



AGÊNCIA DE TRANSPORTE DO ESTADO DE SÃO PAULO

ANNEX 18 –Rodoanel NorteLot

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ANNEX 18

TRANSITION CONDITIONS

SPONSORED CONCESSION OF PUBLIC SERVICES OF EXPANSION, OPERATION, MAINTENANCE AND MAKING OF INVESTMENTS NECESSARY FOR EXPLORATION OF THE ROAD SYSTEM CALLED RODOANEL NORTE LOT



AGÊNCIA DE TRANSPORTE DO ESTADO DE SÃO PAULO

ANNEX 18 –Rodoanel NorteLot

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1. OBJECT OF THE TRANSITION AND SIGNATURE OF THE ITT

- 1.1. The ROAD SYSTEM, as defined in ANNEX 02, will be transferred to the CONCESSIONAIRE under the terms and conditions established in this ANNEX 18, through the signature of the INITIAL TRANSFER TERM.
- 1.2. The INITIAL TRANSFER TERM must be signed by the PARTIES within 30 (thirty) days from the signing of the AGREEMENT.
- 1.3. The conditions for signing the INITIAL TRANSFER TERM are:
 - (i) The hiring of the INDEPENDENT RAPPORTEUR by the CONCESSIONAIRE, pursuant to item 3 of this ANNEX;
 - (ii) The signature of the authorization for the transfer of the INSTALLATION LICENSES of the current IMPLEMENTATION WORKS owned by DERSA/DER, according to item 2 of this ANNEX;
 - (iii) The institution of the TRANSITION COMMITTEE, as per item 4 of this ANNEX.
- 1.4. The signature of the INITIAL TRANSFER TERM will start the PRE-CONSTRUCTION PERIOD, at which time the activities provided for in Clause 6.2.2 of the AGREEMENT and detailed in this ANNEX shall be carried out.
- 1.5. RODOANEL NORTE LOT consists of the road network granted to the CONCESSIONAIRE, composed of the ROAD SYSTEM, including all its constituent elements of RIGHT OF WAY, in addition to accesses and grade-separated interchange, buildings, land, lanes, shoulders, special works of art, and other investments to be made by the CONCESSIONAIRE within the scope of the AGREEMENT and any other elements, as well as any areas occupied with operational and administrative facilities related to the SPONSORED CONCESSION.
- 1.6. With the transfer of RODOANEL NORTE LOT to the CONCESSIONAIRE, upon signature of the INITIAL TRANSFER TERM, the entire scope of the SPONSORED CONCESSION provided for in the sub-item 1.4 above shall be considered by the CONCESSIONAIRE in the performance of activities and fulfillment of obligations related to the exploitation of the SPONSORED CONCESSION.

2. TRANSFER OF LICENSES FOR IMPLEMENTATION WORKS ON BEHALF OF DERSA/DER

- 2.1. It is a precondition for issuing the INITIAL TRANSFER TERM to sign the authorization for the transfer of the INSTALLATION LICENSES of the current IMPLEMENTATION WORKS owned by DERSA/DER, according to the model provided in ANNEX 22.
 - 2.1.1. Any losses resulting from delay in signing the authorization to transfer the INSTALLATION LICENSES by DERSA/DER will be the responsibility of the GRANTING AUTHORITY.
- 2.2. It is the CONCESSIONAIRE's responsibility to adopt the necessary measures with CETESB to enable the transfer of ownership of the INSTALLATION LICENSES held by DERSA/DER.
 - 2.2.1. It will be up to the GOVERNMENT, with the assistance of ARTESP, to support the

CONCESSIONAIRE in obtaining the transfer of ownership of the INSTALLATION LICENSES.

3. HIRING THE INDEPENDENT RAPPOREUR

- 3.1. During the PRE-CONSTRUCTION PERIOD, INSPECTION REPORTS must be prepared, according to item 5 of this ANNEX.
- 3.2. The INSPECTION REPORTS must, necessarily, be prepared by an individual or legal entity external to the PARTIES and ARTESP, who will be designated as INDEPENDENT RAPPOREUR, according to the deadlines and rules provided for in this ANNEX.
- 3.3. On the date of signature of the AGREEMENT, the CONCESSIONAIRE shall submit to ARTESP a triple list of candidates for INDEPENDENT RAPPOREUR.
- 3.4. Within 10 (ten) days after the CONCESSIONAIRE presents the triple list of candidates for INDEPENDENT RAPPOREUR, ARTESP shall ratify the list or, if necessary, request adjustments.
 - 3.4.1. In the event of ratification of the triple list, at the same opportunity, ARTESP will select, by means of a lottery, the INDEPENDENT RAPPOREUR to be hired.
 - 3.4.2. In the event of a request for adjustments to the triple list, the CONCESSIONAIRE (i) must submit a new list within 5 (five) days of the request submitted by ARTESP; and (ii) ARTESP shall carry out the approval within 5 (five) days and, on the same date, select the INDEPENDENT RAPPOREUR, by means of a lottery.
- 3.5. Within 5 (five) days of selection, by means of a lottery, by ARTESP, the CONCESSIONAIRE shall hire the INDEPENDENT RAPPOREUR.
- 3.6. The three-party list will be prepared, cumulatively, pursuant to requirements of technical reputation in the market and no restrictions to enter into agreements with the Public Administration, listed in the item 8.3 of the REQUEST FOR BIDS.
- 3.7. The INDEPENDENT RAPPOREUR, its agents and employees who are part of its staff, may not have had any prior relationship with the RODOANEL NORTE project, any type of relationship with the CONCESSIONAIRE and its RELATED PARTIES, nor have they received any form of remuneration, in the 12 (twelve) months prior to the publication of the REQUEST FOR BIDS, nor may they have any type of relationship with the CONCESSIONAIRE and its RELATED PARTIES, nor receive any form of remuneration from them, in the 12 (twelve) months after the delivery of the FINAL INSPECTION REPORT.
- 3.8. All costs and potential liabilities related to hiring of the REPORTER will be exclusively attributed to the CONCESSIONAIRE, and no burden will be attributed to ARTESP or the GRANTING AUTHORITY.
- 3.9. Once the INDEPENDENT RAPPOREUR has been selected, he will carry out, on his own behalf or through his agents, the inspections referring to the receipt of the ROAD SYSTEM, and will prepare the INSPECTION REPORTS.
- 3.10. The INDEPENDENT RAPPOREUR will be technically responsible, for all legal purposes, for the information presented in the INSPECTION REPORTS, answering personally for the team, whether

individuals or subcontracted companies, which he may hire for his surveys.

- 3.11. The CONCESSIONAIRE shall be obliged to terminate the contract with the INDEPENDENT RAPORTEUR, after a duly motivated decision by ARTESP, if ARTESP understands that reports or positions have been issued incompatible with the INDEPENDENT RAPORTEUR's duty to act with technical rigor, independence and equidistance between the PARTIES.
- 3.12. The CONCESSIONAIRE may only terminate the contract with the INDEPENDENT RAPORTEUR after prior consent by ARTESP, and the grounds justifying such intention must be presented.
- 3.13. The information contained in the INSPECTION REPORTS, including conclusions regarding the existence of the IMBALANCE EVENT and the value of the imbalance, presented by the INDEPENDENT RAPORTEUR in the SURVEY REPORTS subscribed by him, will not be binding and presumed correct.
 - 3.13.1. In the event of disagreements between the PARTIES and/or ARTESP regarding the conclusions presented in the INSPECTION REPORTS, the TRANSITION COMMITTEE will be responsible for evaluating the controversies, approving the IMBALANCE EVENT and the respective value for the restoration of the economic-financial balance of the AGREEMENT, as item 8 below.

4. TRANSITION COMMISSION

- 4.1. The transfer of the ROAD SYSTEM to the CONCESSIONAIRE, as well as the execution of all activities included in this ANNEX and in the PRE-CONSTRUCTION PERIOD, will be monitored by the TRANSITION COMMISSION, qualified as an alternative means of resolving disputes under the nature of *dispute adjudication board* (dispute prevention and resolution committee, with adjudicatory authority).
 - 4.1.1. During the PRE-CONSTRUCTION PERIOD, the TRANSITION COMMITTEE will be competent to monitor the execution of the contract, as well as to issue reasoned statements on technical and economic-financial issues submitted by ARTESP or the PARTIES, in order to prevent and resolve any differences that may arise to arise.
- 4.2. Any and all disputes arising from disagreement by ARTESP, or by one or both PARTIES, with respect to decisions, reports, reports or opinions made by the INDEPENDENT RAPORTEUR, by ARTESP or by the GRANTING AUTHORITY, during the PERIOD OF PRE-CONSTRUCTION.
 - 4.2.1. The competence of the TRANSITION COMMITTEE is restricted to disputes involving available property rights, as defined by article 18, § 4, of State Law No. 16.933/2019, including, for example, the matters described in item 5.1 below.
 - 4.2.2. Controversies involving interests of third parties that do not have a contractual, statutory or legal relationship, present or past, with any of the PARTIES will not be subject to deliberation by the TRANSITION COMMISSION.
 - 4.2.3. The decisions of the TRANSITION COMMISSION shall immediately bind ARTESP and the PARTIES, who will be obliged to comply with the content of the decision within the period set by the TRANSITION COMMISSION when deciding the dispute, until an arbitration or judicial decision that modifies, deconstitutes, annuls or suspend its effects, without prejudice to the

provisions of the item 8 below.

- 4.3. The TRANSITION COMMITTEE will be formed by 5 (five) specialized members, who shall, within the scope of their competence, as defined in the items 4.1 and 4.2 of this ANNEX, act by encouraging the PARTIES and ARTESP to avoid disputes during the PRE-CONSTRUCTION PERIOD, and assist them in solving those that cannot be avoided, aiming at their definitive solution, in accordance with the AGREEMENT and its ANNEXES and observing the applicable legislation.

- 4.3.1. For the proper exercise of their duties, the members of the TRANSITION COMMITTEE will have full access to the CONCESSION AREA and to all documents and reports related to the CONCESSION.

- 4.4. Within 5 (five) days after the AGREEMENT is signed, the CONCESSIONAIRE will appoint 2 (two) members, and the GRANTING AUTHORITY and ARTESP will each appoint 1 (one) member, to compose the TRANSITION COMMITTEE, and the appointed members, by mutual agreement, appoint another 1 (one) member, within a complementary period of 5 (five) days, observing item 4.5.2 below, who will preside over the TRANSITION COMMITTEE meetings.

- 4.5. Within a period of 5 (five) days, the GRANTING AUTHORITY and/or ARTESP may refuse the indications made by the CONCESSIONAIRE, and the CONCESSIONAIRE may refuse the indications made by ARTESP and the GRANTING AUTHORITY, and, for that purpose, in either case, the occurrence of any of the impeding situations mentioned in item 4.6 must be demonstrated.

- 4.5.1. In the case of the item 4.5 above, the person whose nomination is refused must submit a new nomination, within 5 (five) days of the notification of the refusal.

- 4.5.2. For the appointment of the Chairman of the TRANSITION COMMITTEE, the members already appointed, observing the hypothesis of item 4.5 above, must submit, within 5 (five) days, a list of five potential candidates for scrutiny by the PARTIES, at which time each one may veto, within a period of up to 5 (five) days, up to two names, unjustifiably, and the finally elected president must be among the names not vetoed.

- 4.6. The members of the TRANSITION COMMITTEE:

- (i) must have experience in managing, or advising on, long-term projects, in the road concession and/or heavy construction sector, except for the President of the TRANSITION COMMISSION, who must preferably have legal training, being applicable to all members, the rules of impediment and suspicion of judges provided for in the current Civil Procedure Code and those existing in Chapter III of Federal Law No. 9,307/1996;
- (ii) they must be persons of moral suitability, and have technical training and professional experience recognized and compatible with the requirements of this ANNEX;
- (iii) shall not be involved in any of the situations provided for in the Red and Orange Lists of the IBA – International Bar Association Guidelines, relating to Conflicts of Interest in International Arbitration;
- (iv) must be independent in relation to who indicated them, so that they cannot participate, directly or indirectly, in the TRANSITION COMMISSION, a person who is or who has been, in the last 12 (twelve) months, director, manager, employee, outsourced

contractor, administrator, partner or who has any legal, technical, commercial, economic, financial, labor or business relationship with the CONCESSIONAIRE, shareholders of the CONCESSIONAIRE and its ECONOMIC GROUP, the GRANTING AUTHORITY or ARTESP, as the case may be;

- (v) must perform their functions independently, impartially, competently and diligently, having the duty to disclose, before accepting the position, any fact that gives rise to justified doubt as to their impartiality and independence.

4.6.1. The duty to disclose a situation that may create justified doubt as to the partiality or independence of the members of the TRANSITION COMMISSION remains throughout the period of its existence, in relation to facts supervening to the appointment.

4.6.2. Without prejudice to the duty of disclosure assigned to the member appointed to the TRANSITION COMMITTEE, the PARTIES or ARTESP may submit written questions about their impartiality and independence, during the period provided for in item 4.5, which must be answered in time to exercise the right of refusal.

4.7. Once the TRANSITION COMMITTEE is formed, the president will be responsible for drawing up regulations detailing the operating rules of the TRANSITION COMMISSION, and shall submit it to the approval of the other members.

4.7.1. The regulation referred to in item 4.7 must provide, at a minimum, on:

- (i) way of setting the calendar of activities to monitor the PRE-CONSTRUCTION PERIOD;
- (ii) form and deadlines of communication to the PARTIES and interested parties;
- (iii) form and term for convening meetings between members;
- (iv) deadlines for the practice of acts, when analyzing and deciding on disputes submitted to it; and
- (v) way of recording the deliberations and other relevant activities of the members.

4.7.2. The deadlines for issuing decisions regulated in this ANNEX shall prevail over the deadlines provided for in the TRANSITION COMMISSION regulation.

4.7.3. The procedure will observe orality and informality in the management and prevention of divergences, but any decisions of the TRANSITION COMMISSION must be formalized in writing, and the written form must also be observed for the submission of divergence for its consideration, the production of evidence and other manifestations during the procedure.

4.8. The members of the TRANSITION COMMISSION will receive a monthly amount as remuneration for the services provided, the value of which will be defined taking into account the remuneration practiced in the market for services of a similar nature.

4.8.1. The members of the TRANSITION COMMISSION shall be aware that the monthly remuneration established in the item above covers (i) the availability of the members of the TRANSITION COMMITTEE to attend all meetings and *on-site* visits with the PARTIES and

ARTESP; (ii) monitoring activities in the PRE-CONSTRUCTION PERIOD; (iii) the analysis of reports and other documents presented by the INDEPENDENT RAPPORTEUR related to the PRE-CONSTRUCTION PERIOD; and (iv) administrative and office expenses incurred by the member of the TRANSITION COMMISSION at his place of residence.

4.9. The CONCESSIONAIRE will be responsible for the payment of the entirety of the costs related to the installation and operation of the TRANSITION COMMISSION, including the fees of the members appointed by the PARTIES and ARTESP, and the costs arising from the hiring of any expertise or specialized technical assistance by the TRANSITION COMMISSION, not any type of reimbursement or commission of loss of suit shall be due to the GRANTING AUTHORITY and/or ARTESP.

4.10. The TRANSITION COMMITTEE shall conduct the necessary procedure for issuing its decision in compliance with the principles of publicity, adversarial proceedings, equality of the parties, their impartiality and independence, as well as observing the principles that govern the activity of the PUBLIC ADMINISTRATION.

4.10.1. Exceptionally, secrecy may be imposed on certain acts or documents produced in the procedure, provided that the case is provided for in current legislation, subject to the provisions of Federal Law No. 12,527/2011 and State Decree No. 58,052/2012.

4.10.2. All documents submitted by the PARTIES and ARTESP are presumed to be public, and it is up to the interested party to justify any secrecy that should fall on any of the documents presented, an opportunity in which, if any of the interested parties disagree, the matter will be settled by the TRANSITION COMMISSION.

4.10.2.1. The discipline provided for in item 4.10.2 does not apply to documents that, in the arbitration or judicial scope, or within the scope of the Direct or Indirect Administration of the State of São Paulo, have already had their confidentiality assessed, in which case the decision adopted in the administrative, judicial or arbitration scope, regarding the confidentiality of documents.

4.11. The manifestations of the TRANSITION COMMITTEE will be considered approved if they have the favorable vote of the absolute majority of its members, and must observe the technical, contractual and legal rules applicable to the controversy, being prohibited the judgment by equity.

4.11.1. In case of obscurity, contradiction, omission or material error contained in the statement of the TRANSITION COMMISSION, any of the PARTIES and ARTESP may, within 15 (fifteen) days, request its review, granting the same period for the others to express themselves at regarding the review request.

4.11.2. Except as provided for in item 4.11.1, there will be no appeal against the decisions of the TRANSITION COMMISSION, and any of the PARTIES and ARTESP, if not in agreement with its judgment, may submit the matter to arbitration.

4.12. The TRANSITION COMMITTEE will be extinguished when the FINAL INSPECTION REPORT is prepared.

5. CONTENT OF THE CONSOLIDATED SURVEY REPORT

5.1. The CONSOLIDATED INSPECTION REPORT must be prepared by the INDEPENDENT

RAPPOREUR within a maximum period of 6 (six) months, renewable for an equal period, at ARTESP's discretion, from the signing of the INITIAL TRANSFER TERM, and must cover the following content:

- (i) Identification of possible points where there is a need to redo the work due to the identification of: a) incompatibilities between the content of the ANNEXES, especially ANNEX 24, and the current situation of the ROAD SYSTEM when transferred through the INITIAL TRANSFER TERM; b) errors in the execution of the EXECUTIVE PROJECTS, exclusively in situations where there is a compromise in safety, functionality and/or impossibility of meeting the PERFORMANCE INDICATORS; c) incompatibilities between the EXECUTIVE PROJECTS, pursuant to ANNEX 12, and the project actually implemented, in compliance with item 5.1.1;
- (ii) Identification of any incompatibilities between any liabilities and/or environmental irregularities found in the ROAD SYSTEM, when transferred through the INITIAL TRANSFER TERM, and those provided for in the AGREEMENT and in the ANNEXES as a risk of the CONCESSIONAIRE, as well as any new compensatory measures or measures of environmental nature arising from the conclusions of the studies and analyzes listed in this ANNEX;
- (iii) Identification of objects, equipment, supplies and/or parts that have been previously used and that do not make up the list of REVERSIBLE GOODS, but that remain in the area where the ROAD SYSTEM will be implemented;
- (iv) Identification and registration of any occupations identified in the ROAD SYSTEM, indicating how each set of occupations may obstruct the start of the IMPLEMENTATION WORKS;
- (v) Estimate of possible economic-financial imbalance in favor of the CONCESSIONAIRE, associated with costs that must be incurred by it for the treatment of items (i), (ii), (iii) and (iv) above, if carried out by the CONCESSIONAIRE.

5.1.1. Any incompatibilities between the EXECUTIVE PROJECTS and the implemented project should only be pointed out in cases where the solution effectively adopted: (i) does not meet the current regulations/laws required by ARTESP; and/or (ii) is demonstrably of inferior quality to that provided for in the EXECUTIVE PROJECTS.

5.1.2. If there is an "as built" project, it will only serve to facilitate the verification of incompatibilities between the EXECUTIVE PROJECTS and the project actually implemented, so that the conclusions of the CONSOLIDATED INSPECTION REPORT will prevail over the "as built" project.

5.1.3. To estimate the economic-financial imbalance in favor of the CONCESSIONAIRE, as well as the costs associated with the treatment of each of the topics indicated in items (i), (ii), (iii) and (iv) of item 5.1, the INDEPENDENT RAPPOREUR shall observe the discipline provided for in Clause 25 of the AGREEMENT, observing, in particular, for the estimation of costs, the provisions of Clauses 25.5.2 to 25.5.2.2.

5.2. The preparation of the CONSOLIDATED INSPECTION REPORT must necessarily include the execution of the inspections and technical tests listed below, without prejudice to subsequent additions or changes required by the CONCESSIONAIRE, pursuant to item 5.3:

Regarding the OAE:

The projects and inspections of structures must be carried out in accordance with the current technical standards and technical specifications of ARTESP and DER, among them:

ARTESP/

ET-00,000,000-0-C21/002 -R1 - Control of special artworks

DER

IP-DE-C00-001_A - Special artwork structure design

IP-DE-C00-011_A - Project for the recovery and enlargement of a special work of art

ABNT

ABNT NBR 7187- Project of reinforced concrete and prestressed concrete bridges - Procedure

ABNT NBR 7188/2013 - Mobile road load of pedestrians on bridges, viaducts, walkways and other structures

ABNT NBR 8681: 2003 - Actions and safety in structures - Procedure;

ABNT NBR 6123- Forces due to wind in buildings

ABNT NBR 6122: 2019 - Design and execution of foundations;

ABNT NBR 6118 -Design of concrete structures - Procedure

ABNT NBR 8800 - Design of steel structures and mixed steel and concrete structures for buildings

NBR-9050 – Accessibility to buildings, furniture, equipment and urban spaces

ABNT NBR 9062- Design and execution of precast concrete structures

ABNT NBR 14885- Traffic safety - Concrete barriers

ABNT NBR 15486- Traffic safety — Road containment devices — Design guidelines and impact tests

ABNT NBR 19783- Chartered elastomer support devices - specification and test methods

ABNT NBR 9452- Inspection of bridges, viaducts and concrete walkways - Procedure

Referring to FLOORING

□

Evaluation	Equipment / Test	Applicable Standards	Standard Description
Surface Conditions	-	DNIT 006/2003-PRO	Objective evaluation of the surface of flexible and semi-rigid pavements
		DNIT 005/2003-TER	Defects in flexible and semi-rigid pavements
		DNIT 060/2004-PRO	Hard Floor - Visual Inspection
		DNIT 062/2004-PRO	Rigid Floor - Objective assessment
		DNIT 061/2004-TER	Hard Floor - Defects
Comfort conditions	LASER Profilemeter	ASTM E950 / E950M(2009)	<i>Standard Test Method for Measuring the Longitudinal Profile of Traveled Surfaces with an Accelerometer Established Inertial Profiling Reference</i>
		ASTM E1364 - 95 (2005)	<i>Standard Test Method for Measuring Road Roughness by Static Level Method</i>
Deflectometric conditions	FWD	DNER-PRO 273/96	Deflection determination using the “falling weight deflectometer - FWD” type impact deflectometer

		DNIT 132/2010 – PRO	Flooring – Calibration of the load cell and deflection sensors of the “Falling Weight Deflectometer (FWD)” type deflectometers
Surface Conditions	British Pendulum and Sand Patch	ASTM E303 - 93 (2008)	Standard Test Method for Measuring Surface Frictional Properties Using the British Pendulum Tester
		ASTM E965 - 96 (2006)	ASTM E965 - 96(2006) Standard Test Method for Measuring Pavement Macrotexture Depth Using a Volumetric Technique

Additionally, the following assessments should be considered:

- Surveys and inspection wells to assess the thicknesses and conditions of the layers already carried out;
- Technological control tests of materials: mechanical properties and degree of layer compaction; and
- Evaluation of the properties of the asphalt mixture: asphalt content, void volume, etc.

Regarding GEOTECHNICS:

With the relationship of the geotechnical area, inspections must meet the most restrictive standards among the following:

DER DESIGN INSTRUCTIONS

IP-DE-C00/005 Retaining Wall Project
 IP-DE-C00/007 Containment project
 IP-DE-C00/008 Recovery of areas with occurrence of soil erosion
 IP-DE-G00/001 Geological studies
 IP-DE-G00/002 Geotechnical Services Instructions
 IP-DE-G00/003 Geotechnical studies

ABNT STANDARDS

NBR 8044 - Geotechnical Project
 NBR 11682/91 – Estabilidade de taludes.
 NBR 5629 - Execution of Tie rods anchored in the ground
 ABNT NBR 6122 - Design and Execution of Foundations;
 NBR 6484 - SPT Survey
 NBR 19286 - Walls in mechanically stabilized soils

Regarding DRAINAGE:

The investigation should be directed at inspecting the integrity and functionality of the deep and surface drainage elements.

General Applicable Note:

All elements executed, installed and/or previously manufactured must be duly inspected in order to verify their state of conservation.

Social and Environmental Aspects

ESIA

A Study of Identification and Assessment of Risks and Socio-Environmental Impacts (ESIA) must be prepared, updating the information for the scenario of resumption of works, in line with the requirements of PS1, and must include, at least, the following elements:

- (i) Assessment of possible unmitigated impacts of the original project and risks and impacts associated with the completion of construction, new complementary works and the rectification of environmental liabilities;
- (ii) In case it is necessary to develop construction activities outside the current RIGHT OF WAY, the studies must pay special attention to the risks and impacts related to expropriation / resettlement processes, biodiversity, Indigenous Peoples and traditional communities and cultural heritage (PS5, PS6, PS7 and PS8);
- (iii) Baseline (diagnosis) and updated Area of Direct Influence (ADI);
- (iv) Hydrological and drainage studies;
- (v) Noise modeling based on up-to-date traffic scenarios throughout the concession and identification of sensitive receptors (based on actual occupancy, independent of master plans/zoning), with results to be shared with relevant authorities and relevant municipalities for consideration in its urban planning;
- (vi) Security Risk Assessment, based on PS4 guidelines, with analysis of the risks generated by its property security agreements for people, whether they are inside or outside the project site;
- (vii) Assessing the risk of gender-based violence and sexual exploitation and abuse;
- (viii) Assessment of project impacts on ecosystem services;
- (ix) Consultation, if applicable, with the Brazilian authorities (Condephaat - Council for the Defense of Historical, Archaeological, Artistic and Tourist Heritage of the State of São Paulo and National Institute of National Historical Heritage - IPHAN) and ARTESP, to define the scope of evaluation of impacts on cultural, archaeological and paleontological heritage, in line with PS8 guidelines.
- (x) Risk Analysis Study during construction and operation periods.

The updated stakeholder mapping to be done in the ESIA should be incorporated into a Stakeholder Engagement Plan. Stakeholders are understood as any person, group of people and their representatives, or public or private institution that may be impacted, have an interest or power to influence the project, with a special focus on affected communities. Said plan must meet at least the following conditions:

- (i) It must be scaled to the risks and impacts of the project and its stage of development and must be adapted to the characteristics and interests of the Affected Communities. It should include differentiated measures to enable the effective participation of those identified as disadvantaged or vulnerable and make all reasonable efforts to ensure engagement with stakeholders who truly represent the views of the Affected Communities.

- (ii) It should provide procedures to prevent and manage health risks to communities related to health emergencies, such as COVID-19, aiming at (a) safe consultations during the development of the ESIA; (b) ongoing consultation and engagement throughout the SPONSORED CONCESSION, (c) providing project-related information to communities within the IDA, and (d) receiving *feedback*, taking all possible measures to protect the health of those involved.

ESMP

The surveys carried out within the scope of the ESIA should support an Environmental and Social Management Plan (ESMP). Said plan should not be confused with the plans approved under the environmental licensing of the project. The ESMP must be aligned with the requirements of PS1 and include, at least:

- (i) Risk management of sexual exploitation and abuse, requiring contractors and employees to adopt codes of conduct, have training on the subject and have monitoring of contractors working in the ROAD SYSTEM;
- (ii) Management Plan for Contractors and Subcontractors, based on the Good Practices Note "Managing the Environmental and Social Performance of Contractors" (IFC, 2017). Among other requirements, it must be certified that all licenses and grants for the use of sand/gravel/soil and water, as well as the disposal sites and borrowing areas used, are valid;
- (iii) Waste (including hazardous) and Hazardous Materials Management Program, to be implemented including by contractors, contractors and subcontractors;
- (iv) Construction Management Plan, also applicable to contractors, contractors and subcontractors, including provisions for monitoring and preventing and mitigating traffic, noise, dust, gaseous emissions, water and wastewater consumption, waste, hazardous materials and hazardous waste, contamination by infectious diseases etc;
- (v) Traffic Management Program during construction, including mitigation of health and safety risks for road users, cyclists and pedestrians;
- (vi) Occupational Health and Safety Management Program, applicable to the construction, operation and maintenance phases;
- (vii) Asset Security Management Program compatible with PS4 (paragraphs 12 to 14) and based on the results of the EIAs, also considering the guidelines of the "Manual of Good Practices - Use of Security Forces: Assessment and Management of Risks and Impacts - Guidance for the Private Sector in Emerging Markets" by the International Finance Corporation (IFC, 2017). Within the scope of the Safety Management Plan, specific measures must be observed to ensure the safety of affected communities, with a special focus on vulnerable populations, in order to mitigate occurrences of discrimination, harassment, violence, among others, of these populations, including when based on gender. The plan should provide for periodic training on gender-based violence and management of the potential risk of sexual exploitation and abuse as part of the Asset Security Management Program;
- (viii) Risk Management Plan and Emergency Action Plan applicable to works, operation and

maintenance; and

- (ix) Road Safety Management System, covering the operation and maintenance phase, including the requirements of PS4.

Biodiversity

(a) Presentation

The biodiversity assessment should be carried out within the scope of the SURVEY REPORT and may be based on available studies. This assessment should be carried out based on data obtained in the field and consultations with experts, and will be triggered whenever impact studies are planned for licensing an intervention whose area of direct influence overlaps with a location identified as potentially critical habitat. .

The steps for this assessment must follow the determinations set out in PS6 and Guidance Notes 6 (June 27, 2019 version). It should be noted that PS6 and the respective Guidance Notes (in their most current version) should always be the guiding documents for the process of assessing biodiversity and criticality of a habitat.

The consultants responsible for this assessment should be experts with recognized experience in the project region, and/or similar habitats, and in biodiversity studies and critical habitat assessment. Specialists in species classified as Critically Endangered (CR) or Endangered (EN) should also be involved.

(b) Assessment Methodology

The assessment of biodiversity and critical habitats must cover an analysis area of at least 1 km on each side of the main axis of the highways that make up the ROAD SYSTEM.

The study consists of two parts, described below.

Part 1: Biodiversity Assessment

A review and update on the priority biodiversity values occurring throughout the area of analysis should be carried out based on field information, supported by consultation of scientific literature and recognized gray literature, and consultation with experts.

Priority biodiversity values should consider federal, state, municipal and private conservation units, areas with high biodiversity value recognized nationally and internationally, significant remnants of native vegetation, presence of endangered and/or endemic species of flora and fauna.

Studies for Biodiversity Assessment according to PS6 must classify the highways belonging to the ROAD SYSTEM into different classes with respect to the sensitivity of biodiversity, such as:

- Low sensitivity = Absence of priority biodiversity values, priority modified habitats;
- Medium sensitivity = Presence of priority fauna and flora species (endangered, endemic, migratory or congregating species), whether the habitat is significant or not for the population of these species, significant remnants of native vegetation, natural habitats in general;
- High sensitivity = in addition to the values described above, presence of legally protected areas and/or key areas for biodiversity. Presence of priority fauna and flora species (endangered, endemic, migratory or congregating species). Habitats understood to be of significant importance

to the population of these species can be considered potentially critical habitats.

This classification of the sensitivity of each segment must be confirmed with field data, when there is a need to confirm the occurrence of priority species and the preservation status of remnants of native vegetation.

Measures to mitigate the impacts of the planned works must be foreseen for all segments, which must be consolidated in a Biodiversity Management Plan, or integrated into the concession's ESMP.

If there is an impact on natural habitats, the recommendations of paragraphs 14 and 15 of PS6, which present the requirements to be met in the case of projects in natural habitats (paragraph 14), must be followed, and it is necessary to foresee, as part of the mitigation hierarchy of the project, zero net loss of biodiversity (paragraph 15).

For segments classified as medium and high sensitivity, the procedures described in Part 2 must be applied.

Part 2: Determination of critical habitat

Phase 1 - Delimitation of potentially critical habitats

The delimitation of potentially critical habitats must be updated following the steps described below:

Literature review and stakeholder consultation on biodiversity values that could result in parts of the study area being classified as critical habitat. The bibliographic review should include consultations with scientific articles and national and international publications that are recognized as reputable on the region's biodiversity and the threat status of native species. Consultations should include conservation bodies, governmental environmental authorities and other relevant authorities, academic or scientific institutions and recognized independent experts should also be consulted. Based on the bibliographic research and consultation process, a list (in table format) of all biodiversity values potentially occurring in the project region that may trigger critical habitat should be prepared, containing the following information:

- Main sources of information (Lists of threatened species from the *International Union for Conservation of Nature* – IUCN, national and state, experts consulted, other sources consulted).
- Preliminary analysis of the potential of each species/biodiversity value to trigger one of the criteria for classification as a critical habitat (according to the five criteria defined in paragraph 16 of PS6).
- Specific needs for complementary information on each biodiversity value with the potential to trigger the framework as a critical habitat. Information needs should focus on what is needed to confirm whether a given biodiversity value triggers classification as a critical habitat.

Description and mapping of the study area, including the justification for the geographical limits adopted, following the guidelines contained in paragraph GN59 of Guidance Notes 6, which establishes the need to delimit an "ecologically appropriate area of analysis" for each habitat value critical (species or ecosystem) occurrence in the project region. The delimitation of this area should consider information on the distribution of the species and/or ecosystem and the ecological patterns, functions and processes necessary to maintain them. Boundaries may contemplate large rivers or geological features, and should consider connectivity features in the landscape. At this stage, if multiple biodiversity values have overlapping distributions or ecological requirements, an aggregated area may be more appropriate, in order to design ecological areas for analysis. The maps prepared must be superimposed on the concession stretches and their areas of analysis.

The delimitation of potentially critical habitats must be carried out based on the integrated analysis of the products generated in the review and description stages, considering the criteria for classifying critical habitats established in paragraph 16 of PS6 and the guidelines contained in paragraphs GN70 to GN83 of the Notes for Guidance 6. The information compiled in the list of biodiversity values will support the delimitation of potentially critical habitats, based on the delimitation of ecologically appropriate areas for analysis defined in the description stage. The final product should be a map with the delimitation of potentially critical habitats in the project analysis area.

Phase 2 - Confirmation of critical habitat

Confirmation of the classification of a given area as a critical habitat will be triggered if the execution of any work that directly impacts a region classified as potentially critical habitat is planned. This phase should follow the following steps:

Execution of field surveys considered necessary to obtain the information defined in step 1.1. In some cases, this information may be produced through surveys of biodiversity baselines to be carried out in the studies of the environmental licensing of the work. However, when this information is incomplete or does not allow the assessment of specific biodiversity values, the critical habitat assessment team will have to resort to a combination of investigation methods, including complementary surveys, ecology studies of the species/values of interest, consultations additional information to experts, information available on recent studies and/or national biodiversity plans or strategies (when available), among others. The information obtained should include the ecology and evolutionary processes of the species, the preferred habitats or “niches” and other relevant aspects at regional, national and global levels, if necessary.

Refinement of the list of potentially occurring biodiversity values based on the additional information acquired. If this information is not conclusive, it must be clearly justified and alternative methods and/or assumptions to be adopted in the critical habitat determination process must be presented. However, regardless of the assumptions and/or alternative methods adopted, specialists in species/biodiversity values should be consulted to establish population values, reproductive units, distribution and species ecology.

Refinement and Delimitation of “Ecologically Appropriate Areas” based on complementary information obtained in the field and through additional consultations with specialists. The delimitation of ecologically appropriate areas should be carried out for each of the biodiversity values identified as potential triggers of critical habitat. It is important that the delimitation of ecologically appropriate areas be based on experts in the species/biodiversity values in question, and consider the distribution pattern of the species throughout its home range. The criteria for delimiting ecologically appropriate areas in the project region should be compared to the criteria used in other studies on the distribution pattern of the species in other regions where it also occurs, as part of the process of verifying if the areas in the project region have the level of significance for the species/biodiversity value that is defined as critical habitat trigger (GN70 to GN80).

Determination of critical habitats, which will be carried out by applying the five criteria for classification as critical habitat, according to methodological procedures described in paragraphs GN70 to GN83 of Guidance Notes 6. If necessary, especially in cases of insufficient information on a specific species or biodiversity value, specialists and/or institutions should be consulted again to provide an opinion on the distribution and occurrence of the species, population values, reproductive units and other key issues for the framing as a critical habitat. After this step, the Final List of Biodiversity Values that trigger the definitive classification as a critical habitat must be prepared. This list will include individual information for each species/value, including at a minimum:

- The sources of information used.
- The triggered framing criteria (1 to 5).

- The level of “criticality” (as set out in paragraphs GN72 to GN83 of Guidance Notes 6).
- The description of the triggering logic of the framing criteria in each case.
- The definition of any additional information that may be necessary to confirm that a certain species/value triggers critical habitat (when this confirmation is not possible with the data obtained).

Definition of the external review mechanism and cooperation agreements for ongoing assessment, planning and mitigation. All participants in the external review processes will be identified, indicating their specialization, institution of affiliation and summary of the comments and/or recommendations presented. All cooperation agreements will also be identified with mention of potential participants and presentation of justifications for their inclusion.

Residual impacts and targets: residual impacts of the project must be calculated, using metrics available in the internationally recognized literature on the subject, focusing on the project's priority biodiversity values. If residual impacts are found in areas of natural and/or critical habitat, measures must be developed that make it possible to achieve zero loss and/or net gain for the biodiversity values that designate the habitat as such, as recommended in paragraphs 15 and 18 of PS6, respectively. These measures must be presented in a Biodiversity Action Plan (PAB).

(c) Final report

The Biodiversity Study Final Report must include:

- Executive summary
- Description of the methodologies used, sample design of field surveys, documents referring to consultations with interested parties and areas or aspects where it was necessary to adopt hypotheses to support the conclusions, clearly reporting any insufficiency or limitation of the available information;
- Tables with the list of priority biodiversity values for the area of analysis and the final list of biodiversity values that trigger criteria for classification as critical habitat, including the relevant analyzes and justifications;
- Maps of the study area and ecologically appropriate areas of each species/biodiversity value studied, according to the instructions presented in the steps of (i) description and mapping of the study area; (ii) refinement of the list of potentially occurring biodiversity values; and (iii) refinement and delimitation of “Ecologically Appropriate Areas”;
- Documentation of the external review process by consulted experts;
- Documentation of all sources of information and raw data obtained from field surveys;
- List of all participating experts, indicating the institution of affiliation and their relevant qualifications, and description of how their suggestions were handled during the evaluation;
- Biodiversity Action Plan, containing the description of measures to prevent and mitigate impacts, according to the mitigation hierarchy of paragraph 14 of PS1, including a proposal for monitoring actions and evaluation indicators. If the study returns positively to the framework for critical habitat in areas affected by the new works, the Biodiversity Action Plan should include specific conservation programs for the biodiversity values that triggered the framework trigger, aiming to achieve a net biodiversity balance. In the case of residual impacts on natural

habitats, the Biodiversity Action Plan should provide for measures that make it possible to achieve zero loss of biodiversity (paragraph 15 PS6).

Indigenous peoples

If, during the execution of the ESIA by the INDEPENDENT RAPPOREUR, the need to assess a possible impact on Indigenous Peoples not previously addressed in the EIA and BASIC ENVIRONMENTAL PLAN of the NORTE RODOANEL, a study in line with the guidelines of PS7, containing at least:

- (i) Identification and assessment of the project's positive and negative impacts on indigenous communities located within the project's IDA;
- (ii) Process of Consultation and Informed Participation (CPI), according to guidelines for the Stakeholder Engagement Plan and ESIA results. The CPI process must:
 - Start at the beginning of the process of identifying environmental and social risks and impacts and implement continuously, as new risks and impacts are identified;
 - Be based on the prior disclosure and dissemination of relevant, transparent, objective, meaningful and easily accessible information, in culturally appropriate language(s) and format;
 - Focus on inclusive engagement;
 - Be free from outside manipulation, interference, coercion or intimidation;
 - Allow meaningful participation, where applicable;
 - be documented.
- (iii) If Free, Prior and Informed Consent (FPIC) is required, this process must be conducted by the INDEPENDENT RAPPOREUR in coordination with local authorities (according to Brazilian regulations) and ARTESP. A strategy should be developed to coordinate with local authorities and FUNAI the engagement with Indigenous Peoples throughout the implementation of the ESIA and Stakeholder Engagement Plan.

Note applicable in general: only the studies and analyzes of a socio-environmental nature mentioned above may have their completion deadline postponed at the request of the INDEPENDENT RAPPOREUR or by means of an agreement between the PARTIES, without this interfering with the beginning of the IMPLEMENTATION WORKS.

- 5.3. Within 10 (ten) days from the execution of the AGREEMENT, the CONCESSIONAIRE may send to ARTESP and the candidates for INDEPENDENT RAPPOREUR a proposal to change the minimum scope of the CONSOLIDATED SURVEY REPORT indicated in item 5.2 **Error! Reference source not found.**, accompanied by technical justification, in order to include or change the list of technical tests, studies and inspection items to be carried out by the INDEPENDENT RAPPOREUR.

5.3.1. The CONCESSIONAIRE may not propose a reduction in the scope defined in item 5.2.

5.3.2. If the CONCESSIONAIRE does not submit the proposed amendment referred to in item 5.3, the INDEPENDENT RAPPOREUR shall observe the contents of the CONSOLIDATED INSPECTION REPORT indicated in item 5.2 of this ANNEX.

5.3.3. Within 5 (five) days after being hired, the INDEPENDENT RAPPOREUR must manifest itself

to ARTESP, attesting to the feasibility, feasibility and sufficiency of the proposed scope change, committing to carry out the suggested.

- 5.4. The CONSOLIDATED INSPECTION REPORT must contain a table describing and numbering all the items mentioned. This table will also include, in addition to the description and numbering of the events, basic location information (highway, lane, kilometer, geographic coordinates), and all items will be classified/separated by nature of the event (environment, pavement, drainage, geological conditions etc.).

6. SURVEY REPORTS

- 6.1. The CONCESSIONAIRE may develop the schedules and strategies for conducting the activities and surveys related to the preparation of the INSPECTION REPORTS, being allowed to propose the development of the necessary activities in a phased manner, in order to allow the completion of the surveys required for specific disciplines and /or in certain sections in advance of the end of the PRE-CONSTRUCTION PERIOD.
- 6.2. Within the same period referred to in item 5.3, the CONCESSIONAIRE shall submit to ARTESP the complete schedule for the preparation of the INSPECTION REPORTS, which shall contain, at least:
- (i) The phasing of activities and surveys to be developed, indicating the minimum scope identified in item 5.2;
 - (ii) The estimated dates for completion of the main activities;
 - (iii) The estimated dates for the presentation of the THEMATIC SURVEY REPORTS, observing item 6.2.2.
- 6.2.1. Within the period indicated in item 5.3.3, the INDEPENDENT RAPPOREUR shall express its opinion on the feasibility in relation to the proposed schedule, completeness of the scope, as well as the commitment to execute the schedule under the suggested terms.
- 6.2.2. The schedule referring to item 6.2 (iii) must necessarily provide for the delivery, within 30 (thirty) days of the beginning of the PRE-CONSTRUCTION PERIOD, of the following INSPECTION REPORTS:
- 6.2.2.1. THEMATIC SURVEY REPORT referring to occupations, according to item 5.1 (iv); and
 - 6.2.2.2. THEMATIC INSPECTION REPORT referring to the identification of objects, equipment and supplies and/or parts that remain in the area where the ROAD SYSTEM will be implemented, according to item 5.1 (iii).
- 6.3. The THEMATIC SURVEY REPORTS will have as their object the specific technical scope to be suggested by the CONCESSIONAIRE (e.g., paving, drainage, environmental liabilities), observing the elements of item 5.1, as applicable.
- 6.4. Upon receipt of the THEMATIC INSPECTION REPORT referred to in item 6.2.2.1, the CONCESSIONAIRE shall contact the GRANTING AUTHORITY to express its opinion on the identified occupations, promoting the vacancies or determining that the CONCESSIONAIRE do so, pursuant to item 10.

- 6.5. After completion of the THEMATIC INSPECTION REPORTS, their submission to the PARTIES, as well as any dispute resolved by the TRANSITION COMMISSION, under the terms of item 7.4, the CONCESSIONAIRE will be entitled to start the execution of works and services in the sections of the ROAD SYSTEM object of the respective delivery, regardless of the signing of the DEFINITIVE TRANSFER TERM, respecting the contractual and legal requirements and ARTESP's rules related to the start of works, including the approval of the respective EXECUTIVE PROJECTS.
- 6.6. The beginning of the execution of works and services in the subject sections of the THEMATIC INSPECTION REPORTS does not remove the need for new defects, anomalies, irregularities, liabilities, among others, duly found and recorded by the INDEPENDENT RAPPOREUR, to be incorporated into the CONSOLIDATED INSPECTION REPORT.
- 6.7. The preparation of THEMATIC SURVEY REPORTS, as well as the early start of construction, will not affect the deadline and other rules related to the conclusion of the PRE-CONSTRUCTION PERIOD and the beginning of the CONSTRUCTION PERIOD.
- 6.8. Delays and other burdens that do not result from risks allocated to the GRANTING AUTHORITY will not give rise to an economic-financial imbalance in favor of the CONCESSIONAIRE, when exclusively related to the early start of works and services in sections subject to the THEMATIC INSPECTION REPORTS.

7. RECEIPT OF THEMATIC SURVEY REPORTS

- 7.1. After the completion of each inspection phase defined in accordance with the rules contained in item 6 of this ANNEX, the INDEPENDENT RAPPOREUR shall issue the respective THEMATIC SURVEY REPORT, which shall be sent to the PARTIES and to ARTESP for analysis and knowledge.
- 7.2. Upon receipt of each THEMATIC SURVEY REPORT, the PARTIES and ARTESP will have 15 (fifteen) days to forward any disagreements about its content, including the estimated values of the corresponding costs.
- 7.3. Upon receipt of the manifestations, the INDEPENDENT RAPPOREUR shall, within 10 (ten) days, make the necessary adjustments.
- 7.4. If any of the PARTIES disagrees with the conclusions reached in the THEMATIC SURVEY REPORT, after the rite indicated in items 7.2 and 7.3, they may submit the dispute to the TRANSITION COMMITTEE within 5 (five) days, which will deliberate within 30 (thirty) days upon receipt of the notification from the PARTY and/or ARTESP, if the dispute resolution does not involve the production of technical expertise, or within 45 (forty-five) days, if the dispute resolution involves the production of technical expertise.
- 7.5. The non-manifestation of the PARTIES and/or ARTESP about the content of the THEMATIC INSPECTION REPORT does not entail the preclusion of their right provided for in item 8.5.

8. RECEIPT OF THE CONSOLIDATED INSPECTION REPORT AND PREPARATION OF THE FINAL INSPECTION REPORT

- 8.1. Within the period indicated in item 5.1, the INDEPENDENT RAPPOREUR shall submit to the PARTIES and to ARTESP the CONSOLIDATED INSPECTION REPORT.

- 8.2. The CONSOLIDATED INSPECTION REPORT shall consider all decisions already issued by the TRANSITION COMMITTEE regarding the disputes raised by the PARTIES upon receipt of the THEMATIC INSPECTION REPORTS, pursuant to item 7.4.
- 8.3. If the amount of imbalance in favor of the CONCESSIONAIRE determined by the INDEPENDENT RAPPOREUR in the CONSOLIDATED INSPECTION REPORT, pursuant to item 5.1.(v), does not exceed the amount of BRL 135,492,017.00 (one hundred and thirty-five million, four hundred and ninety-two thousand and seventeen reais) on the base date of September/2021, the DEFINITIVE TRANSFER TERM must be signed by the PARTIES within 5 (five) days from the receipt of the CONSOLIDATED INSPECTION REPORT, without prejudice to the provisions of Clause 6.2 .3.1 of the AGREEMENT.
- 8.4. If the amount of imbalance in favor of the CONCESSIONAIRE determined by the INDEPENDENT RAPPOREUR in the CONSOLIDATED INSPECTION REPORT exceeds the amount provided for in item 8.3 above, the signature of the DEFINITIVE TRANSFER TERM can only be carried out through (i) the issuance of the FINAL INSPECTION REPORT, pursuant to item 8.6 and 8.9, or (ii) agreement between the PARTIES.
- 8.5. Notwithstanding item 8.3, upon receipt of the CONSOLIDATED SURVEY REPORT, the PARTIES will have 30 (thirty) days to forward any disagreements about its content to the INDEPENDENT RAPPOREUR and the TRANSITION COMMITTEE, for consideration by the TRANSITION COMMITTEE.
- 8.6. After the period referred to in item 8.5 has elapsed without any timely expression of any of the PARTIES, or if the PARTIES fully agree with the contents of the CONSOLIDATED INSPECTION REPORT, the INDEPENDENT RAPPOREUR will issue the FINAL INSPECTION REPORT within 5 (five) days.
- 8.7. If there is a disagreement by the PARTIES, the TRANSITION COMMITTEE shall, within thirty (30) days from the receipt of the manifestation of the PARTIES referred to in item 8.5, examine and issue a decision on the controversies pointed out in relation to the CONSOLIDATED INSPECTION REPORT, complying with or not the notes made by the PARTIES.
 - 8.7.1. The TRANSITION COMMITTEE shall observe any decisions that have already been made in relation to the THEMATIC INSPECTION REPORTS, as per item 8.2.
- 8.8. Any disputes raised by the PARTIES about the THEMATIC SURVEY REPORTS that have not been resolved by the TRANSITION COMMITTEE until the CONSOLIDATED SURVEY REPORT is received shall be the subject of the decision referred to in the item 8.7.
- 8.9. Within 10 (ten) days after the final decision of the TRANSITION COMMISSION provided for in item 8.7, the INDEPENDENT RAPPOREUR shall issue the FINAL INSPECTION REPORT, which will consolidate all the conclusions reached by the TRANSITION COMMITTEE on the resolved disputes and compile the uncontroversial statement of the CONSOLIDATED INSPECTION REPORT.
- 8.10. The content of the FINAL INSPECTION REPORT will be binding on the PARTIES, which may submit any differences to arbitration, as per item 9.3 below.

9. THE CONSEQUENCES REGARDING THE RECEIPT OF THE FINAL INSPECTION REPORT

- 9.1. The divergences pointed out in the FINAL INSPECTION REPORT will constitute an IMBALANCE

EVENT in favor of the CONCESSIONAIRE.

- 9.2. The recomposition of the economic and financial balance of the AGREEMENT as a result of liabilities, defects and incompatibilities mentioned in the FINAL INSPECTION REPORT will be carried out by the modality provided for in Clause 26.1.(iii) of the AGREEMENT.
- 9.3. If the PARTIES or ARTESP disagree, in whole or in part, with the content of the FINAL INSPECTION REPORT, they may submit the matter to arbitration, to discuss possible differences as to the existence, or not, of the flaws and inaccuracies pointed out and their effects on the economic balance -financial of the AGREEMENT.
- 9.4. In the event provided for in item 9.3, the onus shall be on the claimant to demonstrate the existence or not of the flaws and inaccuracies pointed out, and for that purpose, he must provide the evidence required by the current regulations, as well as, where relevant, photos, projects, sketches, results of execution control tests, quantity reports, price budget, under the terms of the rules applicable to the pricing of imbalances provided for in Clause Twenty-five of the AGREEMENT, contract for the provision of services with quantitative and invoice for the provision of services.
- 9.5. In the event that the INDEPENDENT RAPPOREUR fails to record, in the FINAL INSPECTION REPORT, any defect, liability or non-conformity, the risk related to the corrections and treatment of the respective item shall be attributed to the CONCESSIONAIRE, except in cases of HIDDEN DEFECT.

10. THE PROVISIONS RELATED TO THE VACANCY OF THE ROAD SYSTEM

- 10.1. In compliance with items 6.2.2.1 and 6.4, if the GOVERNMENT chooses to determine the CONCESSIONAIRE to carry out the evictions, it must do so within a maximum period of 10 (ten) days from the receipt of the THEMATIC INSPECTION REPORT indicated in item 6.2.2.1, and the CONCESSIONAIRE shall observe the following terms and conditions for eviction:
 - 10.1.1. The eviction actions to be carried out by the CONCESSIONAIRE must be carried out through RESETTLEMENT.
- 10.2. It will be up to the GRANTING AUTHORITY, if it chooses to carry out REINTEGRATION OF POSSESSION, to ensure compliance with the legal requirements and procedural protections consistent with the International Conventions on Human Rights, as well as the provisions of PS5 and corresponding guidance notes, adopting measures such as:
 - (i) Consultation with affected people;
 - (ii) Adequate and reasonable advance notice addressed to all affected persons of the scheduled reintegration;
 - (iii) Availability, within a reasonable time and to all affected persons, of information on the proposed evictions;
 - (iv) Presence of STATE officials or their representatives during reintegration;
 - (v) Adequate identification of those who will carry out the reintegration;
 - (vi) Reinstatements must not take place in bad weather or at night unless the affected persons

agree;

- (vii) Provision of legal remedies; and
 - (viii) Provision, where possible, of legal assistance to persons in need of judicial redress. The presence of independent outsourced monitors should also be considered, in order to ensure supervision and risk management of the REINTEGRATION OF TENDER process.
- 10.3. The eviction actions necessary for the full execution of the IMPLEMENTATION WORKS must be completed by the end of the PRE-CONSTRUCTION PERIOD.
- 10.4. Occupations that do not interfere with the implementation of IMPLEMENTATION WORKS must be removed by the FULL OPERATION START DATE or PARTIAL OPERATION START DATE, as applicable, observing item 10.8.
- 10.5. The economic-financial rebalancing of the AGREEMENT will be carried out in consideration of the costs indicated in the THEMATIC INSPECTION REPORT provided for in item 6.2.2.1, calculated in the form of item 5.1.3, regardless of the costs actually incurred by the CONCESSIONAIRE.
- 10.6. The CONCESSIONAIRE will also be entitled to the restoration of the economic and financial balance of the AGREEMENT for any damages resulting from delays in carrying out the evictions, provided that they were not caused by intent or fault of the CONCESSIONAIRE, or due to an event whose risk was attributed to it.
- 10.7. If the GRANTING AUTHORITY decides to carry out the evictions, the CONCESSIONAIRE will be exempt from any liability for delays resulting from the delay in its execution, being assured the economic and financial rebalancing of the AGREEMENT, under the terms of the AGREEMENT.
- 10.8. Notwithstanding the specific measures dealt with in ANNEX 02, if occupied areas are identified in the ROAD SYSTEM, it will be up to the INDEPENDENT RAPPORTEUR to indicate which of them may be subject to DISAFFECTION by the GRANTING AUTHORITY, thus considering the areas that do not interfere: (i) in the performance of the WORKS OF IMPLEMENTATION, (ii) in the execution of the DELEGATED SERVICES; or (iii) in the operation of NON-DELEGED SERVICES, provided that such delimitation meets the requirements in PS4.

11. OMISSIONS IN THE FINAL INSPECTION REPORT AND CORRECTION OF FAILURES

- 11.1. The CONCESSIONAIRE agrees that errors or failures not identified in the INITIAL INSPECTION REPORTS must be corrected by it and they will not constitute economic-financial imbalance of the AGREEMENT, except for hidden defect.
- 11.2. The inaccuracies or failures identified in the FINAL INSPECTION REPORT, pursuant to this ANNEX, must be corrected by the CONCESSIONAIRE and will constitute IMBALANCE EVENTS, pursuant to item 9.
- 11.3. The correction of inaccuracies or failures by the CONCESSIONAIRE will follow the process related to the approval of projects and monitoring of works provided for in the ANNEXES and in Clause Sixteen of the AGREEMENT.

12. REMOVAL OF OBJECTS FROM THE ROAD SYSTEM

- 12.1. The objects, equipment, supplies and/or parts indicated in accordance with item 5.1 (iii) of this ANNEX shall be removed by the GRANTING AUTHORITY, until the end of the PRE-CONSTRUCTION PERIOD.
- 12.2. For the purposes of interpretation of item 12.1, removal is understood to be physical movement or other activity that results in the definitive removal of the object, equipment, input and/or part from the area where the ROAD SYSTEM will be implemented, including demolitions, dismantling, explosions, always followed by the removal of the rubble, as well as obtaining the licenses or authorizations that may be necessary from competent Organs to carry out these activities.
- 12.3. The removal of the objects dealt with in the item 12.1 may be delegated to the CONCESSIONAIRE, upon a unilateral decision of the GRANTING AUTHORITY, formalized through a delegation term, to be communicated to the CONCESSIONAIRE, assuring the CONCESSIONAIRE the right to economic and financial rebalancing of the AGREEMENT.
 - 12.3.1. The economic-financial rebalancing of the AGREEMENT will be carried out in consideration of the costs indicated in the THEMATIC INSPECTION REPORT provided for in item 6.2.2.1, calculated in the form of item 5.1.3, regardless of the costs actually incurred by the CONCESSIONAIRE.
- 12.4. The delegation referred to in the item 12.3 must be made within 10 (ten) days of receipt of the THEMATIC SURVEY REPORT indicated in item 6.2.2.2.
- 12.5. The CONCESSIONAIRE will have 1 (one) month to carry out the removal mentioned in item 12.2, counted from the date of receipt of the delegation term.
- 12.6. The CONCESSIONAIRE will also be entitled to the restoration of the economic and financial balance of the AGREEMENT for any damages resulting from delays in carrying out the evictions, provided that they were not caused by intent or fault of the CONCESSIONAIRE, or due to an event whose risk was attributed to it.

13. SIGNATURE OF THE DEFINITIVE TRANSFER TERM

- 13.1. After the issuance of the CONSOLIDATED INSPECTION REPORT, if the hypothesis of item 8.3, or after the issuance of the FINAL INSPECTION REPORT, as provided for in item 8.4, the CONCESSIONAIRE may request ARTESP to sign the DEFINITIVE TRANSFER TERM.
- 13.2. The signature of the DEFINITIVE TRANSFER TERM will only be allowed upon certification by ARTESP of the fulfillment of all activities provided for in Clause 6.2.2 of the AGREEMENT.
- 13.3. Having overcome all the conditions mentioned in the items 13.1 and 13.2, ARTESP must notify the GRANTING AUTHORITY about the need to sign the DEFINITIVE TRANSFER TERM.
- 13.4. The PARTIES will have 5 (five) days to sign the DEFINITIVE TRANSFER TERM, counted from the certification referred to in the item 13.2 above.

14. INVENTORY

- 14.1. The FINAL INSPECTION REPORT, in addition to any arbitration decisions, when there is controversy over the content of the FINAL INSPECTION REPORT, are part of the INVENTORY.

- 14.2. Upon completion of the IMPLEMENTATION WORKS, the CONCESSIONAIRE shall prepare the DEFINITIVE REGISTRATION TERM, which will also be part of the INVENTORY of REVERSIBLE GOODS, which shall be kept updated by the CONCESSIONAIRE throughout the CONCESSION TERM, including in technological terms and through video - georeferenced record, under penalty of applicable penalties, pursuant to ANNEX 11.

15. PARTIAL SURVEY REPORTS

- 15.1. The INDEPENDENT RAPPOREUR shall prepare PARTIAL INSPECTION REPORTS, in order to allow the TRANSITION COMMITTEE, the PARTIES and ARTESP to monitor the evolution of the PRE-CONSTRUCTION PERIOD and take the necessary measures, in accordance with this ANNEX.
- 15.2. PARTIAL SURVEY REPORTS must indicate:
- (i) the progress of activities carried out by the INDEPENDENT RAPPOREUR;
 - (ii) any infrastructure belonging to the ROAD SYSTEM in a process of deterioration and/or that poses a risk to the safety of people or assets located in the or locations affected by the ROAD SYSTEM, as well as the respective emergency treatment measures that must be carried out by the CONCESSIONAIRE.
- 15.3. Upon receipt of a PARTIAL SURVEY REPORT that indicates the above in item 15.2.(ii), the CONCESSIONAIRE shall adopt the necessary measures to remedy the indicated deterioration process or safety risk, if applicable.