

Draft of the Agreement

Lot 3 – Varginha-Furnas

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Draft of the

CONCESSION AGREEMENT

On the [●] day of the month of [●] in the year [●], through this present document, on one side, the contracting party:

- (1) THE **STATE OF MINAS GERAIS**, henceforth referred to as “**Government**”, through the **MINAS GERAIS STATE OFFICE OF INFRASTRUCTURE AND MOBILITY (SEINFRA, for its acronym in Portuguese)**, an entity of the Direct Administration of the State of Minas Gerais, headquartered in [●], here represented by its head authority, Mr. [name], [nationality], [marital status], [profession], holder of the identification RG no. [●], registered in the CPF/MF under the no. [●], and resident at the address [●], in exercise of his legal competencies[●]; and

on the other side, the “**Concessionaire**”, as it henceforth will be referred to:

- (2) The [Concessionaire], [join-stock company], registered in the CNPJ/MF under the no. [●], headquartered in [●], in the city of [●], state of [●], CEP (postal code) [●], here represented by Sr. [name], [nationality], [marital status], [profession], holder of the identification RG no. [●], registered in the CPF/MF under the no. [●], and resident at the address [●];

Government and **Concessionaire**, henceforth referred to, together, as the “**Parties**”, and, individually, as “**Party**”.

CONSIDERING THAT:

- (A) The **Government** promoted the International Competition no.002/2021 for the concession of the **Roadway System** specified below, attributing its implementation and operation to the private sector, as authorized by the Minas Gerais Destatization Council (CMD, for its acronym in Portuguese), in its 4th Ordinary Meeting, held on May 28th, 2020;
- (B) The **Concession of the Roadway System** was submitted to Public Consultation on the day of 01/12/2021 in the municipality of Varginha, and on 03/12/2021 in a virtual way, which was previously publicized in the **Official Gazette of the State of Minas Gerais (DOEMG, for its acronym in**

Portuguese) on the date 27/10/2021 and in newspapers of wide circulation, in addition to disclosure in the website www.infraestrutura.mg.gov.br;

- (C) The draft of the **Invitation to Bid** and this present **Contract**, as well as their **Appendixes**, were submitted to Public Consultation, with a notice published in the **DOEMG** on the date 27/10/2021, and they were made available to all interested parties in the website www.infraestrutura.mg.gov.br, open to the submission of contributions during the period of 27/10/2021 to 11/12/2021;
- (D) The result of the International Competition no. **XX/XXXX** was ratified on [●], and the subject matter of this **Contract** was adjudicated to the [winning bidder], as published in the **DOEMG** of [●]; and,
- (E) As a condition for the signature of the present **Contract**, the [winning bidder] constituted the **Special-Purpose Entity (SPE)** and duly and timely complied with all other obligations required for the formalization of the present instrument.

The **Parties** resolve, in common agreement, to enter into the present **Concession Agreement**, which will be ruled by the clauses and conditions provided herein.

CHAPTER 1 - INITIAL PROVISIONS

CLAUSE 1 - DEFINITIONS

- 1.1 For the purposes of this **Contract**, except when another provision expresses the contrary, the terms and expressions listed below, when utilized in this **Contract** and in its **Appendixes** and written in capital initials, will be understood and interpreted in accordance with the following definitions:
- 1.1.1 **Shareholder(s)**: participant(s) of the social capital of the **SPE**;
- 1.1.2 **Winning Bidder: Bidder** to which the **Subject Matter** of the **Competition** was adjudicated;
- 1.1.3 **Final Adjustment**: final assessment done by the **Regulator** in order to define the economic-financial values attributed to each of the **Parties** in case of termination of the **Concession**, in the manner prescribed in this **Contract**;
- 1.1.4 **Appendix**: each of the documents annexed to this **Contract**;

- 1.1.5 **Invitation to Bid Appendix:** each of the documents annexed to the **Invitation to Bid**;
- 1.1.6 **Depository Bank:** Financial Institution hired by the **Concessionaire** in order to maintain and operate the **Concession Account**, in the manner prescribed in this Contract and in the instrument found in Appendix 8;
- 1.1.7 **Concession Assets:** the assets indicated in Clause 6.9.1;
- 1.1.8 **Reversible Assets:** assets of the **Concession** that are necessary for the continuity of the provision of services related to the **Concession**, which will be reverted to the **Government** at the end of this **Contract**;
- 1.1.9 **Control Block:** group of **Shareholders** of the **SPE** that exercise Power of Control over the company;
- 1.1.10 **Roadway Interference Registry:** document that lists the **Interferences** in the **Domain Range**;
- 1.1.11 **Affiliated Company:** society that is submitted to a significant influence of another society. Thus understood, the power to participate in financial or operational decisions of an investee, without controlling it. Assuming influence is presumed when there is ownership of 20% (twenty percent) or more of the voting capital of the investee, without controlling it;
- 1.1.12 **Traditional Communities:** indigenous communities, whose areas have been the subject matter of a circumstantiated identification and delimitation report approved by an act of the National Foundation of Indigenous People (FUNAI, for its acronym in Portuguese), published in the Official Gazette of the Union, or remnants of the quilombola communities, whose areas have been recognized by an Identification and Delimitation Technical Report (RTID, for its acronym in Portuguese), published in the Official Gazette of the Union;
- 1.1.13 **CONAR:** National Council of Self-Regulation in Advertising;

- 1.1.14 **Competition:** procurement procedure undertaken in order to grant of the public service object of the **Concession**;
- 1.1.15 **Concession:** legal relationship through which the **Concessionaire** takes over, by delegation from the Granting Authority, the implementation, infrastructure usage, operation, maintenance, monitoring, conservation, and upkeeping of the Level of Service of the Roadway System, as set forth in the specifications and conditions of this **Agreement** and its **Appendices**;
- 1.1.16 **Concessionaire:** the company, which is granted the service object of the Concession, indicated in the preamble of the **Agreement**;
- 1.1.17 **Concession Account:** restricted bank account owned by the **Concessionaire**, created exclusively by the **Depositary Bank**, to which the **Related Resources** will be transferred, for the exclusive ends defined in this **Agreement**;
- 1.1.18 **Unlimited Transaction Account:** unrestricted bank account owned by the **Concessionaire**, which can be accessed and charged as described in this **Agreement**, taking into consideration the agreements and obligations accorded with the **Financers**;
- 1.1.19 **Agreement:** the present **Concession Agreement**, including its **Appendixes**, entered by the **Government**, through **SEINFRA-MG**, and the **Concessionaire**;
- 1.1.20 **Controlled Company:** any person or private equity fund (**FIP**, for its acronym in Portuguese) whose **Control** is exerted by another person or FIP, and understood as any society whose **Controlling Company**, whether directly or through other **Controlled Companies**, owns the partner rights that assures it can, permanently, have prevalence in company resolutions and power to elect the majority of the administrators of the **Controlled Company**, in the terms of article 243, § 2, of the Federal Law no. 6,404/1976;
- 1.1.21 **Controlling Company:** any legal entity or investment fund that exerts **Control** over another legal entity, investment fund or complementary pension entity;

- 1.1.22 **Control:** the power, held by a person or group of people connected by a voting agreement or under common control, which, directly or indirectly, separately or jointly: (i) exercises, permanently, rights that assure a majority of votes in company resolutions and the capacity to elect the majority of the administrators or managers of another person or **FIP**, whichever may be the case, and/or (ii) effectively direct the social activities and functioning of the bodies of the other person or **FIP**;
- 1.1.23 **Direct Control:** immediate power of **Control** exerted over the **Concessionaire**;
- 1.1.24 **Indirect Control:** power of **Control** exerted by persons from the economic group of the **Concessionaire**, who effectively and significantly influence management and the achievement of the corporate purpose of the **Concessionaire** through another **Controlled Company**(ies);
- 1.1.25 **Original Investment Schedule - OIS** Document provided by the **Concessionaire** as a condition for the signature of the **Agreement**, in which the physical-executive schedule of the works and investments defined in the **Roadway Operation Program (ROP)** are presented, containing the details, through initial, intermediary, and final milestones, for each of the indicated investments, considering the deadlines for completion of the planned works which were defined based on the **Technical, Financial/Economic, and Environmental Feasibility Study (TFEEFS)**, the **Agreement**, and the **ROP**;
- 1.1.26 **Effective Date:** date on which the **Government** certifies the implementation of the conditions set forth in Clause 6.7.1.1 of this **Agreement**;
- 1.1.27 **DER/MG:** Minas Gerais State Office of Constructions and Roadways;
- 1.1.28 **Frequent User Discount (FUD):** discount applied to the **Basic Toll Fee (BTF)** and which is applicable to those Users who are considered frequent, as stipulated in Clause 0 and Appendix 9;

- 1.1.29 **Demobilization:** process of demobilizing the **Roadway System** in order to ensure the adequate reversal, to the **Government**, of the **Reversible Assets** at the end of the **Concession**, and to maintain the continuity of the provision of services that are the subject matter of this **Agreement**;
- 1.1.30 **DOEMG (FOR ITS ACRONYM IN PORTUGUESE):** Official Gazette of the State of Minas Gerais;
- 1.1.31 **DPU OR DUP (for its acronym in Portuguese):** Declaration of Public Utility;
- 1.1.32 **Invitation to Bid:** the **Invitation to Bid** of the **Competition**, including the **Appendices** of the **Invitation to Bid**;
- 1.1.33 **Regulator:** the Transport Regulation Commission, as set forth in the Resolução Conjunta (Joint Resolution) SEINFRA/DER no. 004, dated April 5th, 2021, and, after its creation, the Regulatory Agency that will succeed the Commission, as set forth in article 12 of the Joint Resolution;
- 1.1.34 **ESG** (Environmental, social and corporate governance): indicates standards of **Environmental, Social, and Governance Corporate Responsibility to be observed by the SPE**, as set forth in this **Agreement** and in the **ROP**.
- 1.1.35 **Imbalance Event:** an event, act, or fact that triggers the economic-financial imbalance of the present **Agreement**, as set forth in Clause 2928.2, giving rise to the recomposition of the economic-financial balance, in correspondence with the effectively proven imbalance affecting the **Concessionaire** or the **Government**;
- 1.1.36 **EVTEA** (for its acronym in Portuguese): Technical, Financial/Economic, and Environmental Feasibility Study, which will be the basis for developing the **Original Investment Schedule - OIS**, and which presents the **Amounts for the Financial/Economic Rebalancing of the Agreement**, which will be used for the financial/economic rebalancing of the Agreement as set forth in Clause 30 of the **Agreement**;

- 1.1.37 **Domain Range:** physical basis upon which rests the **Roadway System**, constituted by the carriageways, road margins, civil engineering structures, shoulders, signage, and lateral safety lane, with its limits defined as set forth in the executive project of the roadway, decrees of public utility, or in expropriation projects specified in the **ROP**;
- 1.1.38 **Financer:** an institution responsible for providing financing or guarantees to the **Concessionaire** for implementation of the **Subject Matter** of this **Agreement**, as long as it has fiduciary ownership or a security interest in the emerging rights of the Concession, including guarantors;
- 1.1.39 **FIP (for its acronym in Portuguese):** Private-Equity Fund;
- 1.1.40 **Marginal Cash Flow:** methodology for calculating impact on the financial/economic balance of this **Agreement** generated by the inclusion of new investments in its **Subject Matter** and other causes of imbalance not covered by a specific provision of this **Agreement**;
- 1.1.41 **FUNTRANS (for its acronym in Portuguese):** State Transport Development Fund, referenced in the Law 13,452, dated January 12th, 2000;
- 1.1.42 **Performance Bond:** guarantee of the faithful execution of the contractual obligations of the **Concessionaire**;
- 1.1.43 **Level of Service Trigger:** moment in which a specific Homogenous Section surpasses 50 hours of operation in one calendar year on Level of Service E or F, and when the convenience and necessity of Level of Service Maintenance Interventions is evaluated;
- 1.1.44 **Interferences:** public or private utility installations, whether aerial, superficial or subterranean, which could interfere or be interfered with directly or indirectly by the activities under the responsibility of the **Concessionaire**;
- 1.1.45 **Level of Service Maintenance Interventions:** set of works and services for the expansion of capacity, including the adaptation of

necessary devices and operational solutions, in observance of the **Technical Parameters** set forth in this **Agreement** and the **ROP**;

- 1.1.46 **Pre-Authorized Investments:** expansion of capacity works and improvements that are preliminarily approved by the **Government** and which can obtain explicit authorization unilaterally, through an act of the **Government** and economic rebalancing of the **Agreement**.
- 1.1.47 **IPCA (for its acronym in Portuguese):** Broad Consumer Price Index, published by the Brazilian Institute of Geography and Statistics (IBGE, for its acronym in Portuguese), which must be substituted by another index that replaces it in case of its extinction;
- 1.1.48 **IRT (for its acronym in Portuguese):** inflation adjustment index for the value of **Toll Fees, Traffic Safety Fund, Condemnation Fund, Burden of Inspection, and Performance Bond**, calculated based on the variation of the **IPCA** between April of 2022, and the second month prior to the date of adjustment in contractual year “t”, as shown in the following formula: $IRT = IPCA_t / IPCA_o$ (where: $IPCA_o$ is defined as the number-index of the **IPCA** of the month of April, 2022, and $IPCA_t$ is defined as the number-index of the **IPCA** of the second month prior to the date of adjustment in contractual year “t”);
- 1.1.49 **Statement Of Non-Objection Or Non-Objection:** formal statement by DER/MG regarding the compatibility between the **Projects** and the provisions of the **Agreement**, technical norms or the law, which is necessary in the cases explicitly mentioned in the Joint Resolution DER/SEINFRA no. 003, dated February 24th, 2021, and/or the **Agreement**.
- 1.1.50 **Public Deals:** associated projects resulting from the operation of the buildings existing in the Domain Range and in the remaining areas, provided that: i) they are not employed in public service; ii) the activity that will be undertaken in these buildings is not illicit; and iii) it complies with the specifications of the Minas Gerais State Office of Constructions and Roadways – DER or whatever other agency or entity inherits its responsibilities;

- 1.1.51 **Level of Service:** qualitative evaluation of the operational conditions of a flow of traffic, according to the formula established in the **Agreement**, indicating the set of operational conditions that occur in a road, lane, or intersection, taking into consideration factors such as velocity, travel time, transit restrictions or interruptions, degree of freedom to maneuver, safety, comfort, economy, and others;
- 1.1.52 **Notification of Final Adjustment:** notification sent by the **Regulator** to the **Depository Bank** at the end of the process of **Final Adjustment**, which can authorize, at the end of the **Concession**, the payment of a compensation to the **Concessionaire** with resources from the **Concession Account**, on account of investments that were made but not amortized, as provided in this **Agreement**, including in the case of premature termination of the **Concession**;
- 1.1.53 **Notification of Frequent User Discount Compensation:** notification by the **Regulator** to the **Depository Bank** that authorizes the payment of a compensation to the **Concessionaire** due to the **Frequent User Discount (DUF, for its acronym in Portuguese)**, as set forth in Clause 1920.19.1, using the resources of the **Concession Account**, as provided in this Agreement;
- 1.1.54 **Notification of Rebalancing:** notification by the **Regulator** to the **Depository Bank** that authorizes the payment of compensation to the **Concessionaire** for the purpose of recomposing the financial/economic balance, using the resources of the **Concession Account**, in the cases and as provisioned in this **Agreement**;
- 1.1.55 **New investments:** works or engineering services that are not planned in the original **ROP** of the **Agreement** and that are subsequently included in the list of duties of the **Concessionaire** through financial/economic rebalancing;
- 1.1.56 **Subject Matter:** the **Subject Matter** of the **Concession**, including operation of the Roadway System and the provision of public services related to operations, maintenance, monitoring, conservation, and upkeep of the Level of Service, observing the

specifications and conditions of this **Agreement** and its **Appendices**;

- 1.1.57 **Emergency Works:** group of works and emergency services necessary to restore traffic and safety conditions affected by any event that generates or that can generate impact on the **Roadway System**, as set forth in this **Agreement** and in the **ROP**;
- 1.1.58 **Capacity Expansion Works:** set of works aimed at the expansion of capacity of the roadway, implementation of minor roads, bypasses, and shoulder lanes, as established in the **ROP**;
- 1.1.59 **Bypass Works in Urban Stretches:** set of works for the implementation of a new roadway by means of a bypass in a specific urban stretch, under the terms and parameters of the **ROP**;
- 1.1.60 **Improvement Works:** include the implementation of shoulder lanes, minor roads, overpasses, superior and inferior passageways, interconnections, grade-separated turnarounds, walkways, bus stops, and improvements in access, as established in the **PER**;
- 1.1.61 **Burden of Inspection:** amount paid monthly to the **Regulator** for undertaking the activities under its responsibility;
- 1.1.62 **Future Operator:** the **Concessionaire** that wins the procurement process that may be undertaken upon the termination of the **Agreement**;
- 1.1.63 **Fixed Grant:** amount owed by the **Concessionaire** to the **Government** resulting from the delegation of the public services of operating the **Roadway System**, which will be transferred to the **Minas Gerais State Fund for Transport Development (FUNTRANS, for its acronym in Portuguese)**, in a specific linked subordinate account, as per § 2 of article 3 of the Law 13,452, dated January 12th, 2000;
- 1.1.64 **Performance Parameters:** indicators established in the **Agreement** and the **ROP** that express the minimal conditions of quality and quantity of the **Roadway System** that must be implemented and upkeep during the entire **Concession Term**;

- 1.1.65 **Technical Parameters:** minimum technical specifications established in the **Agreement** and the **ROP** that must be observed in works and services under the responsibility of the **Concessionaire**;
- 1.1.66 **Parties:** the **Government** and the **Concessionaire**;
- 1.1.67 **Related Parties:** in relation to the **Concessionaire**, any person **Controlling Company, Affiliate/Affiliated Company, Controlled Company**, or businesses under common control, as well as those considered as such under current accounting norms;
- 1.1.68 **ROP or Roadway Operation Program:** document found in **Appendix 2 – ROADWAY OPERATION PROGRAM** of this **Agreement**, which lays out the conditions, targets, criteria, requirements, required interventions and minimum specifications that determine the duties of the **Concessionaire**;
- 1.1.69 **Demobilization Plan:** document that will be developed by the **Concessionaire** and submitted to the approval of the **Regulator**, with provisions about the demobilization process of the **Roadway System**, to ensure the adequate reversal of the **Reversible Assets** to the **Government** at the end of the **Concession**, as well as to guarantee the continuity of the adequate provision of services encompassed in the **scope**.
- 1.1.70 **Variable Fee Plan:** plan that may be proposed by the **Concessionaire**, subject to prior approval by the **Regulator**, which presents values for **Toll Fees** that are different from those set in the **Agreement**, considering different categories, days of the week, and times. It may also present fees that consider parameters different from the system of charging by the number of axles, such as charging by category, weight, and volume, if operationally feasible;
- 1.1.71 **Government:** the State of Minas Gerais, through its State Office of Infrastructure and Mobility;
- 1.1.72 **Toll Zone:** unit or group composed by the approximation area, toll booths, with or without physical barriers, as well as other equipment

and systems applied to the activity of charging and receiving payment of the **Toll Fee**;

- 1.1.73 **Concession Term:** original term of 30 years, counted as of the **Effective Date**, during which the **Concessionaire** will provide the services that are the subject matter of the Agreement, as per Clause 7;
- 1.1.74 **Agreement Term:** period of validity of the **Agreement**, which begins on the day of publication in the Official Gazette, and which ends after it is proven that the payments referred to in Clause 49 have been received, through the signature of the **Final Adjustment** by the **Parties**;
- 1.1.75 **Condemnation and Indemnification Management Program:** document that will be prepared by the **Concessionaire** contemplating the actions necessary for reaching the targets and objectives of the **Concession**, respecting the parameters defined in the **ROP**;
- 1.1.76 **Engineering projects or Projects:** group of necessary and sufficient elements for the implementation of works or an engineering service, presented in an objective, precise and detailed form, encompassing the Functional Project, o Executive Project, and the As Built, observing the norms found in the **Invitation to Bid**, the **Agreement** and the applicable technical norms;
- 1.1.77 **Executive Project:** group of elements resulting from the approval of the **Functional Project** that are necessary and sufficient for the complete implementation of the intervention, including: the project report, technical specifications, designs, service notes, calculation memories, and the results of studies. It should have the level of detail necessary for defining the quantities, global costs and duration of the implementation period;
- 1.1.78 **Functional Project:** group of elements that permits the characterization of the work or the service and that contains the conception resulting from technical roadway studies, be they about transit, geometry, safety, or other type of technical demand, which defines the layout, number of lanes, and respective roadway

equipment (intersections, toll zones, inspection zones, service stations for customer service, walkways, among others). The elements must be defined in a way that makes it possible to estimate costs and timeframe for implementation;

- 1.1.79 **Economic Proposal:** proposal made by the winning **Bidder** of the **Competition** for the **Concession**;
- 1.1.80 **Rise or Tariff Readjustment:** annual adjustment of the **Basic Toll Fee**, as set forth in this **Agreement**;
- 1.1.81 **Gross Revenue:** sum of all the **Fee Revenue** and **Ancillary Revenue** earned by the **Concessionaire** during the **Concession Term**;
- 1.1.82 **Gross Fee Revenue:** revenue from the charging of **Toll Fees**, as set forth in this **Agreement**;
- 1.1.83 **Ancillary Revenue:** any complementary, accessory, or alternative revenue, or revenue from associated projects, including those resulting from **Public Deals**, characterized by sources that are not related to toll collection or financial applications, which are received by the **Concessionaire**, with or without exclusivity, as set forth in Clause 21 in this **Agreement**;
- 1.1.84 **Related Resources:** values that will be transferred to the **Concession Account**, exclusively related to the ends set forth in this **Agreement**;
- 1.1.85 **Annual Revision:** procedure for restoring the financial/economic balance of the **Agreement** that takes place annually, on occasion of the Rise and possible compensation of the **Frequent User Discount**, as set forth in Clause 31;
- 1.1.86 **Special Revision:** procedure for restoring the financial/economic balance of the **Agreement**, which can be done at any moment, as set forth in Clause 33;

- 1.1.87 **Five-Year Revision:** review procedure that can lead to restoring the financial/economic balance of the **Agreement**, which occurs every 5 (five) years, counting from the **Effective Date**, as set forth in Clause 32;
- 1.1.88 **Adequate service:** service that satisfies the conditions of regularity, continuity, efficiency, safety, actuality, generality, and courtesy in the manner that it is provided, using all the available resources for its operation, and that also satisfies the standards and procedures established in the **Agreement**, by the **Government** and by the **Regulator**, as set forth in the current legislation and regulation;
- 1.1.89 **Supplementary Services:** services that are considered convenient, but not essential, which help maintain **Adequate Service** in all of the **Roadway System**, as set forth in the **Agreement**;
- 1.1.90 **Initial Services:** works and services that will be implemented by the **Concessionaire** immediately after the **Effective Date**, and which are necessary for compliance with the **Performance Parameters** set forth in the Initial Services Front, as well as to the implementation and operation of the installations and systems of the Operational Services Front, in accordance with the timeframe and other requirements of the **ROP**;
- 1.1.91 **Roadway System:** area of the **Concession**, as described in the **ROP**, including all of the elements that are part of the Domain Range, in addition to the accesses, buildings and land plots, main roads, parallel roads, marginal roads or local roads linked directly or through interconnective equipment to the highway, roadsides, and special civil construction structures, as well as to operational and administrative installations related to the **Concession**, and corresponding to the area of the **Concession**;
- 1.1.92 **SPE:** special purpose entity, constituted by the **Winning Bidder** as condition for the signature of this **Agreement**, under the modality of join-stock company, which will sign this present **Agreement** together with the **Government**;

- 1.1.93 **Basic Toll Fee or TBP (for its acronym in Portuguese):** value of the toll for simple wheeled vehicles - cars, vans, cars and vans with semi-trailers, cars and vans with trailers, corresponding to Category 1 as described in Clause 1920.9, and equivalent to the value of the commercial proposal of the **Winning Bidder**, subject to the Rise and to the revisions indicated in this **Agreement**;
- 1.1.94 **Toll Fees or TP (for its acronym in Portuguese):** toll fee that will effectively be collected from the **Users**;
- 1.1.95 **Final Adjustment:** document signed by the **Parties** that confirms that the payments resulting from the adjustments referenced in Clause 4947.9, have been made, and which signifies that the **Agreement** has been fully executed, and that its subject matter has been definitively delivered and received;
- 1.1.96 **Asset List Document:** document referenced in Appendix 1, containing the list of **Reversible Assets** of this **Agreement**, in addition to assets that are preexisting, acquired, leased, rented, built, or modified in any way by the **Concessionaire** during the **Concession**;
- 1.1.97 **Internal Rate of Return (IRR or TIR, for its acronym in Portuguese):** metric used in financial analysis to estimate the profitability of potential investments. The Internal Rate of Return is a discount rate which the Net Present Value (NPL, or VPL for its acronym in Portuguese) of all the cash flows is equal to zero in a discounted cash flow analysis;
- 1.1.98 **Transfer of Control:** any modification to the shareholding structure that implies modification of the direct or indirect **Control**, of the **Concessionaire**, as set forth in the Federal Law no 6,404/1976;
- 1.1.99 **Uniform Segment:** segment do **Roadway System** delimited in Appendix B of the **ROP**, whose characteristics are considered homogenous for the purposes of road capacity analysis;

- 1.1.100 **Arbitration Court Arbitral:** Arbitration Court designated for the resolution of controversies that subject to arbitration as set forth in Clause 59;
- 1.1.101 **Users:** the users of the Roadway;
- 1.1.102 **Agreement Amount:** estimated value, corresponding the net present value of the projection of revenue to be earned by the **Concessionaire** during the **Concession Term**;
- 1.1.103 **Amounts for the Financial/Economic Rebalancing of the Agreement:** spreadsheet containing the amounts extracted from the **EVTEA** and which will be used for the financial/economic balance of the Agreement as set forth in Clause 3129.130.4.1 of the **Agreement**;
- 1.1.104 **Condemnation Fund:** amount that is equivalent to BRL 23,629,835.00 (twenty tree million, six hundred and twenty nine thousand, eight hundred and thirty five reais) considered by the **Concessionaire** for the promotion of expropriations in the Domain Range, necessary for the implementation of the **Subject Matter** of the **Agreement**, as set forth in Clause 18.6.1 of the **Agreement**;
- 1.1.105 **Net Present Value (NPV or VPL, for its acronym in Portuguese):** monetary value of the entire cash flow at the start of the project, otherwise described as the present value of the future flows discounted by an appropriate discount rate at the baseline date of the **Agreement**; and
- 1.1.106 **Traffic Safety Fund:** amount to be made available to the Regulating Entity by the Concessionaire, exclusively for the cost of programs related to the promotion of road safety, accident prevention, traffic education and communication.

CLAUSE 2 – INTERPRETATION OF THE Agreement

- 2.1. For the purposes of this **Agreement**, except in the cases in which there is an explicit provision to the contrary or in which the context does not allow for such an interpretation:

- 2.1.1 the definitions of this **Agreement**, expressed in Clause 1.1, and of its **Appendices** have the meanings attributed in these documents, and will be applied equally in their singular and plural forms;
 - 2.1.2 all the references in this **Agreement** and its **Appendices** that designate Clauses or other subdivisions refer to the Clauses or other subdivisions of this **Agreement** and its **Appendices**, except when explicitly stated to the contrary;
 - 2.1.3 all the references in this **Agreement** to its **Appendices** or to any other document related to the **Concession** must consider future alterations or amendments that come to be signed by the **Parties**;
 - 2.1.4 all of the references made to legislation and normative acts in general must be understood as the legislation and regulation that was in effect at the time of the specific case and applicable to it, independently of the level of government that enacted them and considering their alterations; and
 - 2.1.5 the titles of the Chapters and Clauses in this **Agreement** and its **Appendices** should not be considered or used in its interpretation.
- 2.2 Controversies that come to exist in the application and/or interpretation of the provisions and/or documents related to the **Concession** will be resolved in the following manner:
- 2.2.1 the wording of this **Agreement** will be considered first and will prevail over the other documents related to the **Concession**;
 - 2.2.2 in the case of divergences between the **Agreement** and its **Appendices**, the provisions of the **Agreement** will prevail;
 - 2.2.3 in case of divergences among the **Appendices**, those issued by the **Government** will prevail;
 - 2.2.4 in the case of divergences among the **Appendices** issued by the **Government**, the most recent one will prevail, respecting all the acquired rights of the **Concessionaire**; and

2.2.5 in the case of divergence between the **Agreement**, including its **Appendices**, and the regulation or other normative acts issued subsequently by the **Government** or the **Regulator**, the Agreement will prevail, except when the new regulations have a merely procedural character or refer to the internal organization of the **Government or the Regulator**.

2.3 The replies to the consultations made to the **Concessionaire** by the **Regulator** and the clarifications issued during the bidding process will not alter in any way the risk allocation set forth in Clauses 26 and 27 of this **Agreement**.

CLAUSE 3 – APPLICABLE LEGISLATION

3.1. The **Concession** will be governed by the rules and conditions established in this **Agreement** and its **Appendices**, as well as by the provisions of the State Law no. 12,219/1996 and by the Concession Law no. 8,987/1995 and Law no. 9,074/1995. Subsidiarily, by the Law no. 8,666/1993, or, if applicable, by a subsequent Law that comes to substitute it, and other norms in effect and applicable to the matter in question.

CLAUSE 4 – Appendices

4.1. The following **Appendices** are indissociable parts of this **Agreement**, for all due legal and contractual effects:

- APPENDIX 1 ASSET LIST DOCUMENT**
- APPENDIX 2 ROADWAY OPERATION PROGRAM**
- APPENDIX 3 CONSTITUTIVE ACTS OF THE CONCESSIONAIRE**
- APPENDIX 4 COMMERCIAL PROPOSAL AND ORIGINAL INVESTMENT SCHEDULE OF THE CONCESSIONAIRE**
- APPENDIX 5 INSURANCE POLICIES**
- APPENDIX 6 BANK-ISSUED GUARANTEE MODEL**
- APPENDIX 7 COMPLETION BOND MODEL**
- APPENDIX 8 DRAFT OF THE ADMINISTRATION CONTRACT FOR THE CONCESSION ACCOUNT**
- APPENDIX 9 FREQUENT USER DISCOUNT**
- APPENDIX 10 PENALTIES**

APPENDIX 11 CONDITIONS AND SCHEDULE OF PAYMENT OF THE GRANT

APPENDIX 12 TRANSITION A

APPENDIX 13 TRANSITION B

APPENDIX 14 AMOUNTS FOR THE FINANCIAL/ECONOMIC REBALANCING OF THE AGREEMENT

CHAPTER 2 – GENERAL ASPECTS OF THE CONCESSION

CLAUSE 5 – SUBJECT-MATTER OF THE AGREEMENT

5.1. The **Subject-Matter** of the present **Agreement** is constituted by the **Concession** of the services of operation, conservation, maintenance, monitoring, improving, expanding capacity, and upkeeping of the level of service of the **Roadway System**, in the period and in the conditions established in the **Agreement** and the **ROP**.

5.2. The **Roadway System** is composed by the specification of the highways and road stretches listed and detailed in the **PER**, as well the other investments and stretches that come to be incorporated to them, which must be included in the updated inventories for which the **Concessionaire** is responsible.

5.2.1. The **Roadway System** of 432,8 km is composed by:

- a) Highway MG-167 – Stretch between km 0.00, in the municipality of Santana da Vargem (MG) at the junction with BR-265, and km 43.80, at the junction with CMG-491, in the municipality of Varginha (MG), totaling 43.80 km;
- b) Highway BR-265 – Stretch between km 338.40, at the junction with BR-381 Rodovia Fernão Dias, in the municipality of Lavras (MG) and km 403.00, at the junction with LMG-863 in the municipality of Boa Esperança (MG) totaling 64.60 km;
- c) Highway LMG-863 – Stretch between km 0.00, in the municipality of Boa Esperança (MG) and km 5.00, at the junction with BR-265, in the municipality of Boa Esperança (MG) adding up to a total of 5.00 km;

- d) Highway CMG-491 – Stretch between km 0.00, in the municipality of São Sebastião do Paraíso (MG), and km 76.40, at the junction with CMG-491, in the municipality of Guaxupé. km 103.60, at the junction with CMG-491, in the municipality of Muzambinho (MG), and extends to km 255.30, at the junction with the federal highway BR-381 Rodovia Fernão Dias, in the municipality of Três Corações (MG), totaling 228.10 km;
 - e) Highway BR-146 – Stretch between km 505.30, at the junction with CMG-491, in the municipality of Guaxapé (MG), and km 532.50, at the junction with CMG-491 in the municipality of Muzambinho (MG) totaling 27.20 km; and
 - f) Highway CMG-369 – Stretch between km 124.40 at the junction with BR-265, in the municipality of Boa Esperança (MG) and km 188.50 at the junction with CMG-491, in the municipality of Alfenas (MG), totaling 64.10 km.
- 5.3. The deadlines, conditions and specifications of the works and services that are the **Subject-Matter** of this **Concession** are described in this **Agreement** and its **Appendices**, especially in the **PER**.
- 5.4. The **Concession** presupposes the provision, by the **Concessionaire**, of **adequate public services** to the full care of the **Users**, understood as described in the conditions set forth in the **Agreement** and its **Appendices**, observing the **Performance Parameters** established in the **PER**, satisfying the conditions of regularity, continuity, efficiency, safety, actuality, generality, courtesy, equity, and fare moderation, in the terms of the applicable legislation, under penalty of application of the penalties set forth in Appendix 10 and of execution of the **Performance Bond**, as set forth in the **Agreement**.
- 5.5. The **Concessionaire** is compensated through the collection of **Toll Fees** and other sources of revenue, in the terms of this **Agreement**.
- 5.6. The price owed by the **Concessionaire** to the **Government** as a result of the delegation of public services of operation of the **Roadway System** is composed of the eventual **Fixed Grant**, not excluding the **Related Resources** linked to the **Gross Toll Revenue**, as set forth in the **Agreement**:
- 5.6.1. The **Fixed Grant** at the amount of BRL [●], baseline date of [●], was paid by the **Concessionaire**, at amounts updated according to

the IPCA/IBGE, as a condition for the **Effective Date** of the present **Agreement**, as set forth in Appendix 11.

- 5.6.2. The price of the **Concession** described in Clause 5.6 is not to be confused with the amounts owed by the **Concessionaire** in relation to the activities of inspection, especially the **Burden of Inspection** and the **Traffic Safety Fund**.
- 5.6.3. Default on the obligation of making the payments in the form and timeframe indicated in this **Agreement** will subject the **Concessionaire** to the pertinent penalties, not excluding the possibility of execution of the guarantees provided by the **Concessionaire**, in addition to the possibility of a statement of forfeiture.
- 5.7. In return for the operation of the **Concession**, the **Concessionaire** will be entitled to collect **Toll Fees** and **Ancillary Revenue**, as per the provisions of this **Agreement**.
- 5.8. All the amounts expressed in this **Agreement** are referenced to prices of April of 2022 and must be updated by the **IPCA** throughout the implementation of the Agreement.

CLAUSE 6 – NEW INVESTMENTS

- 6.1. The incorporation of **New Investments** and new stretches in the **Agreement** will depend on the circumstantiated decision of the **Government**, which must observe the presence of the following cumulative requirements:
- (i) geographical connection and synergy with the Subject Matter of the **Agreement**;
 - (ii) evidence that the new investment cannot be categorized as a pre-existing duty of the **Concessionaire** or **Improvement Works** or **Capacity Expansion Works** that would be activated through the **Level of Service Triggers**;

- (iii) demonstration of the advantage of incorporating the **New Investment** into the **Agreement**, in comparison to holding stand-alone procurement;
 - (iv) existence of public interest in the **New Investment**;
 - (v) Analysis of the possible impacts of the **New Investment** on the **Level of Service**, on the performance indicators of the highway, and on the other duties of the **Concessionaire**;
 - (vi) Technical conclusions about the studies presented by the **Concessionaire**, when these are requested;
 - (vii) Existence of planned budget for the inclusion of the **New Investment**, in case there is a budget impact;
 - (viii) Technical and financial capacity of the **Concessionaire** to assume the **New Investment**.
- 6.2. The **Government** may determine the execution of the pre-authorized investments listed below:
- 6.2.1. Implementation of bypass work in urban stretches of Varginha, located on CMG-491, approximately between km 225.7 and km 241.2;
 - 6.2.2. Implementation of the MG449 section in Arceburgo, from the junction with the MGC-491 (to Guaranésia) to the border with SP;
 - 6.2.3. Duplication of the avenue contour, of the exit interchange of Parque Mariela until the Posto Lider for Três Corações; and
 - 6.2.4. Improvement of the level of service of the highways that make up the Highway System or part of its segments.
- 6.3. The **Pre-Authorized Investments**, listed in Clause 6.2, are not subject to the criteria described in Clause 6.1., but just depending on the decision of the Government through its own administrative act, and on the effective financial/economic rebalancing described in Clause 30.4.2.

- 6.3.1. Under State Law 12.219/1996, the **Government** is authorized to use the funds provided for in clause 15.3, V of the Public Tender Notice to pay for the pre-authorized investments to the Concessionaire, preferably according to the order described in Clause 6.2, subject to the provisions of State Law 13.452/2000.
- 6.4. The incorporation of **New Investments**, road stretches, or **Pre-Authorized Investments**, or of **Improvements Works** and **Capacity Expansion Works** resulting from **Maintenance of the Level of Service** in the **Agreement** , will be done in accordance with the procedures described in the Joint Resolution SEINFRA/DER no. 06/2021 or whichever replaces it, on occasion of the **Five-Year Revisions** or **Special Revisions**, as set forth in Clause 6.5.1.
- 6.5. The inclusion of **New Investments**, road stretches or of **Pre-Authorized Investments** may be requested by any of the **Parties** or by third parties but must in all cases be expressly authorized by the **Government**.
- 6.5.1. The **Government** may include **New Investments**, road stretches, or **Pre-Authorized Investments** in the **Agreement** unilaterally, in the context of **Special Revisions**, or, preferentially, of **Five-Year Revisions**, as long as it does so sufficiently in advance for there to be adequate time to approve projects and licenses, and as long as it establishes, through the same act, the form of financial/economic rebalancing according to the measurement mechanism of the original rebalancing of the **Agreement**.
- 6.5.2. It is forbidden for the **Concessionaire** make **New Investments**, include road stretches, or make **Pre-Authorized Investments** without express written authorization of the **Government**, under penalty of receiving an order for demolition, the application of contractual sanctions, and/or not receiving compensation for the investments.
- 6.6. The **New Investment and the Pre-Authorized Investments** are subject to:
- (i) Conservation plan and performance indicators established in the **Agreement** and its **Appendices**;
 - (ii) **Level of Services** established in the **Agreement** and the **ROP**;

- (iii) Risk allocation provided for in the **Agreement**;
- (iv) Engineering Projects, Physical-Executive Schedules, and budgets that have been the subject of statements of non-objection issues by the **DER/MG**;
- (v) To all the other duties of the **Parties** set forth in the **Agreement**, in legislation, and in regulations that are in effect.

6.6.1. The Parties may agree on exceptions, specific risk matrices, or transition phases for the incidence of the elements listed in the items of the caput in the face of the specificities of the concrete case, as long as it is dully justified.

6.7. The **New Investments** and the **Pre-Authorized Investments** must be definitively included in the **Agreement** through an Amendment Term, signed after the regular processing of the procedure provided for in Joint Resolution SEINFRA/DER no. 06/2021, or another that replaces it.

6.7.1. The Amendment Term must include:

- (i) the minimum specifications required for defining the **New Investment**;
- (ii) the Executive Project of the **New Investment**, the statement of non-objection from **DER/MG**, and the Physical-Executive Schedule, in case of engineering works;
- (iii) the recompositing of the economic-financial balance form;
- (iv) worksheet of financial/economic rebalancing; and
- (v) clause that ratifies the other conditions and duties of the **Agreement** or specification of distinct treatment that is applicable.

6.7.2. The signing of the Amendment Term is subject to the presentation of the updated certificates indicated in article 29 of Federal Law no. 8,666/1993 and other legal requirements.

CLAUSE 7 – CONCESSION TERM

7.1. The **Concession Term** has a duration of 30 (thirty) years, counting from the **Effective Date**.

7.1.1. For the purposes of the present **Agreement**, the **Effective Date** is the one in which the implementation of all conditions listed below is certified by the **Government**:

- (i) proof of payment of the **Grant Amount**, if any, in a single installment, duly corrected by the variation of the **IPCA** calculated between April 2022 and two months before its effective payment, in favor of the **Granting Authority** in an account to be indicated by it;
- (ii) presentation of all insurance policies provided for in this **Agreement** and **Appendices**;
- (iii) regularization of the environmental licensing of the Highway System, necessary for the execution of the interventions included in the **Initial Services** and for the operation of the highway; and
- (iv) signature of the **Asset List Document**.

7.2. The present **Agreement** may be extended, at the sole discretion of the **Government**, in the following cases:

7.2.1. For the purpose of financial/economic rebalancing of the **Agreement**, in observance of the provisions of this instrument;

7.2.2. For up to 2 (two) years, justifiably, in the cases in which there is a study or a call for bids in progress for the substitution of the Agreement in effect, and there is not enough time for the winner of the competition to take over the subject-matter of the Agreement, so that there is no discontinuity in the provision of service, as set forth in article 32 of Law no. 13,448/2017; and

7.2.3. In cases of justified public interest, as per article 5 of State Law no. 12,219/1996, evidenced through demonstration of the advantage of

extending the expiration date of the Agreement in comparison to holding a new Call for Bids.

- 7.3. The request for extension set forth in Clause 7.2.3 should be presented at least 5 (five) years before the expiration date of the **Concession** and will require manifestation from the **Concessionaire** that proves the history of good provision of public service.
 - 7.3.1. The request for extension referenced in Clause 7.3 may be presented also by **Government**.
 - 7.3.2. The proof of good provision of services by the **Concessionaire** as set forth in Clause 7.3 of the **Agreement** does not generate for the **Concessionaire** the right to a contractual extension, which will be decided upon at the **Government's** sole discretion, in light of the planned studies and the criteria for evaluating the convenience and opportunity of extending the **Concession**. A duly justified response must be sent to the **Concessionaire**, within 3 (three) years of the presentation of the request by the **Concessionaire**.
 - 7.3.3. The response time by the **Government** may be extended, if justified, for two additional periods of 1 (one) year.
 - 7.3.4. The absence of a manifestation regarding the extension request that is set forth in this Clause will be understood as a denial of the request of extension and does not entitle the **Concessionaire** to any compensation as a result of the refusal of contractual extension.
 - 7.3.5. Refusal of extension based on sub-clause 7.2.3 of the **Agreement** does not prohibit the extension from occurring based on sub-clauses 7.2.1 and 7.2.2 of the **Agreement**.
- 7.4. Extension in the last 5 (five) years of the **Concession Term** and in the case of sub-clause 7.2.3 must be duly justified through technical studies that show the advantage, convenience, and opportunity of the measure in comparison to holding a new bidding process.
- 7.5. The administrative acts pertinent to the extension of the **Agreement** must be adequately justified by the **Regulator**, including in regards to the established deadline.

- 7.6. The contractual extension instrument must specify the respective deadline, the estimated values of the **Toll Fees** to be charged during the new contract term, the services to be provided, and, if it is the case, the works to be executed by the **Concessionaire**.
- 7.7. The **Toll Fee** to be charged in the new contractual term will consider, in the cases set forth in sub-clauses 7.2.2 and 7.2.3, the investment, operational, maintenance, and conservation costs calculated by the **Regulator** through technical studies, observing the best practices at the time of the contractual extension and the full amortization of the investments planned for the original term of the **Agreement**.

CLAUSE 8 – Agreement Amount

- 8.1. The estimated amount of the **Agreement** is BRL 2,678,989,112.05 (two billion, six hundred and seventy-eight million, nine hundred and eighty-nine thousand, one hundred and twelve reais and five cents), at the baseline date of April, 2022, corresponding to the present value of the projection of revenue to be earned by the **Concessionaire** during the **Concession Term**.
- 8.2. The estimated amount of the **Agreement** is merely referential and cannot be used by the **Parties** to request the recomposition of the financial/economic balance of the **Agreement**, nor for any other end that implies its use as a parameter for compensations, reimbursements, or similar requests.

CLAUSE 9 – CONCESSION ASSETS

- 9.1. The **Concession Assets** that follow are part of the **Concession**, and possession, care, maintenance, vigilance, and conservation are duties of the **Concessionaire**:
- 9.1.1. the **Roadway System**, as altered during the **Concession Term**, as set forth in this **Agreement**;
- 9.1.2. all of the assets related to the operation, maintenance, conservation, and monitoring of the **Roadway System**, including:
- 9.1.2.1. assets pre-existing to the **Concession**, transferred by the **Government** to the **Concessionaire** for the execution of the **Subject Matter** of this **Agreement**, listed in **APPENDIX 1 - ASSET LIST DOCUMENT** of this **Agreement**; and

- 9.1.2.2. assets acquired, incorporated, developed, leased, rented, or built by the **Concessionaire** during the **Concession Term**, as well as all the improvements, even if useful or beneficial, that are used in the operation, maintenance, conservation, and monitoring of the **Roadway System**.
- 9.2. The **Roadway System** and other **Concession Assets** pre-existing to the **Concession**, mentioned in Clause 9.1.2.1 of this **Agreement**, will be transferred to the **Concessionaire** through the signing of the **Asset List Document**, for which a model can be found in **Appendix 1**.
- 9.2.1. The **Asset List Document** must be signed in up to 1 (one) month after the signature of the **Agreement**, but the deadline is extendable for up to 1 (one) month. The **Asset List Document** must be revised in up to 1 (one) year counting from the **Effective Date**.
- 9.2.2. Until the signature of the **Asset List Document**, the parties must observe the transition procedure set forth in Appendix 12.
- 9.2.3. The **Concessionaire** declares it understands the nature and conditions of the **Concession Assets** that will be transferred to it by the **Government**.
- 9.2.4. Other assets that are part of the **Roadway System** and that are not identified in the **Asset List Document** will be listed and presented by the **Concessionaire** to the **Regulator** as soon as they are identified, for the purpose of regularizing them and including them in the list of **Concession Assets**.
- 9.2.5. The takeover of the highway stretches by the **Concessionaire** is not limited to the assets listed in the **Asset List Document**, and must encompass all of the conceded **Roadway System**.
- 9.3. The **Concessionaire** has a duty to maintain the **Concession Assets** in full conditions of use, conservation, and safety, at its own expense, during the term of the **Agreement**, making reparations, renovations, and adaptations necessary to the adequate provision of public services that are the Subject Matter of the **Concession**, as set forth in this **Agreement**.

- 9.4. All the **Concession Assets** acquired, rented, leased, built, or in any way modified by the **Concessionaire**, as well as the investments made by the **Concessionaire** in the **Concession Assets**, must be fully depreciated and amortized by the **Concessionaire** in the **Concession Term**, as set forth in the legislation in effect, not allowing for any request by the **Concessionaire** for the financial/economic rebalancing of the **Agreement** in relation to these **Concession Assets** at the end of the term of the **Agreement**.
- 9.4.1. The provision of Clause 9.4 of this **Agreement** applies to all the investment duties set forth in the **Agreement** and the **PER**, independently of the moment in which they are made or are requested by the **Regulator**.
- 9.5. In the last 2 (two) years of the duration of the **Agreement**, any New Investment in **Concession Assets**, or acquisition, lease, rental, or construction of new **Concession Assets** by the **Concessionaire** will depend on the previous and express authorization of the **Regulator**.
- 9.6. The **Concessionaire** must keep the **Asset List Document** up to date, as set forth in this **Agreement** and in the legislation in effect.
- 9.7. The **Concessionaire** will only be allowed to dispose of or transfer the ownership of the **Concession Assets** mentioned in sub-clause 9.1.2 with the previous authorization of the **Regulator**, and only if they are immediately substituted by others that present technological actuality and conditions of operations identical to or superior to the substituted assets.
- 9.8. The **Concessionaire** is expressly authorized to propose, on behalf of itself, legal measures to ensure or recuperate the ownership of assets that are part of the **Concession**.
- 9.9. The **Concession Assets** must be duly registered in the accounting of the Concessionaire, in a way that permits easy identification by the **Regulator**, including their distinction in relation to exclusively private assets, observing the accounting norms in effect.
- 9.10. The **Concession Assets** used by the **Concessionaire** exclusively for its administrative activities will be considered exclusively private assets and can be freely used and transferred by the **Concessionaire**, with no loss to the duty to comply with **Performance Parameters** and other provisions of this **Agreement**.

CHAPTER 3 – DUTIES AND RIGHTS

CLAUSE 10 - DUTIES OF THE GOVERNMENT AND OF THE REGULATOR

- 10.1. The duties of the **Government**, not excluding other provisions set forth in this **Agreement** and its **Appendices** and the legislation and regulations in effect, are as follows:
- 10.1.1. Intervene in the provision of services of the Subject Matter of the **Concession**, in the cases and under the conditions set forth in this **Agreement**, and in legislation and regulations in effect;
 - 10.1.2. Terminate the **Concession**, in the cases set forth in this **Agreement**, and in the legislation and regulations in effect;
 - 10.1.3. Declare as public utility or of public utility need, for purposes of instituting administrative servitude, the assets necessary for the execution of works and services that are the Subject Matter of the **Concession**, as set forth in this **Agreement**, and in the legislation and regulations in effect;
 - 10.1.4. Transfer to the **Concessionaire** the assets pre-existing to the signing of the **Agreement**, necessary for the execution of the works and services that are the Subject Matter of the **Concession**, in accordance with the **Asset List Document**, as set forth in Clause 9.2 and the **PER**;
 - 10.1.5. Adopt the adequate measures so that the **Concessionaire** is able to carry out its duties in compliance with the norms and conditions established in this **Agreement**, and its **Appendices**, and in the legislation and regulations in effect, collaborating towards a good execution of the works and services that are the Subject Matter of the **Concession**;
 - 10.1.6. Collaborate with obtaining the authorizations and permissions for which the **Concessionaire** is responsible, without altering the risk allocation as set forth in this **Agreement**, necessary for the execution of the works and services that are the Subject Matter of the **Concession**; and

- 10.1.7. Define the form of economic-financial rebalancing, after processing the contractual review by the Regulating Entity.
- 10.2. The duties of the **Regulator**, not excluding other provisions set forth in this **Agreement** and its **Appendices** and the legislation and regulations in effect, are as follows:
 - 10.2.1. Govern and regulate the services that are the Subject Matter of the **Concession**;
 - 10.2.2. Permanently inspect the execution of the works and services that are the Subject Matter of the **Concession**, caring for their adequacy and high quality, as set forth in this **Agreement**, the **ROP** , and the legislation in effect, which includes receiving, analyzing, and solving complaints and grievances of the **Users**, who must be notified in up to 30 (thirty) days about the actions taken;
 - 10.2.3. Apply the penalties set forth in this **Agreement** and in the legislation and regulations in effect;
 - 10.2.4. Ratify rises and proceed to the readjustment of **Toll Fees** in the form and conditions set forth in the **Agreement**, the legislation and the regulations in effect;
 - 10.2.5. Comply with and enforce the provisions of this **Agreement**, and its **Appendices**, and of the legislation and the regulations in effect, guaranteeing the full execution of the **Subject Matter** of the **Concession**;
 - 10.2.6. Stimulate the improvement of quality, productivity, environmental preservation, and conservation, as well as the use of best practices in social responsibility and corporate governance; and
 - 10.2.7. Communicate to the **Concessionaire** all occurrences related to the execution of the **Subject Matter** of the **Concession**.

CLAUSE 11 - DUTIES OF THE CONCESSIONAIRE

- 11.1. The duties of the **Concessionaire**, not excluding other provisions set forth in this **Agreement**, its **Appendices**, and the legislation and regulations in effect, are as follows:
- 11.1.1. Provide adequate service, as set forth in the legislation in effect;
 - 11.1.2. Not transfer, in any way, the rights of operation of the **Roadway System**, without previous and express authorization of the **Government**;
 - 11.1.3. Ensure free access, at any time, to people authorized by the **Regulator**, to the installations and areas where activities related to the Subject Matter of the **Concession** take place;
 - 11.1.4. Provide all the information requested by the **Regulator** or the **Government**, within the determined frequency and deadlines;
 - 11.1.5. Inform all the businesses contracted to provide services related to the Subject Matter of the **Concession** about the provisions of this **Agreement**, the norms that are applicable to the development of the activities for which the businesses were contracted, and the provisions relating to User rights, to hired personnel, and to environmental protection;
 - 11.1.6. Comply with legal determinations related to labor laws, social security, and occupational safety and health, in regards to its employees, being solely responsible, as the only employer, for all the social, labor, and social security taxes related to the costs of the labor force employed in the activities of operation and maintenance, as well as any other activities practiced as a result of the **Concession**, in addition to being solely responsible for the legal determinations related to safety and occupational accidents;

- 11.1.7. Publish the annual financial statements in a newspaper of wide national circulation and in the **DOEMG**, as well as maintain an internet website containing this information;
- 11.1.8. Make available in the *website* of the **Concessionaire**, in an easily visible and accessible location, the motives for not adopting the standards of Environmental and Social Responsibility and Corporate Governance set forth in Clause 38 of the **Agreement**;
- 11.1.9. Communicate to the competent public authorities any illegal or unlawful acts or events of which it has knowledge in the context of the activities of the Subject Matter of the **Concession**;
- 11.1.10. Provide and make possible the necessary improvements in the Roadway System to protect the neighboring population from nuisance and inconvenience, as set forth in this **Agreement**;
- 11.1.11. Make available light and heavy towing equipment services with trained personnel, on a stand-by basis at the Operational Bases, for towing vehicles and changings tires; and
- 11.1.12. Previously inform the **Users** about the execution of works that affect normal circulation conditions in the Roadway System, especially those that reduce the numbers of service lanes or those that require detours from the carriageways.
- 11.1.12.1. The information to which this provision refers must be provided, at least, through signage placed in the road network, and, if the volume of the works so requires, through advertisement published in a newspaper of national circulation and in the website of the **Concessionaire**, in advance and with the prominence thought to be convenient.

- 11.1.12.2. Implement equipment for weighing cargo throughout the highway, as set forth in the **ROP**. The **Government** will be responsible for the work of inspection;

CLAUSE 12 – RIGHTS AND OBLIGATIONS OF THE USERS

12.1. The duties of the **Users**, not excluding other provisions set forth in this **Agreement**, its **Appendices**, and the legislation and regulations in effect, are as follows:

- 12.1.1. Receive adequate service, within the quality and performance standards established in this **Agreement** and its **Appendices**, in return for the payment of **Toll Fees**, observing the applicable exemptions;
- 12.1.2. Receive from the **Regulator** and the **Concessionaire** information for the correct use of the services that are **Subject Matter** of the **Concession** and for the defense of individual or collective interests;
- 12.1.3. Comply with the legal and regulatory obligations pertaining to the use of services that are the **Subject Matter** of the **Concession**, especially in what refers to the duty of payment of the **Toll Fees**;
- 12.1.4. Make known to the **Regulator** and the **Concessionaire** any irregularities of which they come to have knowledge about the **Subject Matter** of the **Concession**;
- 12.1.5. Communicate to the competent authorities any illicit acts practiced by the **Concessionaire** during the provision of services that are the **Subject Matter** of the **Concession**;
- 12.1.6. Have effective communication channels at their disposal to communicate with the **Concessionaire**, through in-person service, electronic means, and/or telephone; and

- 12.1.7. Contribute to the permanence of good conditions of the assets that are part of the **Concession**, through which the services are provided.

CHAPTER 4 - ON THE PROVISION OF SERVICES

CLAUSE 13 - ON THE WORKS AND SERVICES THAT ARE THE SUBJECT-MATTER OF THE CONCESSION

General guidelines for the execution of works and services

- 13.1. The **Concessionaire** must execute works and services necessary for executing the Subject Matter of the **Agreement**, complying fully with the **Performance Parameters**, and other requirements established in the **Agreement** and the **ROP**, and observing the norms, manuals, and technical regulations in effect.

- 13.1.1. The obligation of observing the **Performance Parameters** is applicable to the urban stretches that compose part of the **Roadway System** that is the Subject Matter of the **Concession**, as set forth in the **ROP**.

- 13.2. The **Concessionaire** must execute the following:

- 13.2.1. The planned investment obligations, according to the initial, intermediary and final milestones set forth in the **Original Investment Schedule**, in compliance with all the requirements and other conditions provided in the **Agreement** and the **ROP**;

- 13.2.1.1. As a condition for the signature of the **Agreement**, the **Concessionaire** presented the **Original Investment Schedule**, which must contain the physical-executive schedule and details - through initial, intermediary, and final milestones - of each of the investments set forth in the **ROP**

- 13.2.2. All other works and interventions necessary for complying with the **Performance Parameters** and other requirements established in the **Agreement** and the **ROP**, observing the norms, manuals, and technical regulations in effect, within the indicated deadlines.

- 13.3. For the purpose of compliance with Clause 13.2 of this **Agreement**, the **Concessionaire** is also responsible for meeting all the requirements necessary for the execution of works and services that are the Subject Matter of the **Agreement**, including obtaining financing and financial resources, obtaining licenses, grants of usage rights of water resources, approvals, permissions, authorizations, permits, and certificates, promoting expropriations and evictions, developing projects and covering the associated costs.
- 13.4. In the event the **Concessionaire** fails to execute the works and services that are the Subject-Matter of the **Concession** within the deadline and under the conditions foreseen in the **Original Investment Schedule**, of the **Agreement** and the **ROP**, the **Regulator** may apply the penalties provided for in this **Agreement**, not excluding the economic/financial rebalancing of the Agreement, when applicable.
- 13.5. If the executed works are in disagreement with the parameters of this **Agreement** or the **ROP** or with the standards, manuals and technical regulations in effect, any corrections or adjustments that are necessary for the works will be executed at the expense of the **Concessionaire**, without any right to recomposition of the economic/financial balance of the **Agreement**.
- 13.6. The **Concessionaire** declares and guarantees to the **Government** that the quality of the designs, execution and maintenance of the works and services that are the Subject-Matter of the **Concession's** is, and will be, during the duration of the **Concession**, sufficient and adequate for the fulfillment of the **Agreement** and the **ROP**, being fully responsible for any non-compliance with the **Performance Parameters** and other minimum technical specifications in the **Agreement** and the **ROP**.
- 13.7. The **Government** agrees to terminate, by the **Effective Date**, all contracts related to works and services on the **Roadway System** not essential to the safety of the User and that are in effect on the date the **Agreement** is signed, and will be responsible for all costs resulting from such termination.
- 13.8. The **Government** is obliged to provide the **Concessionaire** with access to the **Roadway System** for the execution of the works and services under the **Agreement**.
- 13.9. The **Concessionaire** is fully responsible for all the arrangements and costs associated with the eventual need for removal and relocation of the

Interferences in the **Roadway System**, which must be adopted according to a schedule compatible with the timely execution of the works and services of the **Agreement**.

13.10. As of the **Effective Date**, the **Concessionaire** must prepare and keep up-to-date, for the entire **Concession Term**, the **Roadway Interference Registry**.

13.11. Not excluding the provisions above and always maintaining the basic criteria of the **Agreement**, the **Government** or the **Concessionaire** may propose the adoption of the methodology used in the International Highway Assessment Program (iRAP, for its acronym in Portuguese), for the implementation of the interventions provided for in this **Agreement** and in the **ROP**, observing the economic/financial balance of the **Agreement**, as per Clause 3129.130.4.2.

Works and Services of the Recovery and Maintenance Front

13.12. The works and services for each of the **Roadway System** segments described in the **ROP** in the Recovery and Maintenance Front must meet the **Performance Parameters** within the indicated timeframes.

13.13. In the event the **Concessionaire** does not meet the **Performance Parameters** contained in the Recovery and Maintenance Front, the **Regulator** will apply the penalties provided for in this **Agreement**, not excluding the recomposition of the economic/financial balance, if applicable.

13.14. Until the conclusion of any Bypass Works in Urban Stretches, the **Concessionaire** must comply with the **Scope** and **Performance Parameters** contained in the Recovery and Maintenance Front in the urban stretches that are subject to bypasses.

Capacity Expansion Works and Improvement Works and Operational Services Front Works

13.15. The **Capacity Expansion Works and Improvement Works** and the Operational Services Front of each of the **Roadway System** segments described in the **ROP** must be concluded and in operation within the period

and under the conditions established in the **ROP**, observing the expected **Performance Parameters**.

- 13.15.1. For the purpose of applying penalties and economic-financial rebalancing measures, the percentages of physical execution of the work or services ascertained by the **Regulator** based on the **OIS** shall be considered.
 - 13.15.2. Without excluding the possibility that the **Regulator** may require proof of the execution of other activities listed in the **Performance Parameters** provided for in the **ROP**, the completion of the works and services described in the **ROP** shall be certified in accordance with Clauses 12.12.13.31 et seq.
- 13.16. The **Regulator** may approve, on a case-by-case basis, a change in the type of equipment and/or its location, planned for the **Improvement Works** included in the **ROP**, as long as its functionality is maintained, an inferior solution is not applied, and the new solution and location present less social and environmental impact, not generating any right to economic-financial rebalancing in favor of the **Concessionaire**.
- 13.16.1. In the event the planned alteration results in a delay in the submission or re-submission of projects or affects in any way the capacity to obtain licenses, grants of right of use of water resources, approvals, permissions, authorizations, permits, or necessary certificates, the deadline for obtaining the licenses or authorizations related to these equipment will be extended proportionately to the observed delay.
 - 13.16.2. The **Concessionaire** must present the request for alteration in advance, for the purpose of avoiding delays in the presentation of projects and/or obtaining of licenses.
- 13.17. In the event the **Concessionaire** does not complete works or make services available in the timeframes and with the specifications foreseen in the **ROP**, the **Regulator** will apply the penalties set forth in the **Agreement** and **Appendix 10**, not excluding recomposition of the economic/financial balance, as per Clause 30 of this **Agreement**.

Interventions for the Maintenance of the Level of Service

13.18. The **Interventions for the Maintenance of the Level of Service** correspond to the capacity expansion works and services of the **Roadway System**, as well as the operational solutions whose implementation will depend on the achievement of the **Level of Service Triggers**, as provided for in this **Agreement** and the **ROP**.

13.18.1. The **Interventions for the Maintenance of the Level of Service** corresponding to the capacity expansion works and services of the Roadway System will only be implemented after the execution of the **Capacity Expansion Works** of the respective **Uniform Segment** as provided for in the **ROP**, even if the **Level of Service Trigger** has been achieved.

13.19. Beginning with the functioning of the traffic sensors and during the entire **Concession Term**, the **Concessionaire** will necessarily monitor the Level of Service of the stretches that compose the **Roadway System**, as provided for in the **ROP**.

13.19.1. The monitoring of the **Level of Service** will be done in accordance with the division of the stretches that compose the **Roadway System** in **Uniform Segments**.

13.19.1.1. Any changes to the **Uniform Segments** originally defined in the **ROP**, as well as the definition of sections characterized as urban, should occur during the 1st **Five-Year Revision**, after taking full knowledge of the characteristics of the **Uniform Segments**, based on the traffic monitoring reports.

13.19.1.2. Any changes to the **Uniform Segments** originally defined in the **ROP** should be prepared in common agreement between the **Regulator** and the **Concessionaire**.

13.19.1.2.1. In case the traffic characteristics of the **Uniform Segment** change substantially, the **Regulator** may request a change in the location of the measuring points, preserving the criterium of greater representativity, without entailing the economic-financial rebalancing of the **Agreement**.

- 13.19.2. The monitoring of the Service Level of the stretches that comprise the **Roadway System** must be done until the 25th year of the **Agreement**, since after this period the **Concessionaire** will no longer be subject to obligations related to the eventual achievement of the **Level of Service Trigger**.
- 13.20. The **Concessionaire** is responsible for initiating all of the necessary procedures in a manner that the works begin in up to 365 (three hundred and sixty-five) days after the achievement of the **Level of Service**.
- 13.20.1. The presentation and the analysis of projects referring to the **Interventions for the Maintenance of the Level of Service** will observe the procedure in the regulations in effect.
- 13.21. The implementation of the **Interventions for the Maintenance of the Level of Service**, as provided for in the **ROP**, will depend upon the prior authorization of the **Regulator** and the corresponding economic-financial rebalancing of the **Agreement**.
- 13.21.1. In case the monitoring of the Level of Service indicates a probable date for achieving the limit established in the **ROP**, the **Concessionaire** and the **Regulator** must analyze **Interventions for the Maintenance of the Level of Service** in an integrated manner, with advance notice that is adequate for the degree of complexity of the intervention to be performed, considering all the **Uniform Segments** that indicate the necessity of intervention in the horizon analysis established in the **ROP**.
- 13.21.1.1. The **Regulator** will define the most adequate measure among the **Interventions for the Maintenance of the Level of Service** discussed with the **Concessionaire**.
- 13.21.2. In case the **Interventions for the Maintenance of the Level of Service** correspond to the capacity expansion works and services of the **Roadway System**, the **Concessionaire** must permanently monitor the traffic in the respective expanded **Uniform Segment**, including adapting all of the necessary operational equipment.
- 13.21.2.1. In case the **Regulator** chooses not to perform any **Interventions for the Maintenance of the Level of Service**

even after the achievement of the **Level of Service Trigger**, the **Concessionaire** will be entitled to the economic-financial rebalancing of the **Agreement** corresponding to the additional expenses it has demonstrably incurred for any acceleration of pavement wear and tear resulting from the use of the highway without **Interventions for the Maintenance of the Level of Service** even after the achievement of the **Level of Service Trigger**, and it cannot be held responsible for the accelerated wear and tear of the pavement and operation problems resulting from this choice.

13.21.2.1.1. The calculation of the economic-financial rebalancing referred to in sub-clause 13.21.2.1 will consider any traffic gain obtained by the **Concessionaire**.

13.21.2.1.2. As and alternative to the provision contained in sub-item 13.21.2.1, the economic-financial rebalancing of the **Agreement** may be carried out by the **Regulator** by changing the **Performance Parameters** related to the **Uniform Segment** in which the **Level of Service Trigger** has been reached.

13.22. The **Regulator** will consult the **Government** about the opportunity and convenience of implementing the **Interventions for the Maintenance of the Level of Service**, and, in case of a express authorization from the **Granting Authority**, the **Regulator** will authorize the execution of the interventions and the corresponding economic-financial rebalancing of the **Agreement**.

13.23. The economic-financial rebalancing of the **Interventions for the Maintenance of the Level of Service** triggered by the achievement of the Level of Service and authorized by the **Regulator** will be carried out by means of the **Marginal Cash Flow** and will include the additional expenses with Maintenance and subsequent Operation of the interventions, as well as the gains resulting from the eventual increase in traffic.

13.23.1. The **Concessionaire** will have a right to the economic-financial rebalancing of the **Agreement** due to the costs spent on the preparation of Executive Projects requested by the **Regulator**, regardless of whether or not the implementation of the intervention to which it refers is authorized.

Bypass Works in Urban Stretches

13.24. The **Bypass Works in Urban Stretches** will be executed as obligatory investments originally planned in the PER or as an alternative to the urban crossing solution originally planned in the PER, in accordance with the rules established in Clause 413.25 of this **Agreement**; or as **New Investments**, in accordance with the provisions of Clause 6 of this **Agreement**.

13.24.1. The completion of the **Bypass Works in Urban Stretches**, measured according to the provisions of Clause 13.31. and the following Clauses of this **Agreement**, will result, on the one hand, in the inclusion of the new resulting roadway in the **Roadway System that is the Subject Matter of the Concession**, and, on the other hand, may result in the exclusion of the respective urban stretch from the **Roadway System that is the Subject Matter of the Concession**, in case it is a part of the Roadway System.

13.24.2. Any difference of in the extension of the **Roadway System** resulting from the exclusion of urban stretches and inclusion of new roadways resulting from **Bypass Works in Urban Stretches** will be considered for the purposes of recomposition of the economic-financial balance in the subsequent **Five-Year Revision**.

13.24.3. Any investments made in the excluded urban stretches will be considered **Reversible Assets**, for all due purposes, after the conclusion of **Bypass Works in Urban Stretches**.

13.25. In case the originally planned urban crossing solution no longer meets the road safety and fare moderation precepts, as provided for in the **PER**, or if there is any impediment for its adequacy fully verified from the social-environmental point of view, the **Concessionaire** may propose to the **Regulator** the implementation of new roadways that bypass the urban stretch, as an alternative to the execution of the **Capacity Expansion Works and Improvement Works** and **Works for the Maintenance of the Level of Service** of stretches that cross urban areas, observing the following procedures:

- (i) In up to 6 (six) months after the **Regulator's** approval for initiating studies about **Bypass Works in Urban Stretches**, the **Concessionaire** must present a Technical, Economic-Financial, and Environmental Feasibility Study (EVTEA, for its acronym in

Portuguese) relative to the intended bypass, according to regulations of the **Regulator**;

- (ii) The Technical, Economic-Financial, and Environmental Feasibility Study (EVTEA, for its acronym in Portuguese) prepared may be submitted to a process of participation and social control for the validation of the proposed route by society and local authorities, and of the public interest in its execution, in order to inform the decision of the Regulator; and
- (iii) The recomposition of the economic-financial balance will be calculated as of the exclusion of the originally planned investment, according to sub-clause 3129.130.4.1, with the subsequent inclusion of the bypass stretch, by means of the Marginal Cash Flow, according to sub-clause 30.4.2.

13.26. In case the proposal for execution of **Bypass Works in Urban Stretches** as an alternative to the urban crossing solution originally planned in the ROP is not approved by the **Regulator**, the Concessionaire will still be obliged to perform the **Capacity Expansion Works and Improvement Works** within the original timeframes and under the conditions planned in the **ROP**, without the right to economic-financial rebalancing.

Emergency Works

13.27. The **Emergency Works** correspond to the group of emergency works and services necessary for restoring traffic and safety conditions affected by any event that generates or that can generate impact on the **Roadway System**, as set forth in this **Agreement** and in the **ROP**.

13.27.1. **Emergency Works** must be executed from the **Effective Date** of the **Agreement** until the end of the **Concession Term**.

13.27.2. The **Concessionaire** is responsible for the execution of the **Emergency Works** immediately after the occurrence of the event that motivates them, as long as their emergency character is recognized by the **Regulator**.

13.28. The **Concessionaire** must communicate to the **Regulator** about the execution of **Emergency Works** before their start, so that the Regulator can evaluate their emergency character and approve or disapprove their start.

13.28.1. After traffic and safety conditions are restored, the recovery of any areas degraded by the activities undertaken for the emergency action should be promoted immediately.

13.28.2. The projects relative to **Emergency Works** do not require non-objection from the **Regulator**, but they must be sent to the **Regulator** in up to 48 hours of the event's occurrence, so that it can monitor the execution, in addition to subsequently sending the "as-built".

13.29. The **Concessionaire** is entitled to economic-financial rebalancing of the **Agreement** as a result of **Emergency Works**, as long as the character of urgency has been recognized by the Regulating Entity and the events that caused the **Emergency Works** are not covered by the insurance policies hired by the **Concessionaire**.

Completion of the works

13.30. To comply with the **ROP**, the **Concessionaire** must provide evidence to the **Regulator** of the completion of each of the works in the respective schedules and of compliance with the **Technical Parameters**.

13.31. After completion of any of the works that are implemented during the **Concession Term**, the **Concessionaire** must send a request to the **Regulator**, by means of a "**Completion Notice**" accompanied by supporting evidence, soliciting the performance of an inspection of the works, which will be done jointly by the **Regulator** and by the **Concessionaire**, through especially designated representatives, within the period of 60 (sixty) days counting from the receipt of the "**Completion Notice**" by the **Regulator**.

13.31.1. Once the works have been inspected and if they comply with the technical requirements, the **Regulator** will accept and attest the completion of them, by issuing a Final Inspection Certificate.

13.31.2. Once the deadline mentioned in Clause 13.31 has passed, if the inspection has not been performed, the work will be considered completed.

- 13.32. If non-conformities (related to the projects, compliance with norms, and specifications, and contractual obligations) are identified during the inspections, the **Regulator** will issue a technical report notifying the **Concessionaire** about the irregularities found. In response to this report, the **Concessionaire**, at its own expense, shall provide the due corrections and issue a new “**Completion Notice**” within the period of 30 days. After sending the aforementioned notification, the **Regulator** will conduct new inspections, within the period of 30 days, to attest the adequacy of the works.
- 13.33. Upon completion of the new inspection, and if the works are in accordance with the established technical requirements, the **Regulator** will accept and attest the completion of the works by issuing a Final Inspection Certificate.
- 13.34. The non-objection of the **Regulator** to the completion of the works under this **Agreement** does not generate any liability to the **Regulator** in relation to the safety and quality conditions of the works, nor does it exempt or reduce the **Concessionaire’s** liability for its technical responsibility and compliance with the obligations resulting from this **Agreement**.

Supervening Works of the Government

- 13.35. If the public interest demands, the **Government** may, directly or through delegation, perform works in the conceded **Roadway System**.
- 13.36. The works under the responsibility of the **Government** will be transferred to the **Concessionaire**, as well as the other assets belonging to the same segment, after their partial or total conclusion.
- 13.36.1. When the work is transferred by the **Government**, an amendment to the **Term of Listing and Transfer of Assets** shall be formalized and the inventory with the list of the **Concession’s Assets** shall be updated.
- 13.36.2. Additional works and services that are necessary because of the execution of investments made by the **Government** may be attributed to the **Concessionaire**, requiring the recovery of the economic and the financial balance through the **Marginal Cash Flow**.

13.37. In the exceptional cases in which the **Concessionaire** is obligated to develop, partially or totally, the works allocated to the **Government's** responsibility, the economic and financial balance of the Agreement will be recovery through the **Marginal Cash Flow**.

13.38. The **Concessionaire** shall monitor the execution of each constructive stage of the works of the **Government**, in which occasion all inconsistencies between the work and its projects must be reported to the **Regulator**.

13.39. From the date of the partial or total transfer of the works from the **Government** to the **Concessionaire**, it will have 1 (one) month to deliver to the **Regulator** the provisional receipt document, in which must be listed the following points:

- (i) All the inconsistencies between the work and its respective project, pointing out any constructive flaws; and
- (ii) All the inconsistencies observed in relation to the compliance with the Performance Parameters of maximum longitudinal irregularity (IRI) and characteristic deflection (DC), as required in PER for the last period of the recovery of the Concession works.

13.39.1. Upon the receipt of the provisional receipt document with indication of inconsistencies, the **Government** shall:

- (i) Check the existence of the inconsistencies pointed out by the **Concessionaire**;
- (ii) Indicate the Performance Parameters to be adjusted, being conceded to the Concessionaire a reasonable period to execute it. This matter may be subject to the recomposition of the economic-financial balance;
- (iii) If the **Concessionaire**, after the deadline, has not adjusted the received works to the Performance Parameters, this will result in the application of the **Agreement** penalties; and

- (iv) After the adjustments indicated by the **Regulator**, the **Concessionaire** will send to the **Regulator** a document of the definitive receipt of the works.
- 13.40. Considering the deadline of 1 (one) month referred in the previous last Item, in there are no inconsistencies, the **Concessionaire** will send to the **Regulator** a document of final receipt of the works from the **Government**.
- 13.41. During the 5 (five) years period from the date of the provisional receipt, the **Constructive Flaws**, hidden or apparent, identified in the assets transferred to the **Concessionaire**, even if not found previously, must be reported to the **Regulator**.
- 13.42. Within a 2 (two) months period, counted from the date of receipt of the communication from the **Concessionaire**, the **Regulator** shall determine the measures that will be adopted to remedy the **Constructive Flaws** observed in the assets which were transferred to the **Concessionaire**.
- 13.43. After the issuance of the definitive receipt document, which must occur in the terms and deadlines provided for in subclause 13.40, the **Concessionaire** will be responsible for the implementation of all other obligations provided for in the **PER**, and must observe all Performance Parameters, Technical Parameters, as well as the deadlines and conditions established, except as provided for in subclause 27.1.19.
- 13.44. After 5 (five) years, counted from the partial or total transfer of the assets, the **Concessionaire** may not complain of hidden **Constructive Flaws** in assets transferred to it, considering its right precluded.
- 13.45. The transfer of the works allocated to the developed by the **Government** is foreseen for increase of capacity and restoration of the MG 167 stretch, from Três Pontas to Varginha, as listed in Appendix E of the **PER**.
- 13.45.1. The Concessionaire shall perform all the services of Operational Services Front the as provided for in the PER during the execution of the work referred to in the clause 13.37 until the end of the **Concession Term**.

13.45.2. The stretches described in Appendix E of the **PER** will not be considered for the verification of compliance with the obligation described in clause 20.1, Item (i).

CLAUSE 14 - PROJECTS

14.1. The **Concessionaire** must prepare and keep up to date the **engineering projects** for the execution of the works under the **Concession**, which must fully meet the deadlines and conditions foreseen in this **Agreement**, the **PER**, and the **OIS**, as well as the guidelines set forth in the Joint Resolution DER/SEINFRA no. 003/2021 or any other that may replace it.

14.1.1. The **Regulator** shall issue **statement of non-objection** to the **Projects** prepared by the **Concessionaire** only in the **Functional Project** phase, and only the **Executive Projects** of **New Investments** shall be the object of a **non-objection**.

14.1.2. In the case of **Interventions** related to special civil engineering projects, the **Executive Project** presented by the **Concessionaire** shall be accompanied by a certificate of quality attesting its adequacy to the technical norms issued by an inspection entity accredited by INMETRO.

14.1.3. The deadlines indicated in the Joint Resolution DER/SEINFRA no. 03, from February 24th, 2021, or any other that replaces it, may be shortened, by agreement of the parties, depending, among other factors, on the degree of complexity of the project to be prepared and/or analyzed.

14.2. The projects shall follow the rules set forth in this **Agreement** and its **Appendices**, as well as the norms, manuals, and regulations in effect, in addition to containing the proper Notations of Technical Responsibility (ART, for its acronym in Portuguese).

14.3. In the case of insufficiency or divergence from the technical norms for project preparation, the application of the norms will prevail, in the following order:

- (i) the technical norms indicated in the **ROP**;
- (ii) the technical norms of **DER/MG**; and

- (iii) the technical norms issues by national and international organisms and entities of technical reference.
- 14.4. In case of non-conformity, errors, inaccuracies, or any failures in the preparation of projects, the **Concessionaire** shall be responsible for the redoing the works and **Projects**, without applicability of the economic-financial rebalancing of the **Agreement**.
- 14.5. All the milestones and stages, including initial and intermediary milestones presents in the projects, planned in the **OIS**, and established for monitoring the status of each investment, shall be duly accomplished in a timely manner by the **Concessionaire**, under the risk of incurring the penalties set forth in this **Agreement** and other applicable consequences.
- 14.6. The procedure for analysis of the **Engineering Projects**, regardless of whether they are subject to **Non-Objection Statements**, shall be considered part of the timeframe for obtaining authorization for beginning the works and the consequent impact on the execution schedule.
- 14.6.1. The procedure for analysis of the **Engineering Projects** shall observe the provisions of Join Resolution DER/SEINFRA no. 03, of February 24th, 2021, or any other that replaces it, including in respect to the timeframes for presenting documents;
- 14.6.2. Any delays by the **Regulator** in analyzing **Projects** attributed to the **Concessionaire** when they have been presented within the timeframes and conditions established in this **Agreement**, in the **ROP**, and in conformity with Joint Resolution DER/SEINFRA no. 03, of February 24th, 2021, or any other that replaces it;
- 14.7. The **Concessionaire** shall bear the costs resulting from the eventual need to adjust the projects.
- 14.8. The **Concessionaire** is responsible for making adjustments in a timely manner so as to observe the start date planned for the work in the **Agreement** and the **ROP**, under penalty of application, by the **Regulator**, of the penalties set forth in this **Agreement**, without prejudice to the adoption of additional measures by the **Regulator**, such as the execution of the **Performance Bond**.

14.9. When issuing **non-objection statements** for Functional Projects, the **Regulator** shall consider in its analysis:

- (i) the norms and clauses set forth in this **Agreement** and its **Appendices**;
- (ii) the norms and technical manuals applicable to the sector, especially those issued by DER/MG, the National Department of Transport Infrastructure (DNIT, for its acronym in Portuguese), the Brazilian Association of Technical Norms (ABNT, for its acronym in Portuguese), and the National Transit Council (CONTRAN, for its acronym in Portuguese);
- (iii) the observance of the public interest in the proposed design, duly characterized by means of a circumstantiated order, especially considering the minimization of social-environmental impacts and the financial impacts of expropriations

14.9.1. The **Regulator** shall not raise objections to the **Project** presented by the **Concessionaire** basing them on notes related to the methods, technologies, or quantities of materials used, without prejudice to the non-receipt and/or imposition of scrapping of works implemented in disagreement with the provisions of Clause 14.9.

14.10. The objection of the **Regulator** shall be accompanied, at least, by the indication of irregularity and/or inaccuracy, of the technical grounds, indicating which of the items in the **ROP** and/or technical norms is not being complied with and which correction will be presented by the **Concessionaire**.

14.11. The **Statement of Non-Objection**, when emitted by the **Regulator**, does not imply any technical responsibility on its behalf and does not interfere in the risk allocation set forth in Clauses 26 and 27 in this **Agreement**.

14.12. If a flaw or serious error is detected in the **Projects** of works planned in the **PER**, the **Regulator** may, at any time, request appropriate changes, as long as it proves the flaw or error detected through technical reports, demonstrating the corrections that must be made by the **Concessionaire**.

14.13. The **Concessionaire** may propose adjustments to the **Projects**, being certain that the changes in **Projects** that have already been analyzed by the **Regulator** shall once more follow the provisions of this **Agreement**.

14.13.1. In any case, the project alteration requests do not dispense with the necessity to meet the originally agreed deadlines.

14.13.2. It is the duty of the **Concessionaire** to present the project alterations to the competent environmental agencies.

14.13.3. More complex, costly, and functionally superior improvements will not be allowed to be replaced by others that do not preserve the same degree of quality.

14.13.4. Considering the provisions in Clause 26, without prejudice to the evaluation of the extent of consequences of each event, the following **Project** adaptations will not be the Subject-Matter of economic-financial rebalancing in favor of the **Concessionaire**:

- (i) expansion of the scope of the works planned in the **OIS** for the adequacy to the new traffic demands detected at the time of the preparation of the functional project by the Concessionaire, provided that the extension does not result from risk allocated to the **Government**;
- (ii) adjustment of the scope of the work to adapt to the interferences detected at the time of the preparation of the functional project by the **Concessionaire** (examples: interferences with local roads, local special civil engineering projects, other service concessionaires, infrastructure systems, and public transportation services), provided that the expansion does not result from risk allocated to the **Government**;
- (iii) Expansion of the scope of work to adapt to the requirements of the environmental agencies to obtain licensing for the execution of services;

- (iv) As a result of the technical norms of Minas Gerais State Office of Constructions and Roadways – DER/MG and Departamento Nacional de Infraestrutura de Transportes – DNIT.

CLAUSE 15 – PROVISION OF INFORMATION AND ACCESS TO THE ROADWAY SYSTEM

15.1. During the **Concession Term**, without prejudice to the other obligations to provide information established in the **Agreement**, the **ROP**, and the applicable legislation, the **Concessionaire** shall:

15.1.1 Make immediately known to the **Regulator** any and all events that may impair or impede the punctual and timely compliance with the obligations arising from this **Agreement**, presenting, within the minimum required period, a detailed report on this event, including, as the case may be, technical opinions, with the measures adopted or in progress to remedy the problem;

15.1.2 Present to the **Regulator** , within the timeframe established by the Regulator, additional or complementary information that it formally requests;

15.1.3 Present to the **Regulator**, in the frequency established by the Regulator, a report with detailed information about:

- (i) the traffic accident statistics, with analysis of critical points and remedial measures implemented or that will be implemented;
- (ii) state of conservation of the **Roadway System**;
- (iii) environmental monitoring throughout the **Roadway System**, as set forth in the **ROP**;
- (iv) the execution of the works of the services of the **Concession**;
- (v) the performance of its activities, specifying, among others, the form of accomplishing the works of the provision of services related to the Subject Matter of the **Agreement**, the results of the operation of the

Roadway System, as well as the programming and financial execution; and

- (vi) the **Concession Assets**, including the **Reversible Assets**, regarding the description of their state, value, and effective control during the operation period.
- 15.1.4 Present to the **Regulator**, quarterly, a trial balance with complete financial statements corresponding to the previous quarter;
- 15.1.5 Present to the **Regulator**, in the periodicity it determines, as well as publish in the **DOEMG** and in a wide circulation newspaper, the Complete Annual Financial Statements, duly audited by an independent auditing company registered with the Comissão de Valores Mobiliários (Commission for Real State Values or CVM, for its acronym in Portuguese), in accordance with the Brazilian accounting standards and determinations of the **Regulator**, with emphasis on the following information, relative to the year ending on December 31st of the previous year:
- (i) details of the transactions with **Related Parties**, including explanatory notes sufficient to identify the parties involved and verify the conditions practiced;
 - (ii) depreciation and amortization of assets;
 - (iii) provision for contingencies (civil, labor, social security, tax, environmental or administrative);
 - (iv) management report;
 - (v) external auditors report;
 - (vi) report of the fiscal council, if any;
 - (vii) value of the paid-in capital stock and the changes in its shareholder composition;
 - (viii) operations with derivatives or other financial instruments backed by indexes or rates; and

- (ix) distribution of profits and dividends.

15.1.6 Keep an updated record of the technicians responsible for the projects, the works done, and the services provided during the **Concession Term**.

15.2. Disclose in its electronic site the following information during the entire **Concession Term**:

- (i) **Toll Fees** in effect in each of the toll plazas, as well as the historical graph of the evolution of the tolls since the beginning of the collection, with their respective effective dates;
- (ii) monthly accident statistics, including identification of the location and cause (when provided by public entities or agencies), as well as the measures adopted to reduce the incidence, as provided for in the **ROP**;
- (iii) traffic conditions per **Uniform Segment**, updated daily with guidance to users;
- (iv) monthly statistics of vehicle movement, by type of vehicle (motorcycle, passenger car, truck, bus), in each of the toll plazas; and
- (v) reasoned motivation for not adopting the ESG standards, established in Clause 3838.6.

15.3. The **Concessionaire** shall perform permanent monitoring of traffic including volumetric counts, measurements, and other procedures established in the **ROP**, at the locations of the **Roadway System** necessary for:

- (i) ascertaining the fulfillment of its obligations;
- (ii) verification of the obligation to perform **Service Level Maintenance Works** referred to in Clause 13.18; and

- (iii) verification of the need to perform improvements in interconnection equipment, under the terms of the **ROP**.
- 15.4. The reports, documents and information foreseen in this Clause shall be part of an electronic database, according to the minimum standard determined by the **Regulator**.
- 15.4.1 The **Regulator** will be assured unrestricted access in real time to the database referred to in sub-clause 15.4.
 - 15.4.2 The updated information from the permanent traffic monitoring referred to in sub-clause 15.3, notably the measurement of the **Service Level Trigger** of the Uniform Segments subject to capacity expansion conditioned to its achievement, shall be made available to the **Regulator**, in real time through exclusive electronic access.
- 15.5. It is the **Concessionaire's** responsibility to inform the authorities about any illegal or illicit acts or facts about which it may have knowledge due to the activities that are the **Subject Matter** of the **Concession**.
- 15.6. It is the **Concessionaire's** obligation to maintain a User Information System with a minimum structure to support user demands, in the terms established by the **Regulator**.
- 15.7. At any time, the **Regulator**, or a third party authorized by it, will have unrestricted access to the **Roadway System** and the **Concession Assets** to conduct field research, studies of public interest, among others.

CLAUSE 16 - SUPERVISION

- 16.1 The supervision of the **Concession** will be performed by the **Regulator** directly or through third parties, with the purpose of monitoring and verifying the compliance, by the **Concessionaire**, with the legal, regulatory and contractual provisions applicable to the execution of the **Subject Matter** of the **Concession**, including the following activities:
- 16.1.1 The verification of the works and services performed by the **Concessionaire**, in order to check their adequacy to the requirements provided for in the **Invitation to Bid**, in the

- Agreement**, in its **Appendices**, and in the legislation and regulation in effect, including manuals, standards and technical regulations;
- 16.1.2 the performance of periodic inspections of the **Roadway System**, to verify its constant condition, in order to guarantee that it will be in the adequate conditions and as foreseen in the **Agreement** and in the **ROP** when it is reverted to the **Government**;
- 16.1.3 the performance of inspections for the review of facilities, methods and practices for the performance of works and services **Subject Matter** of the **Concession** employed by the **Concessionaire**, determining the necessary corrections, repairs, removals, reconstructions, or replacements, at the **Concessionaire's** expense, when they are not in accordance with the specifications prescribed in the **Invitation to Bid**, the **Agreement**, its **Appendices**, and legislation and regulations in effect, including manuals, standards and technical regulations;
- 16.1.4 intervention, when necessary, in the performance of the **Subject Matter the Concession**, under the terms of the legislation and regulations in effect and of this **Agreement**, in order to assure the regularity and faithful compliance with the contractual obligations assumed by the **Concessionaire**;
- 16.1.5 supervision, inspection, and audit of the execution of the **Subject Matter** of the **Agreement** and monitoring of the fulfillment of the contractual schedule; and
- 16.1.6 performance of the other activities necessary for the supervision of this **Agreement**.
- 16.2 The **Regulator**, or a third party authorized by it, shall have unrestricted access to the **Roadway System**, the **Concession Assets**, and the construction sites that are the **Subject Matter** of the **Concession**, at any time, for the proper performance of its supervision duties.
- 16.3 The **Regulator** may count on the support of an independent verifier to assist him in the supervision of the **Concession**, to be hired by the **Government** , in what concerns his duties.

- 16.4 The **Regulator** shall also have unrestricted access to data relative to the administration, accounting, contracts with third parties, and the technical, economic, and financial resources of the **Concessionaire**, pertinent to the **Concession**, as well as the equipment and installations which are part of or linked to the **Concession**, at any time, to exercise its supervision attributions.
- 16.4.1 The unrestricted access to the data related to the **Concession** mentioned in the clause above encompasses the provision of the Toll Information Monitoring System by the Concessionaire, as established in the **ROP**.
- 16.5 The **Concessionaire** declares, in advance, to accept all the conditions, methods and supervision processes, verification and control adopted by the **Regulator** for the supervision of the **Concession**, being obliged to supply it with all the data, elements, explanations, clarifications and communications it may need and that may be deemed necessary for the good performance of its activities.
- 16.6 The determinations that may be issued by the **Regulator** in the scope of the inspections are immediately applicable and will bind the **Concessionaire**, without prejudice to the appeal that may be applicable and the other contractually foreseen consequences.
- 16.7 In the exercise of supervision activities, the **Regulator** may determine the execution of acts or the suspension of those performed in nonconformity with the terms of this **Agreement** and its **Appendices** or with the legislation and regulations in effect.
- 16.8 The **Regulator** shall register the occurrences found in the inspections, formally notifying the **Concessionaire** to regularize the faults or defects found.
- 16.9 The failure by the **Concessionaire** to regularize the faults or defects found by the **Regulator** within the deadlines set by it constitutes a contractual infraction and shall result in the application of the penalties provided for in Appendix 10, without prejudice to the adoption of additional measures by the **Regulator**, such as the execution of the **Performance Bond**.
- 16.10 In case of omission by the **Concessionaire** or in case of its refusal to comply with the determinations of the **Regulator** in the scope of the inspection, the Regulator will be entitled to proceed with the correction of the faults or

defects found, directly or through a third party, including making use of the **Performance Bond Performance Bond** provided for in the **Agreement**, with the costs being borne by the **Concessionaire**, without prejudice to the application of the penalties provided for in Appendix 10.

- 16.11 The inspections done by the **Regulator** do not exempt the **Concessionaire** from being responsible for carrying out a detailed examination and follow-up of the execution of the works and services that are the **Subject Matter** of the **Agreement**, in order to allow that, in a timely fashion and in writing, all divergences or doubts that may be found and that may prevent the good performance of the **Agreement** are clarified to the inspectors.
- 16.12 The **Concessionaire** is responsible for damages caused to the **Government**, to the **Regulator**, to **Users**, or to third parties, a responsibility that is not excluded or reduced by the presence of an inspection.
- 16.13 The **Concessionaire**, without prejudice to applicable penalties, shall be obliged to repair, correct, remove, rebuild or replace, at its own expense and without the right to economic-financial rebalance, the works and services related to the **Concession**, when flaws, defects, or inaccuracies resulting from the execution or materials used are found, within the deadlines set by the **Regulator**.
- 16.13.1 The **Regulator** may require the **Concessionaire** to present an action plan to repair, correct, remove, rebuild or replace any work or service provided in a flawed, defective, or incorrect manner and pertaining to the **Concession**, within a period to be established.

CHAPTER 5 - ENVIRONMENTAL LICENSING, EXPROPRIATIONS, AND EVICTIONS

CLAUSE 17 - AUTHORIZATIONS AND GOVERNMENTAL LICENSES

17.1 The **Concessionaire** shall:

- 17.1.1 Adopt all measures required by the competent bodies, under the terms of the legislation in effect, to comply with the obligations set forth in this clause, and be responsible for the corresponding costs, expenses, and investments, subject to the provisions of sub-clause 1617.1.3.

17.1.2 Obtain, renew, in a timely manner, and maintain valid all licenses, grants for the use of water resources, consents, permissions, authorizations, permits, and certificates of any nature required for the full exercise of the activities that are the **Subject Matter** of the **Concession**.

17.1.2.1 Among the licenses, grants for the right to use water resources, consents, permissions, authorizations, permits, or certificates referred to in this clause, without excluding other licenses and authorizations necessary for the performance of the **Subject Matter** of the **Concession**, the following stand out:

- (i) The environmental licenses that may be required by the competent environmental agencies and other licenses, grants for the right to use water resources, consents, permissions, authorizations, permits, or certificates necessary for the execution of the work, interventions and services that are the Subject Matter of the **Concession**, including those necessary for the Capacity Expansion, Improvement, and Maintenance of Service Level Front works, foreseen in the **PER**;
- (ii) The environmental licenses that may be required by the competent environmental agencies and other licenses, grants for the right to use water resources, consent, permissions, authorizations, permits, or certificates necessary for the execution of new works, interventions, or services eventually requested by the **Regulator**;
- (iii) The certificates of use and occupation of the soil issued by municipal governments and intercepted by the **Concession**, whenever required by the **Regulator** or when necessary to obtain licenses, grants for the right to use water resources, consents, permits, authorizations, licenses and certificates referred to in this clause;
- (iv) The licenses, grants for the right to use water resources, consents, permits, authorizations, licenses and certificates for construction sites, quarries and support areas; and

- (v) All of the licenses that are necessary for the operation of the **Concession**.
- 17.1.2.2 The expenses resulting from environmental licensing, including its conditioning factors, related to the phase of implantation of works in the influence zone of areas occupied by **Traditional Communities**, whose recognition process started after the signing of the **Agreement**, shall be Subject Matter of economic-financial rebalancing, to be performed by means of the **Marginal Cash Flow**, as provided for in the **Agreement**.
- 17.1.2.3 The process of regularization of corrective environmental licensing of the operation of the Roadway System will be the Subject Matter of a Termo de Ajustamento de Conduta (Conduct Adjustment Agreement or TAC, for its acronym in Portuguese), to be signed between the **Concessionaire** and the competent environmental agency, as per the guidelines of the legislation in effect.
- 17.1.3 Comply, within the deadline, with the existing conditions, or those that may be required by the responsible bodies, and bear the full costs resulting therefrom.
- 17.1.4 Propose and execute the compensations inherent to environmental licensing, under the terms of the legislation in effect.
- 17.1.5 Characterize all the environmental liabilities of the Areas Directly Affected (Área Diretamente Afetada or ADA, for its acronym in Portuguese) by the project, as well as their recovery, remediation, and management.
- 17.1.6 The deadline for analysis and issuance of the proper licenses, certificates, consents, and authorizations will be that established in the licensing agency's own legislation, with the proper particularities.
- 17.1.7 The delay in obtaining licenses, grants for the right to use water resources, consents, permits, authorizations, licenses and certificates not attributable to the **Concessionaire**, may not give rise

to the application of penalties related to the execution of the corresponding works, without prejudice to the economic-financial balance of the Agreement, where applicable, provided that it has met the relevant requirements incumbent upon it, including, but not limited to:

- (i) Timely and complete filing of the corresponding requisition, observing the guidelines foreseen in the PER and the pertinent legislation;
- (ii) Quick and diligent response to requests for information and clarifications solicited by the licensing agencies.

17.1.7.1 In any case, only the days of delay in obtaining the regularization that exceed the legal deadlines for the analysis and approval of the process will be the object of renegotiation of the **Original Schedule of Investments**, excluding those resulting from an event attributable exclusively to the **Concessionaire**.

17.1.7.1.1 For the purposes of counting the period to be discounted and that the **Concessionaire** has recognized, the period for compliance with the complementary information and clarifications requested by the licensing and consenting intervening agencies will be counted beginning on the date of the agency's request and ending on the date that the responses are completely filed.

17.1.8 The **Concessionaire** shall not be released from responsibility for meeting the deadlines for performance of works and services provided for in the **PER** due to the partial obtaining of licenses, grants of the right to use water resources, consents, permits, authorizations, licenses and certificates, unless if for a reason not attributable to it.

17.2 The **Government and the Regulator** shall assist the **Concessionaire**, when necessary and possible, in obtaining the licenses and other authorizations required to perform the works and services contemplated in this **Agreement** and in the **PER**.

17.2.1 Eventual assistance from the **Government and the Regulator** does not exempt the **Concessionaire** from its responsibility in

obtaining licenses and other authorizations, and the assistance shall be provided by means of the issuance of documents and/or requests, due diligence, and/or assistance in the interaction with other public agencies and entities, among other measures.

- 17.2.2 The **Concessionaire** shall forward to the **Regulator**, monthly, copies of all communications made between the **Concessionaire** and the environmental and intervening agencies (federal, state, and municipal).
- 17.3 The **Concessionaire** shall immediately inform the **Regulator** whenever any of the licenses referred to in the previous items are withdrawn, expire, are revoked or, for any reason, cease to be effective, indicating the measures taken and/or that will be taken to restore such licenses.

CLAUSE 18 – EXPROPRIATIONS AND EVICTIONS IN THE DOMAIN RANGE AND ACCESSES

- 18.1 The **Government** is responsible for the necessary arrangements for issuing the **DPU** of the assets to be expropriated for executing the Subject Matter of the **Concession**, upon the justified request of the **Concessionaire**.
- 18.2 The **Concessionaire**, at the beginning of each semester or at the **Regulator's** discretion, shall present the semi-annual schedule of **DPU** demands and simplified schedule of related works, with estimates of the areas to be expropriated.
- 18.3 The **Concessionaire** shall formalize the requests for **DPUs** in a timely manner, considering the schedule and timetable mentioned in the clause above, aiming at the timely execution of works and services that are the Subject Matter of the **Agreement**, and providing the following information, among others necessary for the issuance of **DPUs**:
- 18.3.1 geographic coordinates that delimit the polygon to be expropriated for the purpose of issuing the **DPU** for areas that may be necessary to execute the investments foreseen in the **PER**;

- 18.3.2 description of the socioeconomic structure of the affected area and the criteria adopted for the valuation of the area, evaluation of improvements, and compensations;
 - 18.3.3 registry discriminating the properties, according to their landholding situation, as well as specifying the extension, per property, of the affected areas;
 - 18.3.4 up-to-date certificate from the competent real estate registry, with information about the ownership of the affected assets;
 - 18.3.5 identification and registration of the population and economic activities that will be directly affected by the **Concession**;
 - 18.3.6 quantification of the need for displacements;
 - 18.3.7 indemnity amounts, by applying the relevant valuation standards;
 - 18.3.8 detailed implementation schedule; and
 - 18.3.9 other information that the **Regulator** deems relevant.
- 18.4 After receipt of the information in the sub-clause above, the **DPU**s shall be issued by the **Government** within 6 (six) months, as of the date of receipt of the information mentioned in the previous clause.
- 18.4.1 Exceeding the deadline stipulated above may give rise to the recomposition of the economic-financial balance of the **Agreement**, under the terms of Clause 30.4.1, in favor of the **Concessionaire**, to compensate its losses, as well as the adjustment of the contractual schedule, being forbidden the application of sanctions to the **Concessionaire** for the impact on the works schedule corresponding to the delay of the **Government**.
- 18.5 It will be incumbent on the **Concessionaire**, with the authorization of the **Regulator**, to promote expropriation and administrative easements, propose administrative limitations and temporarily occupy real estate properties necessary for the execution and conservation of works and services related to the **Subject Matter** of the **Concession**, being responsible for, among other actions:

- 18.5.1 initiate, conduct, and conclude the extrajudicial and judicial processes of expropriation, institution of administrative easement, imposition of administrative limitation, and provisional occupation of real estate, as well as to adopt all the necessary measures for the relevant registries;
 - 18.5.2 make efforts with the owners or possessors of the areas destined for the implementation of the installations necessary for the operation of the **Subject Matter of the Concession**, in order to promote, in an amicable way, the clearance of these areas; and
 - 18.5.3 make available to the **Government** the documentation related to the Property Registry, in which the **Government**, or an entity designated by it, shall be registered as owner of the expropriated and/or vacated area.
- 18.6 The **Concessionaire** must cover all investments, payments, costs, and expenses resulting from the implementation of acts necessary to comply with sub-clause 18.5 of this **Agreement**, preferably by mutual agreement or through legal actions, up to the limit of the **Condemnation Fund**, being entitled to the recomposition of the economic and financial balance for the exceeding expenditures, through the **Marginal Cash Flow** in the form provided for in the **Agreement**.
- 18.6.1 The Concessionaire considered, in its **Financial Bid**, the **Condemnation Fund** in the amount of BRL 23,629,835.00 (twenty-three million, six hundred and twenty-nine thousand, eight hundred and thirty-five reais), to be updated annually, on the same date set for the Rise of the **Basic Toll Fee** , by the **IRT**.
 - 18.6.2 To be entitled to the recomposition of the economic-financial balance in the form established in sub-clause 18.6 of this **Agreement**, the **Concessionaire** shall submit a descriptive-analytical report of the costs incurred and prove that the initiatives adopted by it to comply with the obligations described in sub-clause 18.5, whether judicially or extrajudicially, were preceded by a real estate appraisal based on field surveys and on the best market practices.
 - 18.6.3 Expropriation costs are those resulting from the execution of expropriations, administrative easements, and the temporary

occupation of real estate necessary for the performance of the Subject-Matter of the **Concession**.

- 18.6.4 Expenses incurred by the **Concessionaire** with legal advice, registration and appraisal of property, preparation of **DUP**, fees and court costs, attorney's and expert's fees, and notary fees will not be covered by the **Condemnation Fund** nor will they entitle the Concessionaire to the recomposition of the economic-financial balance.
- 18.6.5 The payment, by the **Concessionaire**, to the expropriated third party or over whose property an administrative easement was instituted or temporarily occupied, for the purposes provided for in this **Agreement**, when made by extrajudicial means, that is, by agreement between the **Concessionaire** and the indicated third party, must be based on an appraisal report signed by an agent accredited by Caixa Econômica Federal, observing the appraisal parameters of the Brazilian Association for Technical Standards - ABNT, in compliance with the provisions of the applicable legislation, to be submitted to the **Regulator**.
- 18.6.6 The **Regulator** will have a period of 30 (thirty) days to justifiably contest the evaluation.
- 18.7 It will also be a responsibility of the **Concessionaire** to maintain the integrity of the Domain Range of the **Roadway System** throughout the **Concession Term**, adopting the necessary measures to vacate it, if and when it is invaded by third parties.
- 18.8 The **Concessionaire** shall submit to the **Regulator** a **Condemnation and Indemnification Management Program** of the Domain Range within 9 (nine) months from the **Effective Date**, containing the necessary actions for the fulfillment of the goals and objectives of the **Concession**, which must be performed within the deadlines provided for in the **PER**.
- 18.8.1 When there is a specific condition resulting from environmental licensing that requires the adoption of compensatory measures for the populations that irregularly and precariously inhabit the existing Domain Range, the **Condemnation and Indemnification Management Program** shall include a Resettlement and Support

Program for the Affected Population for families with a high degree of socioeconomic vulnerability, including useful and necessary improvements that will necessarily be removed for the execution of the works.

- 18.8.2 The irregular and precarious occupation of the existing domain range is defined according to the criteria in DNIT Service Instruction no. 03/2019, or any other that may replace it.
- 18.9 The **Regulator** shall manifest itself about the **Condemnation and Indemnification Management Program** within 30 (thirty) days from its receipt, pointing out eventual adjustments that must be made by the **Concessionaire**, except in cases of disagreement based on technical aspects.
- 18.9.1 If the **Regulator** does not manifest itself about the **Condemnation and Indemnification Management Program** within the period indicated in Clause 18.9, it will be considered tacitly approved, and the **Concessionaire** will be authorized to promote the necessary removals.
- 18.9.2 After carrying out the actions provided for in the **Condemnation and Indemnification Management Program**, the **Concessionaire** must send to the **Regulator**, within one (1) month, a report that proves the implementation of the program and the absence of irregular occupations in the domain range of the **Roadway System**.
- 18.10 The **Concessionaire** must prepare, within 270 (two hundred and seventy) days from the **Effective Date**, an operational management plan for accesses that consists of a set of actions for regularization and ordering of accesses to neighboring properties, aiming at the preservation of the environment and the safety of **Users**, as defined in the **PER**.
- 18.11 In the case of accesses that, according to the operational management plan to be prepared by the **Concessionaire**, must remain open, even if not authorized, the **Concessionaire** must formally communicate the owners about the need to regularize and observe the procedure established by the legislation in effect.

18.12 The **Regulator** will be solely and exclusively responsible, after the technical manifestation of the **Concessionaire**, for authorizing the opening of new accesses or services to the **Roadway System**, as well as for closing irregular accesses that already exist.

18.12.1 The preparation of the access project and its implementation are the responsibility and will be at the expense of the interested party.

18.13 In the case of execution that needs to use the area of an authorized and already implanted access, the **Concessionaire** must (i) during the works period provide a provisional access observing the safety rules foreseen in the **PER**; (ii) and, until the conclusion of the works, recompose the referred access, at its expenses and under its responsibility, observing the norms and specifications in effect at the time of implantation,

18.14 In any case, the **Concessionaire** must make all the necessary efforts to maintain adequate safety conditions for the **Users**.

18.15 The **Concessionaire** must keep an updated record of the accesses to the **Roadway System**.

CHAPTER 6 - REMUNERATION FOR THE CONCESSIONAIRE

CLAUSE 19 – FORMS OF REMUNERATION FOR THE CONCESSIONAIRE

19.1 The **Concessionaire** will be remunerated by the by the **Toll Fees**, by the **Ancillary Revenue**, and by the respective financial revenues resulting from them, under the terms of this of this **Agreement**.

CLÁUSULA 20 – TOLL FEES

20.1 The collection of the **Toll Fees** can only start after, cumulatively:

- (i) the completion of targets of the **Initial Services** along the road sections planned up until the 9th month, as established in the **PER**;
- (ii) installation, at the toll plaza, of the equipment and systems necessary for the operation of the Frequent User Discount;

- (iii) the implementation of at least one **Toll Plaza**; and
- (iv) the delivery of the environmental liabilities register.

20.1.1 The conclusion of the **Initial Services**, as well as the implementation of the toll plaza(s), in accordance with the **PER** will be certified, at the request of the **Concessionaire** by means of an Inspection Statement, to be issued by the **Regulator** within 30 (thirty) days after the request from the **Concessionaire**.

20.1.1.1 In the event that the works and services described in sub-clause 20.1.1 do not meet the provisions of the **PER** or have flaws, defects or inaccuracies, the **Regulator** will indicate in the Inspection Statement the requirements to be met so that collection of the **Toll Fees** may begin.

20.1.2 After complying with the provisions of Clause 1920.1, the **Regulator** will issue, concomitantly with the issuance of the Inspection Document, an authorization act allowing the start of the **Toll Fees** to be charged by the **Concessionaire**.

20.1.3 After the elapse of the term referred to in Clause 20.1.1 above, without the issuance of the Inspection Document and the authorization act referred to in Clause 20.1.2, the **Concessionaire** may start charging the **Toll Fees**.

20.1.3.1 The **Concessionaire** will widely disclose the date of the beginning of the collection of the **Toll Fees**, its values, the vehicle weighing process, and other pertinent information, including the user service system.

20.1.3.2 The hypothesis described in Clause 20.1.3 will not prevent the **Regulator** from requesting eventual adjustments to the scope of the **Initial Services**.

20.2 Without prejudice to the provision above and always observing the basic criteria of the **Agreement**, the **Government** or the **Concessionaire** may

propose a tolling operating system based on a free flow concept and on collecting tolls based on the distance covered by **Users**, suggesting the implementation of technology necessary for the substitution (or coexistence with) **toll plazas**, in the context of Extraordinary Reviews or Five-Year Reviews, depending on the case, observing the economic-financial balance of the **Agreement**, as per Clause 30.4.2.

Fee System

- 20.3 The **Concessionaire** must organize the collection of the **Toll Fees** under the toll collection system provided for in the **PER**, implementing it with the greatest possible management efficiency, in order to cause the least discomfort and loss of time to **Users** of the **Roadway System**.
- 20.4 With the objective of maintaining adequate traffic flow and providing greater convenience to **Users**, the values of the **Toll Fees** will be rounded off, observing the terms of sub-clause 3034.4 of this **Agreement**.
- 20.5 It is forbidden to the **Government**, in the course of the **Agreement**, to establish tariff privileges that benefit specific **Users**, except in compliance with the law, observing the provisions of article 35 of Law no. 9,074/95, using, for this purpose, the provisions of Clause 33 of this **Agreement**.
- 20.6 The following vehicles will have free transit on the **Roadway System** and are therefore exempt from the payment of **Toll Fees**:
- (i) of property of the **Government** and of the **Regulator** or authorized by them to carry out inspections;
 - (ii) of use by the Roadway Police Command of the Military Police of the State of Minas Gerais;
 - (iii) of emergency public service, such as firefighters and ambulances, when in service; and
 - (iv) of official category, members of the Executive, Legislative, Judiciary, and Public Ministry branches, and the Public Defender's Office, all from the State of Minas Gerais, and all of them must be accredited by the **Regulator**.

- 20.7 The **Concessionaire** may propose a **Variable Fee Plan**, subject to prior approval by the **Regulator** and to the verification of any possible economic-financial imbalance to the **Agreement**, with the purpose of optimizing the use, inducing demand and improving the fluidity and service levels of the **Roadway System**, observing the principle of isonomy.
- 20.7.1 The **Variable Fee Plan** may define values different from those foreseen in the **Agreement** for the **Toll Fees**, days of the week, and hours, as well as present tariff charges that consider different parameters from the axle charging system, such as charging by category, weight, and volume, if operationally feasible.
- 20.7.2 The fare parameter per axle and per vehicle classification will be, in any case, the one used for purposes of measuring the economic-financial balance of the **Agreement**.
- 20.7.3 Among other possibilities, the **Concessionaire**, or the **Government**, may grant a Basic Fare Discount on the value of the **Toll Fees**, to users who use electronic payment methods and automatic vehicle identification (AVI), with the calculation of any economic and financial imbalance of the **Agreement**.
- 20.8 The **Concessionaire**, at its sole and exclusive discretion and responsibility, may grant discounts or fare promotions of seasonal nature not related to the **Variable Fee Plan**, as well as additional rounding of the **Toll Fees** in favor of the **Users**, aiming to facilitate change, not being able to require the restoration of the economic and financial balance of the **Agreement** in case it is affected due to these practices.
- 20.9 The **Toll Fees** are differentiated by vehicle category, due to the number of axles and the rotation, adopting the multipliers of the **Toll Fees** in the table below:

Category	Type of Vehicle	Number of Axles	Multiplier of the Fee
1	Car, Pickup Truck, Van	2	1.0

Category	Type of Vehicle	Number of Axles	Multiplier of the Fee
2	Light Truck, Bus, Tractor Truck and Van	2	2.0
3	Automobile with semi-trailer and Pickup Truck with semi-trailer	3	1.5
4	Truck, Tractor Truck, Tractor Truck with Semi-Trailer and Bus	3	3.0
5	Automobile with semi-trailer and Pickup Truck with trailer	4	2.0
6	Truck with Trailer and Tractor Truck with Semi-Trailer	4	4.0
7	Truck with Trailer and Tractor Truck with Semi-Trailer	5	5.0
8	Truck with Trailer and Tractor Truck with Semi-Trailer	6	6.0
9	Truck with Trailer and Tractor Truck with Semi-Trailer	7	7,0
10	Truck with Trailer and Tractor Truck with Semi-Trailer	8	8,0
11	Motorcycle, scooter and motor bicycle	2	0,5
12	Official vehicles	-	-

20.10 For counting the number of axles, the number of suspended axles of the cargo transport vehicle when empty will not be considered, according to the legislation and regulations in effect.

20.11 For vehicles with more than 8 (eight) axles, the **Fee Multiplier** equivalent to category 10 will be adopted, plus the result of the multiplication between: (i) the **Fee Multiplier** corresponding to Category 1 and (ii) the number of axles of the vehicle exceeding eight (8) axles.

- 20.12 The **Toll Fees** for each vehicle category in each of the **Toll Plazas** will be the result of the product of (i) the **Toll Fees** readjusted and rounded to category 1; and (ii) the respective **Fee Multiplier**, stipulated in sub-clause 20.9 of this **Agreement**.
- 20.13 The **Concessionaire** may propose the implementation of blocking cabins in order to minimize the impact of escape routes and/or alternative way, subject to prior approval by the **Government**, without being entitled to the recomposition of the economic and financial balance of the **Agreement**.

Frequent User Discount (FUD or DUF, for its acronym in Portuguese)

- 20.14 The **Users** who opt for the Electronic Collection System (AVI in its Portuguese acronym) and who travel in Category 1 vehicles in the **Roadway System** may be entitled to the payment of differentiated values of the **Toll Fees**, in all the **Toll Plazas** in operation in the **Roadway System**, according to the monthly frequency of use from the beginning of the operation of the first **Toll Plaza**, until the end of the term of the **Agreement**.
- 20.14.1 The **DUF** shall be offered to the **Users** specified above who, within the same calendar month, pass through a certain **Toll Plaza**, in the same direction of flow, a minimum of 2 (two) times. The applicable values for **DUF** fees are shown in **Appendix 9**.
- 20.14.2 The trips related to a certain calendar month will not be cumulatively considered for the following calendar months. That is, it will be considered, as of the first day of every calendar month, that the **User** did not pass through any **Toll Plaza** of the **Roadway System** in the respective month, applying the pertinent fee, under the terms of **Appendix 9**.
- 20.14.3 A **DUF** will be granted by unappealable decision of the **Regulator**, observing the convenience and opportunity of the measure, and may be revoked at any time, without the decision, whatever it may be, leading to an economic-financial rebalancing of the **Agreement** or indemnity of any kind to anyone.

- 20.15 The **Concessionaire**, prior to the start of operation of any **Toll Plaza** and as a condition for the implementation of the compensation provided for in sub-clause 20.16, will submit to the approval of the **Regulator** the detailing of the procedures for implementing the compensation due to the **DUF**, including in its proposal, among other elements: (i) models of reports and statements attesting to the necessary information, (ii) stages, (iii) deadlines, and (iv) persons responsible for carrying out all the procedures associated with the **DUF** and respective compensation.
- 20.16 The **Concessionaire** is aware, and considered in the preparation of its proposal, that the annual revenue loss from the **DUF** estimated in the economic modeling of the **Concession** was 0,2% (two hundredths percent) of the **Gross Fee Revenue**, to which the **Concessionaire** would be entitled to if the **DUF** was not applied on the Toll Fees, so that this percentage is the anticipated compensation in favor of the **Concessionaire**, without prejudice to the Rise in favor of the **Concessionaire** or the **Government**, provided for in subclauses 20.20.19.1 a 20.20.19.2.
- 20.17 Until April 30 (thirty) of each year, the **Concessionaire** must calculate the difference between (i) the sum of the amounts calculated as revenue loss from the **DUF** during the respective year and (ii) the estimated revenue loss of 0.2% (two-hundredths percent) of the **Gross Tax Revenue** for the same period, and send the relevant reports and statements to the **Regulator**.
- 20.17.1 The sum of the amounts calculated as loss of revenue resulting from the **DUF** consists of the sum of the difference between (i) the estimate, in the year in reference, of the **Gross Fee Revenue** that would be earned by the Concessionaire if the DUF were not applied, and the (ii) **Gross Fee Revenue**, actually earned by the Concessionaire in the year in reference, resulting from the application of the **DUF**, in accordance with Appendix 9.
- 20.18 The report sent to the **Regulator** will be accompanied by the financial statements of the **Concessionaire**, which shall be accompanied by an audit report prepared by an independent audit company registered with the Brazilian Securities and Exchange Commission (CVM).
- 20.18.1 The audit report must include a manifestation about the regularity of the calculation of tariff losses arising from the **DUF**, performed by the **Concessionaire**.

20.19 Upon receipt of the pertinent reports and statements, the, the **Regulator** must, within 30 (thirty) days, verify the information provided by the **Concessionaire**.

20.19.1 If the difference calculated in the form of this sub-clause is positive, the **Regulator** shall send to the **Depositary Bank** a **Notification of Compensation of Frequent User Discount**, determining the transfer of this amount from the **Concession Account** to the bank account indicated by the **Concessionaire**, in the immediately subsequent **Annual Revision**.

20.19.1.1. In case the balance of the **Concession Account** is lower than the amount to be transferred to the bank account indicated by the **Concessionaire**, the forms of recomposition of the economic-financial balance listed in clause 3130.7 will apply.

20.19.2 If the difference determined in the form of this sub-clause is negative, this difference will be deposited by the **Concessionaire** to the **Concession Account**, as **Related Resources**, within 30 (thirty) days from the date in which it is notified by the **Regulator**.

20.19.3 In case the **Regulator** does not manifest itself within the period determined in this sub-clause, the **Depositary Bank** will consider the information provided by the **Concessionaire**.

CLAUSE 21 – ANCILLARY REVENUE

21.1 The **Concessionaire**, by its exclusive responsibility, directly or indirectly, may explore alternative and supplementary sources of revenue, aiming at obtaining **Ancillary Revenue**, as long as those activities do not compromise the safety of the operation and the quality standards of the service granted, as provided for in the rules and procedures that make up this **Agreement** and in the legislation in effect.

21.2 The following list exemplifies what may be considered a source of **Ancillary Revenue**:

21.2.1 Charging for advertising as allowed by law, as stipulated by the **Regulator**;

- 21.2.2 Charging for the deployment and maintenance of accesses to the **Roadway System**, as regulated by the Public Administration;
 - 21.2.3 Charging for the use of the domain range, as regulated by the **Regulator** so as to meet the specifications of the Minas Gerais Department of Buildings and Highways (DER) or another agency or entity that may assume its attributions, except for the portion of the domain range that may eventually be subject to coexistence with railroads, under the terms of the **Agreement**;
 - 21.2.4 Revenue arising from the commercial use of an electronic data network system, as per Law No. 13709/2018 (“General Data Protection Regulation”) and any modifications thereto, or another system that is made available by the **Concessionaire to Users**, and the Concessionaire is solely responsible for the treatment of personal data;
 - 21.2.5 Revenue arising from the provision of **Supplementary Services**;
 - 21.2.6 Other applicable revenues permitted by law, including those arising from activities related to the **Concession** that may be earned by **Related Parties** based on legal documents signed with the **Concessionaire**.
- 21.3 Those resulting from investments in the financial market, amounts received from insurance claims and from indemnifications or financial penalties resulting from contracts signed between the **Concessionaire** and any third parties will not be considered **Ancillary Revenues**.
- 21.4 The exploitation of advertising shall comply with the legislation in force and all **CONAR** regulations, without violating the moral and good customs, and may not be of a religious or partisan nature, or allude to any kind of insult, discrimination, or prejudice, including prejudice based on race, color, belief, gender, sexuality, social, or xenophobia.
- 21.5 Any amounts obtained by the **Concessionaire** as **Ancillary Revenues** shall be reverted to the tax modicity, in an amount corresponding to 20% (twenty

percent) of the gross revenue, due to the performance of any activity that qualifies, under the terms of this Agreement as **Ancillary Revenue**.

- 21.5.1. The value corresponding to the percentage of sharing of **the Accessory Revenue** due to the **Granting Authority** shall be calculated when the **Annual Review** is performed and applied to the tariff moderation, ensuring the initial measurement of the economic and financial balance of the **Contract**.
- 21.6 The authorization by the **Regulator** to start earning the **Ancillary Revenue** in areas within the scope of the **Concession** shall not result in a liability for the investments or a guarantee as to the estimated remuneration to be earned by the **Concessionaire**.
- 21.7 For the purposes of this **Agreement**, the **Ancillary Revenue** is considered as being random, and therefore the **Concessionaire** shall not be entitled to the economic/financial re-balancing due to thwarting of its revenue expectation, nor to any indemnity for the investments made, even if the associated undertaking has been accepted by the **Regulator**.
- 21.8 When earning any **Ancillary Revenue**, the **Concessionaire** shall be responsible for all legal violations or breaches of the specific regulation before any third parties and all competent inspection and regulation agencies, exempting the **Government and the Regulator** from any claims in this regard.
- 21.9 In case any interested third parties wish to carry out activities that generate **Ancillary Revenues**, they shall sign an **Agreement** with the **Concessionaire**, which shall be governed by private law, not establishing any legal relationship between the third parties and the **Regulator or Government**.
- 21.10 For each and every new **Supplementary Services** that the **Concessionaire** wishes to provide, it must previously request the consent of the **Regulator**, forwarding a copy, in a format yet to be defined, of the drafts of all contracts to be signed and other pertinent documents, presenting and indicating at least:
- (i) The contract term;
 - (ii) The source and estimated amounts of the **Ancillary Revenue**, by year or by act, when it is individualized;

- (iii) The nature of the **Supplementary Services** to be provided;
 - (iv) The absence of any conflict and/or negative Impact on the **Concession** resulting from the **Ancillary Revenue**;
 - (v) The prices to be charged and the periodic adjustment parameters; and
 - (vi) A commitment that any changes to the provision of the **Supplementary Services** shall be communicated and duly justified to the **Regulator**.
- 21.11 The consent referred to in Clause 21.10 is not necessary for the provision of the services listed in Sub-clauses 21.2.1 to 21.2.4.
- 21.12 If the **Regulator** rejects the proposal for the provision of the **Supplementary Services**, that shall be done in a substantiated manner, and an alternative proposal may be presented for the provision to be accepted.
- 21.13 All **Supplementary Services** to be provided as permitted under the terms of this **Agreement** shall be provided with quality and efficiency, considering their primary purpose of convenience to the provision of adequate public services.
- 21.14 The **Concessionaire** shall keep specific accounting records for each contract that generates **Ancillary Revenues**, detailing the revenues, costs, and gross results.
- 21.15 The **Public Deals** may be proposed by initiative of the **Government** and/or the **Concessionaire** for the purpose of constituting projects associated with the operation of the **Roadway System** and generating **Ancillary Revenues**.
- 21.16 The **Public Deals** and legislative alterations that provide additional revenues may materialize by means of any legal arrangements, compatible with the pertinent legislation, that enable the performance between the **Concessionaire** and the **Regulator** and/or **Government**, of activities, services, assets, and any other structured operations, always conditioned to the fulfillment of the requirements related to the nature of the associated project, referred to in the sub-clause above, as well as other conditions aimed at serving the public interest established by the **Regulator** or the **Government**.

- 21.17 The **Public Deals** have a random and occasional character, not representing for the **Regulator** and/or the **Government** any commitment to authorize or agree with the occasional deal(s) proposed by the **Concessionaire**, and are entirely conditioned to the **Regulator's** authorization, the assessment of which shall comprise not only the compatibility with the law and with the levels of service and technical/operational requirements provided for in the contract, but also the convenience and opportunity of the Public Authority and compliance with the rules of the Minas Gerais Department of Buildings and Highways (DER) or another body or entity that may take over its attributions, in addition to the relevant legislation.
- 21.18 No contract signed between the **Concessionaire** and private parties under this clause may extend beyond the term of the **Concession**, unless expressly authorized in advance by the **Regulator**, and the **Concessionaire** must adopt all relevant measures to deliver the areas subject to generating **Ancillary Revenues**, free and clear of any goods and rights, including without any residual value, tax, charge, obligation, encumbrance and without any burden on the **Government** or the **Regulator**, or collection of any amount by the **Concessionaire** and its subcontractors.
- 21.19 In the event of entering into agreements with a term longer than the **Concession** period, in addition to the authorization provided for in Clause 21.18, the following conditions must be observed: (i) the **Regulator** must be part of the adjustment as an intervening party, and the **Concessionaire** shall not be entitled to any remuneration, for any reason, during the period beyond the term of the **Concession**; and (ii) at the end of the **Concession** term, the remuneration shall be due to the **Regulator** or the **Government**.

CHAPTER 7 – CONCESSION ACCOUNT, RELATED RESOURCES, BURDEN OF INSPECTION, AND TRAFFIC SAFETY FUND

CLAUSE 22 – CONCESSION ACCOUNT

- 22.1 The purpose of the **Concession Account** is to guarantee the economic/financial sustainability of the **Concession**, with financial resources coming from the **Concession** itself, following the **Regulator's** guidelines.

- 22.2 The **Concession Account** shall exclusively receive the deposits assigned to it under this **Agreement**, without prejudice to the provisions of **Appendix 8**.
- 22.2.1 The **Concession Account** shall receive the **Related Resources** provided in Sub-clause 2223.1. monthly and shall be handled by the **Depository Bank** whenever it receives the **Frequent User Discount Compensation Notification, Re-balancing Notification, and Final Adjustment Notification** from the **Regulator**.
- 22.3 The **Concession Account** pertains to the **Concessionaire**, being handled exclusively and autonomously by the **Depository Bank**, under the terms of the Administration Agreement signed with it, and the charges and fees related to the contracting shall be paid for exclusively by the **Concessionaire**.
- 22.3.1 An Administration Agreement for the **Concession Account** shall be signed with the **Depository Bank**, and the definitive wording shall be approved by the **Regulator**, and the draft provided for in Appendix 8 is only referential and not binding.
- 22.3.2 The **Depository Bank** shall be contracted by the **Concessionaire** within up to 30 (thirty) days from the **Effective Date**, which may be extended for a justified reason at the **Regulator's** discretion.
- 22.3.3 The **Depository Bank** shall have an equity of BRL 1,000,000,000.00 (one billion Brazilian reais).
- 22.3.4 The **Concessionaire** undertakes not to provide any instructions to the **Depository Bank** related to the **Concession Account**.
- 22.3.5 The **Regulator** and the **Government** undertake not to provide any instructions to the **Depository Bank** related to the **Concession Account**, except for the **Frequent User Discount Compensation Notification**, the **Re-balancing Notification**, and the **Final Adjustment Notification**.

- 22.3.6 The **Depository Bank** shall comply with all provisions contained in the notifications and documents received, provided that they are in accordance with the determinations of this **Agreement**, of Appendix 8 - **DRAFT OF THE CONCESSION ACCOUNT ADMINISTRATION AGREEMENT**.
- 22.4 The **Depository Bank** shall, exclusively upon receipt of the **Frequent User Discount Compensation Notification**, the **Re-balancing Notification**, and the **Final Adjustment Notification**, transfer the corresponding amounts from the **Concession Account** to the **Concessionaire's Unlimited Transaction Account**, in the case the **Regulator** requests the payment, up to the available limit.
- 22.5 Whenever requested by the **Parties**, the **Depository Bank** shall send, within up to two (2) business days, information about the **Concession Account**, including balances, statements, and records of investments, deposits and transfers.
- 22.6 The **Government and Regulator** acknowledge that **Concession Account** and the **Related Resources** are not part of the assets of the State of Minas Gerais.
- 22.7 The validity term of the **Concession Account** shall not be associated with the **Concession Term**, and it is certain that, in case the **Concession** is terminated, the closing of the **Concession Account**, as well as the reversal of the residual values to the **Regulator**, shall be conditioned to the settlement, by the **Regulator**, of any indemnity due to the **Concessionaire**, as calculated in the **Final Adjustment**.
- 22.8 The **Depository Bank** shall close the **Concession Account** after processing the **Final Adjustment Notification**.

CLAUSE 23 – RELATED RESOURCES

- 23.1 The **Related Resources** shall comprise specifically:

- 23.1.1 An amount corresponding to 2% (two percent) of the **Gross Revenue** throughout the **Concession Term**, to be transferred monthly to the **Concession Account** by the **Concessionaire**; and
- 23.1.2 Any resources deposited by the **Concessionaire**, when the loss of revenue resulting from the **Frequent User Discount** is less than estimated, in accordance with Sub-clause 20.20.19.2
- 23.2 The **Related Resources** transferred to the **Concession Account** are tied exclusively to the following purposes, under the terms of this Agreement:
- 23.2.1. Recomposing the economic/financial balance of the **Concession**, by means of the **Re-balancing Notification**;
- 23.2.2. Compensations resulting from the **Frequent User Discount**, by means of the **Frequent User Discount Compensation Notification** issued annually; and
- 23.2.3. Payment of eventual indemnities as a result of the premature termination of the **Concession**, by means of the **Final Adjustment Notification**.
- 23.3 The **Regulator** may rely, at its discretion, on the assistance of an audit firm hired to assess the amounts effectively collected as **Related Resources**, without prejudice to the applicable penalties.

CLAUSE 24 – BURDEN OF INSPECTION

- 24.1 For inspecting the Concession, the **Regulator** shall be entitled to a monthly amount referred to as **Burden of Inspection**, payable by the **Concessionaire**.
- 24.1.1. The amount of the **Burden of Inspection** shall consist of an annual amount of BRL 3,998,448.16 (three million, nine hundred and ninety-eight thousand, four hundred and forty-eight reais and sixteen cents), annually adjusted to the **Fee Adjustment Rate (IRT)**, on the same date estimated for the adjustment of the **Basic Toll Fee**.

- 24.1.2. The **Burden of Inspection** shall be split into 12 (twelve) monthly installments of equal value payable by the **Concessionaire** to a specific account to be indicated by the **Regulator**.

CLAUSE 25 – TRAFFIC SAFETY FUND

- 25.1 The **Concessionaire** must make available to the **Regulator**, throughout the **Concession Period**, and from the first month after the Effective Date, **Traffic Safety Fund** destined exclusively for the cost of programs related to the promotion of road safety, accident prevention, traffic education and communication.
- 25.1.1. The amount of the **Traffic Safety Fund** shall consist of an annual amount of BRL 882.912,00 (eight hundred and eighty-two thousand, nine hundred and twelve Brazilian reais), annually adjusted to the **Fee Adjustment Rate (IRT)**, on the same date estimated for the adjustment of the **Basic Toll Fee**.
- 25.1.2. The **Traffic Safety Fund** shall be split into 12 (twelve) monthly installments of equal value payable by the **Concessionaire** to a specific account to be indicated by the **Regulator**.
- 25.2 The **Regulator** will indicate the manner and timing in which the **Concessionaire** will make available the aforementioned annual traffic safety budget, which may:
- a) be applied directly by the **Concessionaire**, goods and services related to the **Roadway System**; or
 - b) revert in favor of tariff modicity, to be considered in the Annual Review.
- 25.3 The **Concessionaire** shall collaborate with the traffic authorities and other public or private agents designated by the **Government** to ensure vehicle traffic surveillance in the **Roadway System**.

CHAPTER 8 – RISK ALLOCATION

CLAUSE 26 – CONCESSIONAIRE’S RISKS

26.1 Except for the events contemplated in this **Agreement**, the **Concessionaire** is fully and solely responsible for the risks related to the **Concession**, which includes, but is not limited to, the following risks:

Risks related to government licenses and permits

26.1.1 Obtaining, renewing, in a timely manner, and maintaining the licenses, grants for the right to use water resources, consents, permits, authorizations, orders, and certificates, including the conditions imposed by the licensing authority, permits and authorizations related to the **Concession**, assuming the costs resulting therefrom; and

26.1.2 Delay attributable to the **Concessionaire** in obtaining, renewing, and maintaining licenses, grants for the right to use water resources, consents, permits, authorizations, order, and certificates.

26.1.2.1 Any delay resulting from the non-delivery of all required documents, studies, and information, or if the quality is inferior to the minimum standard established by the competent authority, before or after the request, shall be presumed as a fact attributable to the **Concessionaire**.

Revenue Risk

26.1.3 **Financial Bid** that fails to meet the requirements of the **Agreement**, the Appendices thereto, and other contract obligations;

26.1.4 Delay in starting to collect fees due to a fact attributable to the **Concessionaire**.

26.1.5 **Frequent User Discount**, in those cases where the annual revenue loss is less than 0.2% (zero point two percent) of the annual Gross Tax Revenue; and

26.1.6 **Ancillary Revenues** that are in disagreement with the **Concessionaire’s** projections.

- 26.1.6.1 The **Concessionaire** shall not be entitled to the economic/financial re-balancing, nor to any indemnity for the investments made, even if the associated undertaking related to the **Ancillary Revenue** has been accepted by the **Regulator**.

Demand Risk

- 26.1.7 Demand or traffic volume in disagreement with the **Concessionaire's** or the **Government's** projections;

Risks of expropriation, easement, limitation, and eviction

- 26.1.8 Investments, payments, costs, and expenses resulting from expropriations, creation of administrative easements, imposition of administrative limitations, provisional occupation of real estate in the dominion range, up to the limit of the **Condemnation Fund**, in compliance with the contractual conditions for using said allowance;
- 26.1.9 Delay in issuing the **DUP** or delay by the Judiciary in judging proceedings related to expropriation, eviction, taking possession, or reintroduction of possession, resulting from actions attributable to the **Concessionaire**; and
- 26.1.10 Investments, payments, costs and expenses arising from the vacancy referred to in subclause 18.7.

Risk of interference in the domain range

- 26.1.11 Removal of the existing **Interferences** in the **Roadway System** that are necessary for the execution of the works and services that are the subject matter of the **Agreement**.

Project Risk

- 26.1.12 Inadequacy, incompleteness, or incompatibility in the quality, quantity, and required costs of the projects, including the costs for redoing the projects and works.
- 26.1.13 Changes proposed by the **Concessionaire** in relation to the **ROP**, including costs for project formulation and implementation of the changes.
- 26.1.14 Delays in the analysis of **Projects** that are subject to **the** declaration of non-objection due to the **Concessionaire's** fault.

Works and Services Risks

- 26.1.15 Investments, payments, costs, and expenses for executing the works and services provided for in the **Agreement** and in the **ROP**, including price and cost increases during contract execution, with the exception of maintenance and recovery costs for works to maintain the level of service;
- 26.1.16 Non-compliance with the milestones, activities, events, and deadlines of the contract schedule provided for in the **ROP** and in the **OIS**, or other deadlines established between the parties throughout the term of the **Agreement** due to the **Concessionaire's** fault;
- 26.1.17 Execution of services or works in non-compliance with the projects approved by the **Regulator**, the contractual specifications or the standards, manuals, regulations, and technical references in effect, including the costs for redoing or correcting the services or works;
- 26.1.18 Defects, constructive flaws, or inadequacies in works or services performed by the **Concessionaire**, regardless of the declaration of **non-objection** of the projects and the acceptance of the works by the **Regulator**;
- 26.1.19 Techniques and methodology employed in the execution of the works and services that are the subject matter of the **Agreement**;

- 26.1.20 Investments and expenses arising from the implementation of blocking booths at the accesses to the highways that integrate the **Roadway System**;
- 26.1.21 Investments and expenses arising from any **Emergency Works**, as long as the events that caused them are covered by the insurance contracted by the **Concessionaire**;

Operation and Maintenance Risk

- 26.1.22 Incorrect projections and higher than estimated operation and maintenance costs;
- 26.1.23 Increased costs due to the volume of traffic;
- 26.1.24 Maintenance and energy consumption costs of existing and new electrical and lighting systems, as provided for in the **Agreement** and **PER**;
- 26.1.25 Interruption in the electric power supply in the equipment or installations under the responsibility of the **Concessionaire**; and
- 26.1.26 Operational restriction in cases attributable to **Concessionaire**.

Financial Risks

- 26.1.27 Obtaining the necessary funding and resources for the Operation of the **Concession**;
- 26.1.28 Increase in the cost of capital, credit and financing, including those resulting from increases in interest rates and exchange variations; and
- 26.1.29 Inflation for a given period is higher or lower than the index used for the **Basic Toll Fee's** Rise or other amounts provided for in the **Agreement**.

Risks related to the concession assets

- 26.1.30 Damage, destruction, theft, robbery, loss or any other type of damage caused to the **Concession Assets** , which liability is not reduced or excluded by virtue of the Regulator's oversight;

Technological update and innovation risks

- 26.1.31 Expenses and investments necessary to ensure the Concession is properly updated, including compliance with the **Performance Parameters**.

.1.31.1 Actuality is characterized by the preservation of the modernity and updating of the equipment, facilities and also of the techniques of the **Roadway System's**, operation and maintenance services, provided that the technological actuality is necessary due to (i) the obsolescence of the **Concession Assets** or (ii) the need to comply with the **Performance Parameters** and other requirements of the **Agreement** and its Appendices.

- 26.1.32 Technological obsolescence and/or equipment deficiency in the execution of the works or provision of the services.

- 26.1.33 Incorporation of technological innovations on your own initiative:

.1.33.1 Technological innovations, for purposes of this Agreement, are those technologies which, at the time of their eventual adoption and incorporation by the Concessionaire, constitute the state of the art technology and are not in widespread use in the Brazilian road infrastructure sector, and whose use, despite having the potential to provide efficiency and productivity gains in the scope of the Concession, is unnecessary for the fulfillment of the Performance Parameters and other elements initially provided for in the Agreement and its Appendices.

Risk of hidden archaeological and cultural heritage flaws

- 26.1.34 Hidden flaws of the **Concession Assets** not noticed and claimed within 5 (five) years, as of their transfer to the **Concessionaire** by the **Government**; and
- 26.1.35 Hidden flaws in the **Concession Assets** acquired, leased or rented by the **Concessionaire** after the execution of the **Agreement**, for the performance of its activities throughout the **Concession**.

Legislative and Technical Standards Update Risks

- 26.1.36 Change or abolition of income taxes or change in applicable law; and
- 26.1.37 Adaptation to updates of the standards, manuals, references and technical regulations in effect, including the resulting cost.

Risks for damages to third parties

- 26.1.38 Damages or losses of any nature caused to the **Government**, the **Regulator**, the **Users** and third parties, by the **Concessionaire** or its representatives, administrators, employees, agents, subcontractors, service providers or any other natural or legal person linked to it, in the exercise of the activities covered by the **Concession**; and
- 26.1.39 Failures in the rendering of the services Subject of the Concession due to a fact attributable to the Concessionaire.

Environmental Risks

- 26.1.40 Environmental damages resulting from the operation of the Highway, as well as the works, services and activities performed by the **Concessionaire**, including civil, administrative and criminal liability; and
- 26.1.41 Recovery, prevention, remediation, and management of environmental liabilities, existing in the **Roadway System**, generated prior to the **Concession**, including in third-party areas whose occurrence is verified in the **Roadway System**, as well as those resulting from activities related to the **Concession**.

Force majeure and fortuitous case risk

- 26.1.42 Fortuitous event or force majeure, as long as the generating factor is insurable in Brazil by at least two insurance companies, considering the period of two years prior to the date of occurrence, as registered with the Private Insurance Commissioner (SUSEP - as its acronym in Portuguese) or Entity that may replace it; and
- 26.1.43 Risks that could be covered by insurance offered in Brazil on the date of their occurrence, but that are no longer covered as a direct or indirect result of an action or omission by the **Concessionaire**;

Risks of demonstrations, disturbances, strikes and lock-outs

- 26.1.44 Social and/or public manifestations that affect in any way the execution of the works or the provision of the services related to the Agreement by:
- (i) up to 15 (fifteen) days, successive or not, every period of 12 (twelve) months counted from the **Effective Date**, in case the losses and damages caused by such events are not covered by insurance offered in Brazil at the date of its occurrence; and
 - (ii) up to ninety (90) days in each twelve (12) month period counted from the **Effective Date**, if the losses and damages caused by such events are subject to insurance coverage offered in Brazil on the date of their occurrence.
- 26.1.45 Strikes by **Concessionaire's**, employees, subcontractors, contractors or suppliers and *lock-outs*.

CLAUSE 27 - GOVERNMENT RISKS

- 27.1 The **Government** is responsible for the following risks related to **Concession**:

Risk related to unilateral change of the Agreement

- 27.1.1 Unilateral alteration of the **Agreement** or its **Appendices** or of the conditions for its execution by initiative of the **Government** or of the **Regulator** or of other public entities, provided that, as a direct result of this modification, there is an effective alteration of the economic-financial equation of the **Agreement**, for better or for worse; and
- 27.1.2 Unilateral alteration in the **PER** and in the **Agreement**, by initiative of the **Government**, for inclusion of **New Investment** and/or **Pre-Authorized Investments** and/or modification of investments originally foreseen in the Agreement, as long as they affect the economic-financial balance of the **Agreement**.

Risks related to government licenses and permits

- 27.1.3 Delay attributable to the **Concessionaire** in obtaining, renewing, and maintaining licenses, grants for the right to use water resources, consents, permits, authorizations, order, and certificates.
 - 27.1.3.1 Delay shall be presumed not to be attributable to **Concessionaire** when it has complied with the relevant requirements incumbent upon it in the licensing procedure, including but not limited to:
 - a) Timely and complete filing of the corresponding request, thus understood as the protocol of all the documents, studies and information required and in conformity with the quality established by the competent Entity, carried out observing all the requirements and documents necessary for its processing, according to the guidelines foreseen in the **PER**, the applicable laws and regulations; and
 - b) Prompt and diligent response to requests for information and clarification requested by the licensing Entity.
- 27.1.4 Investments and costs related to the compliance with the environmental licensing conditions related to the implementation phase of the works in the influence zones of **Traditional**

Communities, whose recognition procedure has started after the **Agreement's signing date**.

Revenue Risk

- 27.1.5 Fee reduction resulting from the **Variable Fee Plan** previously approved by the **Regulator**; and
- 27.1.6 Compensation arising from the **Frequent User Discount**, in cases where the annual revenue loss is greater than 3.0% (three hundredths percent) of the annual **Gross Tax Revenue** annual.

Demand Risk

- 27.1.7 Implementation of new routes or alternative routes not foreseen in official plans in effect on the date of publication of the Invitation to Bid and which are free of fare payment, provided that the economic-financial imbalance of the **Agreement** is demonstrated, and no blocking cabin has been implemented by the **Concessionaire**.

Risks of expropriation, easement, limitation, and eviction

- 27.1.8 Investments, payments, costs and expenses resulting from expropriations, institution of administrative easements, imposition of administrative limitations, provisional occupation of real estate in the Domain Range of the Highway, above the limit of the **Condemnation Fund**, observing the contractual conditions for the use of the referred funds.
- 27.1.9 Delay in issuing the **DUP**, provided that the **Concessionaire** has met the contractual deadlines for formalizing the **DUP**, requests, according to the semi-annual schedule of demands, pursuant to sub-clauses 18.2 and 18.3.
 - 27.1.9.1. The **DUP** issuance after 6 (six) months from the request properly instructed by the **Concessionaires** considered **Government's delay**.

Project Risk

- 27.1.10 Delays in the analysis of the **Projects** that are subject to a declaration of no objection, as long as they are submitted by the **Concessionaire** within the deadlines and under the conditions established in this **Agreement**, in **PER** in the Joint Resolution DER/SEINFRA nº 003/2021 or any other that may replace it.
- 27.1.10.1 The provisions of this sub-clause apply to delays resulting from changes at the initiative of the **Government**, the **Regulator** or other public entities, not related to objections due to inadequacy of the project, pursuant to sub-clause 14.6.1.

Works and Services Risks

- 27.1.11 Implementation, maintenance, and upkeep of eventual **Interventions for Service Level Maintenance**;
- 27.1.12 Investments and costs arising from any **Emergency Works**, as long as the events causing them are not covered by the insurance Contracted Party by the **Concessionaire** and have been recognized by the **Regulator** as an emergency;
- 27.1.13 Changes in the specifications of the works or services that are the subject matter of the **Concession** resulting from new requirements of the **Government** or the **Regulator**, not related to objections due to inadequacy of the design, pursuant to 14.9, or resulting from legal or regulatory changes;
- 27.1.14 Delay in the release of areas under the responsibility of the **Granting Authority** necessary for the execution of the works and services **Subject** of the **Concession**; and
- 27.1.15 Investments associated with the inclusion, suppression or removal of toll plazas or changes in the location of their implementation

beyond the mileage limit indicated in the **PER**, provided that they are not motivated by the **Concessionaire**;

Operation and Maintenance Risk

27.1.16 Risks of operational restriction affecting the execution of works and services in cases not attributable to the **Concessionaire**.

Risks of Small-estate Probate of the Concession Assets

27.1.17 Risks related to the delay in the execution of the **Asset List Document** between the **Concessionaire** and the **Government**;

Technological innovation risks

27.1.18 Risks related to the incorporation of technological innovations by determination of the **Government** or **Regulator**, provided they are not related to expenses and investments necessary to ensure the up-to-date status of the **Concession** attributable to the **Concessionaire**.

Risk of hidden archaeological, geological and cultural heritage flaws

27.1.19 Hidden defects of the Roadway System and **Concession Assets**, linked to maintenance and operation, for a period up to five (5) years after their transfer by the **Government** to the **Concessionaire**, not being considered hidden defects those that, among other hypotheses:

- (i) Expressly appear in the **Invitation to Bid** or in the **Agreement** as being the **Concessionaire's** risk;
- (ii) Whether they are formal manifestations of the Administration, public documents available to any interested party, or common knowledge at the time of the Call for Bids;

- (iii) The Bidder could have detected them, through past expertise and knowledge, or by using means and techniques ordinarily available and affordable in the market at the time prior to the bidding process, on equal terms with the other interested parties.

27.1.20 Risks related to the identification and/or discovery of geological and geotechnical conditions that could not be known at the time of the **Competition** and that hinder or prevent the execution of the works and services by the **Concessionaire**; and

27.1.21 Archaeological discoveries and/or other interference with cultural heritage.

Legislative, Jurisprudential, Judicial/Arbitral, Prince's Fact or Administration Risks

27.1.22 Risks related to changes in legislation and regulation or supervening binding jurisprudence, in any sphere of government, which prevent the **Concessionaire** from complying with its legal, regulatory or contractual obligations, change the economic and financial composition of the **Concession** or affect charges and costs for the performance of the **Concession's** Subject Matter, including in the case of creation, change or extinction of taxes or charges, except in relation to income tax;

27.1.23 Arbitral, judicial or administrative decision that prevents or precludes the **Concessionaire** from performing the works or services Subject Matter of the **Agreement**, collecting the **Toll Fees** or reviewing or adjusting them in accordance with the provisions of the **Agreement**, except in cases where the **Concessionaire** has given cause for such decision;

27.1.24 Risks related to the act of God or fact of administration that cause economic-financial impact on the **Agreement** and

27.1.24.1 An event of administration shall include any delay or failure by the **Government** or the **Regulator**, to perform its legal,

contractual or regulatory obligations, including, but not limited to, failure to meet the deadlines applicable to the **Government** and the **Regulator** set forth in this **Agreement** and/or applicable laws and regulations.

Risks for damages to third parties

- 27.1.25 Failures in the rendering of the services subject matter of the **Concession** due to an event not attributable to the **Concessionaire**; and
- 27.1.26 Damages or losses of any nature caused to users and third parties, not attributable to the **Concessionaire**, or its administrators, employees, agents or service providers or any other natural or legal person linked to it, in the performance of the activities covered by the **Concession**.

Environmental Risks

- 27.1.27 Recovery, prevention, remediation, and management of environmental liabilities outside the **Roadway System**, including those generated in a previous **Concession** period.

Force majeure and fortuitous case risk

- 27.1.28 Fortuitous event or force majeure, as long as the generating factor is insurable in Brazil by at least two insurance companies, considering the period of one year prior to the date of occurrence, as registered with the Private Insurance Commissioner (SUSEP - as its acronym in Portuguese) or Entity that may replace it, that delay or impede the execution of the works or services subject matter of the **Concession**.

Risks of manifestations and disorders

- 27.1.29 Social and/or public demonstrations that affect in any way the execution of the works or the provision of services related to the **Agreement**, when such events exceed the periods established in

sub-clause 26.1.42, in which case the **Government** responsibility is limited to the period exceeding the mentioned periods; and

- 27.1.30 Impacts on the execution of works or the provision of services Subject Matter of the **Agreement** as a result of the action of neighboring communities, except in cases where the fault of the **Concessionaire** is proven.

CHAPTER 9 – MAINTENANCE OF THE CONTRACTS ECONOMIC-FINANCIAL BALANCE

CLAUSE 28 - ECONOMIC-FINANCIAL BALANCE OF THE CONTRACT

28.1 Whenever the conditions of this **Agreement** are met and the allocation of risks established herein is maintained, its economic-financial balance shall be considered to be maintained.

28.2 **The Agreement** will be considered unbalanced in the cases of materialization of **Unbalancing Events**, i.e. when any of the **Parties** suffer the effects, positive or negative, resulting from an event whose risk has not been allocated to it, which demonstrably promotes the unbalancing of the economic and financial equation of the **Agreement**.

28.2.1 The recomposition of the economic-financial balance of the **Agreement** in favor of the **Concessionaire** will not be applicable:

28.2.1.1 When the losses suffered by the **Concessionaire** derive from the occurrence of negligence, imprudence, malpractice, ineptitude or omission in the execution of the **Object** of the **Concession** or in the treatment of the risks allocated to it;

28.2.1.2 When, in any way and to any extent, the **Concessionaire** has directly or indirectly contributed to the occurrence of the **Imbalance Event**; and

28.2.1.3 If the materialization of the events that motivated the request by the **Concessionaire** does not cause an effective impact on the contractual conditions and does not cause an effective loss resulting from the imbalance in the economic

and financial equation of the **Agreement** that can be specifically demonstrated.

CLAUSE 29 – PROCESSING OF CLAIMS FOR ECONOMIC-FINANCIAL REBALANCING OF THE CONTRACT

- 29.1 The **Parties** shall not plead for the economic-financial rebalancing of the **Agreement** in case any of the risks assumed by them come to materialize.
- 29.2 The recomposition of the economic-financial balance of the **Agreement**, even when the request has been formulated by the **Concessionaire**, must necessarily consider possible impacts in favor of the **Government** regarding the same **Imbalance Event**.
- 29.3 The procedure for recomposition of the economic-financial balance of the Contract may be initiated by request of the **Concessionaire**, of the **Government**, or ex officio by the **Regulator**.
- 29.3.1. The **Concessionaire** will be responsible for the timely demonstration of the occurrence and identification of the **Imbalance Event**, within a period not exceeding ninety (90) days from its materialization, under the terms of the applicable regulation.
- 29.4 The instruction and processing of the economic-financial rebalancing pleas should observe the Joint Resolution SEINFRA/DER No. 28, August 30, 2021, or regulatory standard that may amend or replace it, except as provided in this **Agreement**.
- 29.5 The identification of the **Imbalance Event**, by the **Concessionaire**, must be communicated to the **Regulator** within a period not longer than 90 (ninety) days from its materialization, in order to safeguard the contemporaneity of the contractual relations, as well as to enable the adequate management of the **Imbalance Event's consequences**.

- 29.5.1 The failure to report an **Imbalance Event** within the period indicated above shall have a preclusive effect, expressly waiving the **Concessionaire** the submission of application for rebalancing in relation to the **Imbalance Event** not timely reported.
- 29.6 The **Concessionaire** must bear the costs of eventual studies, opinions, audits that are necessary for the instruction of its rebalancing claim.
- 29.7 In the evaluation of the claim initiated by the **Concessionaire's** request, the **Government** may, at any time and regardless of the Concessionaire's studies, hire its own specific technical and/or economic reports and audits to verify the situation that gave rise to the request for economic-financial rebalancing.
- 29.8 The **Government**, or whoever indicated by it, will have free access to information, assets and installations of the **Concessionaire** or of third parties contracted by it to assess the amount alleged by **Concessionaire** in an eventual claim for economic-financial rebalancing presented.

CLAUSE 30 - RECOMPOSITION OF THE CONTRACTS' ECONOMIC-FINANCIAL BALANCE

- 30.1 Upon of the materialization of an **Imbalance Event**, the recomposition of the economic-financial balance of the **Agreement** will only be applicable in relation to the portion of the imbalance claimed that can be proved by the claimant.
- 30.2 For the purposes of determining the amount to be rebalanced, the effects of direct and indirect taxes on the pertinent items, among other impacts related to the **Imbalance Event**, must be considered
- 30.3 On the occasion of each **Five-Year Review** or **Extraordinary Review**, the claims of both **Parties** considered applicable will be contemplated jointly, in order to compensate the positive and negative economic and financial impacts arising from the **Imbalance Events**.

The recomposition methodology

- 30.4 The recomposition of the economic-financial balance of the **Agreement**, will be performed in order to obtain the **Net Present Value** of the **Cash Flow** balances equal to zero, considering the **Internal Rate of Return** respective to the nature of each **Imbalance Event**, as determined below:
- 30.4.1 In the occurrence of **Unbalancing Events** resulting from cancellations, delays, or anticipations of investments foreseen in the **Original Schedule of Investments**, the recomposition of the economic-financial balance of the Agreement will be carried out taking into consideration the **Values for Economic-Financial Rebalancing of the Agreement**, according to the physical-executive distribution established in the **IAS**, as well as the actual **IRR** of 9.25% (nine integers and twenty-five hundredths percent).
- 30.4.2 In the occurrence of any other **Imbalance Events** that do not fit in the hypothesis of Sub-Clause 30.4.1, including those resulting from inclusion in the **Agreement** and in the **ROP** of **New Investments**, road sections or **Pre-Authorized Investments**, and also of **Capacity Expansion Works** and **Improvement Works** resulting from the **Maintenance of Service Level**, the recomposition of the economic-financial balance of the **Agreement** will occur through the preparation of the **Marginal Cash Flow**.
- 30.4.2.1 The methodology set forth in Sub-Clause 30.4.2 shall consider:
- (i) the marginal cash flows, positive or negative, calculated based on the difference between the situations with and without the **Imbalance Event**;
 - (ii) the marginal cash flows necessary for the recomposition of the economic-financial balance of the **Agreement**;
 - and (iii) the **Internal Return Rate** calculated as provided in Sub-Clause 30.6.3.
- 30.5 At each recomposition of the economic-financial balance of the **Agreement**, the **Internal Return Rate** of that calculation will be definitive for the entire **Concession Term** as to the **Unbalance Events** considered therein.
- 30.5.1 Upon conclusion of the agreement, it must be ascertained whether the Net Present Value (NPV) of the sum of the cash flows is equal to

zero, considering the internal rate(s) of return defined in the form of Clauses 30.4.1 and 30.4.2 for each cash flow.

30.5.1.1. In case the NPV is found to be non-zero, the forms of rebalancing foreseen in this **Agreement** apply.

Recomposition of the Economic-Financial Balance by Marginal Cash Flow

30.6 For the recomposition of the economic-financial balance of the **Imbalance Events** described in Sub-Clause 30.4.2, the preparation of the Marginal Cash Flow shall be observed:

30.6.1 The recomposition of the economic-financial balance will be carried out so that the net present value of the Marginal Cash Flow projected due to the event that gave rise to the recomposition is null, considering, on the same base date, (i) the marginal cash flows resulting from the event that gave rise to the recomposition, (ii) the marginal cash flows resulting from the recomposition of the economic-financial balance.

30.6.2 For purposes of determining the cash flows of the marginal expenditures, the best available information to portray the real and effective current conditions shall be used to estimate the amount of investments, costs and expenses, as well as possible revenues and other gains, resulting from the **Imbalance Event**, s regulated by the **Regulator**.

30.6.3 The **Internal Return Rate** to be used in the calculation of the Present Value referred to in Clause 30.4.2 shall be composed of the average of the last twelve (12) months of the gross sales interest rate of the Brazilian Treasury Notes Broad Consumer Price Index (IPCA)+ with Semiannual Interest (NTN-B) or, in its absence, another that replaces it, ex-ante deducting the Income Tax, with maturity in thirty (30) years, as from the effective date of this **AGREEMENT** or maturity date more compatible with the date of the contractual term, published by the Brazilian Treasury Secretariat, ascertained at the beginning of each contractual year, capitalized of a spread or surcharge on the interest equivalent to 204,86% p. a. (two hundred and twenty seven per cent. p.a. (two hundred and four integers and eighty-six hundredths percent), per year, based on 252 (two hundred

and fifty two) working days. Thus, the calculation to assess the **Internal Rate of Return** will be performed according to the formula presented below:

- 30.6.4 Regardless of the result of the calculation indicated in the sub-clause above, the **Internal Return Rate** to be used in the calculation of the **Present Value** may not be less than 4.73% (four point seventy-three).
- 30.6.5 In the hypotheses of recomposition of the balance of the **Agreement** by means of term extension, the methodology for measuring revenues and expenses for the extended term shall consider:
- 30.6.5.1 For the projection of revenue collection and definition of cash inflow, the traffic projection will be made, expressed in axle-equivalents, which should be multiplied by the average tariff of the concession for the last 24 (twenty-four) months, thus obtaining the estimates of toll revenues.
- 30.6.5.1.1 The projected collection revenue, resulting from the projected traffic, multiplied by the average concession tariff of the last 24 months, will be replaced by the actual toll revenue actually collected, periodically verified, according to the Amendment to be signed;
- 30.6.5.1.2 For ancillary revenue projections, the historical average of the 5 (five) years prior to the signature of the additive relative to the new investments and services, or the historical average that is available, should be considered as a premise;
- 30.6.5.1.3 The ancillary revenue projection, described in sub-clause 30.6.5.1 will be replaced by the actual ancillary revenue effectively collected, verified, periodically, according to the Amendment to be signed.
- 30.6.5.2 For the calculation of the projection of the **Concessionaire's** costs and expenses and the definition of the cash outflow, counted from the initial term of the marginal

cash flow, including the already formalized term extensions, the term to be extended will be considered:

- 30.6.5.2.1 The amounts related to costs and expenses accounted by the **Concessionaire** between the five years immediately preceding the cash flow base date;
 - 30.6.5.2.2 The costs and expenses related to the conservation and maintenance of the new works should also be considered for the calculation of the **Marginal Cash Flow**, observing the regulation of the **Regulator**;
 - 30.6.5.2.3 The average of the values shall serve as the baseline for the extension of the concession term, not being subject to variations or any kind of alteration; and
 - 30.6.5.2.4 The projected values for costs, especially for **Marginal Cash Flow**, shall be considered as the **Concessionaire's** risk.
- 30.6.6 For the effect of the **Marginal Cash Flow**, the calculation of Amortization and Depreciation must be done according to the applicable rules and legislation.
 - 30.6.7 For the purpose of determining the value to be rebalanced, the effects of direct and indirect taxes effectively incident on the flow of marginal expenditures must be considered.
 - 30.6.8 In the hypotheses of recomposing the balance of the **Agreement** by means of a Revision in the value of the **Toll Fee**, the methodology for assessing revenues for the alteration term will consider what is contained in sub-subclauses 30.6.5.1 and 30.6.5.1.1, as applicable.
 - 30.6.8.1. The Installments of **Inspection Charges** foreseen in the Concession Agreement should be considered in the **Marginal Cash Flow** object of this methodology.

The forms of recomposition

- 30.7 At the end of the procedure for the recomposition of the economic-financial balance of the **Agreement**, the **Government** shall have the prerogative to choose the manner in which the recomposition of the economic-financial balance of the Agreement will be implemented, in particular, but not exclusively, among the following modalities:
- i. extension or reduction of the **Concession Term**;
 - ii. review of the value of the **Toll Fee**;
 - iii. compensation or indemnity;
 - iv. alteration of the **Concessionaire's** contractual obligations;
 - v. alteration of the **Original Schedule of Investments**;
 - vi. transfer of values from the **Concession Account** to the Concessionaire by means of the **Rebalancing Notification**, or **Frequent User Discount Clearance Notification**;
 - vii. assumption, by the **Government**, of costs attributed to the **Concessionaire**;
 - viii. combination of the above mechanisms and/or other form allowed by law.
- 30.8 Observing the rules established in this Agreement, the extension of the **Concession Term** as a means for recomposing the economic-financial balance of the Agreement, described in Clause 30.7.(ii) above, may only occur as of the third cycle of the **Five-Yearly Reviews** contemplated in this **Agreement**, it being understood that for the first two **Five-Yearly Reviews**, any imbalances observed and treated in the procedure of such **Five-Yearly Reviews**, may only be restored by the other means established in this Clause.
- 30.9 The extension of the **Concession Term**, dealt with in Clause 30.7.(ii) for purposes of recomposing the economic-financial balance caused by any new investments that may be incorporated in the **Five-Year Reviews** or in the **Extraordinary Reviews**, cannot add, in aggregate, to the **Concession** an additional term greater than 15 (fifteen) years, considering the aggregate impacts caused by such new investments.

30.10 In each of the **Five-Year Review** cycles in which it is possible to carry out the recomposition of the economic-financial balance of the Contract by means of the mechanism established in Clause 30.7.(ii), only periods of up to five (5) additional years may be granted to reestablish the balance caused by the incorporation of eventual new investments.

30.11 In the choice of the means intended to implement the recomposition of the economic-financial balance of the **Agreement**, the **Government** shall consider the frequency and amount of overdue and imminent payments under the responsibility of the **Concessionaire**, related to the financing agreements or other debt instruments existents in the market firmmed by **Concesssionaire** for the execution of the **Concession Object**.

CLAUSE 31 - ANNUAL REVIEWS

31.1 The **Annual Reviews** will take place every year, on the occasion of the tariff adjustments, with the objective of including the effects of the adjustments foreseen in the **Agreement**.

31.2 In **Annual Reviews** it will be also considered:

31.2.1 Revenue differences, calculated between the dates contractually established for the **Tariff Adjustment** of the previous year and the present one, resulting from the rounding of the fee of the previous readjustment;

31.2.2 Revenue differences, calculated between the dates contractually established for the **Tariff Adjustment** of the previous year and the current one, resulting from an eventual concession of a tariff readjustment at a date later than the one foreseen in this **Agreement**;

31.2.3 The **Accessory Revenues**, based on the values invoiced by the **Concessionaire** for the calculation of the amount to be reverted to the tariff moderation.

31.2.4 Any amounts arising from the **Traffic Safety Allowance** to be reverted to the tariff modicity, if applicable;

31.2.5 The amounts corresponding to the **Frequent User Discount compensation**.

31.3 The deadline for processing the **Annual Reviews** is 45 (forty-five) days, prior to the **Tariff Readjustment** base date.

CLAUSE 32 - FIVE-YEAR REVIEWS

Scope, periodicity and purpose

32.1 Every five-year cycle, a **Five-Year Review**, shall be performed, which may culminate in the review of aspects of the **Concession**, in order to adapt them to the modifications or changes that have been noticed in each cycle, always observing the economic-financial balance of the **Agreement** and the other pertinent contractual rules.

32.1.1 The first **Five-Year Review** shall occur at the end of the fifth year of the **Concession Term** and the others, successively, every five (5) years.

32.2 The **Five-Year Review** is intended to ensure the maintenance of the economic-financial balance of the **Agreement**, as well as the effectiveness and timeliness of the contractual elements that should be adjusted to better adapt the **Concession** to its purposes, considering, among other factors:

32.2.1 The effectiveness of the **Performance Parameters, Service Level Trigger** and other standards and specifications provided for in this **Agreement** and its **Attachments**, to ensure the adequate provision of the **Concession** services;

32.2.2 The penalties applicable to the **Concessionaire**, including their application procedure;

32.2.3 The need to adapt the **Agreement** to the real needs arising from the **Concession Object**;

32.2.4 The implementation of a collection operating system based on the concept of free flow and the collection of tariffs that reflect the mileage traveled by **Users**, and eventual changes in the allocation of risks attributed to the **Parties** resulting therefrom, among other mechanisms necessary for this purpose, without prejudice to the treatment of these matters in **Extraordinary Reviews**;

- 32.2.5 The percentage of annual revenue loss arising from the **Frequent User Discount**, as well as any change in its conditions, including the allocation of risks provided for in Clauses 26 and 27 and **Service Level**.
- 32.3 The demands for new investments should preferably be implemented during the **Five-Year Review**, in order to improve the planning and execution of investments.
- 32.4 On the occasion of each **Five-Year Revision** the claims of both **Parties** shall be contemplated jointly, in order to compensate the positive and negative economic and financial impacts resulting from the **Imbalance Event**.
- 32.5 In the calculation of the imbalance after the processing of the **Five-Year Review**, if applicable, any compensation of assets and burdens owed by each of the **Parties** shall be considered.

Processing

- 32.6 The **Five-Year Review** cycle should consider the following:
- 32.6.1 Receiving, evaluating, processing and technical prioritization of investments or adjustments necessary to the **ROP** and **COI** for the **Concessionaire** to make in the following years, if applicable, as well as the preparation of functional or executive projects, as previously requested by the **Regulator** in the case of new works and **New Investments**.
- 32.6.2 Survey, by the **Concessionaire** and the **Regulator**, of the **Imbalance Events**, that occurred after the last Five-Year Review, as well as investments, interventions and adjustments they deem necessary or relevant, including in view of the need to meet the current service parameters.
- 32.6.3 Eventual implementation of participative procedures to obtain subsidies and improvement proposals and demands presented by third parties, including in relation to the survey mentioned in sub-clause 32.6.2.

- 32.6.4 Preparation of a circumstantiated technical report, by the **Concessionaire**, with the analysis of the elements presented in the participative procedures, as well as the investments, interventions and adjustments indicated by the **Regulator**, containing a suggestion for the prioritization of implementation, according to the criteria of urgency, execution feasibility, comfort and improvement in the provision of services to **Users** and the economic and financial capacity of the **Concessionaire** to execute the work, if applicable.
- 32.6.5 Approval for preparation of functional or executive projects, by the **Concessionaire**, for the case of **New Investments** and/or **Pre-Authorized Investments**, if applicable.
- 32.6.6 Approval and definition of the **New Investments and pre-authorized investments** and the other necessary adjustments by the **Regulator**, after consultation with the **Government**, with authorization for the preparation of the functional projects by the **Concessionaire**, if applicable.
- 32.6.7 Calculation and recomposition of the economic-financial balance of the **Agreement**, according to the applicable contractual norms, and celebration of the corresponding Amendment correspondent, if applicable.
- 32.7 The deadline for processing the **Five-Year Reviews**, including the execution of the Amendment, is 180 (one hundred and eighty) days, counted from the starting date of the fifth year of each cycle of **Five-Year Reviews**, and may be extended for an equal period.
- 32.7.1 Together with the Additive Term that will consolidate and close the **Five Year Review**, the review of items that do not have economic repercussion can be dealt with;
- 32.7.2 If the deadline for processing the **Five-Year Review** is exceeded, the **Regulator** must refrain from implementing any rebalancing of the economic-financial balance to the disadvantage of the Concessionaire, until the Five-Year Review relevant to each five-year cycle is concluded.

CLAUSE 33 – EXTRAORDINARY REVIEWS

- 33.1 Any of the **Parties** may plead for an **Extraordinary Review** of the **Agreement** in case of a concrete or imminent materialization of an event whose consequences are sufficiently serious as to require the need for urgent evaluation and measures.
- 33.2 If the **Extraordinary Review** process is initiated through a request from the **Concessionaire**, it must submit the necessary subsidies to demonstrate to the **Regulator** that failure to immediately address the event will lead to its extraordinary aggravation and other harmful consequences.
- 33.3 The **Regulator** shall have 30 (thirty) days from the formalization of the request submitted by the **Concessionaire**, to evaluate if the reasons presented justify the immediate treatment of the event and if the severity of the consequences supports the non-observance of the **Five-Year Review**, procedure, motivating the importance of not waiting the necessary time lapse until the processing of the subsequent **Five-Year Review**.
- 33.4 In the hypothesis of being recognized by the **Regulator** the urgency and exceptionality that justifies the **Extraordinary Review**, the decision of the rebalancing plea must be concluded within 180 (one hundred and eighty) days of the filing of the request, with an extension admitted when duly justified.
- 33.5 The price of the **Toll Fee**, altered as a result of the **Extraordinary Review**, shall be homologate by the **Government**, by means of a deliberation published in the **Official Gazette of the State of Minas Gerais**.
- 33.6 The procedure for processing Extraordinary Reviews shall observe SEINFRA Resolution No. 27, October, 2021, or regulatory norm that modifies or replaces it, except as provided for in this Agreement.

CLAUSE 34 – ADJUSTMENT OF THE BASIC TOLL FEE

- 34.1 The **Toll Fee** shall have its first contractual readjustment on the date of the start of toll collection.
- 34.2 The base date for the following readjustments of the **Toll Fee** shall be the date of the first readjustment, so that in the following years, the readjustments of the **Toll Fee** will always be made on the same day and month in which the first readjustment was made.

- 34.3 The **Toll Fee** shall be readjusted annually, and shall be calculated, for category 1, by the following formula: **TF = BTF x IAI**.
- 34.4 The **Toll Fee** to be charged shall be rounded up to multiples of 10 (ten) cents real, and shall be obtained by applying the following rounding criteria:
- 34.4.1 When the second decimal is less than five, the first decimal is rounded down to the next lower value; and
- 34.4.2 When the second decimal is five or more, the first decimal is rounded up to the next higher value.
- 34.5 The economic effects resulting from the rounding shall be considered in the subsequent **Annual Review**.
- 34.6 The price of the **Toll Fee** shall be authorized by publication of a specific administrative act of the **Regulator** in the **Official Gazette of the State of Minas Gerais**.
- 34.7 From the 5th (fifth) day after the readjustment base date, the **Concessionaire** is authorized to practice the readjusted **Toll Fee** if it is not communicated by the **Regulator**.
- 28.7.1 During this period, the **Concessionaire** shall widely disclose the date on which the new **Toll Fee** will start to be charged and its prices.
- 34.8 In case of extinction of any of the toll adjustment indexes **Toll Fee** adopted in this **Agreement**, the index to be used should be the one that replaces it.
- 34.9 If no index shall automatically replace the terminated index, the parties shall determine, by mutual agreement, the new index to be used.

CHAPTER 10 – GUARANTEES AND INSURANCE

CLAUSE 35 – PERFORMANCE BOND

35.1 As a guarantee of faithful performance of its obligations and commitments undertaken in this **Agreement** and its **Annexes**, the **Concessionaire** must maintain, in favor of the **Government**, **Performance Bond** in the amounts indicated in the table below:

Period	Amount
From the beginning of the Agreement Term to the 8th year of the Concession Term	BRL 107,159,564.48 (one hundred and seven million, one hundred and fifty-nine thousand, five hundred and sixty-four reais and forty-eight cents).
9th year to 25th year of the Concession Term	BRL 53,579,782.24 (fifty-three million, five hundred and seventy-nine thousand, seven hundred and eighty-two reais and twenty-four cents).
From the 26th year of the Concession Term to the end of the Agreement Term , including any renewals or extensions of term.	BRL 107,159,564.48 (one hundred and seven million, one hundred and fifty-nine thousand, five hundred and sixty-four reais and forty-eight cents).

35.2 The reduction of the **Performance Bond** value is conditioned to the conclusion of the **Capacity Expansion Works** and **Improvement Works** and **Interventions for Maintenance of the Service Level** described in the **ROP**, as attested by the **Regulator**.

35.3 The **Concessionaire** must maintain the **Performance Bond** in force in the amounts and deadlines indicated in Clause 35.1, under penalty of applying the sanctions provided for in this **Agreement**, including the decree of caducity of the **Concession**, pursuant to Clause 51.

35.4 The **Performance Bond** shall be readjusted annually, on the same date foreseen for the readjustment of the **Basic Toll Fee**, by the **IAI**.

35.5 The **Concessionaire** shall remain responsible for complying with its obligations and commitments undertaken in this **Agreement** and its **Annexes**, including the payment of any fines and indemnifications imposed on it, regardless of the **Performance Bond**.

35.6 The **Performance Bond** can be provided in one of the following modalities, at the **Concessionaire's** discretion:

- i. bond, in Brazilian currency;
- ii. bond, in Brazilian National Treasury Public Debt Securities;
- iii. insurance-guarantee;
- iv. bank issued guarantee; or
- v. combination of two or more of the above.

35.7 The **Performance Bond** as a security, in Brazilian currency, shall be deposited in Bank [•], Branch [•], Checking Account No. [•], owned by the **Government**, CNPJ/MF no. [•].

35.8 The **Performance Bond** in the form of bond, in Brazilian National Treasury Public Debt Bonds, must be provided by the nominal value of the bonds.

35.2.1 For purposes of Clause 35.8 above, National Treasury Bills – LTN shall be accepted, Brazilian Financial Treasury Bills – LFT, Brazilian National Treasury Bonds – series C – NTNC, Brazilian National Treasury Bonds – series B principal – NTN-B Principal or Brazilian National Treasury Bonds – series F – NTN-F.

35.2.2 In the case of the aforementioned Clause 35.2.1, the presentation of the **Performance Bond** shall be proven by means of the presentation of documents representing the transfer of the securities to the **Government**, and they shall be presented by the **Concessionaire** with market quotation and accompanied by proof of its validity regarding liquidity and amount.

35.2.3 The Brazilian National Treasury Public Debt Securities referred to in Clause 35.8 above shall be issued in book-entry form, by means of registration in a centralized settlement and custody system

authorized by the Brazilian Central Bank, and may not be encumbered with a clause of unleviable, inalienability, non-transferability or compulsory acquisition.

- 35.9 The **Performance Bond** provided as an insurance-guarantee will be evidenced by means of the presentation of an insurance-guarantee policy, in the manner prescribed in the template found in the **Appendix 5 – INSURANCE POLICIES** of this **Agreement**, accompanied by the proof of payment of the premium, if pertinent, as well as a Certificate of Good Standing, provided by the Private Insurance Superintendency (Superintendência de Seguros Privados – SUSEP), in the name of the insurer that provides the policy.
- 35.10 The **Performance Bond**, when provided as an insurance-guarantee, should cover all events that take place during the period of its validity, even if the accident is communicated by the **Government** or **Regulator** after the end of the period of validity of the insurance-guarantee policy.
- 35.11 The **Performance Bond** provided as insurance-guarantee or bank issued guarantee must be valid for at least one (1) year as from its issue, and it is the **Concessionaire's** responsibility to keep it in full force and effect, continuously, during the whole **Agreement Term**, observing Clause 35.1., and, for such, promote the necessary renewals and updates, at least thirty (30) days prior to the expiration.
- 35.11.1 The **Concessionaire** shall submit to the **Government**, a document proving the renewal and updating of the **Performance Bond**, within 30 (thirty) days after the renewal or upgrade, in the form of this Clause.
- 35.11.2 Any modification to the content of the letter of guarantee or the surety insurance must first be submitted to the **Government** for approval.
- 35.11.3 Insurance-guarantee policies and bank issued guarantee letters may not contain any reservations or conditions that might hinder or

impede their execution, or that might raise doubts as to their enforceability.

35.12 The substitution of the **Performance Bond** modality is conditioned to the prior and express consent of the **Government**, which may not reject the substitution when the **Concessionaire**, foreseen in this **Agreement** and in the legislation and regulations in effect.

35.13 It is the full responsibility of the **Concessionaire** to guarantee the maintenance and sufficiency of the **Performance Bond** provided to the **Government**, including all costs resulting from its contracting, updating and renewal.

35.13.1 Whenever the **Performance Bond** is executed, totally or partially, the **Concessionaire** shall be obligated to recompose its full amount, within a maximum period of ten (10) days as of its use, as communicated by the **Regulator**, under penalty of application of the sanctions provided for in this **Agreement**, including the decree of caducity of the **Concession**, pursuant to Clause 51.

35.13.2 Not being the **Performance Bond** sufficient to comply with the obligations provided for in Clause 35.5, the Concessionaire shall be liable for the difference.

35.14 Without prejudice to other hypotheses foreseen in this **Agreement** and its **Annexes**, or in the legislation and regulations in force, the **Performance Bond** may be executed, in whole or in part, by the **Government**, in the following circumstances, assured, in all cases, the **Concessionaire's** rights to adversary proceedings and full defense:

- i. if the **Concessionaire** fails to perform any investment obligation contemplated in this **Agreement**, and **Appendices** hereto or in amendments signed by the **Parties**;
- ii. if the **Concessionaire** fails to perform the necessary interventions to meet the **Performance Parameters**, or performs them in noncompliance with the provisions of this **Agreement** and **Appendices** hereto;

- iii. if the **Concessionaire** deliberately fails to comply with its legal, regulatory or contractual obligations, refusing or failing to correct the faults pointed out by the **Government** or by the **Regulator**, as established in this **Agreement** and **Appendices** hereto;
- iv. if the **Concessionaire** fails to pay fines, indemnities or other penalties imposed on it, as provided for in this **Agreement** and within the established deadlines;
- v. in the case of the return of **Reversible Assets** in nonconformity with the requirements of this **Agreement**, its **Appendices**, and the legislation and regulations in effect;
- vi. in case the **Concessionaire** refuses or fails to acquire the insurance required in this **Agreement**;
- vii. if the **Concessionaire** fails to adopt measures to remedy the default of any of its legal, regulatory or contractual obligations;
- viii. if the **Concessionaire** does not comply with the variable monthly values to the **Regulator** and to be transferred to the **Concession Account**;
- ix. if the **Concessionaire** fails to fulfill its obligations under the Final Adjustment.

CLAUSE 36 – INSURANCE

- 36.1 The **Concessionaire** shall, during the entire **Concession Term**, contract and maintain in effect the insurance policies necessary to cover the risks inherent to the performance of the **Subject Matter** of this **Concession**.
- 36.2 All insurances provided in this **Agreement** shall be Contracted Party with insurers authorized to operate in Brazil, holders of the Certificate of Good Standing issued by the **Private Insurance Commissioner**, in the name of the insurer that issues each policy.

- 36.3 No investment, service or work provided for in this **Agreement** or its **Appendix** may commence or proceed unless the **Concessionaire** demonstrates the contracting and validity of, at a minimum, the following insurances, without limitation, compatible with the **Subject Matter** of the **Concession**:
- i. Material Damage Insurance: coverage for loss or damage arising from engineering risks, operational risks, and risks related to **Concession** machinery and equipment, including coverage for windstorm, hurricane, cyclone, hail, land vehicle impact and aircraft crash, and electrical damage;
 - ii. Civil Liability Insurance: coverage for civil liability, covering the **Concessionaire** and the **Government**, as well as its administrators, employees, agents or delegates, for the amounts with which they may be held liable by way of material, personal and moral damages, procedural costs and any other charges related to material, personal or moral damages, arising from the activities covered by the **Concession**, including, but not limited to, personal involuntary damages, deaths, material damages caused to third parties and their vehicles, including the **Government**;
 - iii. Insurance against robbery, theft, loss, perishing, destruction, fire, lightning and explosion of any nature, for all **Concession Assets**; and
 - iv. Compulsory full insurance against accidents at work.
- 36.4 The insurance coverage provided in this Clause shall include coverage for damages caused by force majeure or unforeseeable circumstances whenever they are insurable.
- 36.5 Within ten (10) days prior to the commencement of any work or service provided for in this **Agreement** or its **Appendices**, the **Concessionaire** shall forward to the **Regulator** copies of the insurance policies, together with the respective work plans.
- 36.6 In all cases, the **Government** or any other entity that may be indicated by the Government must appear as the insured in the insurance policies and must authorize in advance any modification, cancellation, suspension, renewal or

replacement of any insurance policy contracted by the **Concessionaire**, for the purposes of this **Agreement**.

36.6.1 The insurance policies may also establish the **Concessionaire's Financier(s)** as beneficiaries of eventual indemnities.

36.7 The resources arising from the indemnities arising from the insurance contracted by the **Concessionaire** shall be used to guarantee the continuity of the works and services that constitute **Subject Matter** of this **Concession**, except:

- i. If the insured event results in caducity of the **Concession**; and
- ii. If the **Government** or **Regulator** becomes liable for the loss, in which case the indemnities arising from the policies must be paid directly to the beneficiaries.

36.8 In contracting insurance, the following should be observed:

36.8.1 The contracted deductibles must be those practiced by the Brazilian insurance market in businesses of this nature;

36.8.2 All insurance policies must be valid for a minimum of 12 (twelve) months, with the exception of any works and/or engineering services that have a term of execution of less than 12 (twelve) months, and must be renewed successively, for the same period, throughout the **Concession Term**;

36.8.3 The **Concessionaire** must provide, at the end of the validity period of the insurance and in case it does not have the new policy, a certificate issued by the respective insurance company confirming that the risks involved have been placed in the insurance market, according to the determined period and in accordance with the coverages and deductibles requested by it, waiting only for the authorization from **Private Insurance Commissioner** for the issuance of the new policy;

36.8.4 The **Concessionaire** shall make part of the insurance policies the obligation of the insurance company to inform in writing, at least 30 (thirty) days in advance of the effective occurrence, to the **Concessionaire**, the **Government** and the **Regulator**, changes in

the insurance agreements, especially in the cases that may imply the cancellation, total or partial, of the contracted insurance, reduction of coverage, increase of deductibles or reduction of insured amounts, observing the situations foreseen in the law;

- 36.8.5 The amounts covered by the insurance must be sufficient to replace or correct the damage caused in the event of an accident;
 - 36.8.6 The amounts covered by property damage insurance and civil liability insurance, including covered moral damages, shall meet the maximum limits of compensation calculated on the basis of the greatest probable damage; and
 - 36.8.7 Policies issued may not contain any obligations, restrictions or provisions which are contrary to the provisions of this **Agreement** or sector regulation, and shall contain an express statement by the insurance company that it is fully aware of this **Agreement**, including with respect to the limits of the **Concessionaire's** rights.
- 36.9 The **Concessionaire** assumes all responsibility for the scope or omissions arising from the performance of insurance under this Clause.
- 36.10 A **Concessionaire** may change coverages and deductibles, as well as any other conditions of the contracted policies, to adapt them to the various phases of development of the Concessionaire's **Subject Matter** of this **Concession**, activities, upon prior approval by the **Government**.
- 36.11 The **Concessionaire's**, failure to comply with the obligations to contract or maintain the insurance required in this Clause shall subject it to the application of the penalties provided for in Clause 45, without prejudice to the possibility of adopting additional measures by the **Government**, such as the execution of the **Performance Bond**.
- 36.12 The **Concessionaire** must send to the **Government**, at least one (1) month prior to its expiration date, a document proving that the insurance policies have been renewed or shall be automatically and unconditionally renewed immediately after its expiration date.
- 36.12.1 In case the **Concessionaire** does not send the documents proving the renewal of the insurances within the period foreseen, the **Government** may contract the insurances and charge the

Concessionaire the total amount of its premium at any time, or consider it for the purpose of recomposing the economic balance of the **Agreement**, without exempting the **Concessionaire** from the penalties foreseen in this **Agreement**.

36.12.2 No liability shall be attributed to the **Government** or to the **Regulator** if it chooses not to take out insurance for which the policy was not submitted within the period provided by the **Concessionaire**.

CHAPTER 11 - CONCESSIONAIRE

CLAUSE 37 - SPE'S LEGAL STRUCTURE

37.1 **Concessionaire** is an **SPE**, in the form of a joint-stock company incorporated under Brazilian law, with the exclusive purpose of operating the **Concession**.

37.2 The **Concessionaire** acts of incorporation are contained in Appendix 3 of this **Agreement** and its specific and exclusive corporate purpose, during the entire term of the **Agreement**, shall be the provision of the subject matter of this **Concession**, having its principal place of business in the State of Minas Gerais.

37.2.1 The **Concessionaire** is forbidden to perform any activity that is not expressly foreseen in this **Agreement**.

37.2.2 The **Concessionaire** may explore directly or indirectly, including through subsidiaries, the activities that generate **Ancillary Revenue**, as long as with the prior consent of the **Regulator**.

37.2.3 The **Concessionaire's** acts of incorporation and/or Shareholder agreements must conform to the **ESG** requirements set forth in Clause 38 of this **Agreement**.

37.3 As a condition for signing the **Agreement**, the social capital of the **SPE** was subscribed and paid up in the amount of BRL 54,923,804.88 (fifty-four million, nine hundred and twenty three thousand, eight hundred and four reais and eighty-eight cents), under the terms of Item 15.3.IV of the **Invitation to Bid**.

37.4 The **SPE** may not, during the **Agreement Term**, reduce its capital stock below the amounts specified in Clause 37.3 without the prior express authorization of the **Government**.

37.4.1 Failure to maintain the subscribed and paid-in capital stock throughout the **Concession Term** shall subject the **Concessionaire** to the penalties provided for in this **Agreement**, including the decree of caducity of the **Concession**, pursuant to Clause 51.

37.5 If there are losses that reduce the net equity of **Concessionaire** to an amount less than one third of the capital stock, its net equity must be increased to an amount equivalent to at least one third of the capital stock within 4 (four) months from the closing date of the fiscal year.

37.5.1 The amount of the capital stock will be updated by the same criteria applicable to the rise of the **Basic Toll Fee** for purposes of calculating the third part referred to in Clause 37.5.

37.5.2 In the last two (2) years of the **Concession**, the period referred to in Clause 37.5 shall be two (2) months.

CLAUSE 38 - SEW - STANDARDS OF ENVIRONMENTAL RESPONSIBILITY, SOCIAL RESPONSIBILITY AND CORPORATE GOVERNANCE OF THE CONCESSIONAIRE

38.1 **Concessionaire** undertakes to comply with the best practices of environmental responsibility, social and governance, in line with national and international best practices, in particular with Agenda 2030 and the Sustainable Development Goals at the UN (SDG's), as well as standards and parameters that may replace them.

38.2 In the scope of environmental responsibility, the **Concessionaire** is committed to the following obligations, to be evidenced to the **Regulator** and registered in the Socio and Environmental Monitoring Report (SEMR), according to the **PER**:

38.2.1 Implement, within a maximum period of two (2) years from the **Effective Date**, Environmental Management Quality Management Systems for all the works and services required to fulfill the subject matter, based on Brazilian Association of Technical Standards Association's NBR ISO 14.001 standard;

- 38.2.2 Submit, by the 12th month after the **Effective Date**, a detailed Natural Resource and Energy Efficiency Management Structures Deployment Plan;
- 38.2.3 Perform, annually, a Greenhouse Gas Inventory (GHG), in order to calculate and quantify all emissions (in carbon equivalent), related to the **Concessionaire's** operation activities, from the previous year, to be neutralized;
- 38.2.3.1 The first inventory will be presented on the last day of the 13th month, contact **Effective Date**, covering the activities of the first year of the **Concession**. The other inventories shall comprise the period from January to December of the previous year, and shall be delivered by the last day of January of the following year.
- 38.2.3.2 The inventories will be prepared based on methodologies and standards internationally recognized in the market, such as the Brazilian Association of Technical Standards Association's NBR ISO 14.064-2, GHG Protocol or other equivalent standards.
- 38.2.3.3 Together with each inventory will be defined the voluntary goals of GHG emissions reduction, in carbon equivalent (CO₂e), for the next period.
- 38.2.4 Submit, by the end of the 12th month from the **Effective Date**, a Natural Disaster and Climate Change Risk Analysis.
- 38.3 Within the scope of social responsibility, the **Concessionaire** commits to the following obligations:
- 38.3.1 Implement, until the end of the 24th month from the **Effective Date**, a Labor Health and Safety Management System, based on the ABNT NBR ISO 45.001 series of norms.
- 38.3.2 Implement in the administrative and operational facilities to be executed and, until the 12th month from the **Effective Date**, in the already existing facilities, adequate structures to allow access to the

public with reduced mobility and people with disabilities, under the terms of the current legislation.

38.4 Within the scope of corporate governance, the **Concessionaire** commits to the following obligations, which shall be expressly stated in its corporate acts, throughout the **Concession Term**:

38.4.1 Implement, within 3 (three) months from the **Effective Date**, a *Compliance Program*, with internal mechanisms and procedures of integrity, auditing and incentive to the denunciation of irregularities and the effective application of codes of ethics and conduct, policies and guidelines with the purpose of detecting and correcting deviations, frauds, irregularities and illicit acts practiced against the Public Administration, within the scope of the **Concessionaire**;

38.4.2 Develop, publish and implement a Policy for Transactions with **Related Parties**, within 3 (three) months from the beginning of this **Agreement**, observing, as applicable, the best practices recommended by the Brazilian Code of Corporate Governance - Public Companies, edited by the Grupo de Trabalho Interagentes (GT Interagentes), coordinated by the Brazilian Institute of Corporate Governance (IBGC), as well as the governance rules of the Securities Commission (CVM), and containing, at least, the following elements:

- (i) criteria that must be observed for transactions between the **Concessionaire** and its **Related Parties**, which must observe fair market conditions, including price;
- (ii) procedures to assist in the identification of specific situations that may involve conflicts of interest and, consequently, to determine the impediment of voting with respect to the **Concessionaire's** shareholders or administrators;
- (iii) procedures and responsible for the identification of **Related Parties** and the classification of operations as transactions with **Related Parties**;

- (iv) indication of the instances of approval of transactions with **Related Parties**, depending on the amount involved or other relevant criteria;
- (v) duty of the company's management to formalize, in a written document to be filed at the company, the justifications for the selection of **Related Parties** in detriment of market alternatives.

38.4.2.1 The Policy for Transactions with **Related Parties** must be included in the **Concessionaire's** corporate acts and must be updated whenever necessary, observing the updates in the recommendations of best practices referred to in Clause 38.1 and the need for inclusion or amendment of specific provisions aimed at providing greater effectiveness to the transparency of transactions with **Related Parties**.

38.4.2.2 Within 1 (one) month from the execution of a contract with **Related Parties**, and with, at least, 5 (five) business days from the beginning of the performance of the obligations agreed therein, the **Concessionaire** shall disclose, on its *website*, the following information about the executed contract:

- (i) general information about the **Related Parties** contracted party;
- (ii) subject matter of the contract;
- (iii) term of the contract;
- (iv) general conditions of payment and adjustment of the amounts referring to the contracting; and
- (v) management's justification for contracting with the **Related Party** in light of market alternatives.

38.5 The non-fulfillment of the obligations foreseen in Clauses 38.2, 38.3 e 38.4, subjects the **Concessionaire** to contractual penalties, according to Appendices 10.

38.6 In addition to the environmental, including climate, social and governance obligations set forth in Clauses 38.2, 38.3 and 38.4, the **Concessionaire** shall

practice the necessary actions to meet the following standards and disclose them on its *website*:

- 38.6.1 Create, by the end of the 24th month from the **Effective Date**, a Risk Management and Reporting Committee to the Board of Directors.
- 38.6.2 Deploy Natural Resource and Energy Efficiency Management Structures, among which: (i) rainwater collection and use; (ii) automated faucet and switch systems; (iii) use of solar panels; (iv) use of hybrid vehicles in the Concession; (v) use of paving material with lower noise emission potential; (vi) incorporation of industrial and construction waste in the paving and/or other construction elements; and (vii) management and monitoring of vehicular and equipment emissions.
- 38.6.3 Deploy Program for Continuous Adequacy of the Drainage System.
- 38.6.4 Implement, by the end of the 12th month from the **Effective Date**, a Human Resources Policy, containing the following items:
 - (i) code of conduct for employees and contractors based on ethical principles, including the promotion of diversity and inclusion and awareness of discriminatory or violent practices inside and outside the workplace;
 - (ii) training and qualification of the workforce, including outsourced workers, including informative programs and actions on diversity and inclusion issues, in line with the code of conduct;
 - (iii) procedures to ensure and promote gender equality opportunities for **Concessionaire** positions;
 - (iv) program to promote gender, racial, disability and LGBTQI+ diversity;
 - (v) mechanisms for consultation, and complaint and denunciation of workers, including outsourced workers,

properly disclosed and that guarantee ample access and anonymity, including, but not limited to, practices of discrimination, moral or physical harassment; and

(vi) equality for Working Conditions in all the activities of the **Concession**.

38.6.4.1 The promotion program mentioned in item (iv) must contain appropriate and recognized methodology, including, for example, the stages of business census, publicity and engagement, recruitment, training, talent retention and career advancement.

38.6.5 Implement, by the end of the 12th month after **Effective Date** a program for mapping and mitigating the risks of violation of the fundamental rights of people impacted by Concession activities and supply chain.

38.6.5.1 The promotion program mentioned in clause 38.6.5 shall contain appropriate and recognized methodology based on the Guiding Principles on Business and Human Rights, approved by the United Nations Human Rights Council in June 2011 (principles 11 to 24) or another methodology that may replace it.

38.6.5.2 Every two years after the anniversary of the Effective Date, the **Concessionaire** shall submit a report to the **Government** informing about the progress of the program, the results obtained and the challenges regarding its implementation. The report should mandatorily contain the audit findings on human rights, according to principle 17 of the Guiding Principles on Business and Human Rights.

38.7 For the standards set forth in clause 38.6, **Concessionaire** shall adopt the "apply or explain" standard, so that by not adopting such standards it must explain the reasons behind its conduct.

38.7.1 The explanation should be reasoned, congruent, clear, objective, and should demonstrate a cost-benefit and cost-efficiency analysis related to the adoption of the standards.

38.7.2 The explanation shall be presented to the **Regulator**, by the **Concessionaire**, within thirty (30) days from the deadline established for the adoption of the standard, and must be made available on the *website* of the **Concessionaire**, in a visible and easily accessible place, and the **Regulator** is hereby authorized to disclose it.

CLAUSE 39 - TRANSFER OF SPE'S CORPORATE CONTROL

39.1 The transfer of **Direct Control** or **Indirect Control** of the **SPE** to third parties will depend on the prior express consent of the **Government**, under penalty of caducity of the **Concession**, pursuant to Clause 51.

39.2 The following operations, besides others, are characterized as alteration of **Control**, to the extent that they configure hypothesis foreseen in Clause 39.1:

39.2.1 any change, direct or indirect, in the **Control** or Control group that may imply changes in the personnel who effectively manage the **Concessionaire's** business;

39.2.2 when the **Controlling Company** ceases to hold, directly or indirectly, the majority of the **Concessionaire's** voting stock;

39.2.3 when the **Controlling Company**, by means of an agreement, **Contract** or any other instrument, assigns, totally or partially, directly or indirectly, to a third party, powers to direct the corporate activities and guide the operation of the **Concessionaire**;

39.2.4 when the **Controlling Company** withdraws, directly or indirectly, from the Control of the **Concessionaire**.

39.3 For purposes of obtaining the prior consent referred to in Clause 39.1 for the transfer of the **Direct Corporate Control** or **Indirect Corporate Control** of the **SPE**, the **Concessionaire** shall submit an application to the **Government** containing at least the following information:

39.3.1 Demonstration of the **SPE's** shareholding structure after the transfer of **Corporate Control** operation and explanation of the intended corporate operation;

- 39.3.2 Indication and qualification of the people who shall figure as **Controlling Company** or integrate the **Interest Control** block of the **SPE**, also presenting the list of the members of the administration of the **SPE** and its **Controlling Company**;
- 39.3.3 proof of compliance with the legal, tax regularity, technical, economic and financial qualification requirements demanded in the **Invitation to Bid** of the company(ies) that shall figure as **Controlling Company** or integrate the **Corporate Control Block** of the **SPE**, as per the provisions of item I of §1 of art. 27 of Law no. 8987/1995; and
- 39.3.4 express commitment by the company(ies) that shall appear as **Controlling Company(ies)** or integrate the **Corporate Control Block** of the **SPE**, indicating that they shall fully comply with the provisions of this **Agreement** and that they have or shall have their own resources or those of third parties and guarantees to execute the works and services subject matter of the **Agreement**.
- 39.4 The **Government** shall have a period of up to 30 (thirty) days, extendible once for the same period, as of the receipt of the request for transfer of **Corporate Control**, to submit a written response to the request, and may grant the consent, reject the request in a reasoned manner, or formulate requirements, also in a reasoned manner, for the concession of the consent.
- 39.4.1 If the period mentioned in Clause 39.4 elapses without the **Government's**, decision, the **Concessionaire's** request shall be considered rejected.
- 39.5 The transfer of shares that do not imply a change in **Direct Control** or **Indirect Control** does not require the prior consent of the **Government**, and the **Concessionaire** shall communicate the fact within 10 (ten) days of its occurrence, sending the new shareholding composition, under penalty of the applicable penalties.
- 39.6 The winning Bidder may not withdraw from the **Control** of the **Concessionaire** before the requirements provided for in Clause 1920.1, except in the event of imminent insolvency of the **Concessionaire**, provided that such condition is duly proven.

CLAUSE 40 - FINANCING

40.1. The **Concessionaire** is responsible for obtaining the necessary financing for the development of the **Concessionaire's**, services, so that all obligations assumed by the Concessionaire in this **Agreement** are fully and timely met.

40.1.1. The **Concessionaire** shall inform the **Government** about the financing agreements and forward to the Government a copy of the respective instruments, as soon as they have been signed.

40.1.2. The Concessionaire may not allege any provision, clause or condition of the Financing Agreement(s), or any delay in the disbursement of funds, to avoid, totally or partially, the obligations assumed in this Agreement, whose terms shall be considered of full knowledge of the financing institution(s)

40.1.3. The indemnities due to the Concessionaire, in the case of early termination of the agreement may be paid or tender directly to the funding institution(s).

40.2. The **Concessionaire** is prohibited:

40.2.1. provide loans, financing and/or any other forms of transfer of funds to its **Shareholder(s)** and/or **Related Party(ies)**, except for transfers of funds by way of dividend distributions, payment of interest on shareholders' equity and/or payments for services contracted under fair market conditions; and

40.2.2. provide a bond, surety, or any form of guarantee in favor of its **Related Parties** and/or third parties.

CLAUSE 41 - GUARANTEES PROVIDED TO FINANCIERS

41.1. Without compromising the operationalization and continuity of the service, the **Concessionaire** may offer as collateral, in the financing agreements, the rights emerging from the **Concession**, by means of communication of the **Government**.

41.2. The shares corresponding to the control of the **Concessionaire** may be pledged as collateral for financing, or as "counter-guarantee" for operations

linked to the fulfillment of obligations under the **Agreement**, by means of communication of the **Government**, observing the provisions of Clauses 40 and 41 of this **Agreement**.

41.2.1. The **Transfer of Control** that occurs due to guarantee execution that has its object the **Concessionaire's** shares cannot be materialized by the creditors without prior consent of the **Government**.

CLAUSE 42 - DUTY TO INFORM FINANCERS

42.1. The **Concessionaire** shall develop, install and maintain, throughout the **Concession Term**, a specific digital system for the management of information, data and documents related to the notifications issued and penalties imposed by the **Regulator**, as well as the respective administrative procedures or proceedings filed.

42.1.1. It is the full responsibility of the **Concessionaire** to timely feed the system referred to in the head of this Clause with the information, data and documents related to procedures, assessments and administrative proceedings that may be initiated by the **Regulator**, in the performance of its inspection activities, for purposes of imposing penalties to the **Concessionaire**, pursuant to **Appendix 11**.

42.1.1.1. The **Concessionaire** shall take the necessary measures to ensure that the information, data and documents available in the system referred to in this Clause reflect the most current stage of the procedures, assessments and administrative penalty proceedings initiated by the **Regulator** against the **Concessionaire**, and, for this purpose, must feed the system to reflect the progress of all acts and stages, in addition to updating it, at least, after each act issued by the **Regulator**, within a maximum period of ten (10) days from its publication and/or notification.

42.1.2. The **Concessionaire** shall provide the user credentials/passwords to representatives of the **Regulator**, allowing access to information and documents, as well as possible

audits, if necessary, to ensure that the information and documents made available in such system reflect, in fact and in an up-to-date manner, the stage and reality of the penalty procedures.

- 42.1.3. A **Concessionaire** shall provide, upon request, the user credentials/passwords for representatives of the **Financers** and guarantors, in order to enable the *pari passu* monitoring of the progress of the procedures, assessments and administrative proceedings for the application of penalties, pursuant to **Appendix 10**.

CLAUSE 43 - CONTRACTING WITH THIRD PARTIES AND EMPLOYEES

- 43.1. A **Concessionaire** shall be entitled to contract with third parties the development of activities which are inherent, accessory or complementary to those which are part of the **Concessionaire's Concession Subject Matter**, pursuant to the provisions of **Agreement**.
- 43.2. The third contracted party by the **Concessionaire** shall be financially sound and have technical competence and ability, and the **Concessionaire** is directly and indirectly liable for any problems or losses resulting from the lack of financial soundness, as well as technical competence and ability.
- 43.3. The **Concessionaire** shall remain fully responsible for the services provided, even by third parties to the **Government** for the execution of the works and **Subject Matter** of the **Concession**.
- 43.4. The **Regulator** may request, at any time, information about the contracting of third parties for the execution of the **Subject Matter** of the **Concession**.
- 43.4.1. The fact that the existence of an agreement with a third party has been brought to the **Regulator's** attention does not exempt the **Concessionaire** from complying, in whole or in part, with its obligations under this **Agreement** and its **Appendix**, and does not give rise to any liability for the **Government** or the **Regulator**.
- 43.5. The agreement between the **Concessionaire** and third parties shall be regulated by the rules of private law, not establishing any relationship of any nature between the third parties and the **Government** or the **Regulator** .

- 43.5.1. The agreements referred to in this Clause will expressly provide that no relationship will be established between the third party and the **Government** or the **Regulator**.
- 43.5.2. The Agreement between the **Concessionaire** and third parties must also provide for a subrogation clause to the **Government**, or a nominee, which shall be exercised at the **Government's** discretion.

CLAUSE 44 - ACTS DEPENDENT ON CONSENT OR PRIOR NOTICE

Hypotheses Requiring Prior Announcement From The Government Or Regulator

- 44.1. The following acts eventually practiced by the **Concessionaire**, depend on the **Regulator's** prior consent, without prejudice to other hypotheses foreseen in this **Agreement, its Appendices**, and the applicable legislation and regulation, under penalty of the sanctions provided for in **Appendix 10**, including the possible caducity of the **Concession**:
- i. Alteration of the **SPE's** Bylaws, except those of an eminently formal and/or procedural nature, which should be the object of a simple subsequent communication to the **Government**;
 - ii. Creation of subsidiaries, including for operation of activities that generate alternative, complementary, accessory revenues or from associated projects;
 - iii. Reduction of the capital stock of the **SPE**; and
 - iv. Contracting or changing the insurance coverage, the Contracted Party insurer and/or the guarantees contradicted by the **Concessionaire** and related to this **Agreement**, even those whose contracting is a result of what was established in the **Five-Year Revision** procedure.
- 44.2. The following acts eventually practiced by the **Government**, depend on

the prior consent of the **Concessionaire**, under penalty of the sanctions provided for in **Appendix 10**, including the possible caducity of the **Concession**:

- i. Any form of corporate restructuring that implies Transfer of Control;
 - ii. Disposal of the SPE's Control, made operational by Financer, for the purpose of financial restructuring of the Concessionaire; and
 - iii. **Transfer of Control** resulting from the execution of a guarantee whose purpose is the Concessionaire's shares
- 44.3. The request for prior consent must be presented by the **Concessionaire** with enough advance to allow the due analysis and manifestation of the **Government** or **Regulator** in a timely and reasonable time, considering the care with the non-compromise of the operation(s) intended by the **Concessionaire** that depend on the **Government's** authorization.
- 44.4. The request for prior consent to be submitted by the **Concessionaire** must be accompanied by relevant documentation for characterization and explanation of the intended operation, and other documents that may eventually be required by the **Regulator** or **Government**, especially those that are necessary to demonstrate the following aspects:
- i. Proof that the continuity of the services under this **Agreement** shall not be compromised; and
 - ii. Proof that the quality of the services under this **Agreement** shall not be compromised;
- 44.4.1. The prior consent for the practice of any operation that impacts the **Concession Assets** shall be waived if the **Concessionaire** proves, through communication to the **Regulator**, that the assets sold or transferred were immediately replaced by new assets, with similar functionality and equal or superior technology .
- 44.4.1.1. The absence of immediate proof under the terms of the

clause above shall be equated, for sanctioning purposes, to a default in the duty to obtain prior consent in the cases foreseen in this Agreement.

44.4.2. When the request for prior consent concerns the operation of activities that generate **Ancillary Revenue**, the documentation must be accompanied by an indication of the source and the estimated values of the **Ancillary Revenue**, per year or per act, when this is a one-time event, in addition to the demonstration of compliance with the legal requirements.

44.4.3. The **Government** or **Regulator** shall have 60 (sixty) days from the receipt of the request for prior consent submitted by the **Concessionaire** to submit a written response to the request, and may grant the consent, reject the request or make requirements to grant it.

44.4.3.1. If the above-mentioned deadline elapses without a pronouncement from the **Government** or **Regulator**, the **Concessionaire's** request will be considered rejected.

44.5. If the **Government** or **Regulator** rejects the request or requires additions, it must do so in a reasoned manner, and may present an alternative proposal for the intended operation to be accepted.

Operations And Situations That Must Be Communicated to The Regulator

44.6. The following acts and operations eventually practiced by the **Concessionaire**, depend on the communication to the **Regulator**, within 15 (fifteen) days after they are consummated, under penalty of the sanctions described in this **Agreement**:

44.6.1. Changes in the shareholding composition of the **SPE** that do not imply **Transfer of Control**, but that imply the transfer of voting shares in the **SPE**;

44.6.2. Changes in the voting agreements applicable to any **Control Block**, as long as they do not imply **Transfer of Control**;

- 44.6.3. Loss of any essential condition for the provision of services by the **SPE**;
- 44.6.4. Conclusion of financing agreement sending copies of the respective instruments as soon as they are signed;
- 44.6.5. Alteration of the **SPE's**, of an eminently formal and/or procedural nature;
- 44.6.6. Establishment of guarantee, liens or encumbrances over the credit rights and/or emerging from the **Concession**;
- 44.6.7. Establishment of bond, burden or encumbrance over shares issued by the **Concessionaire** that are representative of its **Control**;
- 44.6.8. Establishment of financing guarantee or “counter-guarantee” of operations linked to the fulfillment of **Agreement** obligations with shares of Concessionaire's control, under the terms of clause 41.2.
- 44.6.9. Application of penalties to the **SPE**, by any entity with competence to do so, especially in relation to non-compliance with tax, social security, labor safety and medicine obligations, or applied by any entity with competence to regulate and supervise the activities of the **Concessionaire**, or of an environmental nature;
- 44.6.10. Application for judicial reorganization; and
- 44.6.11. Subcontracting or outsourcing of services.

CHAPTER XII - PENALTIES AND INTERVENTION

CLAUSE 45 - PENALTIES

- 45.1. For partial or total non-performance of this **Agreement**, the **Regulator** may, assured the **Concessionaire's** right to full defense and adversary proceedings, according to rules established by State Law No. 14184/2002 and State Decree No. 45902/2012, or others that may replace or complement them, apply the following sanctions:
- 45.1.1. Notice;
 - 45.1.2. Fine;
 - 45.1.3. Temporary suspension of the right to participate in Call for Bids and to contract with the State Public Administration, for a period not longer than 2 (two) years;
 - 45.1.4. Declaration of ineligibility to bid or contract with the State Public Administration while the reasons for the punishment persist, or until rehabilitation is promoted before the **Government**, which will be granted whenever the **Concessionaire** compensates the **Government** for the resulting losses, and after a period of 2 (two) years; and
 - 45.1.5. Decree of caducity of the **Concession**, which may be applied jointly with other sanctions provided above, pursuant to Clause 51.
- 45.2. The penalties indicated in clause 45.1 above are applicable in the event of delay or non-performance of the services and works, the Scopes, Performance Parameters, and Technical Parameters of the Initial Service, Recovery, and Maintenance Front, and the Capacity Expansion and Service Level Maintenance Front, as well as in the event of any breach of the obligations provided for in this **Agreement** and in **Appendix 10**, without prejudice to the recomposition of the economic-financial balance of the Agreement, when applicable.
- 45.3. The **Regulator** shall observe the regulations contained in **Appendix 10** of this Agreement regarding the procedures and penalties applicable in the context of the inspection of the Concession.
- 45.4. After the conclusion of the administrative process for the application of the fine, if the **Concessionaire** does not pay it within the established period, the **Regulator** shall proceed with the execution of the **Performance Bond**.

- 45.5. The **Government**, at its sole discretion, may substitute the imposition of penalties, by entering into substitute agreements, such as conduct adjustment agreement, among others.
- 45.6. The suspension of the right to participate in call for bids and to contract with the State Public Administration may be applied, observing the principles of proportionality and reasonableness, in the case of repeated contractual or regulatory violations, including those that lead to the application of the **Concession** caducity penalty, in addition to the situations foreseen in the applicable legislation and regulations, highlighting those foreseen in art. 88 of Law No. 8666/1993.
- 45.7. If two or more infractions are found to have been committed by **Concessionaire**, in the same proceeding, the penalties imposed are cumulatively applied, if the infractions are not identical.
- 45.8. When it is a case of a continuous breach in relation to which several reports or complaints have been issued, they shall be grouped into a single process for the imposition of the penalty.
- 45.8.1. Violations shall be considered to be continuous when it is a repetition of a fault that has not yet been ascertained or that is the object of a process of which the **Concessionaire** is not aware by means of a summons.
- 45.9. The application of the penalties provided for in this **Agreement** and their fulfillment shall in no case prejudice the application of penalties of a different nature imposed by applicable law, or other contractual penalties.

CLAUSE 46 - INTERVENTION

- 46.1. The **Government** may, without prejudice to the applicable penalties and liabilities incurred, exceptionally intervene in the **Concession**, to ensure the proper execution of the works and services **Subject Matter** of this **Agreement**, as well as the faithful compliance, by the **Concessionaire**, with the contractual, regulatory and legal rules in force, when it verifies breaches that substantially affect the **Concessionaire's** ability to perform the works and services **Subject Matter** of this **Agreement**.

- 46.1.1. For the purposes of Clause 46.1 above, the **Government** shall request from the **Regulator** a report containing information about the conditions of the execution of the works and services that are the **Subject Matter** of this **Agreement**.
- 46.1.2. The **Regulator** may recommend intervention to the **Government**.
- 46.2. If any situation that may give rise to intervention in the **Concession**, the **Regulator** shall notify the **Concessionaire** to remedy the irregularities within the period fixed, without prejudice to the enforcement of the applicable penalties.
- 46.2.1. After the deadline has passed without the **Concessionaire** remedying the irregularities or taking steps that, at the **Government's**, discretion, demonstrate the effective purpose of remedying them, the Government shall determine the decree of intervention.
- 46.3. The intervention shall be made by an act of the **Government**, duly published in the **Official Gazette of the State of Minas Gerais**, which will contain the appointment of the intervenor, the duration of the intervention, and the limits of the measure.
- 46.4. The function of the intervenor may be exercised by an agent of the **Government's**, staff, a specifically appointed person, a board or companies, with **Concessionaire** bearing the costs of the remuneration.
- 46.5. Within 30 (thirty) days of the intervention decree, the **Government** shall open the competent administrative process to prove the causes that determined the measure and ascertain the respective responsibilities, ensuring to the **Concessionaire** the right to adversary and ample defense.
- 46.5.1. The administrative process referred to in Clause 46.5 above must be concluded within 180 (one hundred and eighty days), under penalty of the intervention being considered invalid.
- 46.6. The intervention shall be declared null and void if it is proven that the contractual, legal and regulatory assumptions for its decree were not observed, in which case the execution of the works and services **Subject Matter** of the **Concession** and the **Concession Assets** shall immediately return to the **Concessionaire**, without prejudice to the rendering of accounts

by the intervenor and the recomposition of the economic-financial balance of **Agreement** if applicable.

- 46.7. Once the intervention ceases, if the **Concession**, is not extinguished, the services Subject Matter of the **Agreement** shall return to the responsibility of the **Concessionaire**, and the intervenor must account for his actions.
- 46.8. The **Concessionaire** undertakes to make the **Roadway System** and the other **Concession Assets** available to the **Government** immediately after the decree of intervention.
- 46.9. Revenues earned during the intervention period will be used to cover the investments, costs and expenses necessary to restore the **Roadway System** to normal operation.
- 46.9.1. If the revenues referred to in Clause 46.9 above are not sufficient to cover the value of the investments, costs and expenses arising from the **Concession** incurred by the **Government**, the Government may rely on the **Performance Bond** to cover them, in whole or in part; and/or deduct, from any future remuneration to be received by the **Concessionaire**, the value of the investments, costs and expenses it has incurred.

CHAPTER 13 - TERMINATION OF THE AGREEMENT

CLAUSE 47 - HYPOTHESES OF TERMINATION

- 47.1. The **Concession** shall be terminated, observing the legal, contractual and regulatory norms in effect, by:
- 47.1.1. advent of the contractual term;
- 47.1.2. nationalization;
- 47.1.3. lapse;
- 47.1.4. annulment;
- 47.1.5. termination;

- 47.1.6. bankruptcy or closure **Concessionaire**.
- 47.2. In the event of termination of the **Concession**, the **Government** may:
- 47.2.1. Immediately take over the execution of the works and services that are the **Subject Matter** of the **Concession**, at the location and in the state they are in, or delegate such services directly to **Future Operator**, depending on the case;
 - 47.2.2. Occupy and use the locations, facilities, equipment and materials employed in the performance of the works and services that are the **subject matter** of the **Concession**, necessary for its continuity; and
 - 47.2.3. Hold and execute the **Performance Bond** to receive administrative fines and compensation for damages caused by the **Concessionaire**.
- 47.3. The **Government** may promote a new Call for Bids of the Subject Matter of the Agreement, assigning to the future winner the burden of paying the compensation owed by the **Granting Authority** directly to the Financers of the former Concessionaire, or directly to the latter, as the case may be.
- 47.4. Upon termination of the **Concession**, the **Reversible Assets** shall automatically revert to the **Government**, free and clear of any liens or charges, and all rights under the **Agreement**, shall cease to exist for the **Concessionaire**.
- 47.4.1. In the case of assets leased or rented by **Concessionaire**, and necessary for the operation and maintenance of the **Highway**, a **Future Operator** may, at its sole discretion, succeed **Concessionaire** in the respective lease or rental agreements for such assets.
- 47.5. In accordance with the terms and conditions established by the **Government**, third parties will be authorized to conduct field research when the end of the **Concession Term**, is approaching, for the purpose of conducting studies for the promotion of new bidding procedures, the execution of new works, or other purposes of public interest.
- 47.6. In any event of termination of the Concession, the **Regulator** shall initiate the **Final Adjustment**, to determine the amounts arising from contractual

fines, **Related Resources**, final revisions of the **Marginal Cash Flow**, eventual compensation to the **Concessionaire** and other sums due as a result of the Agreement.

- 47.7. The **Final Adjustment** procedure must be initiated within 2 (two) months after the end of the **Concession Term**, except in the case of termination, when it will be carried out in advance.
- 47.8. Eventual request for **Final Adjustment** by the **Concessionaire** shall be submitted within 1 (one) month after the termination of the **Concession Term**.
- 47.9. Once the **Final Adjustment** verification is completed:
- (i) if a claim is found in favor of the **Government** against the **SPE**, the **Regulator** shall require the **SPE**, to settle the claim, including through the execution of the **Performance Bond** of the **Agreement**;
 - (ii) if a claim is found in favor of the **SPE** with the **Government**, the appropriate procedures shall be followed for its settlement.
- 47.10. As soon as the total receipt of the payments resulting from the adjustments referred to in the previous sub-clause is proven, a **Final Adjustment and Settlement Document**, shall be signed, which shall characterize the **Agreement** fully executed, as well as its subject matter definitively accomplished and received.
- 47.11. Upon completion of the **Final Adjustment**, the **Regulator** shall forward to the **Depositary Bank** the **Final Adjustment Notice**.
- 47.12. Upon verifying the existence of a balance in favor of the **Concessionaire**, the **Regulator** shall issue a **Final Adjustment Notice** indicating the amount due to the Concessionaire and authorizing the **Depositary Bank** to transfer to the **Concessionaire's Unlimited Transaction Account**, up to the limit of the balance remaining in the **Concession Account**.
- 47.12.1. In the event of a remaining balance or credit in favor of the **Government**, the **Depositary Bank** shall transfer the calculated amount to the bank account indicated by the **Regulator**.

CLAUSE 48 - ADVENT OF AGREEMENT TERM

- 48.1. Upon termination of the **Concession**, the **SPE** shall be responsible for the termination of any Agreement inherent to the **Concession** entered into with third parties, except for those in which subrogation occurs, pursuant to sub-clause 43.5.2, assuming all charges, liabilities and burdens resulting therefrom.
- 48.1.1. The **SPE** shall assume all charges, liabilities, and encumbrances resulting from the Agreements entered into with third parties, including those that are subrogated, up to the limit of its liability.
- 48.2. The **SPE** shall take all reasonable measures and fully cooperate with the **Regulator** so that the services that are the **Subject Matter** of the **Concession** continue to be provided on a continuous and adequate basis, and shall make efforts to prevent and mitigate any inconvenience or risk to the health or safety of **Users** or third parties, or risk to the operation of the **Roadway System**.
- 48.3. Upon termination of the **Concession**, the reversion of the **Reversible Assets**, shall occur, without any right to compensation to the **Concessionaire** relating to investments linked to the **Reversible Assets**, pursuant to Clause 9.4.

CLAUSE 49 - GENERAL COMPENSATION RULES

- 49.1. In the hypothesis of early termination of the **Concession**, the **Concessionaire** shall be entitled to compensation from the **Government**, in accordance with art. 36 of Brazilian Federal Law No. 8987/95, which must cover, the portions of investments made and linked to **Reversible Assets**, not amortized or depreciated, that have been made to ensure continuity and timeliness of service.
- 49.2. Amounts eventually paid as grants for the exploitation of the **Highway System** will not be added to the indemnity, except in the hypothesis of closing of the contract.
- 49.3. The amount of the installments of the investments linked to **Reversible Assets** not yet amortized or depreciated shall be calculated from the intangible assets of the **Concessionaire**, and having as final term the date of the notification of the termination of the **Agreement** to the **Concessionaire**, in accordance with the Technical Interpretation ICPC 01 (R1),

pronouncements and related guidelines, and also the respective revisions, all issued by the Accounting Pronouncements Committee - CPC (for its acronym in Portuguese), properly updated according to the Brazilian Institute of Geography and Statistics' Broad Consumer Price Index - IPCA/IBGE (for its acronym in Portuguese) of the contractual year of the investment recognition until the contractual year of the compensation payment according to the toll fee rise rule.

49.4. The assets used in the provision of conservation, maintenance, monitoring and road operation services, as well as the road infrastructure itself under concession, shall be considered reversible, such as:

- (i) buildings, civil works, and improvements located on the **Roadway System**;
- (ii) machinery, vehicles and equipment;
- (iii) furniture and utensils;
- (iv) information technology equipment;
- (v) systems, their software and associated rights, transferable immediately, free and clear of any liens, alienation, guarantee, pledge or encumbrances of any nature;
- (vi) projects and studies related to improvements and capacity expansion of the Roadway System, approved by the **Regulator** , under the terms of the Agreement;
- (vii) valid environmental licenses; and
- (viii) direct expenses with expropriation and removal of interferences.

49.5. The assets dealt with in Clause 49.4 shall only be considered reversible:

- (i) if they contribute to the continued provision of public service, accruing future economic benefits to the **Roadway System**; and,

- (ii) as to the assets contemplated by items II to IV of Clause 49.4, if they are owned by the **Concessionaire** and have a remaining useful life, as provided for in the federal regulations concerning the annual depreciation rate of fixed assets for income tax purposes.

49.6. The assets passed on to the **Concessionaire** by the **Government** through the **Asset List Document** are considered reversible and not subject to compensation.

- 49.6.1. The assets referred to in Clause 49.5 shall cease to be reversible only when they have been dismantled with the prior authorization of the **Regulator**.

49.7. Compensation will not be made for amounts registered in the assets relative to:

- (i) construction revenue margin;
- (ii) advance payments to suppliers for services not yet performed;
- (iii) assets and rights that are to be ceded free of charge to the **Government** according to this **Agreement**;
- (iv) expenditures unrelated to the construction of **Roadway System** assets or acquisition of assets listed in Clause 49.4 re-operating costs, except those demonstrably representing future economic benefit to the **Roadway System**; and
- (v) investments in reversible assets carried out above fair market conditions.

49.7.1. The amounts referring to works in progress shall be compensated only if the assets provide future services to the road infrastructure, being discounted eventual costs to repair its deterioration.

49.7.2. The costs of loans related to compensable investments shall be capitalized, for the purposes of compensation, up to the date contractually established for making the infrastructure available for operation, and shall be capitalized up to the limit of the SELIC rate in effect at the time of the investment.

- 49.7.3. In the case of assets that may be indemnified as a result of Agreements with **Related Parties**, an evaluation of the terms and conditions of the agreements, their amendments, and of their execution shall be carried out, disregarding amounts transferred above inequitable market conditions, and the adversary and ample defense shall be ensured for the controversial party in a separate manner.
- 49.7.4. The depreciation or amortization rates used will be linear, considering the period between when the asset is available for use and its useful life.
- 49.7.5. The values of the assets subject to indemnity shall be adjusted by the **Brazilian Institute of Geography and Statistics' Broad Consumer Price Index - IPCA/IBGE(for its acronym in Portuguese)**, as from the date when the asset is available for use, up to the date of the early termination of the **Agreement**.
- 49.7.6. Once the compensable value of the reversible assets is defined, for the purposes of payment of the indemnity, possible existing economic-financial imbalances and other contractual and legal provisions shall be added and/or deducted, according to the type of incident contract termination.
- 49.7.7. From the compensation due to the Concessionaire, in any case of early termination, shall be compensated, always in the order of preference below:
- (i) The damage caused by **Concessionaire** to the State of Minas Gerais and to society;
 - (ii) Portion corresponding to the debit balance of the financings effectively applied in investments, which shall be paid directly to the **Financer the Government**, being authorized to pay the amounts due directly to the Financer, promoting its settlement;
 - a. The **Future Operator** can also succeed the **Concessionaire** in the financing Agreement, in the hypothesis of the previous sub-clause, by means of a debt assumption operation;

- b. The assumption of debt by the **Future Operator** shall be conditioned to the agreement of the **Financiers**;
 - (iii) Contractual fines imposed on the **Concessionaire** which have not been paid by the date of payment of the amount provided for in Clause 49.7.5; and
 - (iv) Any amounts received by the **Concessionaire** as insurance coverage in connection with the events or circumstances that gave rise to the declaration of forfeiture.
- 49.7.8. After the compensations provided for in this Agreement and there being a balance in the **Concession Account**, any compensation due to the **Concessionaire** shall be paid, at least partially, through the procedure described in Clause 49.7.9.

CLAUSE 50 - NATIONALIZATION OF THE CONCESSION

- 50.1. The **Government** may, at any time, take over the **Concession**, to meet duly justified public interest, by means of a specific authorizing law and previous payment of compensation to the **Concessionaire**, which shall be composed of the foreseen in Clause 49 and more:
- 50.1.1. investments that have been made by the **Concessionaire** to comply with its legal, regulatory and contractual obligations, not yet fully amortized or depreciated, deducting the remaining financial liens;
 - 50.1.2. release the **Concessionaire** from its obligations under financing Agreements it has entered into in order to comply with the **Concession's Subject Matter**, upon, as the case may be, prior assumption, before the creditor financial institutions, of the **Concessionaire's**, contractual obligations, particularly when the tariff revenue is used as collateral for the financing, or prior compensation of the **Concessionaire** from all debts remaining with the creditor financial institutions; and
 - 50.1.3. charges and burdens resulting from fines, rescission and indemnities due to employees, suppliers and other third-party creditors of the **Concessionaire**, including attorney's fees, as a result of the consequent rupture of the respective contractual ties entered into pursuant to the **Agreement**, and such amounts must be

compatible with those practiced in the market, especially in the case of **Related Parties**;

- 50.2. The payment made in the form established in this Clause shall correspond to the complete, general and unrestricted settlement with respect to what is owed by the **Government** as a result of the compensation for the nationalization of the concession, and the **Concessionaire** may not demand, administratively or judicially, any other compensation, including, for loss of profits and emergent damages.
- 50.3. The compensation must be disbursed by the exact time of the **Concession's** resumption.

CLAUSE 51 - CADUCITY

- 51.1. The **Government** may, upon the **Regulator's** proposal, decree the caducity of the **Concession** in the hypothesis of total or partial non-performance of the **Agreement**, observing the provisions in the legal, regulatory and contractual norms in effect, preceded by a competent administrative process.
- 51.2. The caducity of the **Concession** may be decreed in the following cases, without prejudice to the other hypotheses foreseen in this **Agreement**:
- 51.2.1. total or partial non-performance of the **Agreement** or repeated non-compliance with the deadlines for implementation and operationalization of the works and services foreseen in the PER;
 - 51.2.2. inadequate or deficient performance of the work and services that are the **Subject Matter** of the **Concession**, based on the **Performance Parameters** set forth in this **Agreement**;
 - 51.2.3. non-compliance with legal, regulatory and contractual provisions related to the **Concession**, which jeopardize the continuity of the works and services object of the **Concession** or the safety of **Users** or third parties;
 - 51.2.4. suspension of the service or concur to it, except in the case of unforeseeable circumstances and force majeure and other exceptions foreseen in the **Agreement**;

- 51.2.5. loss or impairment of the economic, technical or operational conditions necessary to maintain the adequate execution of the works and services **Subject Matter** of the **Concession**;
 - 51.2.6. non-compliance with final decisions that impose penalties for violations, within the due legal process;
 - 51.2.7. failure to comply with the **Regulator's** summons to regularize the execution of the works and services **Subject Matter** of the **Concession**, observing the due legal process;
 - 51.2.8. failure to comply with the **Regulator's** summons to, within 180 (one hundred and eighty) days, present the documentation relative to its fiscal and labor regularity;
 - 51.2.9. conviction by final and conclusive sentence for tax evasion, including social contributions;
 - 51.2.10. non-compliance with the obligation to maintain the full **Performance Bond of the Agreement** and the insurances required in this **Agreement**, and the eventual impracticability or unjustified difficulty in its execution by the **Regulator** or by the **Government**, in the hypotheses that give rise to execution;
 - 51.2.11. transfer of the **SPE's Corporate Control** without prior and express consent of the **Government**;
 - 51.2.12. occurrence of repeated opposition to the inspection exercise, non-compliance with the **Regulator's**, determinations, recidivism or disobedience to the operation rules, if the other penalties foreseen in this **Agreement** prove ineffective; and
 - 51.2.13. occurrence of deviation from the **Concessionaire's** corporate purpose.
- 51.3. The **Government** may not decree the caducity of the **Concession** in relation to the **Concessionaire's** default resulting from the events indicated in Clause 27 or caused by the occurrence of unforeseeable circumstances or force majeure.

- 51.4. The decree of caducity of the **Concession** shall always be preceded by the verification of the **Concessionaire's** contractual default in an administrative process, ensuring the rights to adversary proceedings and full defense, after exhausting the possibilities of dispute resolution foreseen in this **Agreement**, without prejudice to the imposition of the applicable contractual sanctions.
- 51.5. An administrative caducity process shall not be opened without prior notification to the **Concessionaire**, being given, in each case, a period of no less than 30 (thirty) working days to correct the faults and transgressions pointed out and to conform to the contractual terms.
- 51.6. After the deadline established in Clause 51.5 above has passed and the **Concessionaire** has not remedied the irregularities, the **Regulator** may propose to the **Government** the decree of forfeiture of the **Concession**.
- 51.7. Once the administrative proceeding is opened and the **Concessionaire's**, default is proven, the forfeiture shall be decreed by the Governor of the State of Minas Gerais, regardless of the payment of prior compensation to the **Concessionaire**
- 51.8. After the forfeiture is declared and the respective compensation that may be due to the **Concessionaire**, is paid, the **Government** shall not be held liable for any kind of charges, burdens, obligations or commitments with third parties or with employees of the **Concessionaire**, including labor and social security debts.
- 51.9. The compensation due to the **Concessionaire** in the event of expiration of the **Concession** shall be restricted to the value of the investments linked **Reversible Assets** not yet amortized or depreciated, as provided in Clause 49.
- 51.10. From the amount provided for the compensation due to the **Concessionaire** it shall also be deducted any amounts received by the **Concessionaire** as insurance coverage related to the events or circumstances that caused the declaration of caducity.
- 51.11. The decree of caducity of the **Concession** does not exempt the **Concessionaire** from the payment of compensation for damages it has caused to the **Government** or third parties, even if its effects have repercussions after the termination of the **Concession**.

51.12. The decree of caducity of the **Concession** may also entail:

- 51.12.1. the execution of the **Performance Bond of the Agreement**, for the reimbursement of fines and eventual damages caused to the **Government** or to the **Regulator**; and
- 51.12.2. the retention of eventual credits arising from the **Agreement**, up to the limit of the damages caused to the **Government** or to the **Regulator**.

CLAUSE 52 - RESCISSION

52.1. The **Concessionaire** shall notify the **Government** of its intention to terminate the **Agreement** in the event of non-compliance with the legal, regulatory and contractual obligations of the **Regulator** or the **Government**, through legal action especially brought for this purpose, under the terms provided for in the applicable legislation.

52.1.1. For the purposes of Clause 52.1 above, the works and services performed by the **Concessionaire** may only be interrupted or stopped after the final and unappealable court decision that decrees the termination of the **Agreement**.

52.2. The compensation due to the **Concessionaire**, in the event of the termination foreseen in this Clause, shall be equivalent to that applicable in case of termination and calculated as provided for in Clause 50.

52.3. For the purposes of the calculation indicated in sub-clause 52.2, it shall be considered the amounts received by the **Concessionaire** as insurance coverage related to the events or circumstances that caused the rescission.

52.4. The **Agreement** may also be terminated by consensus between the **Parties**, who shall share the expenses and costs arising from such termination.

CLAUSE 53 - ANNULMENT

53.1. The **Government** shall declare the nullity of the **Agreement**, preventing the legal effects it should ordinarily produce, in addition to dissolving those already

produced, if it verifies illegality in its formalization or in the **Competition**, observing the adversarial and ample defense principles.

53.2. In case the **Concessionaire** has not caused the cancellation, the compensation due by the **Government** shall be equivalent to that applicable in case of nationalization and calculated as provided for in Clause 49, discounting, however, any amounts received by the **Concessionaire** as insurance coverage related to the events or circumstances that caused the caducity.

53.3. In case the **Concessionaire** has caused the cancellation, the compensation due shall be equivalent to that applicable in case of expiration and calculated as provided for in Clause 49, discounting, however, any amounts received by the **Concessionaire** as insurance coverage related to the events or circumstances that caused the termination.

CLAUSE 54 - BANKRUPTCY OR EXTINCTION OF THE CONCESSIONAIRE

54.1. In the event of termination of the **Agreement** due to bankruptcy or extinction of the **Concessionaire**, the compensation due to the **Concessionaire** shall be equivalent to that applicable in case of forfeiture and calculated in the manner set forth in Clause 51.9.

54.2. The sharing of any net assets of the extinguished **Concessionaire** among its **Shareholder(s)** shall not take place until all obligations due to the **Government** and the **Regulator**, have been paid, the amounts have been transferred to the **Concession Account** and the issuance of a term of inspection by the **Regulator**, and the Regulator has issued an inspection report attesting to the condition of the **Concession Assets**.

CHAPTER 14 – REVERSION

CLAUSE 55 – REVERSIBLE ASSETS

55.1. Upon termination of the **Concession**, the **Reversible Assets** rights and privileges attached to the **Concession**, transferred or made available, pursuant to this **Agreement**, to the **Concessionaire**, or constructed, implemented or acquired by the **Concessionaire**, within the scope of the Concession, shall revert to the **Government** free and clear of any liens or encumbrances, regardless of any notices or formalities.

- 55.2. The reversion of **Reversible Assets** shall be free of charge and automatic, and the **Reversible Assets** shall be in adequate conditions of operation, use, maintenance, and conservation, as well as free and clear of any burdens, charges, residual value, taxes, obligations, or liens in any amount by the **Concessionaire**, with the characteristics and technical requirements that allow the full operation of the **Roadway System**.
- 52.1.1. **Reversible Assets** shall be in adequate conditions of conservation and operation, allowing the continuity of the services that are the **Subject Matter** of the **Concession** for a minimum additional period of 3 (three) years as of the date of termination of the **Concession** except for those with a shorter useful life.
- 55.3. Any cost with investments tied to the **Reversible Assets** shall be amortized and depreciated before the end of the **Concession** term, and the **Concessionaire** has no right to compensation in this case.
- 55.3.1. In the event of early termination of the **Agreement**, the **Concessionaire** shall be entitled to compensation for any investments in **Reversible Assets** not yet amortized or depreciated, calculated as provided in Clause 49.
- 55.4. All information about **Reversible Assets**, including description, condition and remaining life span, shall be included in Appendix 1 - **Asset List Document**, which shall be updated throughout the **Concession Term**.
- 55.4.1. In the event of nonconformity between the **Asset List Document** and the effective situation of the **Reversible Assets**, the **Concessionaire**, shall, if such difference is to the detriment of the **Government**, adopt all reasonable measures, including the acquisition of new assets or performance of works, to deliver the **Reversible Assets** in the same conditions provided for in the **Asset List Document**.
- 55.5. If the reversion of the **Reversible Assets** does not occur under the conditions set forth herein, the **Concessionaire** shall compensate the **Government**, such compensation to be calculated in accordance with applicable law, without prejudice to applicable sanctions and the enforcement of any insurance and **Performance Bond**.

CLAUSE 56 – DEMOBILIZATION

56.1. The **Concessionaire** shall submit to the **Regulator's**, approval, at least three (3) years before the contractual term, the **Demobilization Plan**, which shall provide for the procedure through which the **Demobilization** and the reversion of the **Reversible Assets** shall be performed, without interruption in the provision of the **Subject Matter** of the **Concession**.

56.1.1. In case the **Concession** is terminated due to any other event other than the advent of the contractual term, the **Concessionaire** shall also submit a **Demobilization Plan**, within thirty (30) days from the receipt of the notification of termination of the **Agreement**, in addition to adopting the necessary measures so that the reversion of the **Reversible Assets** occurs promptly and adequately, without any interruption in the provision of the services **Subject Matter** of the **Agreement**.

56.2. The **Demobilization Plan** for the **Roadway System** shall include, as a minimum, the following information

56.2.1. the form of reversion of **Reversible Assets**;

56.2.2. the state of preservation and depreciation of **Reversible Assets**;
and,

56.2.3. transition of the provision of the **Subject Matter** of the **Agreement** to the **Government** or the **Future Operator**.

56.3. At the end of the **Agreement**, the **Regulator** shall inspect the equipment and installations which are part of or linked to the **Concession** and draw up the **Definitive Receipt of Assets** of its operation, after which the **Concessionaire** shall transfer to the **Government** or **Future Operator** the operation of the **Highway**.

56.3.1. If any irregularity is found in the inspection carried out by the **Regulator**, it shall issue a Provisional Receipt of Assets Statement and set a deadline for the **Concessionaire**.

56.3.2. After the period mentioned in Clause 56.3.1 above has elapsed, the **Regulator** shall conduct a new inspection, and, if the **Reversible**

Assets are in the conditions required in Clause 55, the **Regulator** shall issue the Definitive Receipt of Assets.

- 56.4. Final receipt of the **Roadway System** does not exclude civil and ethical-professional responsibility arising from the provision of the service subject matter of this **Agreement**, within the limits established by law.
- 56.5. With the **Roadway System Demobilization Plan**, the transition and reversion should occur smoothly and the operation of the **Roadway System** should not be hindered.
- 56.6. The failure by the **Concessionaire** to present the **Demobilization Plan** shall be considered a serious violation, resulting in the application to the **Concessionaire** of the applicable penalties.

CLAUSE 57 – TRANSITION

- 57.1. The transition is composed of Transition A and Transition B, procedures foreseen in Appendix 12 and Appendix 13, respectively, which aim to facilitate the assumption of the Roadway System operation and the transfer of the **Reversible Assets**, as well as to guarantee the quality, continuity, and timeliness of the service provision.
- 57.1.1. Transition A considers the interaction between **Concessionaire** and **Government** is intended to facilitate the assumption of the **Roadway System** operation.
- 57.1.2. Transition B considers the interaction between the **Concessionaire** and the **Government** or **Future Operator** at the end of the **Concession**.
- 57.2. Without prejudice to the provisions contained in the **PER**, the obligations of the **Concessionaire**, for the proper operation of the transition of the system to the **Government** or **Future Operator** are:
- 57.2.1. Provide documents and contracts related to the Subject Matter of the **Concession**;

- 57.2.2. Make available operational documents relating to the subject matter of the **Concession**;
- 57.2.3. Provide all other information about the **Roadway System's** operation;
- 57.2.4. Cooperate with **Future Operator** and/or the **Government** for the proper transmission of knowledge and information;
- 57.2.5. Allow monitoring of the **Roadway System** operation and the **Concessionaire's** regular activities by the **Government** and/or the **Future Operator**;
- 57.2.6. Promote training of **Government** and/or **Future Operator** personnel regarding **Roadway System** operation;
- 57.2.7. Collaborate with the **Government** or **Future Operator** in the preparation of any reports required for the transition process;
- 57.2.8. Appoint professionals in the relevant areas of expertise for operational transition during the assumption of service by the **Government** or **Future Operator**;
- 57.2.9. Provide physical space to accommodate the working groups of the **Government** and/or the **Future Operator**, during this period;
- 57.2.10. Assist in workforce planning;
- 57.2.11. Interact with the **Government**, a **Future Operator** and other actors and agents involved in the operation of the **Roadway System**.

CHAPTER 15 - DISPUTE SETTLEMENT

CLAUSE 58 - AMICABLE SETTLEMENT OF DISPUTES

- 58.1. The parties shall use their best efforts to amicably resolve any disagreement or conflict of interest that may arise as a result of this **Agreement**, using the principle of good faith, through direct negotiation.
- 58.2. In the occurrence of divergence or conflict of interest under the terms of this Clause, the interested **Party** shall notify the other **Party** in writing, presenting all its allegations about the divergence or conflict of interest, which shall also be accompanied by a suggestion for its solution and/or elucidation.
- 58.3. The notified **Party** shall have a period of ten (10) working days from the receipt of the notification to respond whether it agrees with the proposed solution or elucidation.
- 58.4. If the notified **Party** agrees with the solution or elucidation presented, the **Parties** shall put an end to the disagreement or conflict of interest and take the necessary measures to implement what has been agreed upon.
- 58.5. If it does not agree, the notified **Party** shall submit to the other **Party**, also within ten (10) business days, the reasons why it disagrees with the solution or elucidation presented, and shall, in this case, submit an alternative proposal for the case.
- 58.6. The adoption of the procedures indicated in the previous Clause and respective sub-items does not exempt the **Parties** from following up and complying with their contractual obligations, and it is the **Parties'** duty to ensure the continuity of the provision of services and the compliance with the construction schedules.
- 58.7. The stoppage of the works or services shall only be admitted when the object of the divergence or conflict of interest implies risks to the safety of people and/or the enterprise, obtaining, whenever possible without compromising safety, the consent of the **Regulator** prior to the stoppage.
- 58.8. The self-composition of the conflict can also occur before the Chamber for the Prevention and Administrative Resolution of Conflicts (CPRAC-AGE, for its acronym in Portuguese), created by the State Complementary Law no. 151/2019, or by mediation, pursuant to Law no. 13140/15, or even, by means of an agreement signed in court or arbitration.

CLAUSE 59 - ARBITRATION

- 59.1. The **Parties** undertake to settle by arbitration the controversies and/or disputes arising out of or in connection with the Agreement and/or any Agreement, documents, Appendices or agreements related thereto, which have not been settled amicably, pursuant to this Agreement.
- 59.2. Issues related to unavailable rights, such as the nature and public ownership of the service granted and the power to supervise the Operation of the delegated service, as well as the request for termination of the Concession Agreement by the Concessionaire, cannot be the object of arbitration.
- 59.3. The submission to arbitration, pursuant to this Clause, does not exempt the **Parties** from the obligation to fully comply with this **Agreement** and its **Appendices**, nor does it allow the interruption of the activities related to the **Concession**, subject to the provisions of this **Agreement**.
- 59.4. The **Parties** that request the commencement of the arbitration procedure must indicate, at the time of the presentation of their claim, the chamber responsible for the administration of the dispute, which should be chosen under the terms of State Law No. 19477/2011.
- 59.5. The arbitration procedure shall observe the Regulation of the adopted Arbitration Chamber, as well as the provisions of Federal Law No. 9307/96 and State Law No. 19477/2011, and the provisions contained in this **Agreement**.
- 59.6. The **Arbitration Court** shall be composed of 03 (three) members appointed according to the regulations of the arbitration chamber and State Law No. 19477/2011.
- 59.7. The **Arbitration Court** shall be installed in the city of Belo Horizonte, State of Minas Gerais, and may meet in any location, provided that the **Parties** are notified.
- 59.8. The arbitration shall be held in Portuguese, in accordance with the substantive law of Brazil, and technical documents written in other languages

may be used, with a sworn translation only in case of disagreement of the **Parties** as to their meaning.

59.8.1. At the request of the **Concessionaire** and with the consent of the **Government** or **Regulator**, the arbitration may be partially bilingual, with decisions being produced in English and Portuguese or other foreign language versions.

59.8.2. In the event the arbitration is partially bilingual, the **Concessionaire** shall bear the expenses related to the translation of the documents, even when the translated materials result from acts performed by the **Government**, and these costs shall not compose the procedural costs and expenses for the purpose of defeasance.

59.8.3. In case of divergences between the content of decisions or documents in the Portuguese and foreign language versions, the content of the versions in Portuguese shall prevail.

59.9. The substantive law to be applied to the merits of the arbitration shall be Brazilian law, and the **Arbitration Court** may not rely on equity in its decisions related to this **Agreement**.

59.10. The **Parties** may request coercive, precautionary, or emergency measures from the Judiciary Branch **Arbitration Court** is constituted.

59.11. If the regulations of the chosen arbitration chamber, pursuant to Clause 59.4, admit the request for coercive, precautionary, or emergency measures prior to the constitution of the **Arbitration Court**, the parties may apply to it.

59.12. Once the **Arbitration Court**, is constituted, its jurisdiction is exclusive for the examination of requests for coercive, precautionary, or emergency measures.

59.13. The arbitration award shall be considered a final decision in relation to the dispute between the **Parties**, unappealable and binding between them.

59.14. The proceedings of the arbitration process shall be public, except in the cases of secrecy resulting from the law, under seal, corporate or industrial secrecy, or when indispensable to the security of society and of the State.

- 59.15. Any of the **Parties** may appeal to the jurisdiction of the Judicial District of Belo Horizonte, State of Minas Gerais, to settle any controversy not subject to arbitration, as well as promote the execution of provisional remedy, preliminary injunction or the decision rendered by the **Arbitration Court**.
- 59.16. The **Parties** recognize that the decisions made by the **Arbitration Court** can be regularly executed in Brazil, following the procedure for execution against the Public Treasury, and that the **Government** does not have any sovereign immunity that inhibits the execution.
- 59.17. The losing **Party** in the arbitration proceedings shall bear all the costs of the proceedings, including the fees of the arbitrators.
- 59.18. There shall be division of responsibility of the **Parties** for the payment of costs in case of reciprocal condemnation. The costs and expenses related to the arbitration procedure, when initiated, shall be anticipated by **Concessionaire** and, when applicable, shall be refunded according to a later final decision in an arbitration instance.

CHAPTER 16 - FINAL PROVISIONS

CLAUSE 60 - EXERCISE OF RIGHTS AND POWERS

- 60.1. The non-exercise, or the late or partial exercise of any right that the **Parties** are entitled to under this **Agreement**, does not imply a waiver, nor does it prevent its later exercise at any time, nor does it constitute novation of the respective obligation or precedent, except in cases of preclusion of the act.
- 60.2. Eventual modifications in the structure of the state government, including alteration, extinction, creation of agencies and entities in the scope of the State of Minas Gerais, will imply subrogation of the competencies defined in this Agreement, with which the **Concessionaire** expressly agrees, through the execution of this **Agreement**.
- 60.2.1. The Transport Regulation Commission will exercise the powers of the **Regulator**, pursuant to SEINFRA/DER Joint Resolution No. 004, April 5, 2021, and, in the event of a gap, the provisions of State Decree No. 47767/2019 and State Law No. 23304/2019, or another that may replace it, shall apply.

CLAUSE 61 - PARTIAL INVALIDITY

61.1. If any provision of this **Agreement** shall be held or declared void, invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained in the **Agreement** shall not in any way be affected or impaired thereby.

61.1.1. The **Parties** shall negotiate in good faith to replace the invalid, illegal or unenforceable provisions with valid, legal and enforceable provisions whose economic effect is as close as possible to the economic effect of the provisions found to be invalid, illegal or unenforceable.

61.2. Every representation and bond made by the **Parties** in this **Agreement** shall be treated as an independent representation and bond, and the liability for any default shall be solely with the party making it and shall not be altered or modified by its knowledge by any of the **Parties**.

CLAUSE 62 - COMMUNICATIONS

62.1. Communications and notifications between the **Parties** shall be made in writing and mailed:

62.1.1. by hand, as long as it has been demonstrably filed;

62.1.2. by registered mail, with return receipt; or

62.1.3. by e-mail, followed by one of the above ways, to prove receipt of the communication.

62.2. For the purposes of sending communications, in the form of this Clause, the addresses indicated in the preamble of this **Agreement** are considered.

62.3. Either **Party** may change its address by simply notifying the other **Party**.

CLAUSE 63 – DEADLINE CALCULATION

63.1. In the deadlines established in days, in the **Agreement**, the starting day shall be excluded and the expiration day shall be included, counting in calendar days, unless business days are expressly mentioned.

63.2. Deadlines start and expire only on days when the **Government** is open.

CLAUSE 64 - LANGUAGE

64.1. All documents related to the **Agreement** and the **Concession** shall be written in Portuguese, or translated into Portuguese in the case of foreign documents.

64.2. In case of any conflict or inconsistency between versions, the Portuguese language version shall prevail.

CLAUSE 65 - INTELLECTUAL PROPERTY

65.1. The **Concessionaire** assigns to the **Government**, free of charge, all projects, plans, blueprints, documents, computer systems and programs and other materials, of any nature, which have been acquired or prepared in the development of the activities **Subject Matter** of the **Concession**, by the **Concessionaire** or by third parties contracted by it, and which are necessary for the performance of the functions incumbent upon the **Government** and the **Regulator** or for the exercise of the rights granted to it under the **Agreement**, or the continuity of the adequate provision of the services **Subject Matter** of the **Concession**.

65.2. The intellectual property rights over the studies and projects prepared for the specific purposes of the activities which are the **Subject Matter** of the **Concession**, as well as designs, plans, blueprints, documents and other materials referred to in Clause 65.1 above, shall be transmitted free of charge and on an exclusive basis to the **Government** at the end of the **Concession**, and the **Concessionaire** is responsible for adopting all necessary measures for this purpose.

CLAUSE 66 - VENUE

66.1. The jurisdiction of the Judicial District of Belo Horizonte, State of Minas Gerais, is hereby elected to settle any controversy arising out of this Agreement not covered by the arbitration clause and for precautionary measures prior to the constitution of the arbitration court.

IN WITNESS WHEREOF, the parties sign this Agreement in [•counter parties of equal content, each being considered an original copy.

