder transfers are the result of mechanisms governed by the DIRECT AGREEMENT, if this has been signed.
- 27.5. The TRANSFER OF CONTROL to the FINANCER(S) shall be conducted in accordance with ANNEX 8, respecting other pertinent clauses in this AGREEMENT.
- 27.6. The conducting of corporate operations encompassed by this Clause 27, without

obtaining ARTESP'S approval, prior to formalization of the operation, shall result in application of the sanctions foreseen in this AGREEMENT, and possible application by ARTESP of the following additional penalties:

- i. demand, when approval is possible, that the proponent present relevant documentation and settle any possible pending items extemporaneously;
- ii. demand that the CONCESSIONAIRE revert to the previous status quo, either by its own activity, by undoing the corporate change, or conducting corporate actions that result in return of the stock capital to the company that originally held such shares or, alternatively, by an action on the part of ARTESP, seeking annulment of the corporate change, observing the provision of article 35 inset I of Federal Law 8.934/1994; and
- iii. it being not possible to overcome the error in change of the corporate structure of the CONCESSIONAIRE or of its controllers, a decree of lapsing of the concession, with the consequences foreseen in the AGREEMENT.

CLAUSE TWENTY-EIGHT – SUBCONTRACTING

- 28.1. The CONCESSIONAIRE shall enter into contracts with third parties to develop inherent, accessory or complimentary activities related to running operation services, maintenance and making of investments required for the HIGHWAY SYSTEM, in accordance with provisions in this AGREEMENT, and also activities related to contractual obligations.
 - 28.1.1. Contracting of third parties shall not cause lowering of the quality or safety of DELEGATED SERVICES provided or transfer of the role of the CONCESSIONAIRE within this AGREEMENT, and the CONCESSIONAIRE shall remain responsible for management of the provision of DELEGATED SERVICES.
 - 28.1.2. The CONCESSIONAIRE shall remain fully responsible for the services provided, even if by third parties, including, but not limited to, purposes of performance evaluation, damages caused by ARTESP to the GRANTING AUTHORITY, USERS, or third parties, for compensation payments and subjection to penalties resulting from this AGREEMENT.
- 28.2. The CONCESSIONAIRE, whenever requested by ARTESP, must prove the technical capacity of contracted third parties, in accordance with requirements described in Annex 6 of the BIDDING NOTICE, if new subcontracting for execution of the described services is effected.
- 28.3. In the event of subcontracting of services foreseen in Annex 6-A of the CALL-FOR-BIDS, without prejudice to other possible requests on the part of ARTESP, the CONCESSIONAIRE shall in no more than fifteen (15) days as of signing the contract with the third party, communicate in writing, the following:
 - i. Name, qualification and address of the contracted company;
 - ii. Name, qualification and address of the administrators and representatives of the contracted company;
 - iii. Objective description of the contracted services, by presenting the signed agreement;
 - iv. Expected dates of start and completion of the contracted services;
 - v. The bylaws of the contracted company, duly registered at the competent Board of Trade or Notary Public, and documents demonstrating compliance with tax and labor law, in accordance with Art. 29 of Federal Law 8.666/93.
- 28.4. The fact that the contract with third parties is known to ARTESP shall not be used by the CONCESSIONAIRE to plead exemption from the total or partial fulfillment of obligations arising from the CONCESSION, or to justify any delay or modification in costs, or attribute any responsibility to the GRANTING AUTHORITY.

- 28.5. The contracts between the CONCESSIONAIRE and third parties shall be governed by private law, without establishing ties of any nature between the third party and the GRANTING AUTHORITY or ARTESP.
- 28.6. The CONCESSIONAIRE is responsible for the labor, pension, fiscal and commercial charges resulting from this AGREEMENT, and for contracting of third parties.

CLAUSE TWENTY-NINE – TECHNICAL RESPONSIBILITY

- 29.1. The services required for the perfect expansion, exploitation, operation, conservation and maintenance of the HIGHWAY SYSTEM shall be implemented under the technical responsibility of professionals trained for this purpose, as stated in ANNEXES 5, 6 and 7.
- 29.1.1. During ORDINARY REVIEWS, specific and specialized technicians shall assigned for the investments to be included in the INVESTMENT PLAN(S), who shall linked directly to the SPC or, indirectly, through a contracted third party, by means of SUBCONTRACTING.

CHAPTER VI – INSURANCE AND GUARANTEES

CLAUSE THIRTY – GENERAL RULES

- 30.1. The guarantees and insurance listed in the INSURANCE PLANS and GUARANTEE PLANS, which shall be opportunely contracted by the CONCESSIONAIRE as a condition for performing the corresponding constructive steps shall, necessarily, be unconditional, and shall not contain clauses excluding any responsibility, other than those resulting from a legal or regulatory demand, and shall appoint ARTESP and the GRANTING AUTHORITY as beneficiaries, guaranteeing them the possibility of claiming insurance and guarantees automatically through simple communication by ARTESP to the insurance company, in case there is any delay, lack of implementation or misconduct in execution of construction stages, once the standard administrative procedure has run its course;
- 30.2. Effectively to enter into a contract or formalize the documents which constitute the structure of insurance and guarantees for investments to be made, directly or indirectly, by the CONCESSIONAIRE, the latter shall submit to ARTESP, within no more than sixty (60) days prior to start of the corresponding construction stages, all documentation thereby allowing ARTESP time to approve and to sign all necessary documents for contracting of the insurance and guarantee structure required to begin each of the investments;
- 30.3. Once approved, the insurance and guarantees shall be contracted and necessarily renewed and kept current, under conditions previously approved by ARTESP, at least throughout the entire period during which the main insured obligations persist;
- 30.4. Eventual unfeasibility or unjustified difficulty in claiming of insurance and guarantees by ARTESP or the GRANTING AUTHORITY, in hypotheses giving rise to execution thereof, shall result in expiry of the CONCESSION AGREEMENT, under terms foreseen herein.

CLAUSE THIRTY-ONE – INSURANCE

- 31.1. The CONCESSIONAIRE shall, throughout the entire CONCESSION TERM, contract and maintain, with an insurance company authorized to function and operate in Brazil and of size compatible with the insured purpose, the insurance policies required to cover the risks inherent to development of works and provision of services which are the object of the CONCESSION, as offered in the Brazilian market, without prejudice to insurance required under applicable legislation, on pain of expiry of the CONCESSION, under the terms of Clause 44.

- 31.1.1. The INSURANCE PLAN, which is part of this AGREEMENT as ANNEX 15, shall be revised to make it compatible with adaptations needed or new investments which give rise to alterations in the INVESTMENT PLAN(S) and shall observe rules of the federal bodies that regulate and supervise insurance in Brazil, it being prohibited to impose additional and/or delaying procedures upon payment of the guaranteed amounts;
- 31.1.2. The insurance policies contracted by the CONCESSIONAIRE shall expressly contain clauses that automatically and unconditionally restructure the amounts insured, including for Civil Responsibility, while respecting the regulations established by the federal bodies that regulate and supervise insurance in Brazil, unless such coverage is unavailable on the insurance market, which shall be confirmed by a letter to ARTESP and signed by the reinsurance company;
- 31.1.3. In the event that there is no coverage and/or no automatic and unconditional restoration of amounts which are the object of insurance, and/or execution of the aggregate limit clause of the policy, as described in the INSURANCE PLAN, ARTESP shall demand alternatives to guarantee the main obligations taken on by the CONCESSIONAIRE, which shall be structured through a contract instrument containing conditions established by ARTESP, or suggested by the CONCESSIONAIRE and approved by ARTESP.
- 31.2. The INSURANCE PLAN shall contain the grounds for contracting at least the following types of insurance, but not limited to them, indicating the estimated policy period, the risks to be mitigated by the respective insurance policies, and the maximum limits for compensation in case of claims:
 - i. "Full-risk" insurance for material damage covering loss, destruction or damage to all or to any asset in the CONCESSION, and such insurance shall encompass that which is normally covered, in accordance with international standards for companies of this nature, the following modalities:
 - a. property damage;
 - b. small engineering works (public assets in the HIGHWAY SYSTEM transferred to the partner);
 - c. riots, vandalism, wrongful acts;
 - d. fires, lightning and explosions of any kind;
 - e. damage to electronic equipment (low voltage);
 - f. robbery and aggravated theft (except securities);
 - g. electrical damage;
 - h. windstorm, smoke damage;
 - i. damage caused to glass objects;
 - j. accidents of any nature;
 - k. inundation, flooding;
 - ii. insurance for civil responsibility:
 - a. damage caused to third parties;
 - b. additional coverage for joint responsibility;
 - c. accidents of any nature involving third parties;

- d. work accidents for employees involved, in compliance with the current legislation; and
 - e. damage stemming from sudden pollution;
 - iii. “full-risk” insurance for engineering which shall be in effect throughout the entire performance of work involving coverage of any investments, costs and/or expenses pertinent to civil works and infrastructure (buildings, facilities and assembly, encompassing all acceptance trials), and:
 - a. basic coverage of engineering risks;
 - b. project errors;
 - c. risk of the manufacturer;
 - d. extraordinary expenses;
 - e. debris removal expenses;
 - f. inundation, flooding;
 - g. testing period and external damage caused to equipment used in construction work;
- 31.3. The insurance coverage established in this Clause shall include coverage for damage classified as force majeure or fortuity, whenever insurable.
- 31.4. All insurance contracted for the purpose of this AGREEMENT shall be signed with insurance and reinsurance companies authorized to operate in Brazil, presenting, always, the Certificate of Operating License (Certidão de Regularidade Operacional) issued by the Superintendency for Private Insurance (Superintendência de Seguros Privados – SUSEP), in the name of the insurance company that issues each policy.
- 31.5. No service or investment shall start or continue without the CONCESSIONAIRE proving that the insurance indicated in the INSURANCE PLAN has been duly contracted, by presenting the insurance policies, proof of payment of the premiums, and Certificate of Operating License.
- 31.5.1. In accordance with the rules established in this AGREEMENT, the CONCESSIONAIRE shall submit for prior approval of ARTESP, the insurance policies to be contracted, so that it can verify the appropriate coverage and analyze compliance with all conditions established in this AGREEMENT, in order to ensure that the risks are duly mitigated and covered.
- 31.6. ARTESP shall feature as co-insured/beneficiary of all insurance policies contracted by the CONCESSIONAIRE, and shall pre-authorize any modification, cancellation, suspension or substitution of any insurance contracted by the CONCESSIONAIRE for purposes of this AGREEMENT, and the CONCESSIONAIRE shall pledge to maintain the same conditions previously authorized by ARTESP, on pain of expiry of the CONCESSION, under the terms of this AGREEMENT.
- 31.6.1. The insurance policies shall also foresee advance compensation directly to ARTESP, in cases in which it is held responsible as a consequence of a claim.
- 31.7. The coverage amounts of insurance indicated in the INSURANCE PLAN shall be sufficient to reconstitute or correct damage caused, in the event of a claim.
- 31.8. The premiums contracted shall be those practiced by the Brazilian insurance market in

businesses of this kind.

31.9. Upon contracting insurance, the CONCESSIONAIRE shall also observe the following:

- i. All insurance policies shall be valid for at least twelve (12) months, excepting for certain engineering works and/or services with an execution period shorter than twelve (12) months;
 - ii. The CONCESSIONAIRE shall provide, at the end of the term of the insurance policy and in the event that there is no new policy, a certificate issued by the respective insurance company confirming that the risks involved were put on the insurance market, for the determined period and in accordance with the required coverage and policies, pending only authorization from SUSEP to issue the new policy;
 - iii. The CONCESSIONAIRE shall ensure that insurance policies state the obligation of the insurance company to inform the CONCESSIONAIRE, the GRANTING AUTHORITY and ARTESP, in writing, at least thirty (30) days prior to the actual occurrence, any factors which may result in total or partial cancelation of the insurance contracted, reduction of coverage, increase in premiums or reduction in the amounts insured, observing situations foreseen in law;
 - iv. The CONCESSIONAIRE is responsible for the full payment of premiums and deductibles of the policy, in the event that any insurance claim foreseen in this AGREEMENT is made; The CONCESSIONAIRE shall provide, within no more than thirty (30) days as of the start of each CONCESSION year, a certificate issued by the insurer(s) confirming that all the contracted insurance policies are valid, and that the respective premiums have been paid;
 - v. Any differences between the amounts contracted and payment of claims shall neither grant the right to economic-financial restructuring of this AGREEMENT nor remove the obligation of the CONCESSIONAIRE to maintain ADEQUATE SERVICES;
 - vi. The differences mentioned in item (v) above shall not constitute grounds to avoid making any investment under this AGREEMENT, including additional investments that may prove necessary, owing to occurrence of a claim of an amount not fully covered by the policy.
- 31.10. The CONCESSIONAIRE may alter coverage and policies, and any conditions in the policies contracted, to adapt them to development of activities under the CONCESSION, however, such changes require prior approval from ARTESP.
- 31.11. The insurance policies issued shall not contain obligations, restrictions or conditions that contradict clauses of this AGREEMENT or sectoral regulations and shall contain an express declaration that the insurance company is fully aware of this AGREEMENT, including clauses referring to limits of the rights of the CONCESSIONAIRE.
- 31.12. The Insurance Company shall waive all rights to appeal against the GRANTING AUTHORITY and ARTESP, even when applicable.
- 31.13. The CONCESSIONAIRE shall assume full responsibility for the scope or omissions stemming from signing of the insurance policies listed in this AGREEMENT, including for purposes of risks assumed.
- 31.14. In the event that the CONCESSIONAIRE fails to comply with its obligation to contract and fully maintain the policies updated and in effect, the GRANTING AUTHORITY, regardless of its option to decree intervention or expiry of the CONCESSION under the terms of this AGREEMENT, may contract and directly pay the respective premiums, attributing the totality of the costs and expenses to the CONCESSIONAIRE, which shall reimburse the GRANTING AUTHORITY or ARTESP, depending on the case, within five (05) business days as of the date the notification was received, on pain of incurring default interest corresponding to the *pro rata temporis* variation of the SELIC rate, as of the respective expiration date and up to the date of effective reimbursement, without

prejudice to execution of the Performance Bond, to reimburse costs of contracting said insurance, and other applicable penalties.

CLAUSE THIRTY-TWO – GUARANTEES PROVIDED BY THE CONCESSIONAIRE

- 32.1. Thorough and timely fulfillment by the CONCESSIONAIRE together with the CONTRACTING PARTY shall be guaranteed, under the terms, amounts and conditions established in this Clause by means of a PERFORMANCE BOND.
- 32.2. The CONCESSIONAIRE, as a condition for signing this AGREEMENT, shall establish and maintain, in favor of the GRANTING AUTHORITY and ARTESP, throughout the entire CONCESSION TERM, PERFORMANCE BONDS covering the fulfillment of operation and conservation requirements, expansion requirements and payment of the variable monthly amounts owed to ARTESP and the GRANTING AUTHORITY, in accordance with the signed Declarations mentioned in Annex 21 and 22 of the CALL-FOR-BIDS, which shall comprise ANNEX 16 – GUARANTEE PLAN presented by the CONCESSIONAIRE, and that shall be kept current, under the terms of this AGREEMENT.
- 32.2.1. The minimum amounts to be maintained for the guarantees contracted by the CONCESSIONAIRE shall correspond, in the first year of the agreement and in the final two (2) years thereof, to the equivalent of ten percent (10%) of the total amount of investments, under the terms of ANNEX 21, plus the amount of the FIXED CONCESSION FEE, with a base date of March 2019, and shall be annually readjusted, considering the IPCA/IBGE variation in the period.
- 32.2.2. As of the second (2nd) year and for the remainder of the term of the CONCESSION, for calculation of the PERFORMANCE BOND to be offered, the following sums shall be considered;
- i. He largest annual sum of investments, under the terms of ANNEX 21 among (a) the investments foreseen for the respective year, and (b) the investments foreseen for each of the following four (4) contract years; and
 - ii. The investments foreseen for previous contract years and possibly not executed by the CONCESSIONAIRE.
- 32.2.2.1. To the sums provided for in items “i” and “ii” shall be added possible sums referent to inclusion of investments not originally foreseen in the AGREEMENT.
- 32.2.2.2. The sums indicated in sub-clauses 32.2.2 and 32.2.2.1 shall be updated by the IPC/IBGE.
- 32.2.2.3. The value of the PERFORMANCE BOND, calculated in accordance with the above sub-clause, shall not in any contract year be lower than a value corresponding to one hundred percent (100%) of the operational costs of the CONCESSIONAIRE, including payments owed to the GRANTING AUTHORITY and to ARTESP, calculated on the basis of the information on disbursement of these items in the previous year, updated by the IPC/IBGE.
- 32.3. The PERFORMANCE BOND to be presented is limited to, and shall under no circumstances exceed, an amount corresponding to ten percent (10%) of the total updated value of investments, to which amounts included in the ORDINARY REVIEW and the EXTRAORDINARY REVIEW, plus the sum of the FIXED CONCESSION FEE shall also be computed.
- 32.3.1. The ORDINARY REVIEWS shall give rise to the review of the GUARANTEE PLAN, for the purpose of covering the new investments in the PERFORMANCE BOND, in which case, for new investments, the amounts established in the INVESTMENT PLAN shall be considered.

- 32.3.2. Noncompliance with the conditions established in this Clause, or non-approval by the CONTRACTING PARTY of the guarantee offered as replacement, shall characterize default on the CONCESSIONAIRE'S part.
- 32.4. Besides the guarantees in favor of ARTESP and of the GRANTING AUTHORITY, the CONCESSIONAIRE pledges to maintain fully in effect the guarantees provided in favor of contracted companies for performance of the services encompassed by OPERATIONAL AND CONSERVATION FUNCTIONS and EXPANSION FUNCTIONS, including ARTESP and the GRANTING AUTHORITY as beneficiaries, under the terms of ANNEX 14 – GUARANTEE PLAN.
- 32.4.1. The CONCESSIONAIRE shall inform the CONTRACTING PARTY if it chooses to demand the guarantee established in this item, on the terms and conditions of the guarantee instruments signed with the companies contracted to execute the services encompassed by OPERATION AND CONSERVATION FUNCTIONS and EXPANSION FUNCTIONS.
- 32.5. The purpose of the PERFORMANCE BOND is compensation and reimbursement of costs and expenses incurred, in the event of a possible breach of the obligations assumed by the CONCESSIONAIRE, and may also be executed to pay fines applied to the CONCESSIONAIRE or for payment of other sums it owes to ARTESP or the GRANTING AUTHORITY.
- 32.5.1. The CONCESSIONAIRE shall remain fully responsible for fulfilling the object of this AGREEMENT, and others inherent thereunder, including payment of fines, compensations and other penalties that may be applied thereto, regardless of the full or partial execution of the PERFORMANCE BOND.
- 32.5.2. Should the PERFORMANCE BOND be insufficient to cover all obligations foreseen in Clause 32.5, the CONCESSIONAIRE shall respond for the difference.
- 32.6. The GUARANTEE PLANS and documents effectively formalizing the PERFORMANCE BOND shall be previously approved by ARTESP, under the terms of this AGREEMENT, and any alterations, substitutions or renewals that may be necessary, and the CONCESSIONAIRE shall, in all cases, be responsible for the risks related to non-contracting, inappropriate contracting or insufficiency of required guarantees.
- 32.7. The Guarantees shall be offered and/or replaced, by prior and express approval of ARTESP, in one of the following modalities, under the terms of Article 56 of Federal Law 8.666/93:
- i. Bonds in current Brazilian currency;
 - ii. Public Debt Bonds issued by the National Treasury;
 - iii. Guarantee Insurance;
 - iv. Bank bonds/securities; or
 - v. A combination of two or more of the modalities stated in items (i) to (iv) above.
- 32.7.1. The Guarantees offered shall be unconditional and shall not contain any proviso which may hinder or obstruct their execution, or which may raise doubts concerning their claimability, respecting the rules of the federal bodies responsible for regulation and supervision of insurance in Brazil, if offered in this modality.
- 32.7.2. The expenses referent to provision of GUARANTEES shall be the sole responsibility of the CONCESSIONAIRE.
- 32.7.3. It is the full responsibility of the CONCESSIONAIRE to maintain and ensure sufficiency

of GUARANTEES offered in this AGREEMENT, including taking full responsibility for all costs stemming from their contracting.

- 32.7.4. The Guarantees, if offered in current Brazilian currency, shall be deposited into the Bank [•], Branch [•], account # [•], in the name of ARTESP, CNPJ/MF #[•] presenting the deposit slip or an administrative check from a national financial institution.
- 32.7.5. The Guarantees, if offered as Public Debt Bonds issued by the National Treasury, shall be offered in the nominal value of the bonds, and shall not be encumbered with unenforceability, inalienability, non-transferability or compulsory acquisition clauses.
- 32.7.6. Bonds offered shall be issued in the form of securities/debentures, duly registered on the central system for liquidation and custody, authorized by the Brazilian Central Bank, at market price and accompanied by proof of current validity with respect to their liquidity and value.
- 32.7.7. Only the following securities shall be accepted:
- i. National Treasury Bills (LTN)
 - ii. National Financial Treasury Bills (LFT)
 - iii. National Treasury Notes Series B Principle (NTN-B Principle)
 - iv. National Treasury Notes Series B (NTN-B)
 - v. National Treasury Notes Series C (NTN-C)
 - vi. National Treasury Notes Series F (NTN-F)
- 32.7.8. The Guarantees, if presented in the guarantee-insurance modality, shall be proven by presentation of guarantee-insurance policies, accompanied by receipt of premium payments, when pertinent, and a Certificate of Operational License (*Certidão de Regularidade Operacional*) issued by the Superintendency of Private Insurance (SUSEP), in the name of the insurance company issuing the policy, valid for at least twelve (12) months.
- 32.7.8.1. When the modality is guarantee-insurance, the policy shall be issued by an insurance company authorized to operate in Brazil and shall be accompanied by proof of contracted reinsurance, under the terms of current legislation at the time of the presentation, valid for at least twelve (12) months.
- 32.7.8.2. The policy must be compliant with SUSEP Circular 477/2013 and shall not contain any clause exempting the CONCESSIONAIRE or the insurer from any liability, not even in its special or private conditions, other than those resulting from legal or regulatory requirements.
- 32.7.8.3. The special conditions or private conditions of the respective policy shall expressly state the coverage of all events described in Clause 32.5 of this AGREEMENT, or exceptionally, be accompanied by a declaration, signed by the insurer issuing the policy, attesting that the insurance guarantee presented is sufficient to cover all events described in Clause 32.5 of this AGREEMENT.
- 32.7.8.4. The PERFORMANCE BOND, when in the form of an insurance guarantee, shall encompass all facts occurring during its term, even if the event is notified by ARTESP after lapsing of the final term of the PERFORMANCE BOND, and shall encompass the coverage hypotheses foreseen in SUSEP Circular 477/2013, or another that may alter or succeed it, and also the hypotheses of ARTESP'S liability for any act or fact stemming from actions of the CONCESSIONAIRE, its agents or subcontractors including, but not limited to, environmental damage, civil, fiscal or labor liabilities, regulatory penalties, among others.
- 32.7.9. The Guarantees, if presented in the bank-bond modality, shall be issued by a financial institution duly organized and authorized to operate in Brazil, and presented as originals along with proof of power of representation in the name of the person responsible for

signing the document.

- 32.7.10. The Guarantees, if offered as a guarantee-insurance or a bank-bond, shall be valid for at least one (1) year as of signing of the policy, and the CONCESSIONAIRE shall be fully responsible for the necessary renewals and updates, and shall notify ARTESP of each renewal and update, on pain of applicable sanctions.
- 32.8. The CONCESSIONAIRE shall present to ARTESP proof of renewal and update of the GUARANTEES, at least thirty (30) days prior to the end of their validity, on pain of expiry of the CONCESSION, under the terms of Clause 44.
- 32.9. The Guarantees shall remain fully valid until the FINAL ACCEPTANCE CERTIFICATE is signed, as established in ANNEX 10, and may be executed under the terms of this AGREEMENT.
- 32.10. Guarantees provided in any of the modalities foreseen in Clause 32.7, shall not contain clauses excluding any of the responsibilities contracted by the CONCESSIONAIRE, relating to the provisions of this AGREEMENT, and neither shall they contain any type of waiver or conditions that may hamper or impede their execution, or that may leave doubts as to the firmness of the guarantee provided, other than those waivers or exclusion clauses resulting from a legal or regulatory requirement.
- 32.11. Whenever a guarantee is totally or partially executed, the CONCESSIONAIRE shall be obliged to reimburse its full value, within two (02) business days as of the notification by ARTESP.
- 32.11.1. If reimbursement does not take place within the deadline determined in 32.11, the GRANTING AUTHORITY may declare expiry of the AGREEMENT, under the terms of Clause 44.
- 32.12. Notwithstanding other hypothesis in this AGREEMENT or in legislation, the PERFORMANCE BOND may be partially or totally executed by the GRANTING AUTHORITY, following a standard administrative procedure, under the following circumstances:
- i. For payment of sums owed by the CONCESSIONAIRE to the GRANTING AUTHORITY or ARTESP, not settled spontaneously, as a consequence of failure to execute any investment established in this AGREEMENT or meet any additional obligations signed by both PARTIES, or executed in an inappropriate manner, is unjustifiably not in compliance with the established specifications and deadlines, or if it refuses or fails to correct the flaws pointed out by the GRANTING AUTHORITY, in the manner established in this AGREEMENT;
 - ii. For default of sums not settled spontaneously, stemming from fines, compensation or other penalties which may be applied under this AGREEMENT and within the established timeframes, related to expansion, operational and conservation requirements.
 - iii. For payment of sums owed by the CONCESSIONAIRE to the GRANTING AUTHORITY or ARTESP not settled spontaneously, as a consequence of failure to comply with contractual obligations or the measures necessary to meet the PERFORMANCE INDICATORS, refusing to correct flaws pointed out by the GRANTING AUTHORITY, as established in this AGREEMENT;
 - iv. For payment of variable monthly sums owed by the CONCESSIONAIRE to the GRANTING AUTHORITY and ARTESP not settled spontaneously;
 - v. For payment of sums owed by the CONCESSIONAIRE to the GRANTING AUTHORITY or ARTESP not settled spontaneously, in the hypotheses of reversion of assets, if REVERTIBLE ASSETS are not delivered to the

GRANTING AUTHORITY or to an appointed third party, in full operational and technical working order, also considering the specifications in this AGREEMENT, including the hypothesis of failing to correct flaws pointed out by the GRANTING AUTHORITY, as established in this AGREEMENT;

- vi. For reimbursement of costs and expenses incurred by the CONTRACTING PARTY for bringing the HIGHWAY SYSTEM into the conditions defined in ANNEX 10 of the REQUEST-FOR-BIDS – CONDITIONS FOR RETURN;
- vii. For payment of sums owed by the CONCESSIONAIRE to the GRANTING AUTHORITY or ARTESP, including for settlement of penalties, not settle spontaneously, if the CONCESSIONAIRE fails to contract the insurance required or refuses to do so, under the terms of this AGREEMENT;
- viii. For reimbursement of expenses paid if the GRANTING AUTHORITY is held unduly responsible for any act or fact resulting from actions of the CONCESSIONAIRE, its employees or subcontractors, including, but not limited to, environmental damage, and civil, tax and labor responsibilities, regulatory penalties, among others;

CLAUSE THIRTY-THREE – FINANCING AND FINANCERS' GUARANTEES

Financing

- 33.1. The CONCESSIONAIRE is solely responsible for obtaining the financing necessary for normal development of the services encompassed by the CONCESSION so as to fulfill in a total and timely manner, all the obligations assumed under this AGREEMENT.
- 33.2. The financing contracts of the CONCESSIONAIRE may, in accordance with applicable rules under private law, grant the FINANCERS the right to assume control of the CONCESSIONAIRE in the event of contractual default by the CONCESSIONAIRE of said financing contracts or of this AGREEMENT, observing the provisions of article 27-A of Law 8.987/1995.

Three-Party Agreement

- 33.3 FINANCERS, represented by a fiduciary agent endowed with sufficient powers for all contractual purposes, shall be entitled to enter into a DIRECT AGREEMENT, in which the GRANTING AUTHORITY, represented by ARTESP, the CONTRACTING PARTY and the CONCESSIONAIRE also feature as PARTIES, and which shall be governed in accordance with rules established in ANNEX 8.
 - 33.3.1 The rules established in the draft that constitutes ANNEX 8 of this AGREEMENT, shall serve merely as a reference and, if necessary prior to its signing, may be adapted to establish procedures and formalities more compatible with the rationale and dynamics of financing, as established between the CONCESSIONAIRE and its FINANCERS and guarantors.
- 33.4 Should the DIRECT AGREEMENT, for any reason, not be signed, the FINANCERS shall be ensured the right to exercise the prerogatives established in Article 27-A of Law 8.987/1995.

Duty to inform FINANCERS and the Fiduciary Agent

- 33.5 The CONCESSIONAIRE shall develop, implement and maintain, throughout the CONCESSION period, a specific digital system to manage information, data and documents related to notifications issued and penalties applied by ARTESP, and the respective procedures or administrative processes filed.
 - 33.5.1 It is the full responsibility of the CONCESSIONAIRE to consistently and frequently feed

the system mentioned in the caption of this Clause with information, data and documents related to the procedures, notifications and administrative processes filed by ARTESP, as part of its inspection duties, for purposes of applying penalties against the CONCESSIONAIRE, under the terms of ANNEX 11;

33.5.1.1 The CONCESSIONAIRE shall take all necessary measures to ensure that information, data and documents made available within the system mentioned in this Clause reflect the most updated stage of proceedings, notifications and administrative processes related to penalties filed by ARTESP against the CONCESSIONAIRE and, to this end, shall feed the system to portray all acts and stages, besides updating it whenever an action is taken by ARTESP, within ten (10) days of respective publication.

33.5.2 The CONCESSIONAIRE shall provide ARTESP representatives with user credentials/passwords, enabling their access to information and documents and, when necessary, conduct audits to ensure that information and documents made available in the system do, in fact reflect the updated phase and the reality of penalty procedures;

33.5.3 The CONCESSIONAIRE shall, when so requested, provide user credentials/passwords for FINANCIERS and guarantors and, if a DIRECT AGREEMENT is signed with the FINANCIERS, to the fiduciary agent, so as to enable them to accompany, step-by-step the development of procedures, notifications and administrative processes for application of penalties, foreseen under the terms of ANNEX 11.

33.5.4 The obligations to provide information, established herein, shall not exclude others that may come to be established under a DIRECT AGREEMENT, if one is signed, that shall be mandatory, in addition to those foreseen in this AGREEMENT.

Structuring of guarantees and the signing of a Contract for Administration of Restricted Access Accounts

33.6 In accordance with regulations established in the draft contract in APPENDIX D, tariff revenues earned by the CONCESSIONAIRE shall be forwarded to the CENTRALIZING BANK ACCOUNT with restricted access in the name of the CONCESSIONAIRE, opened and maintained by a financial agent, and charges and fees related to contracting of said agent shall be borne by the CONCESSIONAIRE, in accordance with the terms of aforementioned APPENDIX D.

33.6.1 The FINANCER(S), through their fiduciary agent(s), may establish a contractual relationship with ARTESP, the CONCESSIONAIRE and the financial institution that maintains the CENTRALIZING BANK ACCOUNT, as PARTIES, by signing an agreement to participate in the instrument for management of accounts that features in APPENDIX D.

33.6.1.1 In the event that the FINANCIERS, through their fiduciary agent(s), make use of this option, the parties shall sign the membership agreement mentioned in Clause 33.6.1 above, and may also sign an amendment to the instrument for management of accounts contained in the APPENDIX D, with a view to adjusting said instrument to the FINANCIERS' internal standards, policies and approvals, provided that such alterations do not imply loss of rights, guarantees or options afforded to the GRANTING AUTHORITY under this CONCESSION AGREEMENT and its ANNEXES.

33.6.1.2 In the event that the FINANCIERS opt not to sign the contractual relationship, the rules of which are stated in APPENDIX D, they may constitute guarantees based on rights arising from the CONCESSION, under Articles 28 and 28-A of Law 8.987/1995, observing the provisions in Clauses 33.6 and those following. In this hypothesis, the FINANCIERS may substitute the contract in APPENDIX D, so long as they respect the rights of ARTESP, under the terms of Clause 33.3.1.

33.6.2 In any event, ARTESP's preferential right to receive credits in the form of deductions

resulting from performance indicators, or from delays or failure to perform construction work stages, and the VARIABLE CONCESSION FEE and INSPECTION FEE shall be respected

- 33.6.2.1 ARTESP shall consider signing of the Term of Transfer of the Remaining System sufficient for the CONCESSIONAIRE to incorporate rights and duties arising from the Accounts Management Agreement, contained in APPENDIX D, or any other agreements of this nature signed by the CONCESSIONAIRE and its FINANCERS.

- 33.7 Under the terms of this AGREEMENT or the DIRECT AGREEMENT, deposit of other revenues into the Centralizing Bank Account mentioned above shall be requested.

Guarantees established based on emerging rights stemming from the CONCESSION

- 33.8 The CONCESSIONAIRE may offer guarantees resulting from this AGREEMENT to its FINANCERS, under the terms permitted by legislation, provided that this does not compromise the continuity and adequacy of service provision under this AGREEMENT and that prior permission is obtained from ARTESP.

- 33.8.1 The CONCESSIONAIRE may offer credit rights it holds with the GRANTING AUTHORITY as financing guarantees, credit operations, fundraising in the market, debt operations and the likes, by means of transfers, including fiduciary, guarantee collateral or fiduciary sale of shares, bonds, securities and their respective gains, related to the SPC, provided that the financing operation is directly related to this AGREEMENT.

- 33.8.2 The guarantees foreseen in Clause 33.8, with prior permission of ARTESP, and observing the provisions of the DIRECT AGREEMENT, if it comes to signed, may be provided in contracts of an accessory or complementary nature, for the financing contracts, when addressed to the financial feasibility of the CONCESSION itself, or to mitigate risks assumed by the CONCESSIONAIRE, such as contracts targeted at financing of real or fidejussory guarantees, raising of funds on the market, obtaining insurance or hedging to protect the CONCESSIONAIRE from price variations.

- 33.8.3 All and any rights, revenues and receivables, including TARIFF REVENUES and ACCESSORY REVENUES of the CONCESSION shall be considered emergent rights of the AGREEMENT.

- 33.8.4 The instruments related to the guarantees established under the terms in Clause 33.2 shall expressly show, in the event that the DIRECT AGREEMENT is signed, the conditions of deposit by means of which the CONCESSIONAIRE'S remuneration shall be fully deposited into the CENTRALIZING BANK ACCOUNT, and which, if available, shall be earmarked for activities established in the recovery plan approved by ARTESP, including for the purpose of paying or amortizing debts of the FINANCERS.

- 33.9 Any payments the GRANTING AUTHORITY owes to the CONCESSIONAIRE for indemnification or compensation may be paid directly to the FINANCERS, respecting the terms established in the DIRECT AGREEMENT, should this come into being.

- 33.9.1 In the event that the GRANTING AUTHORITY makes said payments to the FINANCERS, such payments shall proportionately offset the GRANTING AUTHORITY'S obligations to the CONCESSIONAIRE, for the proportionate amounts effectively disbursed to the FINANCERS.

CLAUSE THIRTY-FOUR – FUNCTIONING OF THE RESERVE ACCOUNTS

- 34.1. The RESERVE ACCOUNTS of the GRANTING AUTHORITY and of restricted access shall be governed by the provisions of APPENDIX G.

CHAPTER VII – INSPECTION

CLAUSE THIRTY-FIVE – PAYMENT FOR INSPECTION

- 35.1. For providing inspection services under the CONCESSION, ARTESP shall be entitled to a monthly amount, paid by the CONCESSIONAIRE, equivalent to three percent (3%) of the total GROSS REVENUE received by the CONCESSIONAIRE in the month immediately prior to payment.

CLAUSE THIRTY-SIX – INSPECTION CONDUCTED BY ARTESP

- 36.1. ARTESP shall carry out comprehensive and thorough inspection of this AGREEMENT, fulfill all the obligation set forth herein, and those related to the SPC and, while carrying out said inspection, shall have free access, at any time, to areas, installations and locations referent to the CONCESSION, to books and documents relating to the CONCESSIONAIRE, and to books, records and documents relating to activities and services covered by the CONCESSION, to data concerning administration and accounting in addition to the CONCESSIONAIRE'S technical, economic and financial resources. It may request clarification or changes, should it understand there are breaches regarding the obligations set forth in this AGREEMENT, especially related to compliance with the PERFORMANCE INDICATORS and the quality standards established in this AGREEMENT and its ANNEXES.
- 36.1.1. The CONCESSIONAIRE shall provide, within the specified deadline, clarifications that are formally requested of it.
- 36.2. Determinations referent to services in which errors, flaws or misstatements that are detected within the scope of inspections, shall be immediately applicable and shall be binding upon the CONCESSIONAIRE, without prejudice to other remaining consequences contractually established or to the dispute-settlement clauses set forth in this AGREEMENT;
- 36.2.1. To control notifications, procedures and administrative proceedings that ARTESP initiates within the scope of inspection activities, the CONCESSIONAIRE shall develop, install and maintain a specific digital system that provides access to ARTESP and to the FINANCERS, as established in contractual regulation.
- 36.3. ARTESP's inspections shall abide by the regulations in ANNEX 11 of this AGREEMENT for procedures and applicable penalties within the scope of inspection of the CONCESSION.
- 36.3.1. ARTESP's inspections shall register, in a specific record, events detected during inspection of the HIGHWAY SYSTEM, of the SPC and/or of the CONCESSION, forwarding the INSPECTION TERM to the CONCESSIONAIRE for correction of errors or flaws identified, without prejudice to possible installation of administrative sanctioning proceedings.
- 36.3.2. Administrative sanctioning proceedings shall abide by procedures of State Law 10.177/98, or another that may eventually replace it, as established in Article 33 of the State Enabling Law 914/2002.
- 36.3.3. Correction of errors identified in the INSPECTION TERM shall not annul the failure to comply with obligations and, consequently, application of the corresponding penalty.
- 36.4. Inspections shall also assess compliance with PERFORMANCE INDICATORS by the CONCESSIONAIRE.
- 36.4.1. Without prejudice to its assessment of the COEFFICIENT FOR SERVICES PROVIDED, ARTESP may accompany the provision of services and request clarification or changes, if it deems that obligations under this AGREEMENT are not being fulfilled, especially regarding compliance with PERFORMANCE INDICATORS, current SCHEDULES and

quality standards established in this AGREEMENT.

- 36.5. Without prejudice to applicability of the COEFFICIENT FOR SERVICES PROVIDED, to drafting of the INSPECTION TERM, and to issuing of INFRACTION NOTICES, the CONCESSIONAIRE shall also be obliged to repair, correct, interrupt, suspend or substitute, at its own expense and within the time-frame established by the GRANTING AUTHORITY, the CONCESSION services in which said errors, flaws or misstatements are identified.
- 36.5.1. ARTESP may require that the CONCESSIONAIRE present a plan of action, outlining efforts aimed at repairing, correcting, interrupting, suspending or substituting any services provided with errors, defects and/or incorrectly, relating to the object of this AGREEMENT, within a time-frame yet to be established.
- 36.5.2. In the event that the CONCESSIONAIRE fails to comply with ARTESP'S determinations, ARTESP shall be entitled to proceed with correction of the situation, to remove errors, flaws and/or misstatements identified, or to conduct unfulfilled investment obligations, directly or by means of a third party, including by execution of the GUARANTEES established in this AGREEMENT, the respective costs being borne by the CONCESSIONAIRE.

CONCESSIONAIRE'S obligation to support inspections by ARTESP

- 36.6. To ensure adequate performance of contractual inspections and monitoring by ARTESP, and without prejudice to any obligation to provide information foreseen in this AGREEMENT, in legislation or in applicable regulations, and observing ARTESP's Accounting Plan, the CONCESSIONAIRE pledges to:
- i. Immediately notify ARTESP of all and any event that may result in harm or limitation to timely and correct compliance with obligations arising from this AGREEMENT and/or that may constitute a reason for intervention in the CONCESSIONAIRE, declaration of expiry of the CONCESSION or contractual termination;
 - ii. Present, respecting the provisions in sub-clause 26.2.1, by August 31 of each year, an audited accounting status report, including, among others, the Balance Sheet and the Financial Statements, for the half-year ending on June 30 of the respective year;
 - iii. Present, respecting the provisions in sub-clause 26.2.1, by April 30 of each year, as required under Law 6.404/76 and Law 11.638/07, financial statements relating to the preceding fiscal year ending on December 31, including, among others, the Report of the Board of Administration, the Balance Sheet, Profit and Loss Statement, Yearly Financial Statement and Cash Flow Records, explanatory notes for the Balance Sheet, opinions of the Independent Auditors and of the SPC's Fiscal Council, should there be one, and also, if the SPC is Publicly Listed, the Added-Value Statement;
 - iv. Issue immediate notification of all and any situation that significantly changes the normal development or exploitation of the services related to the HIGHWAY SYSTEM, presenting in writing within the minimum time-frame, a report on the situation, including, as the case may be, any contributions from specialized entities external to the CONCESSIONAIRE, with the measures applied or underway to overcome or correct said situation;
 - v. Present a report to ARTESP, on a monthly basis, containing detailed information on traffic and accident statistics, set out in the manner defined by ARTESP;
 - vi. Present, within ninety (90) days of the end of each calendar semester, updated information on the CONCESSION'S financial projections, i.e., a set of projections for all financial elements related to performance of this AGREEMENT, encompassing real earnings since start of the CONCESSION up until the most recently-ended half year, and projected earnings until the end of CONCESSION TERM, applying the same models and

criteria used for drafting the TFFS (or EVTE);

- vii. Present, within forty-five (45) days as of the end of each quarter, accounting statements in compliance with corporate legislation, and closing monthly balance sheets, duly signed by the accountant responsible;
- viii. Present to ARTESP, on a quarterly basis, an updated schedule of activities relating to performance of services inherent to Conservation and Expansion Functions of the HIGHWAY SYSTEM, including a list of completed works, and those underway showing the respective stage and foreseen date of completion, and works yet to be initiated, under the terms of ANNEXES 6 and 7.

CLAUSE THIRTY-SEVEN – ACTIONS REQUIRING ARTESP’S PRIOR CONSENT OR NOTIFICATION

Hypotheses requiring ARTESP’S prior consent

- 37.1. Without prejudice to other hypotheses foreseen in this AGREEMENT and in applicable legislation or regulations, the following actions that may come to be practiced by the CONCESSIONAIRE giving rise to expiry of the CONCESSION, require prior consent from ARTESP, on pain of the sanctions established in ANNEX 11:
- i. Alterations to the SPC's bylaws, excepting those of an eminently formal and/or procedural nature, that shall be object of simple communication to ARTESP;
 - ii. Mergers, incorporation, spin-offs, changes or any form of corporate restructuring that implies TRANSFER OF CONTROL, except when foreseen in a DIRECT AGREEMENT, should one be signed;
 - iii. In the event that a DIRECT Agreement is not signed or, if one is signed, in cases that it does not cover, and if, individually or as a group, it directly or indirectly characterizes a change in CONTROL of corporate structure, the following shall serve to exemplify actions requiring prior consent from ARTESP:
 - a. Signing of a shareholder agreement;
 - b. Issuing of commercial securities convertible into shares; and
 - c. Providing of guarantees and rights to shares to third parties.
 - iv. Lien or transfer of CONTROL of the SPC, conducted by the FINANCERS and/or Guarantors, for purposes of financial restructuring the CONCESSIONAIRE, except in the hypotheses foreseen in the DIRECT AGREEMENT, should one be signed;
 - v. Creation of subsidiaries, including for exploitation of activities or associated projects that generate alternative, complementary or accessory revenues;
 - vi. Reduction of the capital stock of the SPC;
 - vii. Contracting or changes in insurance coverage, in the insurance company contracted and/or in guarantees contracted by the CONCESSIONAIRE and related to this AGREEMENT, even those contracted as a result of sums established within the scope of ORDINARY REVIEW procedures;
 - viii. Contracting of any financing, issuance of securities and bonds, all and any debt operation contracted by the SPC, contracting of insurance and guarantees;
 - ix. Lien, assumption or transfer of liabilities of any nature of REVERTIBLE ASSETS, by the CONCESSIONAIRE to third parties, including the FINANCERS or guarantors;

- 37.2. The request for prior consent shall be presented by the CONCESSIONAIRE in advance allowing ample and reasonable time for ARTESP to conduct due analysis and respond, with due care to not compromise the operations of CONCESSIONAIRE that require consent from ARTESP.
- 37.3. The request for prior consent to be presented by the CONCESSIONAIRE shall be accompanied by relevant documentation to characterize and explain the operation requested, and other documents that may be eventually demanded by ARTESP, especially those needed to demonstrate the following aspects:
- i. Proof that said operation does not compromise the continuity of service provision, which is the object of this AGREEMENT; and
 - ii. Proof that said operation does not compromise the quality of service provision, which is the object of this AGREEMENT;
- 37.3.1. In the event that the scope of the request for prior consent includes an operation that may impact the assets of the CONCESSION, the CONCESSIONAIRE shall pledge, as the case may be, immediately to replace the assets which are to be disposed of or transferred, with new assets that are technologically similar or better, unless ARTESP expressly agrees not to do so;
- 37.3.2. When the request for prior consent relates to exploitation of activities that generate ACCESSORY REVENUES, the documentation shall be accompanied by indication of the respective source and the estimated amounts of the ACCESSORY REVENUE, per year, or per action when occasional;
- 37.3.3. ARTESP shall have sixty (60) days as of receipt of the CONCESSIONAIRE'S request for prior consent, to present a written response thereto, and it may grant or reject the request, or draft conditions for its consent.
- 37.3.3.1. In the case foreseen in sub-clause 37.1. (viii), the period provided for in sub-clause 37.3.3 shall be thirty (30) days.
- 37.4. Should ARTESP reject the request or require additional information, it shall do so on reasoned grounds, and it may present an alternative proposal to enable acceptance of the proposed request.

Operations and situations requiring notification to ARTESP

- 37.5. The CONCESSIONAIRE shall notify ARTESP, within fifteen (15) days of their performance, of the following actions and operations eventually practiced, on pain of the sanctions described in this AGREEMENT, including:
- i. Changes to the corporate structure of the SPC that do not imply Transfer of Control, but which do imply a transfer of no less than twenty percent (20%) of the SPC's shares with voting rights;
 - ii. Changes to the corporate structure of the SPC that do not imply the Transfer of Control, but which do imply a transfer of at least ten percent (10%) of the SPC's shares with voting rights held by a sole shareholder;
 - iii. Changes to voting agreements applicable to the CONTROLLING BLOCK, provided that they do not imply a TRANSFER OF CONTROL;
 - iv. Loss of any condition essential for provision of services by the SPC;
 - v. Alteration to the Bylaws of the SPC, of an eminently formal and/or procedural nature;

- vi. Penalties applied to the SPC by any competent body or entity, especially regarding default of corporate obligations, including tax, pension, health and safety liabilities, or those applied by any other body competent to regulate or inspect the CONCESSIONAIRE'S activities, or of an environmental nature;
- vii. Demands for Judicial Recovery;
- viii. Replacement of the SPC's TECHNICIAN IN CHARGE; and
- ix. Subcontracting or outsourcing of services.

CLAUSE THIRTY-EIGHT – PENALTIES

- 38.1. The penalties applicable within the scope of this AGREEMENT and levels of severity, shall comply with the regulations established in ANNEX 11, and said penalties shall be made effective by means of administrative proceedings, which shall comply with the process established in State Law 10.177/98, with the right to defense and contestation, within the legal terms and time-frames.
 - 38.1.1. When applying sanctions, ARTESP shall respect the group, level and classification of infractions established in ANNEX 11.
- 38.2. Failure to comply with the clauses of this AGREEMENT, with its ANNEXES, and in the REQUEST-FOR-BIDS, or with applicable legislation and/or regulation shall result in, without prejudice to applicable administrative, civil or criminal responsibilities, application of the following contractual penalties:
 - i. Notifications;
 - ii. Monetary fines;
 - iii. Declaration of expiry of the CONCESSION;
 - iv. Temporary suspension of the right to participate in procurement processes and/or enter into contracts with the Public Administration of the State of São Paulo for a period of no more than two (2) years;
 - v. Declaration of ineligibility to participate in tenders or enter into contracts with the Public Administration of the State of São Paulo while punishable events are pending.
- 38.3. For the hypotheses foreseen in items (iv) and (v), above, penalties shall be applied to both the SPC and the CONTROLLING shareholders that exercised control over the company at the time when the illicit act that gave rise to the punishment occurred.
- 38.4. The penalties foreseen in this AGREEMENT may be applied individually or cumulatively, depending upon the seriousness of the act.
- 38.5. Application of penalties shall not be confused with assessment of PERFORMANCE INDICATORS and respective consequences, as established in ANNEXES 3 and 4.
- 38.6. ARTESP, within the possibilities specified in this AGREEMENT, may grant additional time for the CONCESSIONAIRE to correct irregularities, suspending penalties against the CONCESSIONAIRE and the eventual daily fine, with the intention of avoiding the worsening of already harmful situations and preventing compromising the continuity of SERVICES, without prejudice to penalties applied, which shall be reestablished upon ending of the extended deadline;
 - 38.6.1. The additional time for correction of irregularities shall not suspend sanction proceedings, except when decisions to the contrary are expressly made.

- 38.6.2. The additional time for correction of irregularities shall be extended to up to one hundred and eighty (180) days, extendible at ARTESP's discretion.
- 38.6.3. At the end of the additional time for correction of irregularities, in the event that the grave situation that gave rise to said period has not been resolved, the application of penalties shall be resumed, and the fines owed for the entire suspension period calculated and charged by ARTESP, and the convenience of filing an expiry proceeding assessed, under the terms of this AGREEMENT, if not already underway.
- 38.6.4. Regardless of the approval referred to in Clause 38.6.1, the process for application of penalties foreseen in this AGREEMENT shall be observed, with suspension of the application of penalties or charging of fines.
- 38.6.5. The suspension of application of penalties or charging of fines shall only be authorized when the period foreseen in the schedule mentioned in Clause 38.6 does not result in lapsing of the punitive powers of ARTESP.

CHAPTER VIII – INTERVENTION

CLAUSE THIRTY-NINE – INTERVENTION

- 39.1. The GRANTING AUTHORITY may, without prejudice to applicable penalties and incident responsibilities, at any time, intervene in the CONCESSION to ensure regularity and aptness of works, continuity of DELEGATED SERVICES and/or compliance by the CONCESSIONAIRE of pertinent contractual, regulatory and legal standards. Among the situations that may give rise to intervention are:
- i. Total or partial stoppage or interruption of works or services provided under this AGREEMENT by the CONCESSIONAIRE;
 - ii. Serious shortcomings in the CONCESSIONAIRE'S organization that may compromise compliance with obligations assumed within the scope of the CONCESSION;
 - iii. Serious shortcomings in the development of the activities under this AGREEMENT;
 - iv. Situations in which operation of the HIGHWAY SYSTEM by the CONCESSIONAIRE pose risks to continuity of adequate provision of contracted;
 - v. Situations that jeopardize the environment, the safety of people or assets, the treasury, public health or that of the population;
 - vi. Serious and/or recurring failure to comply with obligations under this AGREEMENT;
 - vii. Failure to present or renew the insurance policies required for full and regular contractual performance;
 - viii. The CONCESSIONAIRE'S grade falls below fifty percent (50%) in the targets set by PERFORMANCE INDICATORS for provision of the services, even without compromising the CONCESSIONAIRE'S financial situation, for at least three (3) consecutive months, or six (6) non-consecutive months, within a one (1) year period; and
 - ix. Use of the CONCESSION'S infrastructure for illicit purposes.
- 39.1.1. The decision of the GRANTING AUTHORITY to proceed with intervention in the CONCESSION, when the situations foreseen in Clause 39.1 are present, shall entail assessment of the convenience and opportuneness for the GRANTING AUTHORITY; and the GRANTING POWER or ARTESP, depending upon the particular circumstances, may decide for application of other measures foreseen in the AGREEMENT which, in their opinion, better serve the public interest, such as application of penalties or declaration of the expiry of the CONCESSION, when permissible.

- 39.1.2. Upon identification of any situation that may give rise to intervention in the CONCESSION, ARTESP shall notify the CONCESSIONAIRE, to rectify the identified errors within an established time-frame, without prejudice to application of the respective penalties or on provisions established in the THREE-PARTY AGREEMENT, should one be signed.
- 39.1.2.1. Should the established time-frame expire and the CONCESSIONAIRE have failed to rectify errors or take the appropriate measures that, in the view of the GRANTING AUTHORITY would effectively prove a commitment to correcting them, the GRANTING AUTHORITY shall request intervention by the Governor of the State of São Paulo, who may decree such intervention.
- 39.2. Intervention in the CONCESSION shall be effected by an order of the Governor of the State of São Paulo, duly published in the State Official Gazette (DOE/SP), revealing, at least, the reasons for intervention, appointment of the Intervener, the time-frame, and the limitations of the intervention.
- 39.3. Intervention shall automatically imply compulsory and temporary transfer of the administration of the CONCESSIONAIRE to the Intervener.
- 39.3.1. The role of Intervener may be performed by an agent of the GRANTING AUTHORITY, an individual appointee, a corporation or company, and the CONCESSIONAIRE shall be responsible for the respective remuneration.
- 39.4. Once intervention has been decreed, the GRANTING AUTHORITY, within thirty (30) days, shall install administrative proceedings to assess the respective responsibilities and elucidate the causes that gave rise to said intervention, affording the CONCESSIONAIRE the right to due legal process, especially the right to defense and contestation.
- 39.4.1. The aforementioned administrative proceedings shall be concluded within no more than one hundred and eighty (180) days, on pain of invalidation of the intervention.
- 39.5. With the intervention, the CONCESSIONAIRE pledges immediately to deliver to the GRANTING AUTHORITY the HIGHWAY SYSTEM, the REVERTIBLE ASSETS and all that is necessary for full provision of the services under the AGREEMENT.
- 39.6. Throughout the period of the intervention, the CONCESSIONAIRE shall not be entitled to receive the TARIFF REVENUES. Revenues obtained during the intervention period shall be used to cover the charges necessary for normal performance of corresponding activities under the AGREEMENT, and payment of insurance and guarantee charges, charges relating to financing, and reimbursement of administrative costs.
- 39.7. Any additional costs resulting from the intervention shall be borne by the CONCESSIONAIRE. The GRANTING AUTHORITY or ARTESP may execute the contractual GUARANTEES to obtain resources lacking to cover expenses necessary for continued provision of the DELEGATED SERVICES under the intervention regime.
- 39.7.1. In the event that the GUARANTEE is insufficient, the CONCESSIONAIRE shall reimburse the GRANTING AUTHORITY or ARTESP within the established time-frames.
- 39.8. Once the intervention has ceased, if the CONCESSION has not expired, the responsibility for providing services under this AGREEMENT shall revert to the CONCESSIONAIRE, following presentation of accounts by the Intervener, who shall account for actions taken during his administration, returning to the CONCESSIONAIRE rights to assets under his management, and exercise of the contractual duties, rights and obligations inherent to performance thereof.
- 39.9. Intervention shall not be reason for termination or suspension of any of the CONCESSIONAIRE'S obligations to third parties, including to FINANCIERS or

GUARANTORS.

- 39.10. If proven that the legal and regulatory premises for intervention were not correctly observed, said intervention shall be declared null and void, and the services immediately returned to the CONCESSIONAIRE, without prejudice to presentation of accounts on the part of the Intervener and possible compensation.
- 39.11. The GRANTING AUTHORITY shall compensate the CONCESSIONAIRE for any direct damages it may have caused during the intervention period.

CHAPTER IX – TERMINATION OF THE AGREEMENT

CLAUSE FORTY – HYPOTHESIS FOR TERMINATION OF THE CONCESSION

40.1. The CONCESSION shall be terminated upon:

- i. End of the contractual term;
- ii. Termination for Convenience;
- iii. Concessionaire Default;
- iv. Rescission;
- v. Annulment as a result of unverifiable errors or irregularities identified in the proceedings or in the granting procedures;
- vi. Bankruptcy or expiry of the CONCESSIONAIRE, or legal recovery that implies non-performance of this AGREEMENT;
- vii. Fortuity or force majeure, under the terms in this Chapter; and
- viii. Any of the possibilities for early termination listed in sub-clause 6.4 of this AGREEMENT.

40.2. In the event of termination of the CONCESSION, ARTESP or the GRANTING AUTHORITY, depending upon the event triggering termination of the AGREEMENT and in accordance with provisions of this CHAPTER, shall:

- (i) Assume, directly or indirectly, the provision of the SERVICES at the place and in the state in which they are found;
- (ii) Occupy and use locations, installations, equipment, materials, and make use of the personnel employed in the provision of the SERVICES necessary for its continuity;
- (iii) Apply penalties;
- (iv) Retain and execute contractual GUARANTEES to receive administrative fines and reimbursement for losses caused by the CONCESSIONAIRE; and
- (v) Comply with clauses of the THREE-PARTY AGREEMENT, if one is signed, related to the rights of FINANCERS in the event of termination of the concession.

40.3. The GRANTING AUTHORITY may conduct another tender for the object of the AGREEMENT, attributing to the new winner responsibility for payment of compensation directly to the FINANCERS of the old CONCESSIONAIRE or directly to the latter, as the case may be.

CLAUSE FORTY-ONE – END OF THE CONTRACTUAL TERM

41.1. The CONCESSION shall be terminated when the CONCESSION TERM has run its

course, terminating, as a consequence, the contractual relations among the PARTIES, excepting those expressly foreseen in this AGREEMENT and the post-contractual obligations attributed to the CONCESSIONAIRE.

- 41.2. Upon termination of the contract period, without prejudice to a possible transfer to the SUCCESSOR under current contracts, the CONCESSIONAIRE shall be held entirely and exclusively responsible for finalizing all and any contractual relations, signed with third parties, to which it is party.
- 41.2.1. The GRANTING AUTHORITY and ARTESP shall not assume, except in the hypothesis of exercise of the prerogative of sub-rogation in contracts signed by the CONCESSIONAIRE, any responsibility or liability relating to contracts signed by the CONCESSIONAIRE, and no compensation shall be due to the CONCESSIONAIRE or to third parties for finalizing said contractual relations.
- 41.2.2. The CONCESSIONAIRE shall take the measures necessary to facilitate negotiation between the GRANTING AUTHORITY, ARTESP and any third parties it has contracted, with a view to ensuring the possibility of exercising the prerogative mentioned in Clause 41.2.1.
- 41.3. It shall be the CONCESSIONAIRE'S obligation to cooperate with the GRANTING AUTHORITY and ARTESP to avoid any interruption of service provision at the end of the contract term and consequent termination of this AGREEMENT, under the terms of ANNEX 10, and to cooperate, for example, in the training of employees of the GRANTING AUTHORITY, or of any other appointed member of the PUBLIC ADMINISTRATION or of any SUCCESSOR CONCESSIONAIRE.
- 41.4. Three (3) years prior to the final date of the CONCESSION TERM, the CONCESSIONAIRE shall submit a DEMOBILIZATION PLAN, under the terms of Clause 50.
- 41.5. In the final ORDINARY REVIEW prior to the end of the CONCESSION TERM, the PARTIES shall establish any investments required for demobilization, and such investments shall be amortized prior to the end CONCESSION term, in accordance with Clause 49.
- 41.6. At the end of the contract term, the CONCESSIONAIRE shall not be entitled to any compensation related to investments in REVERTIBLE ASSETS, in compliance with Clause 49 of this AGREEMENT.

CLAUSE FORTY-TWO – GENERAL RULES FOR COMPENSATION

- 42.1. In the event of early termination described in this Clause and in Clauses Forty-Three to Forty-Eight, the CONCESSIONAIRE shall be entitled to compensation, under the terms of article 36 of Federal Law 8.987/95, which shall cover no less than the installments of investments made and linked to REVERTIBLE ASSETS, that were signed to ensure continuity and updatedness of un-amortized or undepreciated delegated services, and shall consider, for purposes of calculating such compensation, the following methodological premises:
- i. sums referent to economic-financial imbalances in the AGREEMENT in favor of each of the PARTNERS;
 - ii. The amortization method used in the calculation shall be the straight-line (constant amortization) considering acknowledgment of the REVERTIBLE ASSET and the shortest period between (i) the AGREEMENT term, or (ii) the working life of the respective REVERTIBLE ASSET;
 - iii. Any sums accounted for under the heading interest and other expenditures during the construction period shall not be considered;

- iv. Any sums accounted for under the heading non-operational expenditures shall not be considered;
 - v. Any sums accounted for under the heading construction margin shall not be considered;
 - vi. Any premium paid upon acquisition shall not be considered;
 - vii. Any sums accounted for under the title VARIABLE CONCESSION FEE shall not be considered;
 - viii. The value of installments linked to un-amortized or undepreciated REVERTIBLE ASSETS shall be assessed based upon the intangible assets of the CONCESSIONAIRE, with an expiry date for notification of termination of the CONTRACT with the CONCESSIONAIRE, in accordance with ICPC Technical Interpretation 01 (R1) related pronouncements and guidelines, and also respective reviews, issued by the Committee for Accounting Pronouncements (CPC) duly updated in accordance with IPCA/IBGE of the contract year of acknowledgement of the investment until the contract year of payment of the compensation, in compliance with the rule for readjustment of toll fees; and
 - ix. Costs accounted for, in accordance with the system in the previous line-item, shall have as a maximum limit the sums foreseen in the TEFS or sums approved by ARTESP, as foreseen under this AGREEMENT, when there is no such provision in the TEFS and, in either case, duly updated according to the IPCA/IBGE of the contract year of acknowledgment of the investment until the contract year of payment of the compensation, in compliance with the rule for readjustment of toll fees;
- 42.1.1. REVERTIBLE ASSETS that have been incorporated into assets of the CONCESSIONAIRE, through donation or compensation of the GRANTING AUTHORITY shall not be part of the compensable sums.
- 42.1.2. Any costs for repair and/or reconstruction of the REVERTIBLE ASSETS delivered in a situation other than that set forth in this AGREEMENT and its ANNEXES, shall be discounted from the compensable amounts.
- 42.1.3. The components indicated in insets (i) and (ii) of Clause 42.1 shall be updated in accordance with the IPCA/IBGE for the period between (a) start of the contract year when the investment was contracted, or (b) the event that gave rise to the of the charges or liabilities and the contract year of the date of payment of the compensation, according to the rule for readjustment of toll fees.
- 42.2. Payment at the administrative level, effected in the manner foreseen in this Clause, when accepted by the CONCESSIONAIRE, shall correspond to total, overall and unrestricted quittance of the sum owed by the GRANTING AUTHORITY as a consequence of the compensation, and the CONCESSIONAIRE shall not administratively or judicially, on any pretext, demand other compensations, including for lost profits and resulting damages.
- 42.3. In any hypothesis, from the compensation owed to the CONCESSIONAIRE, always in accordance with the following order of preference and regardless of assent of the CONCESSIONAIRE, the following shall be discounted:
- i. the sum of fines applied against the CONCESSIONAIRE within the scope of the AGREEMENT, as a consequence of final rulings of an appeal court and/or already concluded sanctions procedures;
 - ii. the sum of damages caused by the CONCESSIONAIRE to ARTESP and the GRANTING AUTHORITY;
 - iii. the debt balance owed to the PRINCIPAL FINANCER relating to financing of REVERTIBLE-ASSET investments, with addition of contractual interest agreed to in the respective contract documents.

- 42.3.1. The sum described in (iii) shall be paid by the GRANTING AUTHORITY to the PRINCIPAL FINANCER, according to the payment schedule agreed upon with the CONCESSIONAIRE.
- 42.4. Release of the CONCESSIONAIRE from obligations originating from financing contracts signed for compliance with the AGREEMENT may be conducted through:
- i. acceptance, by the GRANTING AUTHORITY or third parties, by sub-rogation before the FINANCERS or creditors, of remaining contractual obligations of the CONCESSIONAIRE; or
 - ii. prior compensation to the CONCESSIONAIRE, limited to the sum of compensation calculated, as provided for in Clause 42.3, of the total of remaining debts it has with creditor FINANCERS.
- 42.4.1. The sum referent to the release mentioned in sub-clause 42.4 above, shall be discounted from the total compensation owed.
- 42.5. The general rule for compensations foreseen in this Clause is applicable to all hypotheses of early termination, and payment of compensation for specific items in each of the early termination clauses below shall be observed.

CLAUSE FORTY-THREE – TERMINATION FOR CONVENIENCE

- 43.1. The GRANTING AUTHORITY may, during the term of this AGREEMENT, for reasons of duly justified public interest, by means of a specific authoring law, and with prior payment of compensation, under terms hereunder, proceed with resumption of this AGREEMENT.
- 43.2. In the event of expropriation, aside from the provision in sub-clause 42.1, the compensation due to the CONCESSIONAIRE shall cover:
- i. All charges and liabilities stemming from fines, terminations and compensation owed to suppliers, contracted and third parties in general, as a consequence of breach of contractual ties, and such sums shall be compatible with those practiced in the market, especially in the case of RELATED PARTIES;
 - ii. Lost profits exclusively for the purpose of compensation for the case contemplated in this Clause:
- 43.2.1. Amounts accounted for as recognition of the FIXED CONCESSION FEE shall be considered, provided they have been effectively disbursed by the CONCESSIONAIRE.
- 43.3. The component indicated in item (ii) of sub-clause 42.2 shall be calculated in accordance with the following formula:

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

Where:

LC = loss of profits indicated in inset (ii) of clause 43.2.

A = the investments indicated in clause 42.1.

NTNB' = the gross real interest rate on sale of National Treasury Notes - Series B (NTN-B), prior to deduction of Income Tax, with maturity compatible with termination of the AGREEMENT, if no early termination occurs, published by the National Treasury Secretariat, considering the average of the prices available in the 12 months prior to the date of payment of the indemnity.

n = period remaining between the date the compensation is paid and the end of the contractual term, if no early termination of the AGREEMENT occurs, using the same NTNB' base.

- 43.4. The compensation owed as a consequence of the expropriation is limited to the sums established in this clause, and no other sums shall be owed as compensations, lost profits and/or consequent damages.
- 43.5. The compensation shall be disbursed up until the precise time of the resumption of the CONCESSION.

CLAUSE FORTY-FOUR – CONCESSIONAIRE DEFAULT

- 44.1. According to criteria of the GRANTING AUTHORITY, through prior notice from ARTESP and in compliance with the provisions in this AGREEMENT, total or partial failure to comply with this AGREEMENT or to perform duties imposed by law or regulations shall give rise to expiry of the CONCESSION, which shall be preceded by prior competent administrative proceedings, ensuring due legal process and especially the right to ample defense and contestation, once all resolution possibilities established in this AGREEMENT have been exhausted, without prejudice to application of contractual sanctions.
- 44.2. The decision of the GRANTING AUTHORITY to declare expiry of the CONCESSION, in any one of the circumstances mentioned in Clause 44 involving damages of convenience and opportunity to the GRANTING AUTHORITY, it may, in view of particularities of the situation, decide to apply other measures contained in the AGREEMENT which, in its opinion, better serve the public interest, such as application of penalties or decree of intervention in the CONCESSION, when acceptable.
- 44.3. Invalidation of the CONCESSION may be declared in the following situations, besides those listed in the Federal Law No 8.987/95 and amendments and without prejudice to other possibilities established in this AGREEMENT:
- i. Loss or compromising the economic-financial, technical or operational conditions required to render the adequate performance of the DELEGATED SERVICES;
 - ii. Total failure or reiterated non-performance of the obligations established in this AGREEMENT;
 - iii. Non-compliance with the contractual clauses, legal provisions or regulations related to the CONCESSION, that may compromise the continuity of services and the safety of USERS, employees or third parties;
 - iv. Suspension of services owing to guilt or guile of the CONCESSIONAIRE, or if it has contributed thereto, excepting for hypotheses stemming from fortuity or force majeure, as foreseen in this AGREEMENT;
 - v. If the CONCESSIONAIRE is convicted and sentenced by an appeal court for tax evasion, including social charges;
 - vi. Failure on the part of the CONCESSIONAIRE to comply, within one hundred and eighty (180) days, with an order from ARTESP to present documents related to its tax and labor status, under the terms in Article 29 of Federal Law 8.666/93;
 - vii. Failure to comply with the obligation to replace the full amount of GUARANTEES under this AGREEMENT, in the hypothesis of cancelation or rescission of the bank guarantee or insurance-guarantee policy and/or fail to effect their renewal within thirty (30 days) prior to expiry, under the terms in Clause 32;
 - viii. Failure to maintain the required GUARANTEES and INSURANCE policies fully paid up and eventual infeasibility or unjustified difficulty in execution of INSURANCE and GUARANTEE claims by ARTESP or the GRANTING AUTHORITY, under hypotheses that give rise to such claims;

- ix. Repeated, inappropriate or inefficient operation by the CONCESSIONAIRE, in pursuit of contractual objectives, based on the PERFORMANCE INDICATORS;
 - x. Failure to comply with penalties imposed by ARTESP, within established deadlines;
 - xi. Alteration of stock-capital CONTROL of the CONCESSIONAIRE or encumbrance of its shares, without prior and express consent of ARTESP, excepting in the event of the FINANCIERS' taking CONTROL, under terms of this AGREEMENT;
 - xii. Transferring the CONCESSION itself, without the prior and express consent of ARTESP, excepting under terms foreseen in the THREE-PARTY AGREEMENT, should one be signed;
 - xiii. Failure to comply with a request from ARTESP to regularize provision of services;
 - xiv. Reiterated opposition to inspection activities, failure to comply with determinations of the GRANTING AUTHORITY or ARTESP, repeated failure to observe or disobedience with operating standards, and if other penalties established in this AGREEMENT prove ineffective;
 - xv. Deviation from the corporate purposes of the CONCESSIONAIRE;
 - xvi. Administrative notifications that give rise to application of contractual fines, the aggregate value of which amounts to two point eight percent (2.8%) of the value of the AGREEMENT considering, to this end, fines that cannot be appealed at the administrative level;
 - xvii. Filing of administrative or judicial proceedings related to damages caused by the CONCESSIONAIRE to ARTESP, that are uninsurable or exceed the amount covered by insurance, and the aggregate value of which corresponds to two point eight percent (2.8%) of the value of the AGREEMENT; and
 - xviii. The sum of sub-items xvi and xvii corresponds to two point eight percent (2.8%) of the value of the AGREEMENT.
- 44.4. When contractual default by the CONCESSIONAIRE characterizes a continuous offense or delay on its part in fulfillment of contractual obligations, the fact of ARTESP'S applying or of having applied any of the penalties foreseen in this AGREEMENT or in ANNEX 11, shall not exempt it from penalty of declaration of expiry of the CONCESSION, when so permitted hereunder, if the CONCESSIONAIRE, notwithstanding the penalty applied, persists in its breach of the contractual obligation.
- 44.5. Declaration of expiry of the CONCESSION shall be preceded by verification of contractual default on the part of the CONCESSIONAIRE in standard administrative proceedings, assuring due legal process, especially the right to ample defense and contestation, and observing the clauses established in the THREE-PARTY AGREEMENT, should one be signed.
- 44.5.1. Prior to filing an administrative proceeding to decree expiry, the CONCESSIONAIRE shall be notified, highlighting details concerning Contractual non-performance and the default situation, granting it a reasonable period of less than thirty (30) days, to correct the irregularities identified.
- 44.5.2. Upon lapsing of the deadline, if the CONCESSIONAIRE has failed to correct irregularities or take measures that, in the view of ARTESP, demonstrate effective efforts to correct them, the latter shall propose that expiry be decreed.
- 44.5.3. Once an administrative proceeding has been installed and having proven the default, expiry shall be decreed by the Governor of the State of São Paulo, regardless of pre-payment of compensation, the amount of which shall be appraised during the administrative proceeding, or in a separate administrative proceeding.

- 44.6. The decree of expiry shall imply immediate assumption, by the GRANTING AUTHORITY, of all rights and assets and responsibilities of the CONCESSIONAIRE and any type of liability, fine, penalty, compensation, charges or commitments to third parties, notably in relation to labor, tax and pension obligations.
- 44.7. Expiry of the CONCESSION shall result in retention, by the GRANTING AUTHORITY, of any possible credit rights of the CONCESSIONAIRE stemming from the AGREEMENT, and the GRANTING AUTHORITY shall:
- i. Assume the pursuit of the objectives of the AGREEMENT, at the location in the state in which they are found;
 - ii. Occupy and use the location, facilities, equipment, materials and human resources employed to perform the services, necessary for continuity thereof;
 - iii. Retain and use the Contractual GUARANTEES for reimbursement of losses suffered by the GRANTING AUTHORITY;
 - iv. Retain possible credits of the CONCESSIONAIRE resulting from the AGREEMENT, in cases in which the PERFORMANCE BOND proves insufficient to reimburse the GRANTING AUTHORITY or ARTESP, up to the limit of the losses caused;
 - v. Apply penalties;
- 44.8. From the amount established in Clause 42.3, the following shall be deducted:
- i. Losses caused to the GRANTING AUTHORITY to ARTESP and to society;
 - ii. Contractual fines applied to the CONCESSIONAIRE and that have not been paid;
 - iii. Any amounts received by the CONCESSIONAIRE for insurance coverage related to the events or circumstances that gave rise to the declaration of invalidity; and
 - iv. Other amounts, considered TARIFF REVENUE or ACCESSORY REVENUE, that the CONCESSIONAIRE may receive after invalidation has been decreed.
- 44.9. The GRANTING AUTHORITY may hold a new TENDER for the DELEGATED SERVICES, attributing to the new winner liability for payment directly to the FINANCERS and other creditors of the former CONCESSIONAIRE, or directly to the CONCESSIONAIRE, as the case may be.
- 44.10. Application of penalties shall not exempt the CONCESSIONAIRE from paying compensation for losses caused to the GRANTING AUTHORITY, ARTESP or third parties, as some effects may persist well after termination of the CONCESSION.
- 44.11. Once expiry has been decreed and any respective compensation paid, the GRANTING AUTHORITY shall not be held responsible or accountable for any charges, liabilities, obligations or commitments to third parties or the CONCESSIONAIRE'S employees, including labor or pension debts.
- 44.12. In the event that this AGREEMENT is transferred under a THREE-PARTY AGREEMENT, the GRANTING AUTHORITY shall be obliged to ratify the term of thereof on behalf of the Assignee, without prejudice to the GRANTING AUTHORITY'S right to demand total compliance of the CONCESSIONAIRE of all the GRANTING AUTHORITY'S rights, for legal or contractual infractions attributable to the CONCESSIONAIRE for actions prior to the date of assignment of the AGREEMENT.
- 44.13. The compensation owed by the GRANTING AUTHORITY as a consequence of the expiry shall be limited to sums charged in the form provided for in this Clause and in Clause 42,

and no other sums shall be owed on the grounds of compensation, lost profits and/or resulting damages.

CLAUSE FORTY-FIVE – RESCISSION

45.1. This AGREEMENT may be rescinded by initiative of the CONCESSIONAIRE, in the event of failure to comply with contractual standards by the GRANTING AUTHORITY or ARTESP, by means of legal action filed exclusively for this purpose, except in the hypothesis of amicable rescission, under the terms of Article 26 of State Law 7.835/1992.

45.1.1. The hypotheses described in sub-clause 6.4., items (i), (ii) and (iii) may give rise to amicable rescission, without prejudice to others that fall under the above mentioned legal provisions.

45.1.2. The CONCESSIONAIRE shall notify ARTESP of its intention to rescind this AGREEMENT, in the event of failure to comply with Contractual standards on the part of the GRANTING AUTHORITY or ARTESP, revealing the grounds on which it intends to file legal action for this purpose, under terms established in legislation and in ARTESP'S regulatory standards.

45.2. The services provided by the CONCESSIONAIRE shall not be interrupted or suspended until the final decision of an appeals court decreeing termination of the contract has been issued.

45.3. In the event that this AGREEMENT is legally rescinded, compensation owed to the CONCESSIONAIRE shall be equivalent to that payable for expropriation, and shall be assessed in the same manner, under the terms of Clause 43.

45.4. In the event of amicable rescission, as foreseen in Clauses 45.1 and 45.1.1, upon occurrence of the hypotheses foreseen in sub-clause 6.4. of this AGREEMENT, compensation owed shall be calculated taking into account for each of the hypotheses the following elements:

i. In the event that the AGREEMENT is terminated as a result of the occurrence of an event established in item "i" of sub-clause 6.4, compensation shall be appraised in accordance with the same contractual rule used for expropriation, Clause 43, except for Lost Profits, which shall be appraised in accordance with the formula in Clause 45.4.2.;

ii. For cases of expiry of the AGREEMENT resulting from occurrence of the event foreseen in item "ii" of sub-clause 6.4, compensation shall be appraised under the terms of Clause 44;

iii. For cases of expiry of the AGREEMENT resulting from occurrence of the event foreseen in item "iii" of sub-clause 6.4, compensation shall be appraised under the same contractual rule and formula for appraising cases of expropriation, Clause 43, except for Lost Profits, which shall be appraised in accordance with the formula in Clause 45.4.3.;

45.4.1. In any of the cases, amounts collected as TARIFF REVENUE or ACCESSORY REVENUE, collected by the CONCESSIONAIRE after declaration of the expiry of the CONCESSION, may be deducted from the compensation amount owed;

45.4.2. In the hypothesis foreseen in item "i" of Clause 45.4, the CONCESSIONAIRE shall be entitled to Lost Profits, assessed using the following formula:

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

Where:

LC = loss of profits indicated in inset (ii) of clause 43.2.

A = the investments indicated in clause 42.1.

NTNB' = gross real interest rate of sale of National Treasury Notes - Series B (NTN-B), prior to deduction of Income Tax, with maturity more compatible with the date of the effective contractual

term, published by the National Treasury Secretariat considering the average quotes available in the 12 months prior to the date of payment of the compensation, capitalized on a spread or surcharge on interest equivalent to one hundred and forty-eight point three two percent (148.32%) per year, on a basis of 252 Business Days .

n = period between acknowledgment of the investment and payment of the compensation, on the same base date as the NTN-B.

- 45.4.3. In the hypothesis foreseen in item “iii” of Clause 45.4, the CONCESSIONAIRE shall be entitled to receive lost profits, calculated using the following formula:

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

Where:

LC = loss of profits indicated in inset (ii) of clause 43.2.

A = the investments indicated in clause 42.

$NTN-B'$ = gross real interest rate of sale of the National Treasury Notes - Series B (NTN-B), prior to deduction of Income Tax, with maturity date more compatible with the effective contractual term, published by the National Treasury Secretariat considering the average of the quotes available in the 12 months prior to the date of payment of the compensation.

n = period between acknowledgement of the investment and payment of the compensation, using the same NTN-B' base.

- 45.5. Fines, compensation and any other sums owed by the CONCESSIONAIRE to the GRANTING AUTHORITY shall be deducted from the compensation foreseen for the case of rescission of the AGREEMENT.
- 45.6. For purposes of calculation of the compensation mentioned in sub-clauses 45.3 and 45.4, sums received by the CONCESSIONAIRE referent to insurance coverage relating to events or circumstances that gave rise to the rescission shall be considered.
- 45.7. Once rescission has been declared, it shall be incumbent upon the GRANTING AUTHORITY immediately to assume provision of the services that are the contractual objective hereof, if it has not already done so, or to hold a new bidding process, preferably awarding the CONCESSION to a winning bidder prior to definitive rescission of this AGREEMENT.

CLAUSE FORTY-SIX – ANNULMENT

- 46.1 This AGREEMENT shall be annulled in the event of incontestable illegality revealed in the bidding process, in its formalization, or in an essential clause that compromises provision of services, by means of the due administrative proceedings, begun as of notification sent by ARTESP to the CONCESSIONAIRE, while ensuring the right to contestation and ample defense.
- 46.1.1. If the illegality mentioned in Clause 46.1 above does not result from an action committed by the CONCESSIONAIRE and it is possible to make good said action, the CONCESSIONAIRE and ARTESP shall communicate with each other, with the aim of maintaining the AGREEMENT.
- 46.2. For purposes of assessing compensation, the regulation foreseen in sub-clause 42.1 above shall be considered, however, if the CONCESSIONAIRE or the WINNING BIDDER have not contributed to the error that caused annulment, the sums accounted for by acknowledgment of the FIXED CONTRACT FEE shall also be considered, payment of lost profits being forbidden.
- 46.3. Fines and other amounts owed by the CONCESSIONAIRE shall be deducted from the compensation foreseen in this AGREEMENT, up to the limit of the unpaid balance for financing contracted by the CONCESSIONAIRE to fulfill investment obligations under this AGREEMENT, and shall take precedence over sums owed to the GRANTING

AUTHORITY.

- 46.4. For purposes of assessing the compensation mentioned in sub-clause 46.2, sums received by the CONCESSIONAIRE as insurance coverage related to the events or circumstances that gave rise to the rescission shall be considered.
- 46.5. The GRANTING AUTHORITY, through intermediation of ARTESP, may hold a new bidding procedure for the delegated works and services, attributing the future winner liability for paying compensation directly to the prior CONCESSIONAIRE'S FINANCERS, or directly to the CONCESSIONAIRE, as the case may be.

CLAUSE FORTY-SEVEN – BANKRUPTCY OR TERMINATION OF THE CONCESSIONAIRE

- 47.1. The CONCESSION shall be considered terminated in the hypothesis that the CONCESSIONAIRE is declared legally bankrupt or enters into composition with creditors that compromises performance of this AGREEMENT.
- 47.2. Upon declaration of bankruptcy, the GRANTING AUTHORITY shall assume possession of all assets held by the CONCESSIONAIRE and immediately assume pursuit of the objectives of this AGREEMENT.
- 47.3. In the hypothesis of termination of the CONCESSIONAIRE for declaration of bankrupt, it composition with creditors that affects the performance of this AGREEMENT, or dissolution of the CONCESSION by decision of its shareholders, the same provisions referent to expiry of the CONCESSION shall be applied, with installation of due administrative proceedings for appraisal of effective losses and determination of applicable sanctions.
- 47.4. No distribution of net assets of the terminated CONCESSIONAIRE among its shareholders shall occur prior to settlement of all obligations before the GRANTING AUTHORITY and ARTESP, or prior to issuing by ARTESP of the Definitive Term of Return.
- 47.5. The conditions established in this Clause 47 shall not harm or otherwise affect compliance with obligations established in favor of the FINANCERS in the THREE-PARTY AGREEMENT, if one is signed.

CLAUSE FORTY-EIGHT – FORTUITY AND FORCE MAJEURE

- 48.1. Fortuity or force majeure, with the consequences set forth in this AGREEMENT, shall be considered an event thus defined under civil law and which directly impacts performance of activities under the CONCESSION.
- 48.1.1. Examples of fortuity and force majeure include:
- i. national and international wars directly affecting contractual performance;
 - ii. acts of terrorism;
 - iii. nuclear, chemical or biological pollution, except when caused by actions performed by the CONCESSIONAIRE;
 - iv. trade embargos by a foreign country;
- 48.2. Failure to comply with contractual obligations duly proven to result from fortuity or force majeure, under the terms of this AGREEMENT and ANNEXES, shall not invoke any penalty.
- 48.3. The PARTY whose performance is affected by fortuity or force majeure shall notify the other PARTY of the said event within forty-eight (48) hours of its occurrence.

- 48.4. An event classified as a case of fortuity or force majeure shall not be considered, for purposes of restoration of the economic-financial balance of this AGREEMENT if, during the period of the event, it represents an insurable risk in Brazil, for at least two (2) years, up to the limit of the average indemnifiable amount for policies normally practiced in the market by at least two (2) companies in the sector, regardless of whether the CONCESSIONAIRE that contracted them, in compliance with list of risks set forth in this AGREEMENT.
- 48.5. In the event of fortuity or force majeure, the consequences of which are not insurable in Brazil, and with irreparable effects extending beyond ninety (90) days, or for a defined period agreed upon by the PARTIES, and when verified that they may irreversibly compromise performance of the CONCESSION, the PARTIES may opt for the mechanism described in inset (iii) of Clause 6.4.
- 48.5.1. In the hypothesis of termination of the CONCESSION as a consequence of an event characterized as fortuity or force majeure, compensation owed to the CONCESSIONAIRE shall be appraised in accordance with the rules provided for in inset (iii) of Clause 46.4.
- 48.6. Excepting if ARTESP issues other instructions in writing, the CONCESSIONAIRE shall continue performing its obligations under this AGREEMENT, to the best of its abilities, and shall seek, by all means possible, to comply with those obligations not affected by the fortuity or force majeure event, and it shall also be incumbent upon ARTESP and the GRANTING AUTHORITY to fulfill their obligations that have not been affected by the fortuity or force majeure event.
- 48.7. In the hypothesis that a case of fortuity or force majeure is proven, without termination of the CONCESSION under the terms of Clause 40.1 (vii), appraisal requirements related to PERFORMANCE INDICATORS attributable to the event shall be suspended until normalization of the situation and cessation of its effects.
- 48.8. The PARTIES shall pledge to employ all measures and means needed to minimize the effects of events stemming from fortuity or force majeure.

CHAPTER X – REVERSION

CLAUSE FORTY-NINE – REVERTIBLE ASSETS

- 49.1. Upon termination of the CONCESSION, the REVERTIBLE ASSETS, rights and privileges linked to the CONCESSION, transferred or made available to the CONCESSIONAIRE under terms of this AGREEMENT, and any rights and privileges granted, implemented or acquired within the scope of the CONCESSION, free and unencumbered by any liability or surcharge, regardless of any notifications or formalities, shall be assigned to the GRANTING AUTHORITY.
- 49.2. Reversion shall be free of charge and automatic, with assets in adequate operational, usage and maintenance condition, free and unencumbered by any liability, surcharge, residual amount, taxes, obligations, legal injunctions, lien or charge by the CONCESSIONAIRE, with technical characteristics and prerequisites that enable full operation of the delegated service.
- 49.3. Assets reverted to the GRANTING AUTHORITY shall be in appropriate conditions of conservation and operation, enabling continuity of services under this AGREEMENT for a minimum additional five (5) year period, counted as of the date of termination of the AGREEMENT, excepting those with shorter validity, under the terms of ANNEX 10.
- 49.3.1. Any costs related to these investments shall be amortized and depreciated prior to the end of this AGREEMENT, the CONCESSIONAIRE not being entitled to compensation stemming therefrom.
- 49.3.2. All information on REVERTIBLE ASSETS, including descriptions, state of conservation and remaining lifespan, shall feature on the INVENTORY OF REVERTIBLE ASSETS to be maintained by the CONCESSIONAIRE throughout the term of the CONCESSION and, upon conclusion thereof, delivered to the GRANTING AUTHORITY.

- 49.3.3. In the event of discrepancies between the INVENTORY OF REVERTIBLE ASSETS and the actual condition of the REVERTIBLE ASSETS, the CONCESSIONAIRE shall, if such discrepancy is detrimental to the GRANTING AUTHORITY, take all applicable measures, including acquisition of new assets or conducting of works, to deliver the REVERTIBLE ASSETS in the same conditions as described in the INVENTORY OF REVERTIBLE ASSETS.
- 49.4. The CONCESSIONAIRE shall be entitled to compensation corresponding to the portion of investments referent to non-amortized or depreciated REVERTIBLE ASSETS made in order to guarantee the continuity and updating of the delegated services, in cases of early termination of the AGREEMENT.
- 49.5. In the event that the reversion of assets does not occur in compliance with the conditions established herein, the CONCESSIONAIRE shall compensate the GRANTING AUTHORITY, and such compensation shall be appraised in accordance with applicable legislation, without prejudice to applicable sanctions and execution of any INSURANCE and GUARANTEE claims.
- 49.6. During the procedure for termination of the CONCESSION and of contractual transition, ARTESP shall perform inspection of the assets to be reverted, in which a representative of the CONCESSIONAIRE shall participate for the purpose of verifying the state of conservation and maintenance of such assets, applying, when appropriate, the provisions of ANNEX 10.

CLAUSE FIFTY – DEMOBILIZATION

- 50.1. Three (3) years prior to the end of the contract term, the CONCESSIONAIRE shall submit for approval by ARTESP the DEMOBILIZATION PLAN for the HIGHWAY SYSTEM, which shall establish the procedure whereby demobilization and due reversion of REVERTIBLE ASSETS shall be conducted, with no interruption to provision of services.
- 50.2. The DEMOBILIZATION PLAN for the HIGHWAY SYSTEM shall foresee, at least, the following:
- i. The method for returning REVERTIBLE ASSETS;
 - ii. The state of conservation and maintenance of the REVERTIBLE ASSETS, with technical reports issued by qualified professionals;
 - iii. The state of depreciation of the REVERTIBLE ASSETS
 - iv. Methods for replacing the CONCESSIONAIRE'S employees with civil servants of the GRANTING AUTHORITY and/or of the new successor CONCESSIONAIRE;
 - v. Time period and the training method for civil servants of the GRANTING AUTHORITY and/or successor CONCESSIONAIRE that shall assume operation of the HIGHWAY SYSTEM.
- 50.3. The GRANTING AUTHORITY and ARTESP may conduct the inspections they deem necessary for full execution of their activities, so as to ensure transition of the contract without any damage to the continuity of the DELEGATED SERVICES, and accompany the drafting of technical certificates and reports.
- 50.4. One (1) year prior to the end of the term of the AGREEMENT, the CONCESSIONAIRE shall train people appointed by the GRANTING AUTHORITY, and transfer the technical and administrative documents and operational guidance relating to the HIGHWAY SYSTEM that have not already been delivered, observing the provision of Clause 51.
- 50.5. The CONCESSIONAIRE shall be entirely and exclusively responsible for termination of any contracts to which it is party at the end of the CONCESSION term, and the GRANTING

AUTHORITY and ARTESP shall not assume any responsibility or liability thereto, nor shall any compensation be owed to the CONCESSIONAIRE, except if otherwise agreed under terms authorized in this AGREEMENT.

- 50.6. Until the Definitive Term for Return is issued, the Performance Bond for Operations and Conservation Duties under this AGREEMENT shall not be released.
- 50.7. Possible compensations owed to the CONCESSIONAIRE at the termination of the CONCESSION shall not impede resumption of the CONCESSION, observing in the event of expropriation, the provision in Clause 43.1.
- 50.8. Definitive receipt of the HIGHWAY SYSTEM shall not exclude any civil or ethical-professional responsibility related to the provision of services under this AGREEMENT, within the limits established in law.
- 50.9. With the DEMOBILIZATION PLAN for the HIGHWAY SYSTEM, transfer and reversion of assets shall take place without mishap or unforeseen event, and operation of the HIGHWAY SYSTEM shall not be negatively affected.
- 50.10. Omission on the part of the CONCESSIONAIRE to present the DEMOBILIZATION PLAN, shall be deemed a serious infraction giving rise to application of penalties to the CONCESSIONAIRE.

CLAUSE FIFTY-ONE – TRANSITION

- 51.1. Without prejudice to provisions in ANNEX 10 hereto, the CONCESSIONAIRE, to properly operationalize the transition to the GRANTING AUTHORITY or to the SUCCESSOR CONCESSIONAIRE, shall be obliged to:
 - i. Make available documents and agreements relating to the object of the CONCESSION;
 - ii. Make available operational documents relating to the object of the CONCESSION;
 - iii. Make available other information relating to operation of the HIGHWAY SYSTEM;
 - iv. Cooperate with the SUCCESSOR CONCESSIONAIRE, with ARTESP and/or with the GRANTING AUTHORITY in the adequate transmission of knowledge and information;
 - v. Permit monitoring of operations of the HIGHWAY SYSTEM and regular activities of the CONCESSIONAIRE by ARTESP and/or the SUCCESSOR CONCESSIONAIRE;
 - vi. Hold training sessions for staff of the GRANTING AUTHORITY and /or of ARTESP and/or of the SUCCESSOR CONCESSIONAIRE, relating to operation of the HIGHWAY SYSTEM;
 - vii. Collaborate with ARTESP or with the SUCCESSOR CONCESSIONAIRE in the drafting of reports required for the transition;
 - viii. Recommend professionals in relevant fields of knowledge for the operational transition during assumption of services by the GRANTING AUTHORITY or by the SUCCESSOR CONCESSIONAIRE;
 - ix. Provide physical space to receive work groups from the GRANTING AUTHORITY and/or the SUCCESSOR CONCESSIONAIRE, throughout this period;
 - x. Assist in planning the list of staff members;
 - xi. Interact with the GRANTING AUTHORITY, the SUCCESSOR CONCESSIONAIRE and other players and agents involved in operation of the HIGHWAY SYSTEM.

CHAPTER XI – DISPUTE SETTLEMENT

CLAUSE FIFTY-TWO – AMICABLE SETTLEMENT OF DISPUTES

- 52.1 The PARTIES shall exert their best efforts to resolve any dispute or conflict of interest resulting from this AGREEMENT amicably, through direct negotiation, observing the principle of good faith.
- 52.2 In the event of any dispute or conflict of interests under the terms of this Clause, the interested PARTY shall notify the other PARTY in writing, presenting all allegations concerning the dispute or conflict of interest, accompanied by suggestions for settlement or elucidation.
- 52.2.1. The notified PARTY shall have ten (10) business days, as of receipt of the notification, to respond whether it agrees to the proposed solution.
- 52.2.2. If the notified PARTY agrees to the proposed solution or elucidation, the PARTIES shall deem the dispute or conflict of interest settled, and shall take the measures necessary to implement that which was agreed.
- 52.2.3. If no agreement is reached, the notified PARTY shall present to the other PARTY, also within ten (10) business days, its reasons for disagreeing with the proposed solution and, in such a case, present an alternative offer for the situation.
- 52.3. Adoption of the procedures indicated in the previous Clause and respective sub-items shall not release the PARTIES from continuing and complying with their contractual obligations, and the PARTIES shall be obliged to ensure continuity of service provision and compliance with work schedules.
- 52.3.1. Suspension of works or services shall only be permitted when the subject of dispute or conflict of interest poses risk to the safety of people and/or the venture and, when possible without compromising safety, ARTESP'S consent shall be obtained prior to suspension.
- 52.4. Self-mediation of the dispute, may also take place before an administrative chamber for dispute resolution or by mediation, under the terms of Law 13.140/15.
- 52.5. In compliance with contractual regulations, ARTESP, at its sole discretion, may engage technical committees, an independent rapporteur, or other forms of amicable dispute resolution to resolve technical issues, including any possible doubts, requests for clarifications or technical opinions that serve to ensure full understanding of the issues relating to:
- i. Exploitation of ACCESSORY REVENUES that may, actually or potentially, give rise to impacts on the SERVICES, the GRANTING AUTHORITY and/or ARTESP;
 - ii. Incorporation of technological innovations that are relevant to provision of the SERVICES that are the object of the CONCESSION;
 - iii. Transition of the HIGHWAY SYSTEM to the GRANTING AUTHORITY or to the SUCCESSOR CONCESSIONAIRE;
 - iv. Calculations for any compensation owed to the CONCESSIONAIRE in the hypotheses regulated under this AGREEMENT.

CLAUSE FIFTY-THREE – ARBITRATION

- 53.1. The PARTIES pledge to seek amicable solutions for any disputes that may arise during the performance of this AGREEMENT.
- 53.2. The parties shall meet, within ten (10) business days as of notification from any PARTY to

the other, stating the dispute, with the aim of settling it.

- 53.3. If the meeting does not occur or the PARTIES fail to reach a consensus within ten (10) business days after holding of the meeting, and the dispute refers to one of the hypotheses foreseen and specified in the Clause below, either PARTY may request filing of an arbitration proceeding.
- 53.4. The PARTIES agree to submit to arbitration, disputes that have not been settled amicably under the terms of this AGREEMENT, relating to the following issues:
- i. Disagreement among the PARTIES with respect to responsibility for financial liabilities stemming from a determination of ARTESP, as to the use of a new technology or new technique for SERVICES, observing the discipline in Clause 15;
 - ii. Disagreements among the PARTIES with respect to economic-financial impacts of ACCESSORY REVENUE perception by the CONCESSIONAIRE, stemming from acts practiced by ARTESP or by the GRANTING AUTHORITY;
 - iii. Disagreements among the PARTIES with respect to economic-financial aspects relating to the transition, devolution and/or transfer of the HIGHWAY SYSTEM;
 - iv. Disagreements among the PARTIES with respect to calculation of sums owed to the CONCESSIONAIRE, ARTESP and/or the GRANTING AUTHORITY, as a consequence of termination of the AGREEMENT.
- 53.5. The disagreements listed below are not included in the hypotheses foreseen in Clause 53.4, if outstanding and unresolved by amicable dispute settlement mechanisms, and shall be submitted for appreciation of the Judicial Branch:
- i. under inset (i) of Clause 53.4, disagreements over the need or otherwise for employment of a new technique in the pursuit of the services provided;
 - ii. under inset (ii) of Clause 53.4, disagreements on the need or compulsoriness of observing acts practiced by ARTESP or by the GRANTING AUTHORITY which may give rise to economic-financial impacts on ACCESSORY REVENUE perception by the CONCESSIONAIRE;
 - iii. under inset (iii) of Clause 53.4, disagreements on the need or compulsoriness of observing of determinations of ARTESP or of the GRANTING AUTHORITY throughout the transition, devolution and/or transfer phase of the HIGHWAY SYSTEM.
- 53.6. The Parties may also, by common agreement, submit to arbitration other controversies related to interpretations or performance of the CONCESSION AGREEMENT, or to other available property rights, clearly outlining the purpose of the arbitral commitment.
- 53.7. Installation of an arbitration proceeding shall not exempt the Parties from complying with their contractual obligations.
- 53.8. The PARTY that applies for an arbitration proceeding shall indicate, at the time of filing of its plea, the chamber responsible for managing the disputes, which must be selected from among those registered with the State of São Paulo for settlement of disputes involving the Direct Administration and its independent authorities.
- 53.8.1. In the hypothesis that there is no arbitration chamber registered with the State of São Paulo, the choice shall be made by the PARTY applying for an arbitration proceeding, based upon the following criteria:
- i. have sufficient space for holding of hearings and secretarial services, without additional cost for the parties, in the City of São Paulo;

- ii. has been regularly established for no less than five years;
 - iii. fulfills the legal requirements to receive payments from the Public Administration;
 - iv. possesses acknowledged reputation, competence and experience in management of arbitral proceedings with the Public Administration.
- 53.9. The arbitration proceedings shall observe the Regulations of the Arbitration Tribunal chosen, and the provisions of Law. 9.307/96 and subsequent amendments, and the provisions in this AGREEMENT.
- 53.10. The arbitration TRIBUNAL shall be comprised of three members, in accordance with the rules of the arbitration chamber and, if agreed by the parties, one single arbitrator may be appointed.
- 53.11. The arbitration TRIBUNAL shall be installed in the city of São Paulo, State of São Paulo, and may meet at any venue, provided that all PARTIES are notified.
- 53.12. Arbitration shall be conducted in Portuguese, according to the laws of the Federative Republic of Brazil. To facilitate appeals, technical documents in other languages may be used, with sworn translation if there is disagreement among the parties concerning meaning.
- 53.12.1. At the request of the CONCESSIONAIRE and with ARTESP'S consent, arbitration may be conducted partially in two languages, and rulings produced in Portuguese and English, or another foreign language;
- 53.12.2. In the event arbitration is partially conducted in two languages, the CONCESSIONAIRE shall be responsible for expenses related to the translation of documents, even when the translation is the result of actions conducted by ARTESP, and such costs shall not be included as legal expenses for purposes of fee awards;
- 53.12.3. In the event of discrepancies concerning the content of documents in Portuguese and those translated, the content in the Portuguese version shall prevail.
- 53.13. The ARBITRATION TRIBUNAL shall not rely on equity in its rulings pertaining to this AGREEMENT.
- 53.14. The costs of conducting arbitration shall be paid in the form provided for in the regulations of the chosen arbitration chamber, condemnation of the losing party to reimburse the contractual legal fees of the winning party being forbidden, by application, analogously of fee-award rules laid down in the Code of Civil Procedure. Advance payment of costs that may be requested by the selected arbitration chamber, shall be paid by the party that requested the opening of arbitration proceedings.
- 53.15. Should one of the Parties refuse to take the measures necessary for arbitration proceedings to begin, the PARTY that requested the arbitration proceedings may appeal to one of the Courts of the Court District of São Paulo, State of São Paulo, to obtain the applicable legal remedies, based upon Article 7 of Law 9.307/96 and its subsequent amendments.
- 53.16. The verdict and award shall be considered final with respect to the dispute between the Parties, and shall be unappealable and binding upon both Parties.
- 53.17. The PARTIES acknowledge that decisions handed down by the ARBITRATION TRIBUNAL may be regularly executed in Brazil, following the procedure for execution against the Public Treasury, and the GRANTING AUTHORITY shall not enjoy any sovereign immunity that may inhibits such execution.

CLAUSE FIFTY-FOUR – VENUE

- 54.1. The Courts of São Paulo, State of São Paulo, shall be venue for settlement of any dispute that cannot be resolved through arbitration, under the terms of this AGREEMENT.

CHAPTER XIII – FINAL PROVISIONS**CLAUSE FIFTY-FIVE – FINAL PROVISIONS**

- 55.1. The CONCESSIONAIRE shall be entitled to due administrative procedure in all matters established under this AGREEMENT, the decisions of ARTESP or of the GRANTING AUTHORITY, under the terms of State Law 10.177/98.
- 55.2. This AGREEMENT shall be legally binding upon the PARTIES and their respective successors, in all aspects.
- 55.3. Amendments that may be made to this AGREEMENT shall only be valid when accepted and signed by both PARTIES, by means of contractual Amendment and Modification Terms, excepting the possibility of unilateral modification of the AGREEMENT by the CONTRACTING PARTY, under the terms of the applicable legislation.
- 55.4. If any of the PARTIES, even by omission, allows full or partial non-performance of any of the Clauses or conditions in this AGREEMENT and its ANNEXES, this shall not free, relieve or in any way affect or impinge upon the validity and effectiveness of said Clauses and conditions, which shall remain unchanged, as if no tolerance had occurred.
- 55.4.1. If any PARTY waves any right, this shall not be valid if not effected in writing, and shall be restrictively interpreted, and its extension to any other right or obligation established in this AGREEMENT is forbidden.
- 55.4.2. Annulment or invalidation of any Clause in this AGREEMENT shall not obstruct the validity or effects of any other Clause herein.
- 55.5. All communication relating to this AGREEMENT shall be in writing, to the addresses and in the names of the people listed below:
- For the CONCESSIONAIRE: [---]
- For ARTESP: [---]
- 55.6. The PARTIES may change the above information simply by means of written communication to the other PARTY.
- 55.7. Notifications and communication shall be considered duly received on the date (i) visible on the notice received; (ii) the judicial or extrajudicial delivery notice; (iii) proven fax delivery; or (iv) proven receipt of a well-known international courier.
- 55.8. All documents relating to this AGREEMENT and to the CONCESSION shall be written in Portuguese, or translated into Portuguese by a sworn translator when documents are of foreign origin.
- 55.8.1. In the event of dispute or inconsistency, the rules established in item 10.26 and those following of the CALL-FOR-BIDS shall apply.
- 55.9. Counting of deadlines or time-frames established in this AGREEMENT shall exclude the start date and shall include the final date, counting successive days, unless otherwise provided for.
- 55.9.1. When deadlines lapse on a weekend, holiday or a day on which the STATE PUBLIC

ADMINISTRATION is not functioning, the deadline shall automatically be postponed to the next business day

- 55.10. ARTESP shall appoint a technical unit responsible for inspection and monitoring of this AGREEMENT, designating its manager.

IN WITNESS WHEREOF, duly and mutually agreed, the PARTIES hereby sign this AGREEMENT in three (3) copies of equal content and form, in the presence of two undersigned (2) witnesses identified below, for all legal purposes and effects.

São Paulo, [•].

PARTIES AND SIGNATURES: