

## **ANNEX 01**

### **CONCESSION REGULATION**

#### **CONCESSION FOR RENDERING PUBLIC OPERATION, EXPANSION AND MAINTENANCE SERVICES FOR THE AIRPORT COMPLEX COMPRISING THE NORTHWEST BLOCK AND THE SOUTHEAST BLOCK, PURSUANT TO THE TERMS OF THE AUCTION NOTICE**

**DECREE No 65.622 of April 13, 2021.**

Authorizes opening of the bidding process to grant the concession for operation, maintenance and expansion services concerning airport facilities of the 22 state airports divided between the Northwest Block and the Southeast Block, in addition to approving the grant plan and the concession's regulation.

**JOÃO DORIA**, Governor of the State of São Paulo, exercising the powers conferred upon him by law,

Whereas the State of São Paulo and the Federal Government have entered into Delegation Agreement nos. 10/2019, 12/2019, 13/2019, 14/2019, 15/2019, 16/2019, 17/2019, 18/2019, 19/2019, 20/2019, 21/2019, 22/2019, 23/2019, 24/2019, 25/2019, 26/2019, 27/2019, 28/2019, 29/2019, 30/2019, 35/2019 e 44/2020, by which the Federal Government has awarded the State of São Paulo the duty to operate the following airports, respectively: Professor Eriberto Manoel Reino State Airport in São José do Rio Preto-SP, Presidente Prudente State Airport in Presidente Prudente-SP, Dario Guarita State Airport in Araçatuba-SP, Domingos Pignatari State Airport in Votuporanga-SP, Chafei Amsei State Airport in Barretos-SP, Moliterno de Dracena State Airport in Dracena-SP, José Vicente Faria Lima State Airport in Tupã-SP, Geraldo Moacir Bordon State Airport in Presidente Epitácio-SP, Paulino Ribeiro de Andrade State Airport in Andradina-SP, Marcelo Pires Halzhausen State Airport in Assis-SP, Luiz Gonzaga Lutti State Airport in Avaré-SP, Doutor Ramalho Franco State Airport in Penápolis-SP, Nelson Garófalo State Airport in São Manuel-SP, Leite Lopes State Airport in Ribeirão Preto - SP, Moussa Nakhil Tobias State Airport in Bauru-SP, Frank Miloye Milenkovich State Airport in Marília-SP, Sorocaba State Airport in Sorocaba-SP, Bartolomeu Gusmão State Airport in Araraquara-SP, Mário Pereira Lopes State Airport in São Carlos-SP, Tenente Lund Pressoto State Airport in Franca-SP, Edu Chaves State Airport in Guaratinguetá-SP and Registro State Airport in Registro-SP;

Whereas the provisions of article 175 of the Federal Constitution, under the terms of Law no. 7.835 of May 8, 1992, and federal Law no. 8.987 of February 13, 1995, which provide for the concession and authorization system for rendering public services, in addition to general guidelines defined for bidding processes and contracts that apply to direct public administration entities and additional entities, regardless of whether they are directly or indirectly controlled by the Federal Government, State Government, Federal District and Municipalities, as well as the provisions of federal Decree no. 7.624 of November 22, 2011, which provide for the conditions that private enterprises must fulfill in order to be able to operate airport facilities, by means of the concession;

Whereas, upon commissioning operations of State of São Paulo airports, the Federal Government has granted the concession of airports to private enterprises by means of the State of São Paulo, pursuant to the terms of clauses no. 4 of the concerning delegation agreements;

Whereas the concession that is the purpose of this decree has the Federal Government's consent, by means of the Civil Aviation Secretariat (Secretaria de Aviação Civil – SAC), as stated in SAC-PR Ordinance no. 332, of March 17, 2021, pursuant to the terms of §3 of article 3 of federal Decree no. 7.624 of November 22, 2011;

Whereas the The State Of São Paulo's Privatization Program's Board (Programa Estadual de Destatização – CDPED), established by Law no. 9.361 of July 5, 1996, consented to the service concession model for operating, maintaining and expanding airport facilities of the 22 (twenty-

two) state system airports divided between the Northwest Block and the Southeast Block, by means of the 18<sup>th</sup> Joint Ordinary Meeting, concerning the 254<sup>th</sup> Extraordinary CDPED Meeting and the 101<sup>st</sup> Extraordinary Meeting of the Public Private Partnerships Program Management Council (Programa Estadual de Parcerias Público-Privadas – CGPPP), whose minutes were published in the Official Gazette of December 18, 2020;

Whereas the State of São Paulo has the intent of reducing its public coffers by means of the granting concessions to private enterprises for them to operate the entirety of its current airport network managed by the Airports Department of the State of São Paulo (Departamento Aeroviário do Estado de São Paulo – DAESP), with said proceedings having begun after concessions were granted for 5 (five) regional airports in 2017;

Whereas technical surveys consider an investment of approximately 447,840,000.00 BRL (four hundred forty-seven million eight hundred forty thousand reais) to be made in airports, encompassing 22 (twenty-two) State of São Paulo Municipalities and helping to develop the region's economy and aviation industry;

Hereby determines:

Article 1 – Opening of the bidding process, which is to be offered as an international tender, is hereby approved for purposes of awarding the concession for operating, maintaining and expanding airport facilities of the 22 (twenty-two) state system airports divided between the Northwest Block and the Southeast block, comprised of:

I – Northwest Block:

- a) São José do Rio Preto Airport – Professor Eriberto Manoel Reino Airport (SBSR);
- b) Presidente Prudente Airport– Presidente Prudente Airport (SBDN);
- c) Araçatuba Airport – Dario Guarita Airport (SBAU);
- d) Votuporanga Airport – Domingos Pignatari Airport (SDVG);
- e) Barretos Airport – Chafei Amsei Airport (SNBA);
- f) Dracena Airport – Moliterno de Dracena Airport (SDDR);
- g) Tupã Airport – José Vicente Faria Lima Airport (SDTP);
- h) Presidente Epitácio Airport – Geraldo Moacir Bordon Airport (SDEP);
- i) Andradina Airport – Paulino Ribeiro de Andrade Airport (SDDN);
- j) Assis Airport – Marcelo Pires Halzhausen Airport (SNAX); and
- k) Penápolis Airport– Doutor Ramalho Franco Airport (SDPN).

II – Southeast Block:

- a) Ribeirão Preto Airport – Leite Lopes Airport (SBRP);
- b) Bauru-Arealva Airport – Moussa Nakhil Tobias Airport (SBAE);
- c) Marília Airport – Frank Miloye Milenkovich Airport (SBML);
- d) Sorocaba Airport – Sorocaba Airport (SDCO);
- e) Araraquara Airport – Bartolomeu Gusmão Airport (SBAQ);
- f) São Carlos Airport – Mário Pereira Lopes Airport (SDSC);
- g) Franca Airport – Tenente Lund Pressoto Airport (SIMK);
- h) Guaratinguetá Airport – Edu Chaves Airport (EEAR);
- i) Registro Airport – Registro Airport (SSRG);
- j) Avaré-Arandu Airport – Luiz Gonzaga Lutti Airport (SDRR); and
- k) São Manuel Airport – Nelson Garófalo Airport (SDNO).

Paragraph one – Operation of airport facilities, which is the object of this concession, falls within the scope of airports' civilian areas, except for civilian grounds used by the Aeronautics Command (Comando da Aeronáutica – COMAER) for purposes of rendering air traffic services, the latter of which do not comprise the purpose of the concession.

Paragraph two – Areas and facilities solely intended for military activities and located within the airport's grounds do not comprise the purpose of this concession.

Article 2 – Management of airports listed in article 1 of this decree shall remain under the Airports Department of the State of São Paulo's (Departamento Aeroviário do Estado de São Paulo – DAESP) responsibility, pursuant to the terms of Decree no. 52.562 of November 17, 1970, until airport operations are fully transferred to the future concessionaire.

Article 3 – Signing of the concession contract, as per the requirements specified in subsection V of article 4 of Complementary Law no. 914 of January 14, 2002, shall entrust the Regulatory Agency for Delegated Public Transport Services of the State of São Paulo (Agência Reguladora de Serviços Públicos Delegados de Transporte do Estado de São Paulo – ARTESP) with the duty of carrying out all assignments specified in the aforementioned complementary law in regard to airports listed in the "caput" of article 1 of this decree.

Article 4 – The bidding process mentioned in article 1 of this decree shall be undertaken by the Regulatory Agency for Delegated Public Transport Services of the State of São Paulo (Agência Reguladora de Serviços Públicos Delegados de Transporte do Estado de São Paulo – ARTESP), pursuant to the terms specified in subsection IV of article 4 of Complementary Law no. 914 of January 4, 2002, and shall meet the following parameters:

I – the purpose of the concession shall encompass operating, maintaining and expanding airport facilities of the 22 (twenty-two) airports comprising the Northwest Block and the Southeast Block, in accordance with article 1 of this decree;

II – the concession shall have a term of 30 (thirty) years, starting from the effective date set out in the concession contract;

III – the concessionaire shall be responsible for setting tariff prices, subject to existing and applicable ARTESP and ANAC guidelines;

IV – the criterion for judging the bid shall be the highest bid made for the granting the concession, subject to the minimum sum and the payment method defined in the auction notice;

V – the same interested party, or same consortium, is allowed to submit proposals for both airport blocks, subject to any restrictions set forth in the auction notice;

VI – the bidding process shall be conducted as a simultaneous Northwest Block and Southeast Block tender, which shall be held as a public session with financial offers submitted in sealed envelopes, with open outcry bidding offers for specific cases defined in the auction notice;

VII – bid bond requirement, in addition to statement of minimum net worth as an economic-financial eligibility criteria;

VIII – permission for business companies, investment funds and other Brazilian or foreign legal companies, whether separately or in a consortium, to participate in the bidding process, provided the nature and purpose set out in their memorandums of association are attuned to concession-related duties and activities, subject to the laws and additional applicable regulations, with airlines being prohibited from participating;

IX – requirement for having established a Special Purpose Company – SPE as a joint-stock company, in accordance with the Brazilian legislation, with the sole purpose of operating the concession;

X – admission of the offer, by the concessionaire, of credits and revenue stemming from the contract to be signed, in addition to other assets and rights, as security for funding obtained for all required investments, subject to the Granting Authority's consent, and under the terms of the provisions of articles 29 and 30 of Law no. 7.835 of May 8, 1992, as well as the current legislation providing for the subject;

XI – admission of the exploration of complementary services, which are to be attuned to the purpose of the concession, such as additional sources of revenue, under the terms set out in the contract;

XII – payment of a variable grant amounting to 1% (one percent) of the gross revenue collected by the concessionaire for each of the airport blocks is expected;

XIII – option that the concessionaire has, at its own risk, to hire third parties to develop inherent, ancillary or complementary activities to those of airport operations, maintenance and expansion services, provided that said hiring does not negatively impact the quality or safety of services commissioned, with the concessionaire remaining accountable for managing commissioned services rendered.

§1 The Bidding Process Commission to be run by ARTESP shall be comprised of, at least, representatives of ARTESP, the Secretariat of Logistics and Transport (Secretaria de Logística e Transportes) and the Airports Department of the State of São Paulo (Departamento Aeroviário do Estado de São Paulo – DAESP), appointed in accordance with the terms of the applicable legislation.

Article 5 – The airport general grant plan is hereby approved, being composed of information specified in this decree and its annex, pursuant to the terms of article 1, § 3 of Complementary Law no. 914 of January 14, 2002.

Article 6 – The Regulations for the Concession of Operations, Maintenance and Expansion Services Annex concerning the 22 (twenty-two) State System Airports comprised of the airport facilities described in article 1 of this decree is hereby approved.

Article 7 – This decree shall come into effect upon its publication date, for all legal purposes, in regard to the regulations it refers to in article 6, starting from the moment the airports are handed over to the concessionaire(s).

Palácio dos Bandeirantes (Seat of the São Paulo State Government), April 13, 2021.

JOÃO DORIA

**ANNEX I****REGULATION FOR THE CONCESSION OF OPERATION, MAINTENANCE AND EXPANSION SERVICES OF AIRPORT FACILITIES OF THE 22 STATE AIRPORTS DIVIDED BETWEEN THE NORTHWEST GROUP AND THE SOUTHEAST GROUP****CHAPTER I****On the Purpose**

Article 1 – The purpose of these regulations is to set forth operations, maintenance and expansion of airport facilities pertaining to the 22 (twenty-two) state system airports divided between the Northwest Block and the Southeast Block, composed of:

**I – Northwest Block:**

- a) São José do Rio Preto Airport – Professor Eriberto Manoel Reino Airport (SBSR);
- b) Presidente Prudente Airport – Presidente Prudente Airport (SBDN);
- c) Araçatuba Airport – Dario Guarita Airport (SBAU);
- d) Votuporanga Airport – Domingos Pignatari Airport (SDVG);
- e) Barretos Airport – Chafei Amsei Airport (SNBA);
- f) Dracena Airport – Moliterno de Dracena Airport (SDDR);
- g) Tupã Airport – José Vicente Faria Lima Airport (SDTP);
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- j) Assis Airport – Marcelo Pires Halzhausen Airport (SNAX); and
- k) Penápolis Airport – Doutor Ramalho Franco Airport (SDPN).

**II – Southeast Block:**

- a) Ribeirão Preto Airport – Leite Lopes Airport (SBRP);
- b) Bauru-Arealva Airport – Moussa Nakhil Tobias Airport (SBAE);
- c) Marília Airport – Frank Miloye Milenkovich Airport (SBML);
- d) Sorocaba Airport – Sorocaba Airport (SDCO);
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- g) Franca Airport – Tenente Lund Pressoto Airport (SIMK);
- h) Guaratinguetá Airport – Edu Chaves Airport (EEAR);
- i) Registro Airport – Registro Airport (SSRG);
- j) Avaré-Arandu Airport – Luiz Gonzaga Lutti Airport (SDRR); and
- k) São Manuel Airport – Nelson Garófalo Airport (SDNO).

Paragraph one – Operating airport facilities that are the purpose of this concession falls within airports' civilian grounds, except for civilian grounds used by the Aeronautics Command (Comando da Aeronáutica – COMAER) for purposes of rendering air traffic services, the latter of which do not comprise the purpose of the concession.

Paragraph two – Grounds and facilities specifically used for military activities and located within the airport's grounds do not comprise the purpose of the concession.

Article 2 – Airports comprising blocks listed in article 1 of these regulations shall be submitted to all expansions planned throughout the concession term, with these expansions set to make up the corresponding airports' and concession's grounds.

## **CHAPTER II**

### **On Expected Services to be provided at Airports**

Article 3 – Services and additional operational activities to be carried out in airports are grouped as follows:

I – delegates;

II – non-delegates; and

III – complementary.

Article 4 – The following are deemed commissioned services attributable to the concessionaire or to any third party that it chooses to hire:

I – draw up projects deemed necessary and secure approvals and environmental permits, as well as carrying out construction works, mandatory investments and projected investments included in the Airport Operational Plan and the Infrastructure Management Plan to enable operation of airports;

II – run and manage commissioned public services, to be mandatorily and continuously undertaken by the concessionaire throughout the concession term, consisting of operating, maintaining and expanding airports' facilities, as described in the concession contract and its annexes;

III – provide support to carry out any service not included within the scope of the concession's purpose, which shall be attributable solely to ARTESP or to other Public Administration bodies and entities, under the terms of the concession contract and the Auction Notice;

IV – secure, apply and manage all funds required to execute the purpose of the concession;

V – provide assets required for rendering services that are the purpose of the concession; and

VI – carry out preventive and corrective maintenance measures of all assets comprising the concession, so as to keep them fully operational and capable of fulfilling the provisions of the concession contract.

Article 5 – Non-commissioned services are deemed any and all services that fall exclusively within the Public Authority's scope, such as providing services aimed at supporting and ensuring air traffic safety in granted airports' air traffic space, such as operating air traffic control towers.

Sole Paragraph – The bidding process's auction notice and the concession contract may detail other activities that will be subject to the Granting Authority's approval or to ARTESP's prior consent in order to enable the concessionaire to operate them.

Article 6 – Complementary services are any and all services deemed convenient but which are non-essential to retaining adequate service standards throughout the entire concession area, with said services being attributable to the concessionaire or to any third party hired by it after, in all cases.

## **CHAPTER III**

### **On the Responsibilities of the Concessionaire**

Article 7 – The following are the concessionaire's duties throughout the entire concession term:



- I – deploy resources available to it to ensure that users receive a quality service attuned to service standards set forth under the concession contract;
- II – render commissioned services continuously throughout the concession term;
- III – diligently render all public commissioned services and provide support for rendering of non-delegated services in airports;
- IV – properly put in place ongoing execution and supervision measures for all commissioned services;
- V – support ARTESP and other public bodies and entities in rendering services that are out of the concession's scope, and whose performance relates to the concession;
- VI – carry out all concession-related construction works, services, controls and activities diligently, employing all required procedures and using a low-cost approach while introducing the best practices that apply to each task carried out, as well as complying with guidelines, standards and specifications set forth by ARTESP, while additionally putting in place all measures aimed at ensuring the awarded asset;
- VII – carry out expansion and improvement services aimed at adjusting the infrastructure's capacity to the demand, in addition to enhancing users' safety and comfort;
- VIII – secure ARTESP's prior consent for projects, plans and programs concerning airport operations and expansions;
- IX – immediately redo any and all services that fall within its scope, and which are executed with flaws or defects;
- X – draw up all studies, projects and additional documents required for fulfilling the purpose of the concession;
- XI – provide any and all documents concerning the concession to ARTESP;
- XII – provide information and explanations requested by ARTESP or by ANAC, granting them unrestricted access to all airport premises, in addition to digital systems installed by the concessionaire, while further allowing them to conduct inspections and auditing of its financial records;
- XIII – give notice to ARTESP about any and all events that breach airports' adequate operations;
- XIV – secure all licenses, approvals and permits, among other requirements deemed necessary, including those relating to purposes of fulfilling regulatory and environmental laws;
- XV – uphold legal rulings concerning labor, social security and occupational safety and health laws regarding its employees, holding itself accountable, as the sole employer, for all social, labor and social security-related encumbrances levied upon workforce costs used in operations and maintenance activities, in addition to any other activities it may carry out for purposes of the concession, as well as for legal rulings relating to workplace accident insurance;
- XVI – answer to ARTESP, the State of São Paulo and third parties for all actions and events falling within its scope of responsibilities;
- XVII - answer for its employees, representatives, sub-contractors, service providers or any other concession-related natural person or legal entity;
- XVIII – carry out all conditions, environmental programs and mitigating measures;
- XIX – endeavor to keep assets that comprise the concession as well as airports comprising the airports in sound conditions;
- XX – inform the general public and users whenever tariff prices change;



- XXI – upload tables listing current tariff prices to its webpage and keep them up-to-date;
- XXII – keep emergency services running in airports, pursuant to the terms of the applicable legislation;
- XXIII – endeavor to protect natural resources and ecosystems;
- XXIV – keep the inventory and concession-related asset records up-to-date, in compliance with the frequency and rules set forth under the contract;
- XXV – keep user customer relationship channels fully operational and running in accordance with defined standards, in addition to Ombudsman Office services specified in guidelines applicable to these situations;
- XXVI – uphold all rules defined in the contract and in ARTESP-issued guidelines in regard to returning airports that were granted, as well as potential transfers to the succeeding concessionaire; and
- XXVIII – fulfill all additional provisions provided for under the concession contract.

## **CHAPTER IV**

### **On Inspecting Services Awarded, the Administrative Police's Power and Penalties**

Article 8 – All services provided for under these regulations are subject to inspections and monitoring.

§ 1 – Quality, continuity, constancy, efficiency, up-to-dateness, applying to all individuals (generality), safety and courtesy concerning services rendered, as well as sliding-scale tariffs, appraisal factors that set forth adequate service standards, pursuant to the provisions of federal Law no. 8987 of February 13, 1995, shall be deemed the cornerstones for when it comes to inspecting services addressed in this article.

§ 2º – For purposes of the provisions of this article, ARTESP shall set forth technical guidelines, indicators and parameters aimed at quantifying and appraising factors that §º1 of this article alludes to.

Article 9 – Regarding airports addressed in these regulations, the Granting Authority shall undertake the administrative police's powers, including the scope to impose fines on individuals breaching applicable regulations.

Article 10 – The concessionaire shall be subject to ARTESP's inspections, which may additionally rely on cooperation from users.

§ 1 – Upon carrying out its inspection duties, ARTESP shall be cleared access to the concessionaire's administrative, bookkeeping, technical, economic and financial resource data, including by electronic means and in real-time.

§ 2 – ARTESP shall inspect services rendered, and it shall be free to hire third party services to help in its inspection duties, subject to the provisions of state Complementary Law no. 914 of January 14, 2002, and subsequent amendments.

§ 3 – Inspection carried out by ARTESP does not take away regulatory action by the Civil Aviation Secretariat (Secretaria de Aviação Civil – SAC) over the commissioned services, within the limits of its scope.

## **CHAPTER V**

### **On Airport Tariffs and Revenues**

Article 11 – As of the dates provided for under this auction notice, the following are deemed concessionaire revenues:

I – airport tariffs, these being:

- a) boarding tariff;
- b) connection tariff;
- c) landing tariff;
- d) permanence tariff;
- e) storage tariff; and
- f) cargo handling tariff.

II – earnings resulting from investments made in the financial market;

III – charging for services provided to users;

IV – charging for ancillary air transport services;

V – use of airport grounds;

IV – price charged for advertising that is not prohibited by law;

V – sums taken in due to insurance and monetary fines specified in contracts signed between the concessionaire and third parties, in addition to those resulting from payment of bid bonds offered within the scope of contracts entered into with third parties;

VIII – other additional sources of revenue from providing complementary services; and

IX – others specified in the concerning auction notice and contract, or which may be regulated by the Granting Authority, as well as proposals submitted by the concessionaire, provided these are previously approved by ARTESP, subject to revenue sharing rules.

Article 12 – Upon determining each airport's tariff prices, the concessionaire shall comply with the concession contract's guidelines, in addition to tariff exemptions foreseen under existing laws and rulings, including ANAC Resolution no. 392/2016 and Ordinance no. 219/GC-5/2001 or any other that may come to replace it.

Sole paragraph – Criteria and time frames for adjusting airport tariffs are described in the auction notice and the concession contract, as well as regulations on additional revenue sources.

## **CHAPTER VI**

### **On Rights and Obligations of Users**

Article 13 – The following are users' rights and obligations:

I – receive an adequate service;

II – comply with legal and regulatory obligations concerning the use of commissioned services;

III – receive information from the Granting Authority, ARTESP and the concessionaire to help uphold both individual and collective interests, as well as to help achieve a proper use of airports;

IV – receive information from ARTESP and the concessionaire about airport tariff prices;

V – have access to different Customer Relationship Systems and Channels, the Ombudsman's Office and social media customer service support, among others;

VI – secure and use the service while having the freedom of choice, subject to the Public Authority's guidelines;

VII – notify ARTESP and the concessionaire on any breaches it is aware of concerning the service provided;

VIII – inform competent authorities about any illegal activities carried out by the concessionaire in its rendering of the service;

IX – help keep public assets, through which services are rendered, in sound conditions; and

X – be covered by insurance coverages specified in the concession contract.

Article 14 – ARTESP and the concessionaire shall encourage the local community to participate in all matters concerning airports that are the purpose of the concession.

## **CHAPTER VII**

### **On General Provisions**

Article 15 – After the concessionaire has submitted its proposal, the Granting Authority shall take care of all steps for declaring assets and grounds as of being of public utility for purposes of potentially expanding airports, while the concessionaire shall be responsible for carrying out expropriations and administrative easements, as well as for making all corresponding compensations, subject to the concession contract's terms and conditions, and as approved by the Public Authority.

Article 16 – After the concession has terminated, all revertible assets, rights and privileges relating to operating airports that were transferred to the concessionaire or put in place by it shall be handed back to the Granting Authority, within the scope of the concession and as specified under the legislation and the contract.

Sole paragraph – After the concession contract's term has expired, revertible assets, rights and privileges addressed in this article's "caput" may be transferred to any concessionaire that may potentially take on the duty of rendering services dealt with by these regulations, subject to the procedures, deadlines, formalities and duties set out in the contract.

Article 17 – Pursuant to the terms of the State of São Paulo's current administrative framework's rules, the Secretariat of Logistics and Transport (Secretaria de Logística e Transportes) shall issue complementary rulings required for complying with these regulations.

Article 18 – ARTESP shall sign the concession contract as a consenting intervening party, subject to the provisions of article 4, item I, of Complementary Law no. 914 of January 14, 2002, and shall be entitled to manage the concession agreement.

## ANNEX II

### GENERAL PLAN OF THE AIRPOR GRANT

#### 1. INTRODUCTION

The present document constitutes the Grant Plan, aiming the implementation, via the private sector, of the concession for operation, maintenance and expansion services concerning airport facilities of the 22 state airports currently administered by DAESP – Departamento Aeroviário do Estado de São Paulo, pursuant to terms of article 1, paragraph 3, of Complementary Law No. 914/2002.

The project constitutes the 2<sup>nd</sup> Stage of Airport Concessions, as forecast in the Programa Estadual de Desestatização – PED, as by Law No. 9.361, of July 5, 1996, and by Decree No. 61.634, of November 19, 2015.

#### 2. GENERAL CONTENT OF THE GRANT PLAN

The Grant Plan describes the assets that are purpose of this Concession, its relevant items, the Concession model and the main aspects of the bidding procedure.

#### 3. CONCESSION'S PURPOSE

22 (twenty-two) state airports currently administered by DAESP will be granted.

The airports have been divided in Northwest and Southeast Blocks, as follows:

##### I – Northwest Block:

- a. São José do Rio Preto Airport – Professor Eriberto Manoel Reino Airport (SBSR);
- b. Presidente Prudente Airport – Presidente Prudente Airport (SBDN);
- c. Araçatuba Airport – Dario Guarita Airport (SBAU);
- d. Votuporanga Airport – Domingos Pignatari Airport (SDVG);
- e. Barretos Airport – Chafei Amsei Airport (SNBA);
- f. Dracena Airport – Moliterno de Dracena Airport (SDDR);
- g. Tupã Airport – José Vicente Faria Lima Airport (SDTP);
- h. Presidente Epitácio Airport – Geraldo Moacir Bordon Airport (SDEP);
- i. Andradina Airport – Paulino Ribeiro de Andrade Airport (SDDN);
- j. Assis Airport – Marcelo Pires Halzhausen Airport (SNAX); and
- k. Penápolis Airport – Doutor Ramalho Franco Airport (SDPN).

##### II – Southeast Block:

- a. Ribeirão Preto Airport – Leite Lopes Airport (SBRP);
- b. Bauru-Arealva Airport – Moussa Nakhil Tobias Airport (SBAE);

- c. Marília Airport – Frank Miloye Milenkovich Airport (SBML);
- d. Sorocaba Airport – Sorocaba Airport (SDCO);
- e. Araraquara Airport – Bartolomeu Gusmão Airport (SBAQ);
- f. São Carlos Airport – Mário Pereira Lopes Airport (SDSC);
- g. Franca Airport – Tenente Lund Pressoto Airport (SIMK);
- h. Guaratinguetá Airport – Edu Chaves Airport (EEAR);
- i. Registro Airport – Registro Airport (SSRG);
- j. Avaré-Arandu Airport – Luiz Gonzaga Lutti Airport (SDRR); and
- k. São Manuel Airport – Nelson Garófalo Airport (SDNO).

#### 4. JUSTIFICATION FOR THE CONCESSION

The State of São Paulo and the Federal Union have entered into Delegation Agreements, by which the Federal Government has awarded the State of São Paulo the duty to operate the 22 (twenty-two) airports above mentioned. The Delegation Agreements authorize the State of São Paulo to grant them to the private sector, with the prior consent of the Secretaria de Aviação Civil.

Considering the State of São Paulo's objective to incentivize regional development, and, at the same time, discharge the public coffers through the concession to the private sector the totality of the airports administered by DAESP, the project was presented to and approved by the Conselho Diretor do Programa Estadual de Desestatização – CDPED, created by Law No. 9.361, of July 5, 1996.

#### 5. BIDDING ASPECTS

The Auction Notice and the Concession Agreement must adhere to the following parameters:

- i. The concession will be implemented through the form a common concession, pursuant to terms of Law No. 8.987/1995.
- ii. Purpose of the concession shall encompass operating, maintaining and expanding airport facilities of the 22 (twenty-two) airports;
- iii. Services aimed at supporting and ensuring air traffic safety in granted airports' air traffic space, such as operating air traffic control towers will not be granted;
- iv. The concession's term may be extended as a method of restoration of economic-financial balance;
- v. Tariffs values must abide by ANAC's and ARTESP regulation;
- vi. The concessionaire will be allowed to earn ancillary and complementary revenues.
- vii. The concession will be preceded by an international bidding procedure.

- viii. The criterion for judging the bid shall be the highest bid made for the granting the concession, subject to the minimum sum and the payment method defined in the auction notice;
- ix. The same interested party, or same consortium, is allowed to submit proposals for both airport blocks, as it is possible to be granted both blocks;
- x. The Auction Notice demands technical, economic-financial, legal, fiscal and labor qualification, subject to the applicable legislation;
- xi. There is permission for business companies, investment funds and other Brazilian or foreign legal companies, whether separately or in a consortium, to participate in the bidding process, provided the nature and purpose set out in their memorandums of association are attuned to concession-related duties and activities;
- xii. In order to sign the concession agreement, there is a requirement for having established a Special Purpose Company – SPE, subject to the terms of the Auction Notice and Brazilian legislation;
- xiii. Payment of a variable grant to the State of São Paulo;
- xiv. Payment of an inspection fee to ARTESP;
- xv. Option to hire third parties, subject to the limits forecast in the concession agreement;
- xvi. Addressing of environmental liabilities;
- xvii. Allocation of risks between the concessionaire and the State of São Paulo;
- xviii. Inspection will be carried out by ARTESP; and
- xix. The parties must respect the users' rights.