

**INTERNATIONAL COMPETITIVE BIDDING No. 001 / 2026**

**INTERNATIONAL COMPETITIVE BIDDING NO. 001 / 2026 FOR THE CONCESSION OF VEHICLE IMPOUNDMENT, CUSTODY, RETURN AND AUCTION PREPARATION SERVICES FOR VEHICLES IMPOUNDED BY TRAFFIC AUTHORITIES OF THE STATE OF SÃO PAULO.**

**DRAFT CONTRACT**

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**CONCESSION CONTRACT No. [●]/202[●]**

On the [●] day of [●], [●], by this instrument:

On one side, as GRANTING AUTHORITY, the STATE of São Paulo, through the SECRETARIAT OF PARTNERSHIPS AND INVESTMENTS – SPI, agency of the Direct Public Administration of the State of São Paulo, headquartered in the State of São Paulo, in the City of São Paulo, at Rua Iaiá, No. 126, Itaim Bibi, ZIP Code 04542-060, herein represented by the Secretary of Partnerships and Investments, Mr. [●], holder of ID No. [●] and registered with CPF/MF under No. [●], appointed by Governor's Appointment Decree, published in DOE/SP on [●] of [●] of [●] and, on the other side, as CONCESSIONAIRE, [●], corporation, headquartered in the State of São Paulo, in the City of [●], at [●], registered with CNPJ/MF under No. [●], herein represented by its [●], Mr. [●], holder of ID No. [●] and registered with CPF/MF under No. [●], whose powers derive from its Bylaws, with the intervening consent of the DEPARTMENT OF TRAFFIC OF THE STATE OF SÃO PAULO, registered with CNPJ under No. 15.519.361/001-16, with headquarters at Rua João Brícola, No. 32, Centro, São Paulo, herein represented by its General Director, Mr. [●], holder of ID No. [●] and CPF No. [●], hereinafter referred to simply as DETRAN/SP; the DEPARTMENT OF HIGHWAYS – DER/SP, autonomous agency linked to the State Secretariat of Environment, Infrastructure and Logistics of São Paulo – SEMIL, with headquarters at Avenida do Estado, No. 777, Ponte Pequena, ZIP Code 01107-901, in the City of São Paulo, in the State of São Paulo, herein represented by its Superintendent, holder of ID No. [●] and CPF No. [●], hereinafter referred to simply as DER/SP; and the REGULATORY AGENCY FOR PUBLIC SERVICES OF THE STATE OF SÃO PAULO – ARSESP, autonomous agency of special regime created by State Supplementary Law No. 1.025/2007, registered with CNPJ/MF under No. 02.538.438/0001-53, with headquarters at Rua Cristiano Viana, 428, Cerqueira César, São Paulo/SP, herein represented by its President Director, Mr. [●], holder of ID No. [●] and registered with CPF/MF under No. [●].

**WHEREAS:**

- a) The PPI-SP Committee, composed of the Management Council for Public-Private Partnerships – CGPPP, established pursuant to State Law 11.688/2004, and the Steering Council of the State Privatization Program – CDPED, established pursuant to State Law No. 9.361/1996, included the CONCESSION within the scope of the State of São Paulo Investment Partnerships Program (PPI-SP), established by State Decree No. 67.443/2023, at the 6th Meeting of the State of São Paulo Investment Partnerships Program (PPI-SP), referring to the 42nd Joint Ordinary Meeting, concerning the 278th Ordinary Meeting of the Steering Council of the State Privatization Program, established pursuant to State Law No. 9.361, of 05/07/1996, and the 125th Ordinary Meeting of the Management Council of the State Public-Private Partnerships Program, established pursuant to State Law 11.688, of 19/05/2004, held on 19/05/2024;
- b) State Decree No.70.337, of January 12, 2026 authorized the CONCESSION and approved the CONCESSION Regulation contained in ANNEX A;

- c) In order to give effect to this decision, after analyzing all the contributions received in the PUBLIC HEARING AND PUBLIC CONSULTATION, the necessary adjustments were made and those pertinent were inserted in the final documents, so that the Granting Authority proceeded to hold a tender process through the NOTICE OF INTERNATIONAL COMPETITIVE BIDDING No. 001/2026 authorized by the PPI-SP Committee within the scope of the 19<sup>a</sup> Ordinary Meeting of the PPI-SP, held on December 10, 2025 ;
  
- d) INTERNATIONAL COMPETITIVE BIDDING No. 001/2026 had as the WINNING BIDDER of LOT [●] [●], according to a decision published in DOE/SP, on [●], and, as a result, the SPECIAL PURPOSE COMPANY that signs this CONTRACT as a CONCESSIONAIRE was constituted;
  
- e) That all the conditions precedent to the signing of the CONTRACT, provided for in the NOTICE, have been fulfilled; and, finally,

The PARTIES, qualified above, resolve, by mutual agreement, to sign this CONTRACT, which will be governed by the clauses and conditions set forth herein.

## **CHAPTER I – GENERAL PROVISIONS**

### **1. CLAUSE ONE – DEFINITIONS**

1.1. For the purposes of this CONTRACT and ANNEXES, unless expressly provided otherwise, the terms, phrases and expressions, when used and written in uppercase or with initial capital letters, shall be understood and interpreted in accordance with the meanings set forth in ANNEX I, and may be used in both plural and singular, without any change in meaning.

### **2. CLAUSE TWO – INTERPRETATION OF THE CONTRACT**

2.1. For the purposes of this CONTRACT, except in cases where there is an express provision to the contrary:

- I. all references in this CONTRACT to designate Clauses or other subdivisions refer to Clauses or other subdivisions of the body of this CONTRACT, except when expressly provided otherwise;

II. pronouns of both genders shall be understood as encompassing, as applicable, other pronominal forms;

III. all references to this CONTRACT or any other documents related to this CONCESSION shall be understood as covering any changes or amendments that may be entered into between the PARTIES;

IV. all references made to legislation and regulations shall be understood as those in force at the time of the specific case, applicable to it, from any sphere of the federation, and considering any amendments thereto;

V. the use in this CONTRACT of the term “including” means “including but not limited to”;

VI. all deadlines established in this CONTRACT shall be understood as considering calendar days, unless the use of business days is expressly indicated. When the deadlines end on weekends, holidays or days when there is no working hours in the PUBLIC ADMINISTRATION, the deadline will be automatically postponed to the first subsequent business day;

VII. the terms counted in months will always follow the calendar months, being computed from the day following the initial milestone until the corresponding day of the subsequent month, and so on. In cases where there is no day corresponding to the beginning of the term, it will end on the first subsequent day;

VIII. references to the CONTRACT refer both to this document and to the other documents that appear as ANNEXES, respecting the rules of interpretation established in this Clause;

IX. the headings of the clauses of this CONTRACT and the ANNEXES shall not be used in their application or interpretation.

2.2. Disputes that may exist in the application or interpretation of the provisions or documents related to this contract will be resolved as follows:

I. it will be considered, first of all, the wording of this CONTRACT, which will prevail over all other documents of the contractual relationship; and

II. secondly, the wording of the ANNEXES will be considered, and in case of divergences between them, the ANNEXES will prevail according to the following order: ANNEXES I, A, B, C, D, E, F, G, H and B3 PROCEDURES MANUAL.

2.3. The interpretation and application of contractual provisions shall:

I. be consistent with the socioeconomic function of the CONTRACT, to the detriment of the literal sense of the language;

II. prioritize the search for an equitable result for both PARTIES from an economic and financial point of view;

III. observe the initial risk allocation of this CONTRACT;

IV. value the context of the execution of the CONTRACT and the purposes pursued by the PARTIES;

V. consider the set of contractual provisions, instead of the isolated interpretation of specific clauses; and

VI. privilege objective good faith and the spirit of collaboration between the PARTIES.

### **3. CLAUSE THREE – APPLICABLE LEGISLATION AND GENERAL CONDITIONS OF THE CONTRACT**

3.1. This CONTRACT is governed by the rules set forth in the body of this text and its ANNEXES, as well as by Federal Law No. 8.987/1995, by State Law No. 7.835/1992, by State Law No. 9.361/1996, State Complementary Law No. 1,413/2024, Decree No. 67,443/2023, and, in the alternative, by Federal Law No. 14.133/2021, in addition to the other rules governing the matter.

3.2. Unless otherwise provided in this CONTRACT, August 2025 is considered as the base date for the amounts expressed in this CONTRACT, which, as the case and pertinence, will be updated according to the variation of the IPCA/IBGE or other index that may eventually replace it.

#### **4. CLAUSE FOUR – ANNEXES**

4.1. The following annexes are part of this CONTRACT, for all purposes:

<b>ANNEX</b>	<b>DESCRIPTION</b>
<b>A</b>	Concession Regulation
<b>B</b>	Terms of Reference
<b>C</b>	Performance Indicators
<b>D</b>	Guidelines for hiring the Independent Verifier
<b>E</b>	Technology Platform Requirements
<b>F</b>	Inspection and Penalties Booklet
<b>G</b>	Area of Coverage of Lots
<b>H</b>	Tripartite Agreement
<b>I</b>	Glossary

## **CHAPTER II – CONCESSION**

### **5. CLAUSE FIVE – PURPOSE OF THE CONCESSION**

5.1. The object of this CONTRACT is the CONCESSION of an IMPOUNDMENT SERVICE, CUSTODY SERVICE and AUCTION PREPARATION SERVICE for vehicles impounded by order of traffic authorities of the State of São Paulo, pursuant to the provisions of this CONTRACT and ANNEXES, in addition to exploitation of ANCILLARY REVENUES.

5.2. The exploitation of the SERVICES includes, under the terms of this CONTRACT and its ANNEXES:

I. The registration and control of all calls for SCHEDULED OPERATIONS or URGENT OPERATIONS, with the CONCESSIONAIRE'S OPERATING ENVIRONMENT, according to the specifications in ANNEX B;

II. The implementation of the YARDS and the MANAGEMENT AND MONITORING CENTER, in order to comply with the PERFORMANCE INDICATORS, and to ensure their permanent updating and modernity, with operation, maintenance and economic exploitation of the YARDS throughout the term of the CONTRACT; and

III. The supply of the goods and services necessary to fulfill the obligations object of the CONTRACT.

5.3. This CONCESSION presupposes the provision of ADEQUATE SERVICE, considering as such the satisfaction of the conditions of regularity, efficiency, safety, timeliness, generality, courtesy, equity, continuity and moderation of TARIFFS, under the terms of this CONTRACT, as well as in the relevant legislation.

5.4. For the performance of the purpose hereof, the CONCESSIONAIRE shall be entitled to receive compensation for the operation of the SERVICES, upon collection of amounts from the CITIZEN-USERS, subject to the guidelines of this CONTRACT, ANNEXES and applicable legislation.

5.5. Throughout the CONCESSION TERM, as determined by the CONCESSIONING AUTHORITY, or by agreement between the PARTIES, the CONTRACT may include the COLLECTION SERVICE, CUSTODY SERVICE, and AUCTION PREPARATION SERVICE under the jurisdiction of State Public Administration agencies and entities not included in the scope referred to in Clause 5.1. .

5.5.1. Services that fall under the jurisdiction of municipal agencies and entities may also be included in the scope of the CONCESSION, provided that their execution has been previously assigned by the Municipality to the State of São Paulo.

5.5.2. If the inclusions referred to in Clauses 5.5 and 5.5.1 are made by unilateral decision of the GRANTING AUTHORITY, the CONCESSIONAIRE shall be guaranteed the right to economic and financial rebalancing of the CONTRACT, whenever the assumption of such services implies a change in the economic-financial, technical, or operational conditions of the CONTRACT.

5.5.3. In any case, inclusion must be previously authorized by the authority representing the GRANTING AUTHORITY and formalized by means of an Addendum, which shall regulate, if applicable, the manner and conditions under which the economic and financial balance will be restored, in accordance with the rules set forth in this AGREEMENT, and the REMOVAL and CUSTODY of any vehicles not covered by the scope of the CONCESSION shall be deemed improper.

## **6. CLAUSE SIX – TERM OF THE CONCESSION**

6.1. The CONCESSION TERM is twenty-six (26) years, counted from the CONTRACT SIGNATURE DATE, subject to the provisions of this CONTRACT.

6.2. The CONCESSION TERM provided for in Clause 6.1 may be extended, exceptionally, at the sole DISCRETION of the GRANTING AUTHORITY, in the following cases, subject to the applicable legal limitations:

I. For the restoration of the economic and financial balance of the CONTRACT;

II. To ensure the continuity of the provision of SERVICES, provided that the economic and financial balance of the adjustment is preserved, in the event that the conclusion of a new tender process for the CONCESSION of services is not achieved, prior to the end of the CONCESSION TERM, pursuant to article 16 of State Law No. 16.933/2019; or

III. By discretionary decision of the GRANTING AUTHORITY, to include investments not provided for in the CONTRACT and ANNEXES, pursuant to articles 4 et seq., of State Law No. 16.933/2019, subject to the legal requirements required for early extension of the concession, provided that the economic and financial balance of the adjustment is preserved.

6.3. The CONTRACT may be terminated in advance, subject to the rules established by this CONTRACT, in the following cases:

I. On the initiative of either PARTY, if fortuitous event or force majeure events materialize, upon verification that the effects have compromised or may irreversibly compromise the operation of the CONCESSION;

II. On the initiative of the GRANTING AUTHORITY, in case of non-submission of the IMPLEMENTATION PLAN by the CONCESSIONAIRE, or refusal by the CONCESSIONAIRE to make corrections justifiably indicated by ARSESP, in the forms and deadlines specified in ANNEX B;

III. At the initiative of the GRANTING AUTHORITY, in the event of non-completion of the implementation of the MAIN YARDS, in the form and within the period specified in ANNEX B;

IV. At the initiative of either PARTY, in the event of a change in legislation or supervening judicial decisions that prevent the operation or CONCESSION of the SERVICES;

6.4. In the event of early termination as provided for in Clause 6.3, the payment of the indemnity will observe the rules provided for in Clause 42.

## **7. CLAUSE SEVEN – ESTIMATED CONTRACT VALUE**

7.1. The ESTIMATED CONTRACT VALUE is R\$ [●], according to the BASE DATE..

7.2. The ESTIMATED CONTRACT VALUE is merely referential, and cannot be invoked by either PARTY as a basis for claims to recompose the economic and financial balance of the CONTRACT or for any other purpose that implies its use as a parameter for indemnities, reimbursements and the like.

## **8. CLAUSE EIGHT – COMPENSATION**

8.1. The CONCESSIONAIRE'S remuneration will be composed of the revenue from CUSTODY TARIFFS, IMPOUNDMENT TARIFFS, AUCTION PREPARATION SERVICES REMUNERATION and ANCILLARY REVENUES, in accordance with the rules established in this CONTRACT and in ANNEX B.

8.2. The NET OPERATING REVENUE obtained by the CONCESSIONAIRE will serve as a calculation basis for the definition of the VARIABLE GRANT and the INSPECTION BURDEN.

8.2.1. NET OPERATING REVENUE is the sum of the revenues from the IMPOUNDMENT TARIFFS, the CUSTODY TARIFFS, and the REMUNERATION FOR AUCTION PREPARATION SERVICES, less the taxes levied on such revenue.

8.2.2. ANCILLARY REVENUES, including the taxes levied on them, do not compose the NET OPERATING REVENUE for purposes of calculating the VARIABLE GRANT and the INSPECTION BURDEN.

8.2.3. The amounts referring to the VARIABLE GRANT and the INSPECTION BURDEN will be levied on the CONCESSIONAIRE'S NET OPERATING REVENUE as provided for in Clauses 13 and 14.

8.3. Any losses incurred by the CONCESSIONAIRE, arising from the frustration of the expectation of revenue, or any other failure in the exploitation of the CONCESSION, cannot be invoked for the purpose of reviewing the CONTRACT or restoring its economic and financial balance, and the CONCESSIONAIRE, except for the risks allocated in this CONTRACT TO the Granting Authority, fully assume the risk of its execution.

## **9. CLAUSE NINE – TARIFF REVENUE AND AUCTION PREPARATION SERVICES REMUNERATION**

9.1. The impoundment services of the vehicles indicated by the TRAFFIC AUTHORITY AGENT and the custody of the vehicles impounded in YARDS will be remunerated by the payment of the IMPOUNDMENT TARIFFS and the CUSTODY TARIFFS by the CITIZEN-USERS.

9.2. In addition to the TARIFFS, the CONCESSIONAIRE will receive THE REMUNERATION OF the AUCTION PREPARATION SERVICES, corresponding to the amount levied per vehicle effectively sold, for the production of all acts necessary to carry out the auction, including, but not limited to, notifications and subpoenas, vehicle transport, photographic registration, valuation of goods, organization of visits by interested parties, as specified in ANNEX B.

9.2.1. The AUCTION PREPARATION SERVICES REMUNERATION will represent the entire cost in relation to the preparatory services provided by the CONCESSIONAIRE, which will be reimbursed under the terms of § 6 of article 328 of the Brazilian Traffic Code.

9.3. The values of the **TARIFFS** and the **AUCTION PREPARATION SERVICES REMUNERATION**, according to the **BASE DATE**, to be readjusted in the form of sub-clause 9.7, will be as follows:

Vehicle Type	Impoundment Tariff		Custody Tariff	Auction Preparation Services Remuneration
	Distance of up to 30 km	Distance over 30 km		
Light Vehicles	R\$400.00	R\$460.00	R\$ 70.00	R\$300.00
Motorcycles	R\$320.00	R\$368.00	R\$60.00	
Heavy Vehicles	R\$600.00	R\$690.00	R\$170.00	

9.4. There will be no remuneration to the **CONCESSIONAIRE**, by the **GRANTING AUTHORITY**, in any capacity.

9.5. Subject to the provisions of this **CONTRACT**, the **CONCESSIONAIRE** shall not be charged, under any circumstances, any amount in addition to the **TARIFFS** and **AUCTION PREPARATION SERVICES REMUNERATION** provided for in this Clause, without prejudice to the remuneration provided for as **ANCILLARY REVENUE**

9.6. In collecting the **TARIFFS** and the **AUCTION PREPARATION SERVICES REMUNERATION**, the **CONCESSIONAIRE** shall observe all the specifications presented in **ANNEX B**, such as values, hypotheses that authorize the collection, rounding rules and respective variations of the **TARIFF**, as well as the other relevant provisions.

9.7. Changes in **CUSTODY TARIFFS** and **IMPOUNDMENT TARIFFS**, including adjustments, after authorized by the **GRANTING AUTHORITY**, must be informed to the **CITIZEN-USERS** at least 30 (thirty) days in advance.

## **10. CLAUSE TEN – CALCULATION AND ADJUSTMENT OF REMUNERATION**

10.1. The **IMPOUNDMENT TARIFF**, **CUSTODY TARIFF** and **AUCTION PREPARATION SERVICES REMUNERATION** will be adjusted annually, considering the variation of the **IPCA/IBGE** in the period, with reference the **BASE DATE**, according to the rules established by **ANNEXES B** and **C**.

10.2. The first adjustment will be made in the month of February following the CONTRACT SIGNATURE DATE and the others will be made annually, from the date of the previous adjustment. In order to ensure the availability of the readjustment index to be applied, the readjustment must consider the index published in the second month prior to the date on which the readjusted amount should be in force.

10.3. In the extinction or modification of the index selected for the adjustment calculation, the index to be used must be the one that replaces it, and if no index automatically replaces the extinct or modified index, the CONCESSIONAIRE and the GRANTING AUTHORITY, with the support of ARSESP, by mutual agreement, will choose another index that best reflects the variation in the period.

## **11. CLAUSE ELEVEN – ANCILLARY REVENUES**

11.1. The CONCESSIONAIRE, under its sole responsibility, directly or indirectly, may explore alternative and complementary sources of revenue, aiming at obtaining ANCILLARY REVENUES, provided that previously authorized by ARSESP and that these activities do not compromise the quality standards necessary for the ADEQUATE SERVICE, as provided for in the rules and procedures of this CONTRACT and in the legislation in force.

11.2. Among the ANCILLARY REVENUES that may be exploited by the CONCESSIONAIRE are included, for example and without prejudice to any others not prohibited by this CONTRACT:

I. Revenues arising from the commercialization of advertising spaces in media, electronic or not, in the facilities under the responsibility of the CONCESSIONAIRE;

II. Revenues from the display and distribution of information in audio and video systems, cell phones, modems, communication devices, electronic totems or any other transmission or reception mechanisms;

III. Revenues arising from the custody of vehicles sent to the YARDS by third parties, provided that it does not impair the execution of the services properly, under the terms established in this CONTRACT and in ANNEX B;

IV. Revenues from partnerships with financial companies, credit operators, banks, financial agents, telecommunications operators and retail networks,

provided that they are compatible with the object of the CONCESSION and that they do not cause any damage to it;

- V. Towing services for insurers;
  
- VI. Rental of space for workshops and/or mechanics, for small repairs and/or bodywork;
  
- VII. Rental of space for snack bars and restaurants;
  
- VIII. Rental of space for car rental companies;
  
- IX. Other revenues applicable and permitted by the legislation in force.

11.2.1. ACCESSORY REVENUES are not part of the annual NET OPERATING REVENUE for VARIABLE GRANT payment purposes and must be accounted for separately by the CONCESSIONAIRE.

11.2.2. ACCESSORY REVENUES will not be considered to be those arising from investments in the financial market, the amounts received from insurance and indemnities or pecuniary penalties arising from contracts entered into between the CONCESSIONAIRE and third parties, except for any indemnities due by third parties to the CONCESSIONAIRE whose amounts would originally be considered as ACCESSORY REVENUES for the purposes of this CONTRACT.

11.2.3. Exploitation of advertising must comply with legislation in force and regulations of the National Council of Advertising Self-Regulation – CONAR, not offending morality and good customs, and may not have religious or political-party nature, or allude to any form of insult, discrimination or prejudice of any kind, including prejudices based on race, color, creed, gender, sexuality, social status or xenophobic nature.

11.3. ARSESP'S authorization to start the exploration of ANCILLARY REVENUES will not imply, by the GRANTING AUTHORITY or ARSESP, responsibility for the investments or guarantee regarding the estimated remuneration to be earned by the CONCESSIONAIRE.

11.4. For the purposes of this CONTRACT, ANCILLARY REVENUES are considered random, and its projection is the risk and responsibility of the CONCESSIONAIRE, which will not be entitled to the economic and financial rebalancing, nor to any indemnities for the investments made, even if the associated enterprise has been authorized by ARSESP, subject to the rules provided for in Clause 37.

11.5. In the exploitation of ANCILLARY REVENUES, the CONCESSIONAIRE will be responsible for any and all legal violations or offenses against specific regulations, before third parties and all competent inspection and regulation bodies, excluding ARSESP and the GRANTING AUTHORITY from any demand in this regard, unless the exploitation occurs jointly.

11.5.1. The CONCESSIONAIRE, in the exploration of ANCILLARY REVENUES, must observe the competitive legislation and the current rules of ARSESP and the GRANTING AUTHORITY whenever they require, restrict or condition the exploitation of certain activities, and must prohibit and refrain from discriminatory and abusive conduct, both in the exploration and in the remuneration of ANCILLARY REVENUES.

11.6. If interested third parties wish to explore any activities that generate ANCILLARY REVENUES, they must enter into a contract with the CONCESSIONAIRE, which will be governed by private law, and no legal relationship will be established between the third parties and ARSESP and the GRANTING AUTHORITY.

11.7. No agreement entered into between the CONCESSIONAIRE and third parties that aims to exploit ANCILLARY REVENUES under this CONTRACT may exceed the CONCESSION TERM.

11.8. For any new activity capable of generating ANCILLARY REVENUES that the CONCESSIONAIRE wishes to see exploited, at its own risk, it must, subject to the procedure indicated in Clause 37, previously request ARSESP'S consent, forwarding a copy of the drafts of all contracts to be entered into, and other relevant documents, and presenting and indicating, at least:

- I. The term of the contract(s);
- II. The source and estimated values of the ANCILLARY REVENUES to be generated from the operation of the activity or the complementary service, per year or by the act, when it is individualized;

III. The nature of the activity capable of generating ANCILLARY REVENUES, with a description of the object of the contract and the business model;

IV. The absence of any conflict and/or negative impact on the CONCESSION, with the exploitation of ANCILLARY REVENUE;

V. The prices to be charged and the periodic adjustment parameters;

VI. The commitment that any changes in the operation of the activity will be communicated and duly justified to ARSESP.

11.9. If ARSESP rejects the proposal to explore an activity capable of generating ANCILLARY REVENUES, it must do so in a reasoned manner, and may submit an alternative proposal for the exploration to be accepted.

11.10. The GRANTING AUTHORITY shall be entitled to share the exploration of ANCILLARY REVENUES, in the percentage of 5% (five percent) of the revenue net of taxes earned from the activity.

11.10.1. The amount referred to in Clause 11.10 shall be added to the amount due TO the Granting Authority as a VARIABLE GRANT.

11.11. All activities capable of generating ANCILLARY REVENUES, the exploitation of which is permitted under the terms of this CONTRACT, shall be explored with quality and efficiency, in view of their primary purpose of convenience in providing the ADEQUATE SERVICE.

11.12. All ANCILLARY REVENUES exploited must be recorded under the company name and national registration of the CONCESSIONAIRE'S legal entity, enabling audit by ARSESP at any time.

## **12. CLAUSE TWELVE – FIXED GRANT**

12.1. As a condition to the execution of this CONTRACT, the CONCESSIONAIRE or the SUCCESSFUL BIDDER(S), as governed by the NOTICE, made the payment of

the amount due as a FIXED GRANT, in the amount of R\$ [●], according to the BASE DATE

### **13. CLAUSE THIRTEEN – VARIABLE GRANT**

13.1. The CONCESSIONAIRE shall pay the GRANTING AUTHORITY the amount corresponding to the VARIABLE GRANT, which shall be levied on the NET OPERATING REVENUE at the rate of 2.5% (one and a half percent), eventually increased by the percentage resulting from the application of the OPERATIONAL PERFORMANCE FACTOR (FDO), on the NET OPERATING REVENUE calculated, as provided for in item 1.8 of ANNEX C – PERFORMANCE INDICATORS and in compliance with the sub-clauses below.

13.1.1. From the beginning of the CONCESSIONAIRE'S operation and during the first full year of operation (January to December), the percentage of 2.5% (one point five percent) will be applied exclusively, without any variation by performance, even if the indicators are already being monitored.

13.1.2. From the second full year of operation (January to December), the VARIABLE GRANT will be adjusted monthly, based on the results of the PERFORMANCE INDICATORS calculated in the previous year.

13.1.3. The performance of the CONCESSIONAIRE in the execution of the contractual object will be periodically evaluated by ARSESP, according to the rules established in ANNEX C.

13.2. The amounts of the VARIABLE GRANT will be deposited directly into a bankto be indicated by the Granting Authority, under its ownership and exclusive control, on a monthly basis, until the 15th of the month following the calculation.

13.3. At the end of each fiscal year, ARSESP will verify compliance with the completion without delays of the auctions of the vehicles prepared by the CONCESSIONAIRE.

13.4. The calculation carried out by the CONCESSIONAIRE will be supervised by ARSESP, with the support of the INDEPENDENT VERIFIER, and there may be

adjustments, upon technical justification, upwards or downwards in case of error in the calculation.

13.5. Failure to pay the VARIABLE GRANT on the due date will result in a fine of 2% (two percent) on the amount due, plus interest equivalent to the SELIC Rate, calculated pro rata die, the GRANTING AUTHORITY will execute the PERFORMANCE GUARANTEE, limited to the defaulted amount, as provided for in the CONTRACT.

13.6. If, due to the deadlines involved in the procedure established by this Clause, the VARIABLE GRANT needs to be paid without considering the result of the PERFORMANCE INDICATORS assessment, any difference in the amount of the VARIABLE GRANT shall be compensated together with the payment of the next VARIABLE GRANT due.

#### **14. CLAUSE FOURTEEN - INSPECTION BURDEN**

14.1. The CONCESSIONAIRE shall pay to ARSESP, throughout the CONCESSION TERM, the INSPECTION BURDEN of 0.5% (zero point five percent) on NET OPERATING REVENUE.

14.2. The amounts related to the INSPECTION BURDEN will be calculated and transferred monthly by the CONCESSIONAIRE to a bank account to be indicated by ARSESP from the reports issued through the TECHNOLOGICAL PLATFORM, especially the **CONCESSIONAIRE'S OPERATING ENVIRONMENT**, referred to in ANNEX E and any other sources of information regarding the economic and financial aspects of the CONCESSION.

14.3. The provisions of Clause 13.4.

#### **15. CLAUSE FIFTEEN – INDEPENDENT VERIFIER**

15.1. The CONCESSIONAIRE shall hire a company or consortium of companies to act as an INDEPENDENT VERIFIER until the date of submission of the IMPLEMENTATION PLAN, pursuant to ANNEX D, to:

- I. Support ARSESP in the annual evaluation of compliance with the PERFORMANCE INDICATORS of this CONTRACT, as provided for in ANNEX C;

II. Support ARSESP in the evaluation of the **IMPLEMENTATION PLAN** and in the inspection of the implementation of the **YARDS** by the **CONCESSIONAIRE**, by submitting reports in the form and deadlines requested by the agency.

III. Monthly audit the calculations carried out by the **CONCESSIONAIRE** on the amounts due as an **INSPECTION BURDEN** and the sharing of **ANCILLARY REVENUES**; and

IV. Audit annually the calculations made by the **CONCESSIONAIRE** on the amounts due as **VARIABLE GRANT**.

V. Support ARSESP in the evaluation of the **SYSTEM INTEGRATION AND GOVERNANCE PLAN**.

15.2. The reports to be produced by the **INDEPENDENT VERIFIER** regarding the **PERFORMANCE INDICATORS**, provided for in Clause 15.1, item I, shall be sent to the **CONCESSIONAIRE** and ARSESP annually, subject to the provisions of ANNEX C, 60 (sixty) days in advance of the date provided for in sub-clause 13.2.

15.2.1. The application of the **PERFORMANCE INDICATORS** with the corresponding adjustment, upwards or downwards, of the percentage due as a **VARIABLE GRANT**, will occur as provided for in ANNEX C.

15.2.2. The **CONCESSIONAIRE** will have a period of 20 (twenty) days, counted from the receipt of the report, to present its considerations regarding the calculation and verification of the **PERFORMANCE INDICATORS**.

15.2.3. Then, the ARSESP will have a period of 20 (twenty) days, counted from the communication of the **CONCESSIONAIRE**'s statement, to issue its decision in relation to the calculation and verification of the **PERFORMANCE INDICATORS** carried out by the Agency.

15.2.4. Disagreements regarding the final decision issued by ARSESP, with the support of the **INDEPENDENT VERIFIER**, may be submitted to the dispute settlement mechanisms disciplined in Chapter XI of this **CONTRACT**, without prejudice to the maintenance of the applicability of the **PERFORMANCE INDICATORS** as determined in the final version of the report, for the purpose of

paying the VARIABLE GRANT, until consensus is reached or, in the event of its failure, until an arbitration decision on the subject.

15.2.4.1. Any divergences regarding the report issued by the INDEPENDENT VERIFIER or regarding ARSESP'S decisions do not constitute an impediment to the payment of the VARIABLE GRANT by the CONCESSIONAIRE.

15.2.4.2. If, at the end of the dispute settlement procedure, there is recognition of any payment lower or higher than the due, the payment of part to PART must be regularized together with the payment of the next VARIABLE GRANT due, the amounts being readjusted by the variation of the IPCA/IBGE, between the date foreseen for the payment of the VARIABLE GRANT object of the dispute and the date on which the recognized difference is actually paid or received.

15.2.5. In addition to the annual report for determination of PERFORMANCE INDICATORS and calculation of VARIABLE GRANT, the INDEPENDENT VERIFIER must produce monthly reports to monitor SERVICE provision, to be submitted for acknowledgment and possible comments by ARSESP and the CONCESSIONAIRE.

15.3. The CONCESSIONAIRE and ARSESP may request, at any time, information or clarifications directly to the INDEPENDENT VERIFIER, and shall, in any event, forward a copy of the request to the other interested party.

15.4. The PARTIES declare that the activity to be performed by the INDEPENDENT VERIFIER shall consist of supporting ARSESP'S oversight of the CONTRACT and that, for this purpose, delivery of reports and analyses by the INDEPENDENT VERIFIER shall be made jointly and simultaneously to ARSESP and the CONCESSIONAIRE, and prior knowledge or approval of its content by ARSESP or the CONCESSIONAIRE may not be required as a condition for submission.

15.4.1. ARSESP and the CONCESSIONAIRE shall be assured full transparency to the opinions and reports issued by the INDEPENDENT VERIFIER.

15.5. The deliveries made by the INDEPENDENT VERIFIER do not eliminate or limit ARSESP'S supervisory and regulatory powers and competences, serving as technical subsidies to be used in the Agency's decision-making.

## **16. CLAUSE SIXTEEN – CONCESSION PROPERTY REGIME**

16.1. The CONCESSION ASSETS include:

I. The YARDS implemented, operated and maintained by the CONCESSIONAIRE, the headquarters of the SPE and all other areas used for the execution of the object of the CONCESSION, including, but not limited to, administrative areas, public service areas, inspection areas and others intended for the provision of SERVICES; and

II. Equipment necessary for execution of the CONCESSION object, including but not limited to impoundment equipment such as tow trucks (heavy, medium and light), car carriers, trucks or pickup trucks for motorcycle transport.

16.2. The CONCESSIONAIRE shall acquire or rent the goods necessary for the operation and operation of the services, including all spaces related to the CONCESSION such as YARDS, headquarters, administrative areas, public service areas, inspection areas and others intended for employees, fundamental to the provision of adequate services in the YARDS.

16.3. The CONCESSION ASSETS will not return to the GRANTING AUTHORITY upon termination of the CONCESSION, even in the event of early termination of the CONTRACT, and there is no right to indemnity to the CONCESSIONAIRE on such assets.

16.4. The possession, custody, maintenance and surveillance of the CONCESSION ASSETS are the responsibility of the CONCESSIONAIRE.

16.5. The CONCESSIONAIRE undertakes to maintain, in full conditions of use, conservation and safety, at its expense, the concession ASSETS, during the CONCESSION TERM, making, for this purpose, at its expense, the repairs, renovations and adaptations necessary to ensure the quality, up-to-dateness and good performance of the SERVICES.

## **CHAPTER III – OBLIGATIONS OF THE PARTIES, ECONOMIC AND FINANCIAL BALANCE AND REVIEW OF THE CONTRACT**

## **17. CLAUSE SEVENTEEN – MAIN RIGHTS AND OBLIGATIONS OF THE CONCESSIONAIRE**

17.1. The main rights and obligations of the CONCESSIONAIRE are, without prejudice to the other obligations expressed in this CONTRACT and in the ANNEXES, and the duty to comply with the PERFORMANCE INDICATORS, in accordance with the rules established in this CONTRACT:

17.1.1. Make the payment of 100% (one hundred percent) of the subscribed capital, in currency, until the end of the 1st year from the CONTRACT SIGNATURE DATE of the respective LOT;

17.1.2. Comply with and respect the clauses and conditions of this CONTRACT and its ANNEXES, the PRICE PROPOSAL presented and the related documents;

17.1.3. Maintain, during the execution of this CONTRACT, the necessary conditions for the fulfillment of the services object of the CONCESSION;

17.1.4. Promote the complete execution of the activities and services inherent to the CONCESSION, strictly obeying the technical recommendations contained in this CONTRACT, as well as in the instructions presented by the inspection and in the applicable legislation;

17.1.5. Submit, to the prior appreciation of ARSESP, any change in the technical and operational specifications that it intends to make, as well as any change in the IMPLEMENTATION PLAN, specifying, in the respective request, the reasons for the claim, as well as the improvements and advantages arising from any changes;

17.1.6. Inform ARSESP'S inspection of the occurrence of any acts, facts or circumstances that may delay or prevent the completion of the implementation of the YARDS within the period provided for in ANNEX B, suggesting measures to correct the situation;

17.1.7. Appoint and maintain a technical manager in charge of the work, with powers to represent it with ARSESP;

17.1.8. Provide full compliance with the demand, according to the conditions established in ANNEX B;

17.1.9. Be fully responsible for the identification and availability of the areas in which the implementation, operation and maintenance of the YARDS and other spaces related to the CONCESSION will occur, through the acquisition or lease of the properties necessary for the operationalization and operation of the SERVICES;

17.1.9.1. The GRANTING AUTHORITY shall not have any responsibility and shall not bear any cost related to the CONCESSIONAIRE'S obligation provided for in Clause 17.1.9.

17.1.9.2. In order to comply with the obligation provided for in Clause 17.1.9, the CONCESSIONAIRE must consider that the properties necessary for the implementation, operation and maintenance of the YARDS and other spaces related to the CONCESSION will not be subject to expropriations, vacancies or administrative easements made by the CONCESSIONAIRE, nor will they be subject to the issuance of declarations of public utility by the GRANTING AUTHORITY, ARSESP and the TRAFFIC AUTHORITY.

17.1.10. Submit, for approval by ARSESP, proposals for the implementation of improvements in services and the use of new technologies;

17.1.11. Maintain in force the PERFORMANCE GUARANTEE and the necessary insurance, as provided for in this CONTRACT;

17.1.12. Bear all costs necessary to enable its activities and possible sources of ANCILLARY REVENUES, as well as all taxes that may be levied on its activities;

17.1.13. Make the payment of the VARIABLE GRANT to the GRANTING AUTHORITY and the SUPERVISORY BURDEN to ARSESP, and other financial amounts eventually due as provided in this CONTRACT;

17.1.14. Promote the hiring of the INDEPENDENT VERIFIER;

17.1.15. Implement, sustain, maintain and make available the CONCESSIONAIRE'S OPERATING ENVIRONMENT, observing the requirements, deadlines and functionalities established in ANNEX E;

17.1.16. Present the IMPLEMENTATION PLAN and the SYSTEM INTEGRATION AND GOVERNANCE PLAN for ARSESP'S acceptance, pursuant to ANNEX E;

17.1.17. Provide all information requested by the Granting Authority or other public authorities, as well as by ARSESP, the TRAFFIC AUTHORITY or the INDEPENDENT VERIFIER, within the specified deadlines and periodicity, and ensure free access, at any time, to its facilities where activities related to the object of the CONCESSION are being carried out;

17.1.17.1. In the provision of information requested by ARSESP, the CONCESSIONAIRE shall be subject to ARSESP Resolution No. 1.690/2025, or another that replaces it.

17.1.18. Notify ARSESP when cited or summoned in any legal action, administrative or arbitral proceeding arising from matters related to the CONTRACT, including procedural terms and deadlines, as well as use best efforts in defending common interests, performing all applicable procedural acts for this purpose, and keep the GRANTING AUTHORITY, ARSESP and the TRAFFIC AUTHORITY free from any litigation, assuming, when accepted by the Judiciary, the position of party, and, when procedural substitution is denied or joint liability is maintained, assuming conduct of the proceeding and representation in any legal actions brought by third parties as a result of the execution of the object of this CONTRACT;

17.1.19. Keep at the disposal of ARSESP, if required, a copy of the contractual instruments entered into by the CONCESSIONAIRE with third parties, related to the subcontracted services, as well as those related to obtaining revenues, investments, acquisitions and services related to the CONCESSION ASSETS, being prohibited the breach of this obligation in view of the allegation of confidentiality of the contractual instruments referred to, in which case the transfer of the respective confidentiality to those who have access will be ensured with the documentary delivery;

17.1.20. Inform all companies contracted to provide services related to the object of the CONCESSION, as relevant to the execution of the contracted scope, the provisions of this CONTRACT, as well as the rules applicable to the development of the activities for which they were contracted;

17.1.21. Reimburse, indemnify and hold the GRANTING AUTHORITY, the TRAFFIC AUTHORITY and ARSESP harmless from any determination, conviction or loss they may suffer by virtue of, among others, judicial, arbitral decisions or decisions of bodies and entities with supervisory or regulatory competence of any kind, even if increased by interest and legal charges, to

satisfy obligations under the responsibility of the CONCESSIONAIRE, including labor claims brought by employees or third parties linked to the CONCESSIONAIRE, as well for the compensation of damages to CITIZEN-USERS, contractors or third parties, in addition to the respective procedural expenses, attorney's fees and other charges they may incur;

17.1.21.1. The CONCESSIONAIRE'S liability will last even after the CONTRACT is terminated, and ARSESP, the TRAFFIC AUTHORITY and the GRANTING AUTHORITY may seek reimbursement from the CONCESSIONAIRE'S partners, in accordance with corporate law, in the event of extinction of the legal entity.

17.1.22. Comply with legal determinations related to consumer, tax, labor, social security, safety and occupational medicine legislation;

17.1.23. Maintain accounting and financial statements audited by an independent auditor in accordance with accounting practices adopted in Brazil, in the standards issued by the Federal Accounting Council – CFC and in the Interpretations, Guidelines and Pronouncements of the Accounting Pronouncements Committee – CPC;

17.1.24. Not to offer, promise, give, authorize, request or accept, directly or indirectly, any undue advantage, pecuniary or of any nature, related in any way to the purpose of this CONTRACT, as well as not to practice harmful acts, infractions or crimes against the economic or tax orders, the financial system, the capital market or the PUBLIC ADMINISTRATION, national or foreign, of "laundering" or concealment of assets, rights and values, terrorism or terrorist financing, provided for in applicable national and/or foreign legislation;

17.1.25. Ensure the provision of SERVICES in an adequate manner to fully comply with the CITIZEN-USERS, without interruption, throughout the CONCESSION TERM, fully complying with and enforcing the CONTRACT, with zeal and diligence, using the best technique applicable to each of the tasks performed, in accordance with the legal and regulatory provisions, and the determinations of the GRANTING AUTHORITY and ARSESP;

17.1.26. Execute management services and programs, as well as provide training to its employees, with a view to improving services and the convenience of CITIZEN-USERS;

17.1.27. Establish a permanent ombudsman to receive and process the criticisms and suggestions of CITIZEN-USERS, observing, as appropriate, State Law No. 10.249/1999, as well as the Customer Service (SAC), according to ANNEX B, whose contact through telephone numbers and other electronic means will be published at least on the CONCESSIONAIRE'S digital platforms;

17.1.27.1. The CONCESSIONAIRE shall maintain a dialogue with the Ombudsman of ARSESP and the TRAFFIC AUTHORITY to deal with the manifestations of the CITIZEN-USERS, respecting the deadlines and procedures defined by the Agency.

17.1.28. Obtain in a timely and regular manner, maintain and renew, all licenses, authorizations, permits, among other necessary requirements from municipal, state or federal authorities that may be involved in the provision of services and making the investments due, including those related to compliance with environmental legislation, as well as maintain in force the environmental programs imposed by the environmental authority at any stage of licensing and comply with the determinations, conditions and mitigating measures established by the competent environmental agencies;

17.1.29. Obtain, apply and manage all financial resources necessary for the execution of the activities and services provided for in the scope of this CONTRACT;

17.1.30. Provide for the liability of its agents for damages they cause to third parties, to CITIZEN-USERS and, when applicable, to the Government, ensuring the right of recourse against the person responsible in cases of intent or guilt;

17.1.31. Ensure the protection of the environment and notify the competent authorities, immediately and as soon as they become aware, of any occurrences in the exercise of their activities that endanger the environmental integrity of the YARDS;

17.1.32. Comply with and enforce environmental protection legislation, taking the necessary measures to prevent and/or correct any environmental damage, regardless of whether the taxable event was consummated before or after the signing of the CONTRACT;

17.1.33. Be responsible for the conduct of its employees and contracted third parties, regarding the safety of ongoing activities, determining the proper use of personal protective equipment and collective protective equipment, uniform and

badge, in the functions and conditions in which they are required, and instructing employees regarding their use and risks in the workplace;

17.1.34. Prioritize the hiring of local labor in the installation of the YARDS and other spaces related to the CONCESSION;

17.1.35. Carry out procedures that guarantee and promote opportunities for gender equality in the selection and remuneration of the labor employed in the provision of SERVICES;

17.1.36. Prioritize the use of electric vehicles and renewable energies to provide the SERVICES included in the CONTRACT; and

17.1.37. Comply, throughout the execution of the CONTRACT, with the reservation of at least 2% (two percent) of the positions for people with disabilities and for those rehabilitated by Social Security.

17.2. It is the special obligation of the CONCESSIONAIRE to promote and require, from all contractors for the development of activities integrated to the CONCESSION, that the rules of good conduct of the activities performed and special measures to safeguard the physical integrity of the population, as well as all personnel assigned to them, are observed.

17.3. The CONCESSIONAIRE assumes responsibility before the GRANTING AUTHORITY that only third parties who are duly licensed and authorized and who have adequate technical and professional capacity to do so will be hired to carry out activities integrated with the CONCESSION.

17.4. The CONCESSIONAIRE shall be subject, under the terms and conditions of the applicable legislation, to the tax and social security regime in force during the CONCESSION period, being obliged to timely pay all taxes levied on revenues earned under this CONTRACT, as well as social contributions and other charges to which it is subject.

17.5. The CONCESSIONAIRE shall be responsible for the safety of the personnel employed in the activities related to the operation of the CONCESSION, undertaking to faithfully comply with the labor, social security and occupational safety and hygiene legislation, and the GRANTING AUTHORITY, the TRAFFIC AUTHORITY or ARSESP shall not be liable for any obligations of civil liability risks and/or various risks, and the CONCESSIONAIRE shall be liable for all actions or claims that may be proposed by

said personnel, and the GRANTING AUTHORITY and ARSESP shall remain indemnified and safe from any liabilities or obligations arising from such actions or claims.

## **18. CLAUSE EIGHTEEN - MAIN RIGHTS AND OBLIGATIONS OF THE GRANTING AUTHORITY**

18.1. The main rights and obligations of the GRANTING AUTHORITY are, without prejudice to the other obligations expressed in this CONTRACT, in its ANNEXES and in the applicable legislation:

18.1.1. The rights and obligations provided for in sub-clauses 19.1.1, 19.1.2, 19.1.5, 19.1.6, 19.1.7, 19.1.9 and 19.1.10;

18.1.2. Collaborate, within the limits of its institutional attributions, to enable ARSESP to comply with the obligations set forth in Clause 19.1;

18.1.3. Provide technical documentation and access to the approval environment for integration into the STATE CENTRAL PLATFORM, immediately after signing the contract, orchestrating communications and consolidating the databases, for integration into the CONCESSIONAIRE'S OPERATING ENVIRONMENT;

18.1.3.1. As long as the STATE CENTRAL PLATFORM is not fully completed and operational, its alternative solutions or systems, pursuant to ANNEX E, may be provided and maintained operationally by DETRAN/SP or by a public or private technology operator designated by the GRANTING AUTHORITY, in order to ensure the execution of the essential functionalities for the provision of services until the STATE CENTRAL PLATFORM is fully operational, in which case there shall be no right to economic-financial rebalancing in favor of either PARTY, arising from the delay in making the referred platform available..

18.1.4. Unilaterally amend the CONTRACT, under the legal terms and subject to the provisions of this CONTRACT, maintaining the economic and financial balance of the CONTRACT; and

18.1.5. Intervene in the execution of the object of the CONCESSION, resume it and extinguish the CONCESSION, in the cases provided for by law and in accordance with the provisions of this CONTRACT.

## **19. CLAUSE NINETEEN - ARSESP'S MAIN RIGHTS AND OBLIGATIONS**

19.1. ARSESP'S main rights and obligations are, without prejudice to the other obligations expressed in this CONTRACT, in its ANNEXES and in the applicable legislation:

19.1.1. Ensure the proper execution of this CONTRACT, with impartiality and equality in its decisions, always aiming at the success of the partnership between the PARTIES to achieve the objectives of this CONTRACT;

19.1.2. Use its best efforts to collaborate with the obtaining of the necessary licenses, authorizations and certifications to the CONCESSIONAIRE, so that it can comply with the object of this CONTRACT, including joint participation in meetings and sending of manifestations that may be necessary;

19.1.3. Supervise compliance with the obligations, rules and regulations related to the execution of the object of the CONCESSION, as well as monitor compliance with the PERFORMANCE INDICATORS, with the support of the INDEPENDENT VERIFIER, subject to the provisions of ANNEX C;

19.1.4. Carry out periodic audits, including, if deemed convenient, through a specialized audit company, on the CONCESSIONAIRE'S accounts and records, in order to prevent the occurrence of situations that may compromise the execution of the object of the CONCESSION;

19.1.5. Duly substantiate its decisions, authorizations, approvals, requests or other acts performed under this CONTRACT;

19.1.6. Provide institutional support, with other public agencies, whenever the execution of the services under their responsibility interferes with the activities provided for in the object of the CONTRACT, without any change in the risks assumed by each of the PARTIES, under the terms of this CONTRACT;

19.1.7. Ensure the preservation of the economic-financial balance of the CONTRACT, observing, among others, the need to preserve the solvency and liquidity of the CONCESSIONAIRE, when imposing obligations not originally provided for in the CONTRACT and in the implementation of the restoration of

the economic-financial balance, subject to the POWERS of the GRANTING AUTHORITY;

19.1.8. Conduct the revisions of the CONTRACT, and carry out, with the support of the CONCESSIONAIRE and the INDEPENDENT VERIFIER, and together with the TRAFFIC AUTHORITY and the GRANTING AUTHORITY, the other activities under its responsibility under the terms of the CONTRACT and ANNEXES for the application of the contractual revisions;

19.1.9. Communicate to the FINANCIAL INSTITUTION or insurer responsible for providing the PERFORMANCE GUARANTEE, as well as the CONCESSIONAIRE'S financing entities, whenever a process is initiated to decree the intervention, expropriation or expiration;

19.1.10. Collaborate, within the limits of its institutional performance, with the CONCESSIONAIRE'S FINANCIERS, providing information and clarifications to contribute to the feasibility of financing the investments, in order to enable the full execution of the object of the CONCESSION; and

19.1.11. Apply the penalties as provided for in ARSESP regulations, the CONTRACT and its ANNEXES.

## **20. CLAUSE TWENTY – MAIN RIGHTS AND OBLIGATIONS OF USERS**

20.1. Without prejudice to the provisions of the applicable legislation, the rights and obligations of the CITIZEN-USERS are:

20.1.1. Receive the ADEQUATE SERVICE, within the quality and performance standards established in this CONTRACT and ANNEXES;

20.1.2. Communicate with the CONCESSIONAIRE through the different systems and relationship channels, especially by sac and the ombudsman, social media service, among others;

20.1.3. Inform ARSESP, the TRAFFIC AUTHORITY and the CONCESSIONAIRE of irregularities of which they have become aware, related to the execution of the services within the scope of the CONCESSION;

20.1.4. Communicate to the competent authorities the unlawful acts committed by the CONCESSIONAIRE, its subcontractors or third parties, in the operation of the CONCESSION;

20.1.5. Contribute to the permanence of the good conditions of the CONCESSION ASSETS, through which the services are provided; and

20.1.6. Use, whenever possible, infrastructure adapted to people with disabilities or reduced mobility, including the elderly, under the terms provided for in current regulations.

20.2. The CONCESSIONAIRE must comply with State Law No. 10.294/1999, as amended by State Law No. 12.806/2008, which provides for the protection and defense of public service users within the State, and must ensure compliance with basic standards for USER protection and defense, as well as Federal Law No. 13.460/2017, which provides for participation, protection and defense of the rights of users of public services of the PUBLIC ADMINISTRATION.

20.3. When executing the object of the CONCESSION, the CONCESSIONAIRE will be qualified, pursuant to Federal Law No. 13.709/2018, as CONTROLLER OF PERSONAL DATA or as OPERATOR OF PERSONAL DATA, as the PERSONAL DATA PROCESSING to be carried out falls within the provisions of item VI or item VII of article 5 of this Law, respectively, and must comply with Federal Law No. 13.709/2018, Federal Law No. 12.965/2014 and other rules related to the protection of personal data, observing, but not limited to, the obligations and guidelines below.

20.3.1. PERSONAL DATA must be kept by the CONCESSIONAIRE in an interoperable and structured format, available to the PERSONAL DATA SUBJECT upon request on a website made available, and the PERSONAL DATA SUBJECT will be guaranteed compliance with the rights provided for in article 18 of Federal Law no. 13.709/2018, including:

I. Facilitated and free consultation on the form and duration of the TREATMENT, as well as on the completeness of PERSONAL DATA;

II. Accuracy, clarity, relevance and updating of PERSONAL DATA, according to the need and for the fulfillment of the purpose of its PROCESSING, being possible to request the correction of incomplete, inaccurate or outdated data, as well as to request the anonymization, blocking or elimination of unnecessary, excessive, or processed data in disagreement with the object of this CONTRACT and with Federal Law No. 13.709/2018;

III. Clear, accurate and easily accessible information about the PROCESSING and the respective processing agents, subject to commercial and industrial secrets.

20.3.2. Employees of the CONCESSIONAIRE who work with PERSONAL DATA PROCESSING shall be subject to confidentiality, secrecy and use obligations.

20.3.3. It is the CONCESSIONAIRE'S obligation to prepare a Data Privacy Program, to be forwarded to ARSESP within six (6) months from the CONTRACT SIGNATURE DATE, which must observe the following parameters, without being limited to them:

I. Specification of which PERSONAL DATA the CONCESSIONAIRE may and/or must process, indicating the purpose of its PROCESSING, pursuant to article 6, item I, of Federal Law No. 13.709/2018;

II. Description of the PERSONAL DATA PROCESSING carried out by the CONCESSIONAIRE, specifying the respective operations involved, processes and scope, which includes but is not limited to the indication of when the information can be shared and under what conditions, observing the provisions of article 7 of Federal Law No. 13.709/2018;

III. Description of the form of service to the PERSONAL DATA SUBJECT who exercises rights provided for in Federal Law No. 13.709/2018; and

IV. Safe plan for the disposal of data and information, when the PERSONAL DATA PROCESSING ends, except when such data and information must be kept by legal, regulatory or contractual obligation.

20.3.3.1. ARSESP may periodically verify that the Data Privacy Program prepared by the CONCESSIONAIRE adequately meets the applicable legal requirements, including the provisions of Clause 20.3.3. The CONCESSIONAIRE undertakes to submit to ARSESP all information requested for the purpose of assessing the compliance of the Privacy Program within 10 (ten) days, whenever requested. ARSESP may also, directly or through an independent third party, carry out audits to verify the compliance of the CONCESSIONAIRE'S practices with respect to the PROCESSING of PERSONAL DATA.

20.3.3.2. If any irregularities are identified, ARSESP shall notify the CONCESSIONAIRE, which shall adopt the necessary measures to correct the identified failures within 60 (sixty) days.

20.3.4. The CONCESSIONAIRE is responsible for any damages caused TO the Granting Authority, the TRAFFIC AUTHORITY and the HOLDERS OF PERSONAL DATA, as a result of their PROCESSING in disagreement with Federal Law No. 13.709/2018 or with the other rules that regulate the subject, this contract, the parameters and decisions of the GRANTING AUTHORITY, or for purposes unrelated to the object of the CONCESSION.

20.3.5. The CONCESSIONAIRE is prohibited from using, transferring and/or sharing with third parties the PERSONAL DATA to which it has access, UNDER THIS CONTRACT, except when necessary for the execution of the CONTRACT itself.

20.3.6. The CONCESSIONAIRE shall keep up-to-date records of the PERSONAL DATA sharing it carries out for the execution of the CONTRACT, and shall keep ARSESP and the PERSONAL DATA HOLDERS duly informed about such sharing, throughout the CONCESSION period.

20.3.7. The CONCESSIONAIRE is responsible for carrying out, when necessary, the impact report on the protection of personal data referred to in Federal Law No. 13.709/2018, as well as complying with any other legal obligations related to the protection of PERSONAL DATA applicable to it.

20.3.8. Considering the principles provided for in the main section of art. 6, of Federal Law No. 13.709/2018, the CONCESSIONAIRE shall adopt, in relation to PERSONAL DATA, security, technical and administrative measures capable of protecting data and information from unauthorized access and from accidental or unlawful situations of destruction, loss, alteration, communication or any form of improper or unlawful treatment.

20.3.9. The CONCESSIONAIRE shall make available to ARSESP, as requested, all information related to the execution of the object of this CONTRACT that is necessary for the fulfillment, by the GRANTING AUTHORITY, of obligations arising from Federal Law No. 13.709/2018.

20.3.10. The CONCESSIONAIRE must immediately notify ARSESP of the occurrence of a security incident related to PERSONAL DATA, and inform the mitigation and repair measures adopted.

20.3.11. Any transfer of PERSONAL DATA by the CONCESSIONAIRE outside the territory of Brazil may only be made if the requirements imposed by data protection legislation are met, including with regard to the adoption of an appropriate mechanism for the transfer, pursuant to Federal Law No. 13.709/2018 and other applicable rules.

20.3.12. Whenever the object of the CONCESSION involves the PERSONAL DATA PROCESSING based on the consent of the subject referred to in item I of article 7 of Federal Law No. 13.709/2018, the CONCESSIONAIRE must observe, throughout the term of the CONTRACT, all specific obligations linked to this legal case of PROCESSING PERSONAL DATA, arising from Federal Law No. 13.709/2018.

20.3.13. Upon termination of the CONCESSION, the PERSONAL DATA to which the CONCESSIONAIRE had access, including any copies of PERSONAL DATA processed under this CONTRACT, shall be made fully available to ARSESP and the GRANTING AUTHORITY immediately, or, upon justification, within 30 (thirty) days from the date of termination, and the CONCESSIONAIRE may not under any circumstances remain in possession of such PERSONAL DATA, and the CONCESSIONAIRE must certify in writing to ARSESP and the GRANTING AUTHORITY compliance with this obligation.

20.3.14. The CONCESSIONAIRE shall inform the HOLDERS, at the time of collection of PERSONAL DATA, about the sharing of PERSONAL DATA with the GRANTING AUTHORITY.

20.3.15. Any use of PERSONAL DATA for the exploration of ANCILLARY REVENUES, even without cost, must be previously informed to ARSESP.

20.3.16. If ARSESP issues a specific rule on users' rights or PERSONAL DATA PROCESSING, the agency's regulation shall prevail over the rules of this CONTRACT in relation to the content of Clause 20.3 seq.

## **21. CLAUSE TWENTY-ONE – CONCESSIONAIRE'S RISKS**

21.1. Except for the cases to the contrary provided for in express provisions of this CONTRACT, the CONCESSIONAIRE assumes full responsibility for the risks inherent in the operation and execution of the object of the CONCESSION, including the residual risks and those listed below:

- I. Errors or omissions of engineering projects that cause increases in the term and/or costs for the provision of the services object of the CONCESSION;
- II. Errors or omissions in the construction works of the YARDS that cause an increase in the costs associated with the adequacy of the works, regardless of the acceptance by ARSESP;
- III. Incorrect estimate in the schedule of implementation of the YARDS or in the execution of the investments;
- IV. Hidden defects of the assets acquired, leased or leased for operation, maintenance and management of the YARDS by the CONCESSIONAIRE;
- V. Unavailability of goods and supplies necessary for the provision of SERVICES, including areas for the implementation of YARDS;
- VI. Variation in costs and/or delay in identifying and acquiring, leasing or leasing the areas necessary for the implementation, operation and maintenance of the YARDS and other spaces related to the CONCESSION;
- VII. Variation in the costs or volume of works and maintenance costs of the YARDS as a result of characteristics or events not provided for in the CONCESSIONAIRE'S PRICE PROPOSAL, except in the case of a request for works to be carried out by ARSESP;
- VIII. Variation in the costs or volume of works and maintenance costs of the YARDS due to interference in the places of implantation of the YARDS or real estate speculation in the acquisition of land that meets the specifications of ANNEX B;
- IX. Economic, financial, tax business planning of the CONCESSIONAIRE, including any result of its practice or conduct in relation to the interpretation of the applicable tax legislation and rules, impoundment of taxes or ancillary obligations;
- X. Variation of costs with materials, equipment and services, including those related to the execution of the YARD implementation works;

XI. Failure of technological innovations adopted by the CONCESSIONAIRE to provide the SERVICES, unless the technology results from an express request from the GRANTING AUTHORITY;

XII. Errors or omissions in the implementation or operation of the CONCESSIONAIRE'S OPERATING ENVIRONMENT, according to ANNEX B;

XIII. Interruption of the provision of SERVICES due to failures or breakdowns in the CONCESSIONAIRE'S operations ENVIRONMENT, according to ANNEX B;

XIV. Delay in the implementation and integration of the TECHNOLOGICAL PLATFORM due to facts attributable to the CONCESSIONAIRE;

XV. Defects, defects or failures in the implementation, operation and maintenance of the CONCESSIONAIRE'S OPERATING ENVIRONMENT, when resulting from acts, omissions or technical errors attributable to it;

XVI. Total or partial unavailability of the functionalities of the CONCESSIONAIRE'S OPERATING ENVIRONMENT provided for in ANNEX E, when resulting from failures attributable to the CONCESSIONAIRE;

XVII. Difficulties or failures in the integration between the CONCESSIONAIRE'S OPERATING ENVIRONMENT and the STATE CENTRAL PLATFORM, when resulting from facts attributable to the CONCESSIONAIRE, such as technical inadequacies, delays, and contractual breaches;

XVIII. Need for implementation or development of new functionalities or services in the CONCESSIONAIRE'S OPERATING ENVIRONMENT, , aimed at maintaining the adequacy and up-to-dateness of the SERVICES, in accordance with in ANNEX E;

XIX. Deficiency in the provision of SERVICES due to failure, poor conservation or outdated operation, maintenance and management systems of the CONCESSION;

XX. Supervening finding of errors or omissions in the PRICE PROPOSAL and/or in the IMPLEMENTATION PLAN;

XXI. Delay and/or failure to obtain resources and financing necessary for the implementation of the YARDS and execution of the SERVICES.

XXII. Financial and/or fundraising capacity by the CONCESSIONAIRE, as well as variation in the cost of loans and financing to be obtained by the CONCESSIONAIRE for the execution of the activities, investments or costing of the operations object of the CONCESSION, as well as change in the macroeconomic scenario, variation in the cost of capital, change in interest rates practiced in the market and variation in exchange rates;

XXIII. Variation of costs arising from collective bargaining, agreement or convention, labor, social security, tax and commercial charges resulting from the performance of the CONTRACT, including those related to subcontractors;

XXIV. Variation or non-realization of ANCILLARY REVENUES;

XXV. Delay and/or failure to provide documents, studies and information required by the environmental agency, or in a quality lower than the minimum required by the licensing agency, before or after the license application;

XXVI. Obtaining licenses, permits, permissions and/or authorizations related to the CONCESSION, as well as the costs arising from meeting its conditions, in accordance with the provisions of items VIII and IX of Clause 22.1;

XXVII. Delay in obtaining, when necessary, the environmental, urban planning, or other licenses related to the YARDS to be implemented by the CONCESSIONAIRE, in accordance with the provisions of items VIII and IX of Clause 22.1;

XXVIII. Regularization of any environmental impact related to the implementation and provision of SERVICES in the YARDS;

XXIX. Inefficiencies or economic losses resulting from failures in the organization of the SERVICES object of the CONCESSION;

XXX. Damage caused to third parties by the CONCESSIONAIRE or its managers, employees, subcontractors, agents or service PROVIDERS, or any

other individual or legal entity linked to it, in the exercise of the activities covered by the CONTRACT;

XXXI. Delay in the implementation schedule for the YARDS ;

XXXII. Any other risks inherent to the normal exercise of the delegated activities, including difficulties in implementing YARDS and entering into partnerships for the custody or impoundment of vehicles, or judicial determination of suspension of charges or sale of vehicle;

XXXIII. Costs of third party lawsuits against the GRANTING AUTHORITY, against ARSESP, against the TRAFFIC AUTHORITY, against the CONCESSIONAIRE or subcontractors, arising from the execution of the object of the CONTRACT, including convictions of moral and/or material damage caused to users and third parties, unless by fact directly attributable TO the Granting Authority, ARSESP or the TRAFFIC AUTHORITY;

XXXIV. Change in the costs of operation, maintenance and management of the YARDS, due to errors or omissions in the IMPLEMENTATION PLAN, regardless of whether accepted by ARSESP;

XXXV. Implementation of new YARDS or relocation of existing ones to meet PERFORMANCE INDICATORS;

XXXVI. Change in the specifications of the CONCESSION services at the request of the CONCESSIONAIRE;

XXXVII. Lack of specialized labor to provide the services object of the CONCESSION;

XXXVIII. Costs arising from the replacement of defaulting subcontractors;

XXXIX. Civil, administrative and criminal liability for damages caused by the activity carried out by the CONCESSIONAIRE, which may occur to CITIZEN-USERS, contractors, or third parties during the provision of the SERVICES;

XL. General or local strikes and collective labor disputes involving employees of the CONCESSIONAIRE, its SUBCONTRACTORS, suppliers,

outsourced parties, service providers, and/or any other natural or legal person related to the performance of the CONTRACT, except those considered illegal by the Judiciary;

XLII. Theft, robbery, loss, misplacement, accidents or any type of damage caused to vehicles in custody and deposited in the YARDS;

XLIII. Unforeseeable factors, foreseeable factors with incalculable consequences, acts of God or force majeure that, under normal market conditions, may be subject to insurance coverage offered in Brazil, provided that at the time the risk materializes it has been insurable for at least 2 (two) years and by at least 2 (two) insurance companies, up to the limit of the average indemnifiable amounts under policies normally practiced in the market, regardless of whether the CONCESSIONAIRE has contracted them.

21.2. The CONCESSIONAIRE expressly declares full knowledge of the nature and extent of the risks assumed by it under this CONTRACT, as well as having taken such risks into consideration in formulating its PRICE PROPOSAL.

21.3. The CONCESSIONAIRE is fully responsible for the detailed survey and knowledge of the risks assumed by it, in the execution of its attributions under this CONTRACT, and must adopt the solutions, processes and techniques it deems most appropriate and efficient to mitigate the risks assumed, being responsible for the resulting consequences.

21.4. The list of risks expressly allocated to the CONCESSIONAIRE in Clause 21.1 not exhaustive, so that any and all risks that have not been expressly allocated TO the Granting Authority, in Clause 22.1 or in the other contractual provisions that unequivocally point in this regard, will be treated as a risk assumed by the CONCESSIONAIRE, not giving rise, if materialized, to the restoration of the economic and financial balance of the CONTRACT in favor of the CONCESSIONAIRE.

## **22. CLAUSE TWENTY-TWO - GRANTING AUTHORITY'S RISKS**

22.1. Without prejudice to other risks expressly assumed by the GRANTING AUTHORITY in other Clauses of this CONTRACT, the GRANTING AUTHORITY assumes the following risks related to the CONCESSION:

I. Delays or postponement, by the GRANTING AUTHORITY or ARSESP, of deadlines contractually foreseen for approval or manifestation about the projects and studies presented by the CONCESSIONAIRE, including the issuance of the

**IMPLEMENTATION COMMENCEMENT TERM and the OPERATION COMMENCEMENT TERM;**

II. Alteration of the works and/or services, requested by the GRANTING AUTHORITY or ARSESP, provided that they are proven to increase the costs initially foreseen;

III. Alteration of the Executive Project already approved, at the request of the GRANTING AUTHORITY or ARSESP, which entails additional costs;

IV. Errors or omissions in the systems of the GRANTING AUTHORITY that result in interruptions in the provision of the service, which entail additional costs to the CONCESSIONAIRE.

V. Delay in the implementation and integration of the TECHNOLOGICAL PLATFORM due to facts attributable to the GRANTING AUTHORITY, subject to the provisions of Clause 18.1.3.1.;

VI. Defects, defects or failures in the implementation, operation and maintenance of the STATE CENTRAL PLATFORM, when resulting from acts, omissions or technical errors attributable to the GRANTING AUTHORITY, subject to the provisions of Clause 18.1.3.1.;

VII. Occurrence of unforeseeable and supervening circumstances, or incalculable consequences, due to unforeseeable circumstances or force majeure that: (i) is not included in any other risk; (ii) whose effects could not be prevented or mitigated by the Concessionaire; and (iii) has not been covered by the insurance required or indicated in the NOTICE or CONTRACT for at least 02 (two) years;

VIII. Delays in the implementation of the YARDS or in the fulfillment of other contractual obligations resulting from the delay in obtaining environmental licenses borne by the CONCESSIONAIRE, when the deadlines for analysis of the environmental agency responsible for issuing the licenses exceed the legal provisions, except if resulting from a fact attributable to the CONCESSIONAIRE;

IX. Delay in the release of licenses, permits and any other authorizations to be granted by any body or entity belonging to the PUBLIC ADMINISTRATION, directly or indirectly, when the review periods of the body responsible for issuing the authorizing acts exceed the applicable legal deadlines, if any, except when resulting from a fact attributable to the CONCESSIONAIRE;

X. Unilateral change imposed by the GRANTING AUTHORITY that implies a variation in the CONCESSIONAIRE'S costs or revenues or that affects the performance of the CONTRACT;

XI. Unilateral change, by the GRANTING AUTHORITY, on the value of TARIFFS, the AUCTION PREPARATION SERVICES REMUNERATION or the adjustment criteria provided for in the CONTRACT;

XII. Alteration of the CONCESSION area and the places of implementation of the YARDS, at the request of the GRANTING AUTHORITY, provided that said alteration demonstrably impacts the cost of the respective area and provided that the request for alteration does not result from the absence of compliance with the criteria established in ANNEX B by the CONCESSIONAIRE;

XIII. , Normative changes, of a constitutional, legislative, or regulatory nature, occurring after the publication of the NOTICE and directly impacting the charges, taxes, revenues, or costs related to the provision of the SERVICES, except for income taxes;

XIV. Omission in preventive actions and combating acts that require the use of police power to be prevented or ceased, provided that they are immediately informed by the CONCESSIONAIRE to the GRANTING AUTHORITY;

XV. Conflicts and social and/or public demonstrations that demonstrably prevent, delay, hinder, or burden the performance of the CONTRACT by the CONCESSIONAIRE;

XVI. Strikes by employees of the GRANTING AUTHORITY or of ARSESP that demonstrably impact the provision of the SERVICES;

XVII. Execution of agreements or similar instruments with agencies and entities of the State Public Administration, directly or indirectly, as well as with Municipalities, in order to allow such entities to determine the impoundment and custody, in the YARDS of the CONCESSIONAIRE, of vehicles whose impoundment is their responsibility, in compliance with the provisions set forth in Clause 5.5;.

22.1.1. The case provided for in item XIII of this clause includes the impacts arising from the implementation, regulation, transition and consolidation of the Tax Reform established by Constitutional Amendment No. 132, of December 20, 2023 and Complementary Law No. 214, of January 16, 2025, as well as supervening rules that complement, regulate or modify them.

22.2. Regarding the risk of variations in the estimated total annual payments foreseen, the following will be observed:

22.2.1. For the purposes of applying the demand risk sharing mechanism, for the period between the beginning of the concession and the first ORDINARY REVIEW OF the CONCESSION, the cumulative effective demand is considered to be the sum of the annual demands effectively determined in the period of four (4) years between the ORDINARY REVIEW processes of the CONCESSION, according to Clause 27.1, and this demand is compared to the accumulated estimate of total payments foreseen for the same period, considering:

**a) Estimated demand for the 1st (first) year of CONTRACT:**

Lot	Estimated Demand for Year 1 (number of vehicles recalled)
Lot I	24,036
Lot II	37,058
Lot III	29,876
Lot IV	34,436
Lot V	36,726
Lot VI	107,655
Lot VII	35,374

**b) In addition to the estimated annual growth rate for demand, from the 2nd (second) year until the end of the CONCESSION TERM:**

Year	Lot I	Lot II	Lot III	Lot IV	Lot V	Lot VI	Lot VII
2	0.91%	1.22%	1.33%	2.15%	1.59%	1.20%	1.63%
3	2.07%	2.29%	2.47%	3.28%	2.71%	2.16%	2.71%
4	2.09%	2.37%	2.46%	3.19%	2.72%	2.07%	2.69%
5	2.55%	2.76%	2.83%	3.62%	3.11%	2.49%	3.08%

Year	Lot I	Lot II	Lot III	Lot IV	Lot V	Lot VI	Lot VII
6	2.74%	2.94%	3.06%	3.59%	3.19%	2.61%	3.19%
7	2.58%	2.77%	2.83%	3.54%	3.07%	2.46%	3.05%
8	2.48%	2.70%	2.81%	3.41%	2.94%	2.42%	2.97%
9	0.27%	0.48%	0.57%	1.17%	0.76%	0.19%	0.72%
10	0.28%	0.48%	0.54%	1.17%	0.77%	0.19%	0.74%
11	0.29%	0.54%	0.53%	1.14%	0.74%	0.19%	0.75%
12	0.26%	0.43%	0.55%	1.14%	0.73%	0.19%	0.72%
13	0.29%	0.47%	0.55%	1.15%	0.74%	0.19%	0.71%
14	0.28%	0.47%	0.57%	1.10%	0.72%	0.19%	0.70%
15	0.25%	0.49%	0.54%	1.08%	0.72%	0.19%	0.70%
16	0.33%	0.45%	0.54%	1.10%	0.72%	0.19%	0.71%
17	0.24%	0.47%	0.51%	1.07%	0.69%	0.19%	0.69%
18	0.30%	0.45%	0.56%	1.06%	0.75%	0.19%	0.69%
19	0.26%	0.48%	0.51%	1.06%	0.69%	0.19%	0.69%
20	0.29%	0.46%	0.54%	1.04%	0.69%	0.19%	0.69%
21	0.26%	0.47%	0.52%	1.01%	0.70%	0.18%	0.67%
22	0.29%	0.45%	0.52%	1.03%	0.70%	0.19%	0.67%
23	0.23%	0.45%	0.51%	1.00%	0.67%	0.18%	0.65%
24	0.30%	0.47%	0.49%	1.02%	0.69%	0.18%	0.67%
25	0.28%	0.44%	0.54%	0.98%	0.67%	0.18%	0.66%
26	0.30%	0.46%	0.51%	0.98%	0.68%	0.19%	0.65%

22.2.2. For the purpose of sharing the demand risk in the first year of validity of this CONTRACT, the estimated demand referred to in paragraph a) of sub-clause 22.2.1 shall be proportionally adjusted according to the number of months actually comprised between the issuance of the OPERATION

COMMENCEMENT TERM, as provided for in ANNEX B, and the closing date of the first contractual year.

22.2.3. If the accumulated effective demand is equivalent to, or is comprised between, 90% (ninety percent) and 110% (one hundred and ten percent) of the accumulated estimate of total payments, there will be no right to the restoration of the economic-financial balance by any of the PARTIES to this CONTRACT.

22.2.4. If the accumulated effective demand is less than 90% (ninety percent) of the accumulated estimate of total payments, the CONCESSIONAIRE will be entitled to the restoration of the economic-financial balance, limited to the amount of the loss demonstrably resulting from the negative variation of demand below the minimum limit provided for in this sub-clause, taking into account both the impacts incurred and avoided, on revenues as well as on operating costs.

22.2.5. If the accumulated effective demand exceeds 110% (one hundred and ten percent) of the accumulated estimate of total payments, the GRANTING AUTHORITY shall be entitled to the restoration of the economic-financial balance, limited to the amount of the gain exceeding the maximum limit provided for in this sub-clause, taking into account both the impacts incurred and avoided, on revenues as well as on operating costs.

22.2.6. For the purposes of defining the parameters to be used in calculating the loss or excess gain referred to in Clauses 22.2.4 and 22.2.5, in addition to those provided for in Clause Twenty-Five, the average values of the operational indicators actually realized in the respective period shall be considered, disregarding any eventual impacts on activities generating ANCILLARY REVENUES

22.2.7. The operational indicators provided for in item 22.2.6 are those related to the average period of vehicle storage in the yard, vehicle sales, and other indicators that reflect the effective operation of the CONCESSIONAIRE.

22.2.8. Once the economic-financial balance is restored, in favor of either PARTY, the annual average of the effective demand determined in the review period will become the base demand for the calculation in the next ORDINARY REVIEW or recomposition, on which the annual growth rates described in item 22.2.1.b) b) for the new calculation period.

## **23. CLAUSE TWENTY-THREE – MAINTENANCE OF THE ECONOMIC AND FINANCIAL BALANCE OF THE CONTRACT**

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

23.2. The economic and financial imbalance of the CONTRACT is considered characterized when either PARTY suffers the effects, positive or negative, resulting from an event whose risk has not been allocated to it in this CONTRACT, which is proven to promote imbalance of the economic and financial balance of the CONTRACT.

23.2.1. The analysis of the recomposition of the economic-financial balance of the CONTRACT presupposes the verification of the overall economic and financial conditions of the CONTRACT, but is restricted to the neutralization of the economic and financial effects of the events causing contractual imbalance, as disciplined in this Clause, considering, in order to achieve the intended neutralization, the economic-financial, tax and accounting effects resulting from the rebalancing measure.

23.2.2. The CONTRACT will also be considered unbalanced in cases where the CONCESSIONAIRE receives benefits as a result of the delay or default of the obligations attributed to it, without prejudice to the incidence of the PERFORMANCE INDICATORS and application of the applicable penalties, as the case may be.

23.2.3. The CONTRACT will also be considered unbalanced in the event that the CONCESSIONAIRE is assigned obligations originally allocated to the GRANTING AUTHORITY, or even assignment to the GRANTING AUTHORITY of obligations originally allocated to the CONCESSIONAIRE.

23.2.4. In view of the materialization of the IMBALANCE EVENT, it will only be necessary to recompose the economic and financial balance of the CONTRACT in relation to the portion of the claimed imbalance whose exact measure is proven by the claimant, even if using estimates to demonstrate the effective impact of the event when there is no data that allow its accurate measurement.

23.3. In the interpretation and application of any and all situations, within the scope of this CONTRACT, in which it is necessary to assess the PART to which a certain risk inherent to the CONCESSION has been allocated, it is necessary to consider the contractual rules in a comprehensive and contextualized manner, so that the risks contractually allocated are understood as genera and their derivations, and details or species must be considered as an integral part of said risk analyzed.

23.4. The PARTIES agree that in the comprehensive assessment of the risks contractually allocated to each of the PARTIES, pursuant to Clause 23.3, similar situations will be considered part of the same risk, understood as those in which there is equivalence of nature or characteristics, as well as in which there is similarity in

relation to the conditions of confrontation and mitigation of said risk under analysis, in relation to risks expressly provided for in the text of this CONTRACT

23.5. The risks whose allocation is extracted from the provisions of Clause 23.3, even indirectly, are considered, for all purposes, as risks originally allocated under the CONTRACT, and the PARTY to which the risk was allocated must assume all its effects and deal with its eventual materialization.

23.6. The provisions of Clause 23.3 not, under any circumstances, be interpreted or applied for the purpose of changing the risk allocation originally established in the CONTRACT, understood as the risk allocation expressed in Clauses 21, 22 and 23.3.

#### **24. CLAUSE TWENTY-FOUR – IDENTIFICATION OF THE EVENTS GIVING RISE TO THE ECONOMIC AND FINANCIAL IMBALANCE OF THE CONTRACT**

24.1. The procedure for restoring the economic-financial balance may be initiated at the request of the CONCESSIONAIRE or the GRANTING AUTHORITY or by determination of ARSESP, and the PLAINTIFF will be responsible for the timely demonstration of the occurrence and identification of an IMBALANCE EVENT.

24.1.1. The person responsible for initiating the procedure must identify the IMBALANCE EVENT and submit to ARSESP and the other PARTY a duly instructed claim, within a period not exceeding 180 (one hundred and eighty) days from its materialization, in order to safeguard the contemporaneity of the contractual relations, as well as to enable the proper management of the consequences of the IMBALANCE EVENT.

24.1.2. Within the period provided for in Clause 24.1.1, the plaintiff shall communicate to the other PARTY, as well as to ARSESP, the occurrence of the identified IMBALANCE EVENT, even if indicating provisional values and estimates subject to revision, without prejudice to the possibility of complementing the instruction of the process after this period, in the event that the IMBALANCE EVENT lasts for a long period of time, or, for any other reason, it is not possible to present the request for recomposition instructed with all the documents required in Clause 24.3.

24.1.3. Failure to comply with the period mentioned in Clause 24.1.1 not result in waiver or decay of the right of the PARTIES, provided that the statute of limitations shall comply with the applicable legislation.

24.2. Subject to the provisions of this CONTRACT, the procedures for restoring the economic and financial balance must comply with the rules and deadlines established in ARSESP'S regulation.

### **Concessionaire's Initiative Claims**

24.3. When the request for restoration of economic-financial balance is initiated by the CONCESSIONAIRE, it must be made through a substantiated application submitted to ARSESP and be accompanied by all documents necessary to demonstrate the merits of the request, including the following elements:

24.3.1. Accurate identification of the IMBALANCE EVENT, accompanied, when relevant, by evidence that the responsibility is allocated to the GRANTING AUTHORITY;

24.3.2. Request, if applicable, for an EXTRAORDINARY REVIEW, provided that the potential impairment of the CONCESSIONAIRE'S solvency or the continuity of the execution/provision of services by the CONCESSIONAIRE resulting from the materialization of the IMBALANCE EVENT is demonstrated;

24.3.2.1. The potential impairment of the CONCESSIONAIRE'S solvency or the continuity of the execution/provision of the CONCESSIONAIRE'S services will be demonstrated, among other hypotheses that must be evaluated by ARSESP, when, as a result of the materialization of risks allocated to the GRANTING AUTHORITY or circumstances not attributable to the CONCESSIONAIRE:

I. There is a risk of imminent breach of obligations, early maturity or acceleration of maturity in the financing contracted with the FINANCIERS; and/or

II. The materialization of IMBALANCE EVENTS directly impacts the revenue collection of the CONCESSIONAIRE, causing a loss of more than 5% (five percent) of the GROSS OPERATING REVENUE verified in the year prior to said materialization.

24.3.3. Proof of direct and indirect expenses actually incurred by the CONCESSIONAIRE, resulting from the IMBALANCE EVENT that gave rise to the claim, accompanied by an explanatory summary containing the accounting and tax regimes applicable to the allegedly unbalanced revenue or costs.

24.3.4. In case of evaluation of possible future imbalances, detailed demonstration of the assumptions and parameters used to estimate the impacts of the IMBALANCE EVENT on the CONCESSIONAIRE'S revenue.

24.4. In view of the claim submitted by the CONCESSIONAIRE, ARSESP shall, within a maximum period of up to 60 (sixty) days, express its opinion on the suitability of the claim, as well as assess whether the procedure for restoring the economic and financial balance of the CONTRACT may be processed in an EXTRAORDINARY REVIEW.

24.4.1. When the justification of urgency in the treatment of the IMBALANCE EVENT is not justified or accepted by ARSESP, it must be dealt with in the subsequent ORDINARY REVIEW.

24.4.2. The decision to process the claim in ORDINARY REVIEW does not remove the PARTY'S duty to properly instruct the claim, pursuant to Clause 24.3 and 24.7.

24.4.3. The term referred to in Clause 24.4 may be extended upon justification, and the deadline may be interrupted if it is necessary to request adaptation or complementation of the procedural instruction.

24.5. In the course of the analysis of the requests for restoration of the economic-financial balance, by ARSESP, all the obligations of the CONCESSIONAIRE are fully maintained, especially the obligations related to the payment of the VARIABLE GRANT and the INSPECTION BURDEN, without prejudice to the measurement of the PERFORMANCE INDICATORS and the possibility of applying precautionary rebalancing measures, pursuant to SPI Resolution No. 19/2023, or another that replaces it.

#### **Access to the information necessary to determine the imbalances claimed**

24.6. In the evaluation of the claim, the PARTIES and ARSESP may, at any time, contract specific technical and/or economic reports.

24.6.1. At the discretion of the respondent PARTY, an audit may be carried out, through a specialized entity with notoriously recognized technical capacity, to verify the situation that gave rise to the request for economic and financial rebalancing, with the due participation of the PARTIES and with the transparency that allows them, directly or by an equivalent entity, the technical adversary, the costs being assumed by the PARTY that has contracted the specialized entity, regardless of the result of the claim for economic and financial rebalancing.

### **Access to the information necessary to determine the imbalances claimed**

24.7. ARSESP will have free access to information, assets and facilities of the CONCESSIONAIRE or third parties contracted by it to assess what is alleged by the CONCESSIONAIRE in any claim for economic and financial rebalancing presented.

### **Claims on the initiative of the GRANTING AUTHORITY**

24.8. The request for restoration of the economic-financial balance initiated by the GRANTING AUTHORITY shall be communicated to ARSESP and the CONCESSIONAIRE, in both cases accompanied by a copy of the relevant reports and studies, including, if applicable, the proposal to process the claim in an EXTRAORDINARY REVIEW.

24.8.1. For requests for economic and financial rebalancing triggered by the Granting Authority, which have the CONCESSIONAIRE as a respondent PARTY, received the notification about the IMBALANCE EVENT, the CONCESSIONAIRE will have 60 (sixty) days to submit a reasoned statement regarding the request for restoration of the economic and financial balance of the CONTRACT presented by the GRANTING AUTHORITY in notification, and it is also up to it, at the same time, to express its opinion on the proposal to process the request in the context of an EXTRAORDINARY REVIEW.

24.8.2. In consideration of the CONCESSIONAIRE'S response to the request of the Granting Authority, ARSESP will have 30 (thirty) days to evaluate the appropriateness of the restoration of the economic-financial balance of its eventual processing in the EXTRAORDINARY REVIEW.

### **Events or reasons that do not cause imbalance in the CONTRACT**

24.9. It will not be up to the restoration of the economic-financial balance in favor of the CONCESSIONAIRE in the following cases:

I. When the losses suffered derive from the occurrence of negligence, recklessness, malpractice, ineptitude or omission in the economic exploitation of the CONCESSION and in the treatment of the risks allocated to it, duly proven by means of its own administrative process in a final decision, observing the adversary and ample defense;

II. When, in any way and to any extent, the CONCESSIONAIRE has contributed, directly or indirectly, to the event causing the imbalance; or

III. When the materialization of the events motivating the request by the CONCESSIONAIRE does not give rise to a proven impact on the contractual conditions and does not cause a proven loss in the economic-financial equation of the CONTRACT.

24.10. The PARTIES shall use their best efforts to avoid the occurrence of the events motivating the request for restoration of the economic-financial balance or, when it is not possible to avoid them, to minimize their impacts.

24.11. Once the materialization of any of the IMBALANCE EVENTS associated with the risks listed in Clauses 21 and 22, the PARTIES shall, as far as possible, negotiate in good faith the appropriate measures to mitigate the losses caused by the IMBALANCE EVENT, which shall be considered in the measurement of the economic and financial imbalance of the CONTRACT.

24.11.1.If the IMBALANCE EVENT referred to in Clause 24.11 requires immediate action to be taken, or if the PARTIES are unsuccessful in negotiating the mitigation measures referred to above, the PARTIES shall take reasonable measures within their power to mitigate the losses caused by the IMBALANCE EVENTS, which shall be considered in measuring the economic and financial imbalance of the CONTRACT.

24.11.2.For the purposes of Clause 24.11.1, reasonable measures are considered, in the case of the CONCESSIONAIRE, those expected from a company acting diligently in similar situations.

24.11.3.If it is proven, after the regular administrative process, that the PARTY failed to take the loss mitigation measures referred to in Clauses 24.11.1 and 24.11.2, the amount of losses that, in a proven manner, could have been avoided if such measures were taken, will be deducted from the amounts due by the other PARTY as a restoration of the economic and financial rebalancing.

24.12. If it is proven that more than one PARTY has contributed directly or indirectly to the occurrence of the imbalance event, due to the negligence, ineptitude or omission of both PARTIES, the restoration of the economic-financial balance should consider only the amount of the damage that the aggrieved PARTY has not caused.

### **The precautionary economic-financial rebalancing of the CONTRACT**

24.13. The GRANTING AUTHORITY may, in the cases described in SPI Resolution No. 19/2023, or ARSESP'S rule or resolution that may replace it, carry out the precautionary economic-financial rebalancing of the CONTRACT, regardless of the prior conduct of an ORDINARY REVIEW procedure or EXTRAORDINARY REVIEW.

24.13.1. After the application of the precautionary economic-financial rebalancing measure of the CONTRACT, the definitive calculation of the amounts associated with the corresponding IMBALANCE EVENT must be determined in an ORDINARY REVIEW or, in the cases described in Clause 24.3.2, in an EXTRAORDINARY REVIEW.

## **25. CLAUSE TWENTY-FIVE – RECOMPOSITION OF THE ECONOMIC-FINANCIAL BALANCE**

25.1. At the time of each ORDINARY REVIEW, the claims of both PARTIES already presented in the cycle of ORDINARY REVIEW by ARSESP, considered appropriate, will be jointly contemplated, in order to enable the compensation of the positive and negative economic-financial impacts resulting from the IMBALANCE EVENTS.

25.1.1. The eventual restoration of the economic-financial balance of the CONTRACT in favor of one of the PARTIES must necessarily consider any impacts in favor of the other PARTY. Any impacts on the VARIABLE GRANT resulting from the restoration of the economic and financial balance of the CONTRACT will be defined in an Amendment.

25.2. The recomposition of the economic and financial balance of the CONTRACT will be carried out in order to obtain the Net Present Value of the Marginal Cash Flow balances equal to zero.

25.3. The restoration of the economic-financial balance will take place through the preparation of the Marginal Cash Flow, considering: (i) the marginal cash flows, positive or negative, calculated based on the difference between the situations with and without the respective IMBALANCE EVENT; (ii) the marginal cash flows necessary to restore the economic-financial balance; and (iii) the Discount Rate calculated, as provided for in Clause 25.3.3, on the date on which the IMBALANCE EVENT materialized, which will be applied to the entire period of the IMBALANCE EVENT, even if it extends for more than one year.

25.3.1. The restoration of the economic-financial balance will be carried out in such a way that the Net Present Value of the Marginal Cash Flow projected due to the IMBALANCE EVENT is null, considering, on the same base date, (i) the marginal cash flows resulting from the IMBALANCE EVENT, and (ii) the marginal cash flows resulting from the restoration of the economic-financial balance.

25.3.1.1. For the purpose of calculating the Net Present Value of the calculated marginal cash flows, the Discount Rate is levied each new

contractual year. If the beginning of each contractual year does not coincide with the 1st day of the month, for the purpose of incurring the Discount Rate, the 1st day of the following month will be considered.

25.3.2. For the purpose of determining the marginal cash flows, the actual impacts resulting from the IMBALANCE EVENT will be considered, as well as the following data from the three (3) years prior to the realization of the IMBALANCE EVENT, updated by the IPCA/IBGE:

I. Average annual revenue;

II. Average annual costs and expenses;

III. Amounts paid as VARIABLE GRANT and BURDEN OF INSPECTION, without considering the application of the PERFORMANCE INDICATORS on the VARIABLE GRANT;

IV. Taxes and accounting implications of any nature actually levied at the time of calculating the economic and financial rebalancing, regardless of the PARTY that has assumed the risk of changing the tax or accounting legislation; and

V. In the case of evaluation of costs with additional expenses or investments, the best price references of the public sector and/or the private sector available at the time of the claim should be considered, preferably based on the current public price bases.

25.3.3. The actual annual Discount Rate to be used in the calculation of the Net Present Value of the Marginal Cash Flow referred to in Clause 25.3 will be composed of the average of the last 12 (twelve) months of the gross interest rate on the sale of the IPCA+ Treasury Notes with Semiannual 2045 interest (NTN-B) or, in the absence thereof, another that replaces it, ex-ante to the deduction of Income Tax, maturing on 05/15/2045 or maturity more compatible with the date of the contractual term, published by the National Treasury Secretariat, calculated at the beginning of each contractual year, plus a spread on interest equivalent to 5.39 p.p. p.a. (five integers and thirty-nine percentage points), per year, based on 252 (two hundred and fifty-two) business days.

25.3.4. For the purpose of Marginal Cash Flow, the calculation of amortization and depreciation must be carried out in accordance with the applicable rules and legislation.

25.4. The effects of direct and indirect taxes actually levied should be considered.

25.4.1. For the purpose of economic and financial rebalancing caused by events other than the change in tax or accounting legislation, taxes and accounting implications of any nature that effectively affect the entire CONCESSION TERM will be considered, including formalized term extensions, regardless of the PARTY that has assumed the risk of changing the tax or accounting legislation.

## **26. CLAUSE TWENTY-SIX – MODALITIES FOR RECOMPOSITION OF THE ECONOMIC-FINANCIAL BALANCE OF THE CONTRACT**

26.1. The Granting Authority shall have the prerogative to choose the modality by which the restoration of the economic-financial balance of the CONTRACT will be implemented, among the following modalities:

- I. Revision in the value of CUSTODY TARIFFS, IMPOUNDMENT TARIFFS and AUCTION PREPARATION SERVICES REMUNERATION;
- II. Reimbursement or indemnity;
- III. Review of the amounts of VARIABLE GRANT or INSPECTION BURDEN;
- IV. Alteration of the obligations or deadlines provided for in this CONTRACT and in the ANNEXES;
- V. Extension or anticipation of the final TERM of the CONCESSION term; or
- VI. Combination of the foregoing embodiments.

26.2. In addition to the modalities listed in Clause 26.1, the implementation of the restoration of the economic and financial balance of the CONTRACT may also take place by the following modalities, in these cases depending on the prior agreement of the CONCESSIONAIRE:

- I. Giving in payment of assets and/or assignment of equity revenues;

II.Assumption by one PARTY of costs attributed by the CONTRACT to the other PARTY;

III.Change in the standards for sharing ANCILLARY REVENUES, under the terms provided for in this CONTRACT and in the ANNEXES;

IV.Combination of the previous modalities or others allowed by the legislation.

26.3. Subject to the rules established in this CONTRACT, the extension of the CONCESSION TERM is prohibited as a means for the restoration of the economic-financial balance of the CONTRACT, described in item V of Clause 26.1: (i) until the fourth ORDINARY REVIEW cycle; (ii) in the last ORDINARY REVIEW cycle or; (iii) in an EXTRAORDINARY REVIEW processed in the last four (4) years of the CONCESSION TERM, being certain that, at these times, any economic-financial imbalances can only be restored by the other means established in this Clause.

26.3.1. The extension of the final TERM of the CONCESSION term, dealt with in item V of Clause 26.1, for the purpose of restoring the economic-financial balance, cannot add to the CONCESSION a total term exceeding 10 (ten) years.

26.3.2. In each ORDINARY REVIEW in which it is possible to restore the economic and financial balance of the CONTRACT through the mechanism established in item V of Clause 26.1, only periods of up to five (5) years may be added to reestablish the economic and financial balance of the CONTRACT.

26.4. In selecting the means to implement restoration of economic-financial balance, the GRANTING AUTHORITY shall consider solvency to meet the obligations arising from this CONTRACT and the CONCESSIONAIRE'S capacity to fulfill its obligations to FINANCIERS, especially those related to debt service payment and compliance with obligations assumed in financial instruments to which the CONCESSIONAIRE is a PARTY, related to investments and SERVICE operation, particularly those whose non-compliance may give rise to the obligation of capital contribution or guarantee reinforcement by the CONCESSIONAIRE'S shareholders, debt acceleration, or early contract termination.

26.5. The restoration of the economic and financial balance of the CONTRACT, even that resulting from the procedure of ORDINARY REVISIONS or EXTRAORDINARY REVISIONS, will be formalized in an Amendment to this CONTRACT.

## CHAPTER IV – REVISIONS TO THE CONTRACT

### 27. CLAUSE TWENTY-SEVEN – ORDINARY REVIEW OF THE CONTRACT

27.1. Every four (4) years, counted from the CONTRACT SIGNATURE DATE, the ORDINARY REVIEW processes of the CONCESSION will be conducted, in order to adapt them to the changes that have been perceived in each cycle, which may culminate in:

I. The review of the economic-financial balance of the CONTRACT related to IMBALANCE EVENTS occurred in the ORDINARY REVIEW cycle;

II. The review of the PERFORMANCE INDICATORS and the established goals, with the objective of establishing the appropriate economic incentives to stimulate the continuous improvement of the execution of the activities object of the CONCESSION;

III. The review of the INSURANCE PLAN prepared by the CONCESSIONAIRE;

IV. Inclusion of investments by determination of the GRANTING AUTHORITY, always observing the economic and financial balance of the CONTRACT.

27.1.1. The demands for investments in the CONCESSION by unilateral determination of the GRANTING AUTHORITY shall primarily be implemented during the ORDINARY REVIEWS, in order to improve the planning and execution of the investments, even in the event that they arise from events that occurred or identified at times prior to the processing of the ORDINARY REVIEWS.

I. If there are urgent demands that, for technical, economic-financial, security or public interest reasons, require immediate intervention, without waiting for the end of the contractual cycle of each ORDINARY REVIEW, such investments will be implemented via EXTRAORDINARY REVIEW, which will comply with the terms and procedures set forth in this CONTRACT and in the relevant legislation and regulation.

II. Only the demands for investments that are determined by the Granting Authority will give rise to the restoration of the economic-financial balance of the CONTRACT, so that the implementation of investments not provided for in this

CONTRACT or in its ANNEXES, based on a CONCESSIONAIRE initiative, cannot support any claim for economic-financial rebalancing.

27.1.2. The revision of the PERFORMANCE INDICATORS may be processed in the ORDINARY REVIEWS, and the GRANTING AUTHORITY may require, according to the system provided for in Clause 27.2.1 seq., for the incorporation of new technologies, the adequacy of the PERFORMANCE INDICATORS provided for in ANNEX C or the creation of new indicators that reflect standards of timeliness, modernity and innovation in the execution of the works and services object of this CONTRACT.

### **Processing of Ordinary Revisions**

27.2. Within the scope of the ORDINARY REVIEW process, the PARTIES will submit a report containing the proposal for revision of the PERFORMANCE INDICATORS, the technical evaluation as to the adequacy of the INSURANCE PLAN and any review needs, and proposals for revision or inclusion of charges in the CONCESSION, duly motivated and with estimates of economic and financial impacts and expected improvements, if applicable, for the various interested parties in the CONCESSION.

27.2.1. For the ORDINARY REVIEW of the PERFORMANCE INDICATORS, the PARTIES will carry out a joint evaluation of the current indicators and the established goals, taking into account the search for continuous improvement in the execution of the activities object of the CONCESSION and establishing a reasonable period for adapting the new required standards, culminating in:

- I. In the reformulation of PERFORMANCE INDICATORS that prove to be ineffective to encourage the CONCESSIONAIRE'S activities and services to be performed in compliance with the quality required by the GRANTING AUTHORITY and the CITIZEN-USERS;
- II. In the revision of the goals foreseen for each PERFORMANCE INDICATOR, based on the data collected from the periodic performance measurements, necessarily setting them at a level equivalent to or higher than the current one, always observing the objective of stimulating the continuous improvement of the quality of the activities performed by the CONCESSIONAIRE; and/or
- III. In the creation of new PERFORMANCE INDICATORS, in the event of requirement, by the GRANTING AUTHORITY, of new performance standards, motivated by the emergence of technological innovations or adjustments to national or international standards.

27.2.2. The ORDINARY REVIEW should preferably take place in order to precede the discussions related to the preparation of the Annual Budget Law that will be in force in the year following the ORDINARY REVIEW.

27.2.3. The ORDINARY REVIEW may not impact the risk allocation originally established in this CONTRACT.

27.2.4. At the end of the ORDINARY REVIEW procedure, after the regular administrative process in which the CONCESSIONAIRE is fully involved and contradictory to the CONCESSIONAIRE, the GRANTING AUTHORITY, with the support of ARSESP, shall establish the new contractual guidelines, subject to the limits and procedures provided for in this Clause, and the CONCESSIONAIRE, in case of disagreement, shall use the dispute settlement mechanisms provided for in this CONTRACT.

27.2.5. The provisions of Clause 25.

27.2.5.1. The result of the ORDINARY REVIEW process referred to in this Clause will be formalized in an Amendment to the CONTRACT and may give rise to the economic and financial rebalancing of the CONTRACT, whose recomposition procedure will observe the rules provided for in this CONTRACT.

## **28. CLAUSE TWENTY-EIGHT - EXTRAORDINARY REVIEW OF THE CONTRACT**

28.1. The initiation of the EXTRAORDINARY REVIEW procedure of the CONTRACT may occur by determination, ex officio, by ARSESP, or at the initiative of any of the PARTIES, when they so request, in view of the concrete or imminent materialization of an event whose consequences are sufficiently serious to give rise to the need for evaluation and urgent measures, applying to the EXTRAORDINARY REVIEW the provisions set forth in Clause 24.1 and sub-clauses.

28.1.1. The PARTIES undertake to review the economic and financial balance of the CONTRACT preferably in the context of ORDINARY REVIEW, and its processing in an extraordinary measure of exception, when the requirements expressly provided for in this CONTRACT are met.

28.2. If the EXTRAORDINARY REVIEW process is initiated at the request of the CONCESSIONAIRE or the Granting Authority, the applicant must forward the

necessary subsidies to demonstrate to ARSESP that the immediate non-treatment of the event will result in extraordinary aggravation and its harmful consequences, subject to Clause 24.3.2.1.

28.3. ARSESP will have a period of 60 (sixty) days, justifiably extendable, counted from the formalization of the request presented by the CONCESSIONAIRE or the GRANTING AUTHORITY, to assess whether the reasons presented would justify the immediate treatment and whether the severity of the consequences would support the non-observance of the ORDINARY REVIEW procedure of the CONTRACT, motivating the importance of not waiting for the necessary time lapse until the processing of the subsequent ORDINARY REVIEW.

28.4. At the end of the EXTRAORDINARY REVIEW procedure, after the regular administrative process in which the CONCESSIONAIRE is fully involved and adversarial to the CONCESSIONAIRE, the GRANTING AUTHORITY, with the support of ARSESP, shall establish the new contractual guidelines, subject to the limits and procedures provided for in this Clause, and the CONCESSIONAIRE, in case of disagreement, shall use the dispute settlement mechanisms provided for in this CONTRACT.

28.5. If ARSESP issues specific rules on the procedures for ORDINARY REVIEW, EXTRAORDINARY REVIEW and other procedural rules related to the economic-financial balance of the CONTRACT, the agency's regulation shall prevail over the regulation of this CONTRACT in relation to the content of Clause 27.1, 28.1 seq.

## **CHAPTER V – CONCESSIONAIRE**

### **29. CLAUSE TWENTY-NINE – LEGAL STRUCTURE OF THE SPECIAL PURPOSE COMPANY**

29.1. Throughout the term of the CONTRACT, the CONCESSIONAIRE'S articles of incorporation must indicate that its specific and exclusive corporate purpose will be the realization of the object of this CONCESSION, having its headquarters and jurisdiction in the State of São Paulo.

29.1.1. The duration of the SPECIAL PURPOSE COMPANY shall be compatible with the execution of this CONTRACT, until its full liquidation.

29.1.2. The CONCESSIONAIRE'S bylaws shall include a clause to:

I. Prohibit the alteration of the CONCESSIONAIRE'S corporate purpose, except to include activities involving the exploitation of ANCILLARY REVENUES;

II. Provide for the need to submit to the prior authorization of the GRANTING AUTHORITY and ARSESP, as applicable, the acts described in this CONTRACT;

III. Contemplate the decision-making power of the intervener designated by the GRANTING AUTHORITY in case of intervention;

IV. Prohibit the contracting of obligations guaranteed by rights arising from the CONCESSION at levels that compromise the operationalization and continuity of the provision of SERVICES; and

V. Match the CONCESSIONAIRE'S financial year with the calendar year.

29.2. The CONCESSIONAIRE company shall comply with corporate governance standards and adopt standardized accounting and financial statements, especially regarding transactions with RELATED PARTIES, in accordance with accounting practices adopted in Brazil, based on Brazilian Corporate Law (Federal Law No. 6.404/1976 and amendments) and Accounting Standards issued by the Federal Accounting Council – CFC.

29.2.1. The CONCESSIONAIRE'S accounting and financial information and statements must be audited by a specialized independent auditing company and published annually or made available electronically through public access, including on the CONCESSIONAIRE'S website, in a format that ensures transparency and easy consultation, without prejudice to other forms of disclosure provided for by law.

29.2.2. The specialized audit firm shall also verify compliance with the provisions relating to RELATED PARTIES, set forth in Clauses 29.7 to 29.9, regardless of the accounting or governance regime of the CONCESSIONAIRE.

29.3. The minimum subscribed nominal share capital of the SPE will be that provided for in the NOTICE, required as a condition of signing the CONTRACT.

29.3.1. Prior to signing the CONTRACT, the SPC must demonstrate that it has paid in at least 10% of the minimum share capital provided for in the NOTICE.

29.3.2. The payment of the remaining share capital, corresponding to 90% (ninety percent) of the subscribed capital, will be made in national currency, until the end of the 1st year from the CONTRACT SIGNATURE DATE of the respective LOT.

29.3.3. At the end of the period established in Clause 29.3.1, the CONCESSIONAIRE shall have demonstrated the payment of the minimum share capital updated by the IPCA/IBGE.

29.3.4. After the payment of the remaining share capital, there will be no need to update the minimum share capital.

29.3.5. Until the payment is complete, pursuant to Clauses **Erro! Fonte de referência não encontrada.** and 29.3.1, the shareholders of the SPE are responsible, in proportion to the shares subscribed by each one, to the GRANTING AUTHORITY and ARSESP, for obligations of the CONCESSIONAIRE, up to the limit of the amount of the missing portion for payment of the capital initially subscribed.

29.3.6. The share capital of the SPE may be increased at any time.

29.3.7. The SPE undertakes to keep ARSESP permanently informed of the fulfillment, by its shareholders, of the payment of the share capital, and ARSESP may carry out due diligence and audits to verify the situation at any time and in any form.

29.4. The fiscal year of the SPE and the financial year of this CONTRACT SHALL coincide with the calendar year.

29.5. The participation of non-national capital in the SPE will comply with the Brazilian legislation in force.

29.6. Even after the termination of the CONCESSION, the SPC shall maintain the minimum subscription of the share capital referred to in this Clause, until its dissolution, unless (i) there is prior consent from the GRANTING AUTHORITY, or (ii) there has been prior consent for capital reduction below the minimum amount established in Clause 29.3, in which case the minimum subscription shall comply with the authorized amount

## **Related Party Transactions Policy**

29.7. The CONCESSIONAIRE shall, within 120 (one hundred and twenty) days from the CONTRACT SIGNATURE DATE, develop, publish and implement a RELATED PARTY TRANSACTIONS POLICY, submitting it to ARSESP, observing, as appropriate, the best practices recommended by the Brazilian Code of Corporate Governance – Publicly-Held Companies, edited by the Interagent Working Group (GT Interagentes), coordinated by the Brazilian Institute of Corporate Governance (IBGC), as well as the provisions of the Novo Mercado Regulation, or by those who may replace them as a reference before the Brazilian Securities and Exchange Commission – CVM, and containing at least the following elements:

- I. Criteria that must be observed for carrying out transactions between the CONCESSIONAIRE and its RELATED PARTIES, requiring compliance with fair conditions, compatible with market practice and equivalent to those that would be obtained in an independent negotiation, with a party not related to the CONCESSIONAIRE;
- II. Procedures to assist in the identification of individual situations that may involve conflicts of interest and, consequently, determine the impediment of voting in relation to shareholders or managers of the CONCESSIONAIRE;
- III. Procedures and persons responsible for identifying RELATED PARTIES and classifying transactions as RELATED PARTY transactions;
- IV. Indication of the instances of approval of transactions with RELATED PARTIES, depending on the amount involved or other criteria of relevance;
- V. Requirement of price comparison, when possible, with other market agents, according to rules approved by the CONCESSIONAIRE'S management, as a condition for contracting with RELATED PARTIES;
- VI. Demonstration that the object of the services contracted with RELATED PARTIES is not the object of any other contracting of the CONCESSIONAIRE with third parties;
- VII. Prohibition of making advance payments in contracts with RELATED PARTIES, except in the case of advance mobilization costs required in similar contracts in the market; and

VIII. Duty of the CONCESSIONAIRE'S management to formalize, in a written document to be filed at the CONCESSIONAIRE'S headquarters, the justifications for the selection of RELATED PARTIES TO the detriment of market alternatives.

29.7.1. Notwithstanding the term provided for in Clause 29.7, the RELATED PARTY TRANSACTIONS POLICY shall be developed, published and implemented prior to any contracting of a RELATED PARTY by the CONCESSIONAIRE.

29.8. The RELATED PARTY TRANSACTIONS POLICY shall be updated by the CONCESSIONAIRE whenever necessary, observing the updates in the best practice recommendations referred to in Clause 29.7, and the need to include or amend specific provisions aimed at giving greater effectiveness to the transparency and commutativity of transactions with RELATED PARTIES.

29.9. The CONCESSIONAIRE's RELATED PARTY TRANSACTIONS POLICY shall provide for the CONCESSIONAIRE'S obligation to disclose, on its website, the following information about the contracting carried out:

- I. General information about the contracted RELATED PARTY;
- II. Object of the contract;
- III. Contract term;
- IV. General conditions of payment and readjustment of the amounts related to the contracting;
- V. Description of the negotiation of the transaction with the RELATED PARTY and the decision on the execution of the transaction; and
- VI. Justification for contracting with the RELATED PARTY TO the detriment of market alternatives.

29.9.1. The disclosure referred to in Clause 29.9 shall occur within thirty (30) days from the execution of the transaction with the RELATED PARTY and at least five (5) business days from the beginning of the execution of the obligations arising from said transaction.

29.10. The CONCESSIONAIRE may receive funds from RELATED PARTIES through loan agreements, provided that:

- I. Loan agreements are previously approved by ARSESP;
- II. The payment obligations of the amounts assigned under such title are subject to the payment of the VARIABLE GRANT due to the GRANTING AUTHORITY and the BURDEN OF SUPERVISION to ARSESP, under the terms of this CONTRACT and the conditions applicable to contracts with RELATED PARTIES, according to the RELATED PARTY TRANSACTIONS POLICY; and
- III. The total effective cost of the loan operation is based on, and does not exceed, bank loan rates, and the CONCESSIONAIRE must present similar contracts with FINANCIAL INSTITUTIONS or loan quotation under similar conditions in volume and form of payment to justify the loan rate.

29.11. The CONCESSIONAIRE is prohibited, unless authorized by ARSESP:

- I. Grant loans and financing to its shareholders, RELATED PARTIES or third parties; and
- II. Provide surety bond, endorsement or any other form of guarantee in favor of its shareholders, RELATED PARTIES or third parties.

### **Compliance Program**

29.12. The CONCESSIONAIRE shall, within a maximum period of 18 (eighteen) months from the CONTRACT SIGNATURE DATE, send to ARSESP and implement a COMPLIANCE PROGRAM, consisting of internal mechanisms and procedures with rules of integrity, audit and incentive to report irregularities, and in the effective application of codes of ethics and conduct, policies and guidelines with the objective of detecting and remedying deviations, frauds, irregularities and unlawful acts practiced against the PUBLIC ADMINISTRATION, observing the criteria and conditions of ARSESP Resolution No. 1.622/2024 and in view of Federal Law No. 12.846/2013 (Anti-Corruption Law), articles 41 and 42 of Federal Decree No. 11.129/2022, and State Decree No. 67.301/2022.

29.12.1. Once the COMPLIANCE PROGRAM is implemented, the CONCESSIONAIRE must, within 12 (twelve) months from its implementation, extendable for an additional 12 (twelve) months upon ARSESP'S consent, obtain ISO 37001 certification from an institution accredited for such purposes by the

International Organization for Standardization, or the "Pró Ética Seal" issued by the Office of the Comptroller General of the Union, or another that may replace it.

29.12.2.If the CONCESSIONAIRE does not obtain, after exceeding the period provided for in Clause 29.12.1, above, any of the certifications listed, it must carry out independent audits, at least biannually, regarding the effectiveness of the implemented COMPLIANCE PROGRAM.

29.12.3.The COMPLIANCE PROGRAM must provide for a sector responsible for the application, management and inspection of the activities provided for therein, which must be endowed with autonomy, independence and impartiality to coordinate control activities, and must also be endowed with sufficient material, human and financial resources for its regular operation.

29.13. The COMPLIANCE PROGRAM shall contain at least the following content:

- I.Code of ethics and conduct, representing the expected behavior of all employees and managers of the CONCESSIONAIRE, as well as third parties who have relations with the CONCESSIONAIRE, such as suppliers and service providers;
- II.The purpose and scope of the COMPLIANCE PROGRAM;
- III.The clear division of the responsibilities of the people involved in the compliance function, in order to avoid possible conflicts of interest with other areas of the CONCESSIONAIRE;
- IV.The free access of those responsible for activities related to the compliance function to the information necessary for the exercise of their duties;
- V.Mechanisms for detecting irregularities and procedures that ensure the prompt interruption of detected irregularities or infractions and the timely remediation of the damages generated;
- VI.Channels for reporting irregularities that are easily accessible and widely disseminated to any interested parties, in particular to the CONCESSIONAIRE'S employees, to third parties who have relations with the CONCESSIONAIRE and to the CITIZEN-USERS, and that allow the receipt of anonymous complaints;

- VII. Provision of confidentiality rules for whistleblowers who identify themselves when offering the complaint, ensuring that the identification of the whistleblower will be kept confidential and under the responsibility of the sector responsible for the compliance program, accessible only to the sectors of the CONCESSIONAIRE that justifiably need access to information for the investigation, prevention or combating of the reported irregularity;
- VIII. Communication channels with the senior management of the CONCESSIONAIRE, including Councils, in order to facilitate the reporting of the results resulting from the activities related to the compliance function, possible irregularities or identified failures;
- IX. Integration of the sector responsible for the COMPLIANCE PROGRAM with other related areas, such as the legal department, internal audit, ombudsman, accounting and human resources department;
- X. Segregation of the sector responsible for the compliance program in relation to the sector responsible for internal audit;
- XI. Rules of conduct for situations that present a significant risk of illicit conduct, fraud and corruption, especially in situations involving interaction with the public sector, even if intermediated by third parties, such as participation in a tender, execution and inspection of administrative contracts – including meetings with public agents responsible for inspecting and monitoring the CONTRACT or for regulating services, entering into contractual agreements or amendments, donations and sponsorships of any kind, obtaining authorizations and licenses, inspections, hiring former public agents, offering gifts and presents to public agents, etc.;
- XII. Clarifications on the existence and use of reporting channels and guidance on integrity issues;
- XIII. Establishment of the prohibition of retaliation against bona fide whistleblowers and the mechanisms to protect them;
- XIV. Duty of periodic training of employees regarding the objectives of the COMPLIANCE PROGRAM, which may be given by the CONCESSIONAIRE'S employees;

- XV. Provision of disciplinary measures in the event of violation of the rules of compliance and integrity, which must be proportional to the violation and the level of responsibility of those involved;
- XVI. Duty of commitment of the senior management of the CONCESSIONAIRE, including Boards, in the establishment of the policies of the COMPLIANCE PROGRAM;
- XVII. Conducting periodic risk analysis to make necessary adaptations to the COMPLIANCE PROGRAM, as well as continuous monitoring of the COMPLIANCE PROGRAM, aiming at its improvement in the prevention, detection and fight against illegal conduct, fraud and corruption;
- XVIII. Provision of internal controls that ensure the reliability of reports and statements of any kind, including accounting;
- XIX. Duty of the sector responsible for the COMPLIANCE PROGRAM to prepare a report, at least annually, containing the summary of the results of the activities related to the compliance function, its main conclusions, recommendations and measures taken by the CONCESSIONAIRE'S management;
- XX. Immediate communication to the sector responsible for the COMPLIANCE PROGRAM when requested by third parties, or made by the CONCESSIONAIRE, payment of amounts by means not usual for the circumstances of the business, especially when it involves payment of amounts in kind, in any currency, in multiple accounts, or in accounts in countries other than the third party's business operation or the provision of the service;
- XXI. Duty of the sector responsible for the COMPLIANCE PROGRAM to systematically and timely report the results of its activities directly to the Board of Directors, allowing it to act independently of the CONCESSIONAIRE'S executive board; and
- XXII. Provision of internal procedures to ensure regularity and probity in the hiring of third parties, such as suppliers, service providers, intermediary agents and associates.

29.13.1. The code of ethics and conduct must be written in a clear and concise manner, and must be easy to consult with the internal and external public, in addition to containing at least the following content:

- I. The principles and values adopted by the CONCESSIONAIRE related to issues of ethics and integrity;
- II. The CONCESSIONAIRE'S policies to prevent fraud and illicit acts, especially those that regulate the relationship between the public and private sectors;
- III. Provision of disciplinary measures for cases of violations of the CONCESSIONAIRE'S rules and policies;
- IV. Express prohibitions of the practice of the following conducts by the members of the CONCESSIONAIRE:
  - a. Promise, offer or give, directly or indirectly, an undue advantage to a public agent or similar person, national or foreign, or the person related to them;
  - b. Offer undue advantage;
  - c. Practice any action or omission that may characterize an embarrassment to the action of supervisory authorities;
  - d. Receive or consent to the receipt by third parties of any undue amounts for the practice of a prohibited act, or for the omission in the practice of a required act, in this CONTRACT or in the ANNEXES;
  - e. Practicing fraud or harmful acts in relations with the public sector.

29.14. The COMPLIANCE PROGRAM and codes of ethics and conduct shall be reviewed at intervals not exceeding three (3) years and, if necessary, updated to ensure their effectiveness.

29.15. Resolution No. 1.622/2024 of ARSESP, or another that replaces it, shall prevail over the rule of this CONTRACT in relation to the content of Clause 29.12 seq.

### **30. CLAUSE THIRTY - TRANSFER OF CONTROL OF THE CONCESSIONAIRE**

30.1. The CONCESSIONAIRE shall obtain prior consent from ARSESP for any modification of its corporate composition that implies direct TRANSFER OF SHAREHOLDING CONTROL, pursuant to this CONTRACT and article 27 of Federal Law No. 8.987/1995.

30.1.1. The prior consent required in Clause 30.1 covers acts that imply the direct TRANSFER OF SHAREHOLDING CONTROL of the CONCESSIONAIRE, even when indirect CONTROL remains with the same ECONOMIC GROUP.

30.1.2. For the purposes of this CONTRACT, the direct holder of the CONCESSIONAIRE'S CONTROL power is the person, individual or legal entity, or group of persons bound by a voting agreement, or under common control, part of the CONCESSIONAIRE'S direct shareholding structure, which meets the conditions indicated in the paragraphs of article 116 of Federal Law No. 6.404/1976.

30.1.3. The case of indirect TRANSFER OF SHAREHOLDING CONTROL of the CONCESSIONAIRE is not subject to the prior consent of ARSESP, except in the event of replacement of a company that is part of the indirect control of the CONCESSIONAIRE that has been responsible for the presentation of any of the certificates required in the NOTICE.

30.1.4. In the event of the creation of an intermediate corporate structure between the BIDDER and the SPECIAL PURPOSE COMPANY, any change in the CONTROL power of said intermediate corporate structure will be considered as TRANSFER OF direct SHAREHOLDING control of the CONCESSIONAIRE.

30.2. Acts of modification of the CONCESSIONAIRE'S shareholding structure are not subject to ARSESP'S prior consent in the event that the companies originally holding direct CONTROL of the CONCESSIONAIRE remain with a sufficient shareholding position to continue in the exercise of the company's CONTROL power, without the participation of third parties that did not make up, prior to the act, the CONCESSIONAIRE'S CONTROL BLOCK.

30.3. The TRANSFER OF SHAREHOLDING CONTROL of the CONCESSIONAIRE will only be authorized by ARSESP when the transfer does not harm, nor jeopardize, the execution of the CONCESSION CONTRACT.

30.4. To obtain the consent, the applicant must submit to ARSESP a formal request for consent to the desired transfer and submit at least the following information:

I. Explanation of the desired corporate transaction and the proposed corporate structure for the moment after the TRANSFER OF SHAREHOLDING CONTROL;

II. Documents related to the desired corporate transaction, such as draft agreement for implementation of the transaction, shareholders' agreement, copy of minutes of meeting of partners or shareholders of the CONCESSIONAIRE, correspondence, audit reports and financial statements;

III. Justification for the change of CONTROL;

IV. Indication and qualification of the persons who will appear as controller or integrate the CONTROL BLOCK of the CONCESSIONAIRE, also presenting the list of the members of the administration of the CONCESSIONAIRE and its controllers;

V. Demonstration of the CONCESSIONAIRE'S shareholding structure after the desired TRANSFER OF SHAREHOLDING CONTROL operation;

VI. Demonstration of the qualification of the companies that will become controllers or integrate the CONCESSIONAIRE'S CONTROL BLOCK, with the presentation of documents equivalent to the QUALIFICATION DOCUMENTS, which are necessary for the continuity of the operation of the CONCESSION, observing the compatibility of this requirement with the moment of contractual execution;

VII. Express commitment of those who will become controllers or integrate the CONCESSIONAIRE'S CONTROL BLOCK, indicating that they will fully comply with all the obligations of this CONTRACT, as well as support the CONCESSIONAIRE in what is necessary for the full and complete fulfillment of the obligations assigned to it; and

VIII. Commitment of all those involved that the TRANSFER OF SHAREHOLDING CONTROL operation will be suspended until approval is obtained from the competent bodies, including the Administrative Council for Economic Defense, according to the relevance in each specific case.

30.5. ARSESP will examine the request for prior consent, in the cases required in this Clause, within a period of up to 90 (ninety) days, extendable for an equal period, if necessary, and may, at its discretion, request clarifications and additional documents from the CONCESSIONAIRE and/or the FINANCIERS, call the members or controlling shareholders of the CONCESSIONAIRE, and promote any measures it deems appropriate.

30.6. If, due to the stage at which the CONCESSION is, some of the technical capacity and financial standing requirements set forth in the NOTICE are no longer necessary for adequate service provision, ARSESP may waive proof thereof.

30.7. The prior consent for the TRANSFER OF CONTROL of the CONCESSIONAIRE, if granted by ARSESP, will be formalized, in writing, indicating the conditions and requirements for its realization.

30.8. The prior consent procedures related to the hypotheses provided for in Clause 30.1 will also observe the following rules:

I. The request for prior consent must be submitted by the CONCESSIONAIRE sufficiently in advance to allow the due analysis and manifestation of ARSESP in a timely and reasonable manner, considering the care with the non-commitment of the transaction(s) attempted;

II. The request for prior consent to be presented by the CONCESSIONAIRE must be accompanied by the relevant documentation to characterize and explain the intended operation, and other documents that may be eventually required by ARSESP, especially those that are necessary to prove the absence of impairment of the continuity and quality of the execution of the activities object of this CONTRACT; and

III. If ARSESP rejects the request or requires additions, it must do so in a reasoned manner, and may submit an alternative proposal so that the intended operation is accepted.

30.9. The performance of the corporate operations achieved by this Clause, without obtaining ARSESP'S consent prior to the formalization of the operation, will result in the application of the sanctions provided for in this CONTRACT and in ANNEX F, and ARSESP may, in addition to the application of penalties:

I. Determine, when possible, that the bidder presents the relevant documentation and resolves any pending issues, even if extemporaneously;

II. Determine that the CONCESSIONAIRE returns to the status quo ante, either through the action of the CONCESSIONAIRE itself, undoing the corporate change or performing corporate acts that imply the return of the share capital to the company originally holding the shares, or, on the other hand, by an act of ARSESP itself seeking the annulment of the corporate change, observing the provisions of article 35, item I, of Federal Law No. 8.934/1994; and

III. It is not possible to overcome the defect in the change in the shareholding composition of the CONCESSIONAIRE or its controllers, the decree of forfeiture of the concession, with the consequences provided for in this CONTRACT.

30.10. The assumption of control of the CONCESSIONAIRE will not change the obligations of the CONCESSIONAIRE and its controllers BEFORE THE GRANTING AUTHORITY and ARSESP.

### **31. CLAUSE THIRTY-ONE – CONTRACTING WITH THIRD PARTIES AND TECHNICAL RESPONSIBILITY**

31.1. The CONCESSIONAIRE may contract with third parties the development of activities inherent, ancillary or complementary to those provided for in this CONTRACT, regardless of prior authorization from the GRANTING AUTHORITY or ARSESP, provided that within the guidelines of the legislation and other applicable rules and observing the guidelines of this CONTRACT and ANNEXES, and observing the duty of prior communication, pursuant to item 31.2.

31.1.1. The hiring of third parties may not result in a decrease in the quality of services or in the transfer of the exercise of the position of CONCESSIONAIRE in this CONTRACT, and the CONCESSIONAIRE shall remain responsible for the management and administration of the CONCESSION and for the supervision of the provision of services.

31.1.2. The CONCESSIONAIRE will remain fully responsible for the execution of the object of the CONCESSION, even if by third parties, including, but not limited to, for the purpose of performance evaluation, damages caused to the Granting Authority, ARSESP, the TRAFFIC AUTHORITY, user cities or third parties, indemnities and subject to penalties arising from this CONTRACT under the terms of ANNEX F.

31.1.3. The CONCESSIONAIRE shall maintain an updated list of all contracts entered into with third parties, which shall include their objects, values, conditions and terms, as well as the digitized draft of the contract entered into.

31.2. The CONCESSIONAIRE shall, obligatorily, inform ARSESP of the hiring of third parties to provide services relevant to the development of activities inherent, ancillary or complementary to the object of the CONCESSION.

31.2.1. The fact that the contract with third parties was known to ARSESP cannot be alleged by the CONCESSIONAIRE to exempt itself from the total or partial fulfillment of its obligations arising from the CONCESSION, or to justify any delay or modification in costs, nor TO claim any liability of the Granting Authority, ARSESP or the TRAFFIC AUTHORITY.

31.3. The contracts between the CONCESSIONAIRE and third parties shall be governed by private law, and no relationship of any nature shall BE established between the third parties and the Granting Authority, ARSESP or the TRAFFIC AUTHORITY, including in relation to labor, social security, tax and commercial charges.

31.4. The CONCESSIONAIRE will be exclusively liable, under the terms of the applicable legislation, for any damages caused to third parties, by itself or its administrators, employees, agents or service providers or any other individual or legal entity linked to it, in the execution of the works and provision of the activities and services covered by the CONCESSION, without prejudice to any rights it may exercise before third parties, not being assumed by the GRANTING AUTHORITY any kind of responsibility of this nature.

31.4.1. The CONCESSIONAIRE shall require subcontractors to prove the regularity of tax and social security payments, as well as compliance with labor obligations, and whatever else is pertinent, and shall keep such documents under its custody and responsibility.

31.5. Any type of sub-concession in relation to the execution of the object of the CONCESSION is prohibited.

## **CHAPTER VI – INSURANCE AND GUARANTEES**

### **32. CLAUSE THIRTY-TWO – GENERAL RULES**

32.1. The PERFORMANCE GUARANTEE and the insurances listed in the CONTRACT and in the INSURANCE PLAN, which must be contracted in a timely manner by the CONCESSIONAIRE, may not contain exclusionary clauses of liability, other than those arising from legal or regulatory requirement, and must indicate the GRANTING AUTHORITY as beneficiary, in the form of item 32.4, ensuring the latter the possibility of executing the insurances and the PERFORMANCE GUARANTEE by simple communication from ARSESP to the insurer and/or guarantor after the conclusion of the competent administrative process under investigation, in accordance with the legislation in force regarding the default of the CONCESSIONAIRE regarding a certain guaranteed contractual obligation.

32.2. The insurances and the PERFORMANCE GUARANTEE shall be contracted and necessarily renewed and maintained in force, under the conditions established in this CONTRACT, at least during the entire period in which the guaranteed principal obligation subsists.

32.3. The eventual unfeasibility or unjustified difficulty in the execution of the insurance and the PERFORMANCE GUARANTEE by the GRANTING AUTHORITY, in the cases giving rise to execution, may result in the forfeiture of the CONTRACT, under the terms provided for in this CONTRACT.

32.4. The PERFORMANCE GUARANTEE and the insurance listed will have as beneficiary the Secretariat of Investment Partnerships of the Government of the State of São Paulo; CNPJ/ME: 96.480.850/0001-03; Registered Office: Rua Iaiá, 126, Itaim Bibi, São Paulo, SP, Brazil, CEP: 04542-906

### **33. CLAUSE THIRTY-THREE - INSURANCE**

33.1. The CONCESSIONAIRE shall, throughout the CONCESSION TERM, contract and maintain with an insurance company, duly authorized to operate and operate in Brazil and of a size compatible with the insured object, the insurance policies necessary to cover the risks inherent to the development of the execution object of the CONCESSION, as available in the Brazilian market and without prejudice to the insurance required by the applicable legislation, under penalty of forfeiture of the CONCESSION, pursuant to Clause 44.

33.1.1. The CONCESSIONAIRE must submit an INSURANCE PLAN by the date of submission of the IMPLEMENTATION PLAN provided for in ANNEX B, including the presentation of the coverage and respective insured amounts to be contracted, and the effective contracting must observe the terms presented in this CONTRACT and in the INSURANCE PLAN.

33.1.2. Within the same period provided for in sub-clause 33.1.1, the CONCESSIONAIRE shall submit a letter from the insurance institution, reinsurer, insurance broker or guarantors who advised it in the preparation of the INSURANCE PLAN stating that it carried out the analysis and attests to the adequacy of the INSURANCE PLAN

33.1.3. The INSURANCE PLAN must be reviewed periodically and will comply with the regulations of the federal insurance standardization and inspection agencies in Brazil, and the imposition of additional and/or delayed procedures for the payment of the guaranteed amounts is prohibited.

33.1.4. The CONCESSIONAIRE undertakes to recompose the insured amounts, unconditionally, upon recognition of the amount of the loss, unconditionally, including for the Civil Liability Section, subject to the regulations of the federal agencies for standardization and inspection of Insurance in Brazil, unless this coverage is not available in the insurance market, which must be confirmed by letter sent to ARSESP.

33.1.5. In the event of lack of coverage and/or impossibility of automatic and unconditional reinstatement of amounts that would be the object of insurance and/or triggering of an aggregate limit clause in the policy, as indicated in the INSURANCE PLAN, ARSESP may demand alternatives to ensure the principal obligations assumed by the CONCESSIONAIRE, which may be structured through a contract instrument containing provisions defined by ARSESP or suggested by the CONCESSIONAIRE and approved by ARSESP.

33.2. The INSURANCE PLAN must contain the indication of the need to contract at least the following insurances, without being limited to them, indicating the estimated term for their contracting, the risks that will be mitigated by the respective policies, as well as the maximum limits of the indemnities in case of occurrence of the claims:

I. "all risk" insurance for property damage covering loss, destruction or damage to all CONCESSION ASSETS, such insurance to include:

- a. Property damage;
- b. Riots, vandalism, intentional acts;
- c. Fire, lightning and explosion of any nature;
- d. Damage to electronic equipment (low voltage);
- e. Theft and robbery (except values);
- f. Electrical damage;
- g. Windstorm, smoke;

- h. Material damage caused to equipment;
- i. Damage caused to glass objects;
- j. Accidents of any nature; and
- k. Flooding or inundation.

II. Liability insurance, including damage caused to third parties (physical and material) and vehicles in custody.

33.3. The insurance coverage provided for in this Clause shall include coverage for damages caused by force majeure or unforeseeable circumstances whenever they are insurable.

33.4. All insurance contracted for the purposes of this CONTRACT must be contracted with insurers and reinsurers authorized to operate in Brazil, always presenting a Certificate of Operational Regularity issued by the Superintendence of Private Insurance – SUSEP, on behalf of the insurer that issues each policy.

33.5. No service or investment may begin or continue without the CONCESSIONAIRE proving the contracting of the insurance indicated in the INSURANCE PLAN, upon presentation of the policy, proof of payment of the premium and Certificate of Operational Regularity mentioned in Clause 33.4.

33.6. The GRANTING AUTHORITY shall, pursuant to item 32.4 appear as the beneficiary of all insurance policies contracted by the CONCESSIONAIRE, and any modification, cancellation, suspension or replacement of any insurance contracted by the CONCESSIONAIRE is prohibited, for the purposes of this CONTRACT, without prior authorization from ARSESP, and the CONCESSIONAIRE shall undertake to maintain the conditions previously authorized by ARSESP, under penalty of forfeiture of the CONCESSION, under the terms of this CONTRACT.

33.7. The insurance policies shall also provide for direct compensation to the GRANTING AUTHORITY in cases where the GRANTING AUTHORITY, ARSESP or the TRAFFIC AUTHORITY are held liable as a result of a claim.

33.8. The amounts covered by the insurance indicated in the INSURANCE PLAN must be defined, contracted and maintained by the CONCESSIONAIRE, under its sole responsibility, in sufficient amounts to ensure the replacement or correction of damages resulting from a claim, according to the risks inherent to the CONCESSION. The insufficiency of these amounts will be fully borne by the CONCESSIONAIRE, without prejudice to the provisions of item 33.10, items VI, VII and VIII.

33.9. The deductibles contracted must be those practiced by the Brazilian insurance market in business of this nature.

33.10. When contracting insurance, the CONCESSIONAIRE must also observe the following:

I. All insurance policies must be valid for at least 12 (twelve) months;

II. The CONCESSIONAIRE shall forward to ARSESP, at least thirty (30) days in advance of the expiration dates of the insurance policies provided for in this CONTRACT, certificates issued by the respective insurer(s), confirming the renewal or contracting of new policies;

III. If it is not possible to renew or contract new policies as determined in the previous item, the CONCESSIONAIRE shall provide, at the end of the insurance term and if it does not have the new policy, a certificate issued by the respective insurer confirming that the risks involved were placed in the insurance market, according to the determined period and in accordance with the coverage and deductibles requested by it, awaiting only SUSEP'S authorization to issue the new policy;

IV. The CONCESSIONAIRE shall include in the insurance policies the obligation of the insurer to inform in writing, at least thirty (30) days in advance of the effective occurrence, the CONCESSIONAIRE and ARSESP, any facts that may imply the cancellation, in whole or in part, of the contracted insurance, reduction of coverage, increase of deductible or reduction of insured amounts, subject to the situations provided for by law;

V. The CONCESSIONAIRE is responsible for the full payment of the premiums and the deductible, in case of use of any insurance provided for in the CONTRACT. The CONCESSIONAIRE shall provide, within a period not exceeding thirty (30) days from the beginning of each year of the CONCESSION, a certificate issued by the insurer(s) confirming that all insurance policies contracted are valid and that the respective premiums, already payable in accordance with the agreed payment terms, are paid;

VI. Any differences between the amounts contracted and the indemnities of claims paid will not give rise to the right to economic and financial rebalancing of the CONTRACT nor will they eliminate the CONCESSIONAIRE'S obligation to maintain the ADEQUATE SERVICE;

VII. The differences mentioned in item VI also not be a reason for not making any investment object of this CONTRACT, including additional investments that may be necessary due to the occurrence of the claim, the amounts of which have not been fully covered by the policies; and

VIII. In the event of losses not covered by contracted insurance, the CONCESSIONAIRE shall be solely liable for damages and losses it may cause to the GRANTING AUTHORITY, ARSESP, the TRAFFIC AUTHORITY and/or third parties, with indemnities resulting from such damages and losses being exclusively at its expense.

33.11. The CONCESSIONAIRE may change coverage and deductibles, as well as any conditions of the contracted policies, to adapt them according to the development of the activities object of the CONCESSION, requiring, however, the prior approval of ARSESP.

33.12. The policies issued may not contain obligations, restrictions or provisions that contradict the provisions of this CONTRACT or the sectoral regulation, and must contain an express statement from the insurance company that it is fully aware of this CONTRACT, including with regard to the limits of the CONCESSIONAIRE'S rights.

33.13. The insurer shall waive all rights of recourse against the GRANTING AUTHORITY, ARSESP and the TRAFFIC AUTHORITY, even if applicable.

33.14. The CONCESSIONAIRE assumes all responsibility for the scope or omission arising from the realization of the insurance referred to in this CONTRACT, including for the purposes of the risks assumed.

33.15. In the event of non-compliance, by the CONCESSIONAIRE, with the obligation to contract and maintain the insurance policies in full force, the Granting Authority or ARSESP, regardless of its ability to decree the intervention or expiration of the CONCESSION under the terms of this CONTRACT, may contract and pay the respective premiums directly, running all costs at the expense of the CONCESSIONAIRE, which shall reimburse the GRANTING AUTHORITY or ARSESP, as the case may be, within 05 (five) business days from its notification, under penalty of default interest of 1% (one percent) per month and monetary restatement through the IPCA/IBGE, pro rata temporis, from the date of maturity and until the date of effective reimbursement, without prejudice to the use of the PERFORMANCE GUARANTEE, to reimburse the costs of contracting said insurance, as well as the incidence of applicable penalties.

33.16. ARSESP may issue a regulatory act governing the CONCESSIONAIRE's obligation regarding the preparation and implementation of the INSURANCE PLAN, which shall prevail over the provisions of this Clause 33, except with respect to the typology of mandatory coverages set forth in subclause 33.2.

#### **34. CLAUSE THIRTY-FOUR – PERFORMANCE GUARANTEE**

34.1. The full and timely fulfillment of the obligations assumed by the CONCESSIONAIRE with the GRANTING AUTHORITY will be guaranteed, under the terms, amounts and conditions set forth in this Clause by means of an EXECUTION GUARANTEE.

34.2. The CONCESSIONAIRE provided as a condition to the execution of this CONTRACT and shall maintain, in favor of the GRANTING AUTHORITY, throughout the CONCESSION TERM, PERFORMANCE GUARANTEE, covering the fulfillment of the operational and conservation functions, the expansion functions and the payment of any amounts due to ARSESP or the GRANTING AUTHORITY.

34.3. The CONCESSIONAIRE shall maintain, in favor of the GRANTING AUTHORITY, throughout the CONCESSION TERM, a PERFORMANCE GUARANTEE in the amount of 5% (five percent) of the ESTIMATED CONTRACT VALUE.

34.4. The amount indicated in Clause 34.3 shall be updated by the IPCA/IBGE annually, in the month of the anniversary of the CONTRACT, having as base date February 2025.

34.5. In addition to the guarantees in favor of the GRANTING AUTHORITY, the CONCESSIONAIRE undertakes to maintain in full force the guarantees provided in its favor when required by the contracted companies to perform the services and other activities to be performed in the CONCESSION, including the GRANTING AUTHORITY as beneficiary.

34.5.1. The CONCESSIONAIRE shall inform the GRANTING AUTHORITY, if it chooses to require the guarantee established in Clause 34.5, of the terms and conditions of the guarantee instruments signed with the companies contracted to carry out the services and other activities to be performed in the CONCESSION.

34.6. The PERFORMANCE GUARANTEE is intended for indemnification, reimbursement of costs and expenses incurred in the event of default of the obligations assumed by the CONCESSIONAIRE, and must also be executed for payment of fines

that are applied to the CONCESSIONAIRE or for payment of other amounts due by it TO the Granting Authority or ARSESP.

34.7. The CONCESSIONAIRE, even if the PERFORMANCE GUARANTEE has been fully EXECUTED, will remain fully responsible for the fulfillment of the object of this CONTRACT, as well as for the other obligations inherent to it, including payments of fines, indemnities and other penalties eventually applied to it, which have not been satisfied with the total or partial execution of the PERFORMANCE GUARANTEE.

34.8. If the PERFORMANCE GUARANTEE is not sufficient to comply with the obligations due, the CONCESSIONAIRE shall be liable for the difference.

34.9. The documents that effectively formalize the PERFORMANCE GUARANTEE must be previously approved by ARSESP, under the terms of this CONTRACT, as well as any changes, replacements and renewals that may be necessary, and the CONCESSIONAIRE must, in any case, be responsible for the risks related to non-contracting or inadequate or insufficient contracting of the necessary guarantees.

34.10. The PERFORMANCE GUARANTEE may be offered and/or replaced, with the prior and express consent of ARSESP, in one of the following modalities, pursuant to article 96 of Federal Law No. 14.133/2021: (i) bond in national currency; (ii) bond in Public Debt Securities of the National Treasury; (iii) performance guarantee; (iv) bank guarantee; (v) capitalization bond, or (vi) combination of two or more of the modalities contained in items (i) to (v).

34.10.1. The PERFORMANCE GUARANTEE offered may not contain any reservations that may hinder or prevent its execution, or that may raise doubts as to its feasibility, subject to the regulations of the federal agencies for standardization and inspection of Insurance in Brazil, if offered in this modality.

34.10.2. The expenses related to the provision of the PERFORMANCE GUARANTEE will be the sole responsibility of the CONCESSIONAIRE.

34.10.3. The CONCESSIONAIRE is fully responsible for the maintenance and sufficiency of the PERFORMANCE GUARANTEE provided in this CONTRACT, as well as the responsibility for bearing all costs arising from its contracting.

34.10.4. The PERFORMANCE GUARANTEE, if provided in national currency, must be deposited at Banco do Brasil, Branch [●], current account No. [●], held by the GRANTING AUTHORITY, according to item 32.4, presenting the deposit slip, or in an administrative check from a national financial institution.

34.10.5. The PERFORMANCE GUARANTEE, if provided by Public Debt Securities of the National Treasury, must be provided at the nominal value of the securities, and may not be encumbered with an unenforceability, inalienability, non-transferability or compulsory acquisition clause.

34.10.5.1. Securities offered must be issued in book-entry form, through registration in a centralized settlement and custody system authorized by the Central Bank of Brazil, with market quotation and accompanied by proof of their current validity regarding liquidity and value.

34.10.5.2. The PERFORMANCE GUARANTEE, if provided by Public Debt Securities of the National Treasury, shall consider that the custody of the securities offered in a Selic Account to be opened in the name of the Granting Authority shall BE borne by the CONCESSIONAIRE.

34.10.5.3. Only the following securities will be accepted: (i) National Treasury Bills (LTN); (ii) National Treasury Financial Bills (LFT); (iii) Series B Principal National Treasury Notes (NTN-B Principal); (iv) Series B National Treasury Notes (NTN-B); (v) Series C National Treasury Notes (NTN-C); and (vi) Series F National Treasury Notes (NTN-F).

34.11. The PERFORMANCE GUARANTEE, if presented in the form of performance guarantee, will be proven by the presentation of the performance guarantee policy, accompanied by proof of payment of the premium, when applicable, as well as a Certificate of Operational Regularity issued by the Superintendence of Private Insurance – SUSEP, on behalf of the insurer issuing the policy, with a minimum term of 12 (twelve) months.

34.11.1. The policy shall:

I. It must be issued by an insurance company authorized to operate in Brazil and must be accompanied by proof of reinsurance contracting, under the terms of the legislation in force at the time of submission, with a minimum term of 12 (twelve) months;

II. Be in accordance with SUSEP Circular No. 622/2022, or another that may change or replace it, so that (i) it may not include any clause exempting the CONCESSIONAIRE or the insurer from liability, not even in its special or particular conditions, other than those arising from a legal or regulatory requirement; and (ii) it must cover all facts that occurred during its term, even if the claim is communicated by the GRANTING AUTHORITY after

overcoming the final term of the PERFORMANCE GUARANTEE, and must cover the hypotheses of default by the CONCESSIONAIRE of its obligation to reimburse the Granting Authority, when it is held responsible for any act or fact arising from the performance of the CONCESSIONAIRE, its agents or subcontractors, including, but not limited to, environmental damage, civil, tax and labor liability, regulatory penalties, among others.

34.11.2. Only exclusions of liability arising from an inalienable imposition arising from law or regulation will be considered valid, and exclusions of liability that are merely admitted by the regulator, but not imposed, will not be considered valid.

34.11.3. The special conditions or particular conditions of the respective policy must expressly include the coverage of all events described in Clauses 34.4 and 34.12, or, exceptionally, be accompanied by a statement, signed by the insurer issuing the policy, attesting that the performance bond presented is sufficient to cover all events described in these Clauses.

34.12. The PERFORMANCE GUARANTEE, if presented in the form of a bank GUARANTEE, must be issued by a financial institution duly constituted and authorized to operate in Brazil, and must be presented in its original form and be accompanied by proof of the powers of representation of the person responsible for signing the document, waive the benefit of order and have its value expressed in Reais.

34.12.1. The PERFORMANCE GUARANTEE, if provided via performance guarantee or bank GUARANTEE, must be valid for at least 01 (one) year from the date of contracting, and the CONCESSIONAIRE is fully responsible for carrying out the necessary renewals and updates, and must notify ARSESP of any renewal and update carried out, under penalty of applying the applicable sanctions.

34.13. The CONCESSIONAIRE shall submit to ARSESP a document proving the renewal and updating of the PERFORMANCE GUARANTEE, at least thirty (30) days in advance of the end of the term of its validity.

34.14. The PERFORMANCE GUARANTEE shall remain fully in force until the end of the term of the CONTRACT, only being released after proof that the CONCESSIONAIRE has paid any and all amounts due to the GRANTING AUTHORITY, already liquid and payable, in accordance with the respective administrative process, and may be executed under the terms of this CONTRACT.

34.14.1. The insurances contained in Clause 33 must be triggered with priority by ARSESP and/or the GRANTING AUTHORITY to repair the claims directly

covered by the INSURANCE PLAN, being certain that the PERFORMANCE GUARANTEE will not be triggered directly to satisfy the damages of such events.

34.15. The PERFORMANCE GUARANTEE, in any of the modalities, may not contain an exclusionary clause of any responsibilities contracted by the CONCESSIONAIRE, in relation to the provisions of this CONTRACT, nor contain any type of reservations or conditions that may hinder or prevent its execution, or that may leave doubts as to the firmness of the guarantee offered, other than the exceptions or exclusionary clauses arising from legal or regulatory requirement.

34.15.1. The exclusions of liability provided for in the legislation in force, including in the SUSEP standardization, will be considered valid, provided that they do not prevent execution by the GRANTING AUTHORITY and/or ARSESP, subject to the exclusions previously admitted below:

I. Risks prior to the effective date expressed in the policy or originating from other types of surety bond;

II. Risks that are or should be covered by other insurance policies, of other branches or modalities, issued or not;

III. Amendment to the contractual obligations guaranteed by the policy, which have been agreed between the GRANTING AUTHORITY and/or ARSESP and the CONCESSIONAIRE without the prior communication and express consent of the insurer, provided that such change results in an aggravation of the risk and, concomitantly, is related to the occurrence of the claim or results from bad faith of the GRANTING AUTHORITY and/or ARSESP;

IV. Willful unlawful acts or gross negligence equivalent to the intent practiced by the GRANTING AUTHORITY and/or ARSESP or its administrators and legal representatives, within the scope of this CONTRACT;

V. The GRANTING AUTHORITY and/or ARSESP do not fully comply with any obligations provided for in the Policy;

VI. If the GRANTING AUTHORITY and/or ARSESP make inaccurate statements or omit in bad faith circumstances that constitute an aggravation of risk or that may influence the acceptance of the insurance, pursuant to art. 769 of the Civil Code;

VII. If the GRANTING AUTHORITY and/or ARSESP intentionally aggravate the risk, pursuant to art. 768 of the Civil Code;

VIII. Fortuitous events or force majeure, pursuant to the Brazilian Civil Code;

IX. Any losses and/or other penalties applied due to the violation of anti-corruption rules willfully perpetrated by the GRANTING AUTHORITY and/or ARSESP and/or its representatives; and

X. Labor and social security obligations, unless expressly contracted respective additional coverage.

34.16. Whenever the PERFORMANCE GUARANTEE is executed, in whole or in part, the CONCESSIONAIRE will be obliged to reconstitute its full value, within 10 (ten) business days from the notification by the GRANTING AUTHORITY or ARSESP, under penalty of declaration of forfeiture of the CONTRACT, pursuant to Clause 44.

34.16.1. The renewal, in a timely manner to ensure its continuity, as well as the replacement and periodic readjustment of the PERFORMANCE GUARANTEE, must be carried out by the CONCESSIONAIRE, regardless of prior notification from the GRANTING AUTHORITY or ARSESP for constitution in arrears.

34.17. Notwithstanding other cases provided for in this CONTRACT or in the legislation, the PERFORMANCE GUARANTEE may be executed, in whole or in part, by the GRANTING AUTHORITY and ARSESP, after verification in a regular administrative process, in the following circumstances, subject to the provisions of Clause 34.5:

I. In order to comply with amounts owed by the CONCESSIONAIRE and not spontaneously satisfied (i) to the GRANTING AUTHORITY, due to the non-performance of any obligation provided for in this CONTRACT or any amendments signed by both PARTIES, such as the payment of a VARIABLE GRANT and the absence of the necessary measures to achieve the PERFORMANCE INDICATORS; (ii) arising from fines, indemnities or other penalties applied to it, pursuant to this CONTRACT and within the established deadlines; and (iii) to ARSESP as an INSPECTION BURDEN;

II. For reimbursement of amounts expended if the GRANTING AUTHORITY is held liable, unduly, for any act or fact arising from the actions of the CONCESSIONAIRE, its agents or subcontractors, including but not limited to

environmental damages, civil, tax and labor liability, regulatory penalties, among others; and

III. for payment of amounts owed by the CONCESSIONAIRE to users, not spontaneously satisfied.

34.18. The CONCESSIONAIRE will remain fully responsible for the fulfillment of the object of this CONTRACT, as well as for the other obligations inherent to it, including payments of fines, indemnities and other penalties eventually applied to it, observing, primarily, the satisfaction of the debt through the total or partial execution of the PERFORMANCE GUARANTEE.

34.19. If the PERFORMANCE GUARANTEE in force is in the form of performance guarantee, ARSESP and the GRANTING AUTHORITY may, at their discretion, bring to the attention of the insurer the opening of a sanctioning administrative proceeding.

34.19.1. Notwithstanding the foregoing, the administrative sanctioning process or for the collection of reimbursements and defaults due by the CONCESSIONAIRE will follow the rite provided for in the CONTRACT and will be conducted exclusively by ARSESP, including the quantification of fines and losses caused by the CONCESSIONAIRE, while the claim execution process will be conducted exclusively by the insurer, under the terms of the procedure provided for in the policy.

34.20. If ARSESP issues a specific rule on PERFORMANCE GUARANTEE, the agency's regulation shall prevail over the rules of this CONTRACT in relation to the content of Clause 34.5 seq.

## **35. CLAUSE THIRTY-FIVE – FINANCING AND GUARANTEES TO FINANCIERS**

### **The financing**

35.1. The CONCESSIONAIRE is solely and exclusively responsible for obtaining the financing necessary for the normal development of the services covered by the CONCESSION, in order to fully and timely comply with all obligations assumed in this CONTRACT.

35.2. The CONCESSIONAIRE may not claim any provision, clause or condition of the Financing Contract(s), or any delay in the disbursement of funds, to exempt itself, in whole or in part, from the obligations assumed in this CONTRACT, the terms of which shall be fully known to the FINANCIERS.

35.3. The CONCESSIONAIRE'S financing agreements may grant to the FINANCIERS, in accordance with the applicable private law rules and after ARSESP'S prior consent, the right to assume CONTROL of the CONCESSIONAIRE in the event of contractual default, by the CONCESSIONAIRE, of said financing agreements or this CONTRACT, subject to the provisions of article 27-A, of Federal Law No. 8.987/1995.

35.3.1. Subject TO the provisions of the three-party AGREEMENT, if signed, ARSESP'S authorization to assume the CONCESSION will be granted upon proof, by the FINANCIER(S), that it meets the applicable legal qualification and tax regularity requirements.

35.4. The CONCESSIONAIRE may also provide the FINANCIER(S), after prior consent of ARSESP, guarantees based on the rights arising from the CONCESSION, pursuant to articles 28 and 28-A, of Federal Law No. 8.987/1995.

### **Tripartite Agreement**

35.5. The FINANCIERS, represented by themselves or by a trustee, constituted with sufficient powers to perform all the contracted purposes, will be allowed to enter into the three-party AGREEMENT, which will also include the GRANTING AUTHORITY, ARSESP, and the CONCESSIONAIRE, which will be governed in accordance with the rules established in ANNEX H.

35.5.1. The rules established in the draft that appears as ANNEX H to this CONTRACT will be referential and, if necessary, and prior to its signature, may be appropriate to establish a procedure and formalities more compatible with the logic and dynamics pertinent to the financing relationship established between the CONCESSIONAIRE and its FINANCIERS and guarantors, provided that the rights of the GRANTING AUTHORITY and ARSESP, provided for in this CONTRACT and in the ANNEXES, are respected.

35.6. In the event that the TRIPARTITE AGREEMENT is not concluded, the FINANCIERS will be guaranteed the right to exercise the prerogatives provided for in art. 27-A of Federal Law No. 8.987/1995.

### **The duty to inform the Financiers and the Trustee**

35.7. The CONCESSIONAIRE must develop, install and maintain, throughout the entire term of the CONCESSION, a specific digital system for managing information, data and documents related to (i) notices issued and penalties applied by ARSESP, (ii) PERFORMANCE INDICATORS results; (iii) economic-financial rebalancing requests filed; and (iv) economic-financial imbalance balance of the CONTRACT

determined by ARSESP through administrative decision; as well as respective administrative procedures or processes instituted on said matters.

35.7.1. The information contained in Clause 35.7 shall be provided to the FINANCIERS, guarantors and the trustee, as applicable, regardless of the execution of the three-party AGREEMENT, when requested.

35.7.2. The CONCESSIONAIRE is fully responsible for the timely provision of the system referred to in the main section of this Clause with the information, data and documents related to the procedures, assessments and administrative proceedings that may be instituted by ARSESP, in the performance of its inspection activities, for the purpose of applying penalties to the CONCESSIONAIRE, pursuant to ANNEX F.

35.7.3. The CONCESSIONAIRE must adopt the necessary measures to ensure that the information, data and documents made available in the system referred to in this Clause reflect the most current stage of the procedures, citations and administrative penalty proceedings instituted by ARSESP against the CONCESSIONAIRE, and must, for this purpose, update the system to portray the progress of all acts and stages, in addition to updating it at least with each act issued by ARSESP, within a maximum period of 10 (ten) days from its publication.

35.8. The CONCESSIONAIRE shall provide the user/password credentials to ARSESP representatives, allowing access to information and documents, as well as possible audits, if necessary.

35.9. The CONCESSIONAIRE shall also provide, upon request, the user credentials/password for representatives of the FINANCIERS, the trustee, and the guarantors, as applicable, in order to enable the pari passu monitoring of the progress of the procedures, assessments and administrative processes for the application of penalties, pursuant to ANNEX F.

35.10. The information obligations established herein do not exclude others that may be provided for in the TRIPARTITE CONTRACT, if it is entered into, which will be required in addition to those provided for in this CONTRACT.

#### **The guarantees constituted based on the rights arising from the CONCESSION**

35.11. The CONCESSIONAIRE may provide guarantees arising from this CONTRACT to its FINANCIERS, under the terms permitted by law, provided that it does not compromise the continuity and adequacy in the execution of the object of the CONCESSION, and provided that prior consent is obtained from ARSESP, as

provided for in Clause 35.4, being authorized to offer the credit rights eventually held before the GRANTING AUTHORITY in guarantee of the financing, credit operations, fundraising in the market, debt operations or similar, through assignment, including fiduciary, usufruct or pledge or fiduciary sale of shares, bonds, securities and their respective income, related to the SPECIAL PURPOSE COMPANY, provided that the financing operation is directly related to this CONTRACT.

35.11.1. The guarantees provided for in Clause 35.4 may be provided in contracts that are ancillary or complementary to the financing contracts, when intended to ensure the financing of the CONCESSION itself or to mitigate risks assumed by the CONCESSIONAIRE, such as contracts for the granting of real or personal guarantees, the raising of financial resources in the market, the obtaining of insurance or the protection of the CONCESSIONAIRE against the price variation of an asset (*hedge*).

35.11.2. Rights arising from the CONTRACT are considered to be any and all rights, revenues and receivables from the CONCESSION, including the CONCESSIONAIRE'S revenue.

35.12. Any payments due by the GRANTING AUTHORITY to the CONCESSIONAIRE as indemnities and compensations may be paid directly to the FINANCIERS.

35.12.1. In the event of direct payments by the GRANTING AUTHORITY TO the FINANCIERS, such payments will fully discharge the obligations of the GRANTING AUTHORITY TO the CONCESSIONAIRE, for the amount effectively disbursed to the FINANCIERS.

## **CHAPTER VII – SUPERVISION**

### **36. CLAUSE THIRTY-SIX – SUPERVISION BY ARSESP**

36.1. ARSESP will exercise broad and complete supervision over this CONTRACT, with the support of the INDEPENDENT VERIFIER, as provided for in ANNEXES C, D and F, in order to assess the compliance by the CONCESSIONAIRE with the obligations established therein, having, in the exercise of supervision, free access, at any time, to:

I. The YARDS and other areas, facilities and places related to the CONCESSION;

II. The books and documents related to the CONCESSIONAIRE, as well as the books, records and documents related to the activities and services covered by the CONCESSION; and

III. Data related to the administration, accounting and technical, economic and financial resources of the CONCESSIONAIRE.

36.1.1. In the exercise of its supervision, pursuant to Clause 36.1, ARSESP may request clarifications or modifications, if it deems that there are non-conformities with the obligations provided for in the CONTRACT, in particular regarding compliance with the PERFORMANCE INDICATORS.

36.1.2. The inspection carried out pursuant to Clause 36.1 not exclude that of other public, federal, state and municipal bodies and entities, within their respective spheres of competence, under the terms of the legislation in force.

36.2. The determinations pertinent to the execution of the object of the CONCESSION in which there are vices, defects and/or inaccuracies, which may be issued within the scope of the inspection, will be immediately applicable and will bind the CONCESSIONAIRE, without prejudice to the other consequences contractually provided for and the provisions on dispute resolution established in this CONTRACT.

36.2.1. Without prejudice to the incidence of the PERFORMANCE INDICATORS, the preparation of the INSPECTION REPORT and the drawing up of a notice OF INFRACTION, the CONCESSIONAIRE is obliged to repair, correct, interrupt, suspend or replace, at its expense and within the period stipulated by ARSESP, the services or activities pertinent to the CONCESSION in which there are defects, defects and/or inaccuracies.

36.2.2. In the event of refusal by the CONCESSIONAIRE to comply with the determinations made by ARSESP, ARSESP may adopt, directly or through third parties, the necessary measures to remedy any irregularities that may be verified, with the respective costs being borne by the CONCESSIONAIRE, which may be satisfied, including, by activating the PERFORMANCE GUARANTEE, or by compensation with amounts due by the Granting Authority to the CONCESSIONAIRE, without prejudice to the application of the relevant sanctions and penalties.

36.3. For proper exercise of oversight and contractual monitoring by ARSESP and without prejudice to any other obligation to provide information established in this CONTRACT, in applicable legislation or regulation, the CONCESSIONAIRE

undertakes to support ARSESP in accordance with the requirements set forth in ANNEX F.

36.4. ARSESP may carry out inspections, either in full or by sampling, of the YARDS, in order to verify the conditions of service provided to the CITIZEN-USERS and the conservation of their facilities.

36.5. It shall be incumbent upon the GRANTING AUTHORITY and ARSESP to verify, on a monthly basis, the services provided by the CONCESSIONAIRE, based on the reports made available on the TECHNOLOGICAL PLATFORM.

### **37. CLAUSE THIRTY-SEVEN – ACTS DEPENDENT ON PRIOR CONSENT OR COMMUNICATION TO ARSESP**

#### **Cases that require ARSESP'S prior consent**

37.1. The following acts may be performed by the CONCESSIONAIRE, without prejudice to the other cases provided for in this CONTRACT and in the applicable legislation and regulation, under penalty of application of the sanctions provided for in ANNEX F, including the decree of forfeiture of the CONCESSION:

I. Amendment to the Bylaws of the SPC, except for those of an eminently formal and/or procedural nature, or that promote the increase of its share capital, which must be the subject of simple communication after ARSESP;

II. Merger, incorporation, spin-off, transformation or any form of corporate restructuring that implies TRANSFER OF CONTROL, as well as the creation of subsidiaries, including to obtain revenues;

III. Provided that they may, in block or in isolation, characterize a modification of the CONCESSIONAIRE'S CONTROL, the acts of entering into a shareholders' agreement; issuance of bonds and securities convertible into shares; institution of guarantee and rights to third parties over shares, among others;

IV. Sale of CONTROL or transfer of the SPECIAL PURPOSE COMPANY, operated by the FINANCIERS, for the purpose of financial restructuring of the CONCESSIONAIRE;

V. Contracting or change in insurance coverage, in the contracted insurer and/or in the PERFORMANCE GUARANTEE contracted by the

CONCESSIONAIRE and related to this CONTRACT, except in the case of an act already approved when approving or updating the INSURANCE PLAN;

VI. Contracting of any financing, issuance of bonds and securities, any and all debt operations contracted by the CONCESSIONAIRE, which have, in any case, an offer in guarantee of the rights arising from the CONCESSION or shares of the CONCESSIONAIRE;

VII. Filing of a request for judicial reorganization by the CONCESSIONAIRE itself;

VIII. Granting of loans and financing to shareholders, as well as provision of surety bond, endorsement or any other form of guarantee by the SPECIAL PURPOSE COMPANY, RELATED PARTIES or to third parties; and

IX. Maintenance of contracts between the CONCESSIONAIRE and third parties that affect revenue under this CONTRACT and that exceed the CONCESSION TERM.

37.2. The request for prior consent submitted by the CONCESSIONAIRE must be: (i) filed sufficiently in advance to allow due analysis and response by ARSESP in a timely and reasonable manner, considering care not to compromise the operation(s) intended by the CONCESSIONAIRE that depend(s) on ARSESP authorization; and (ii) accompanied by pertinent documentation to characterize and explain the intended operation, and other documents that may eventually be required by ARSESP, especially those necessary to prove non-compromise of continuity and quality in the execution of activities that are the object of this CONTRACT.

37.3. If ARSESP rejects the request or requires additions, it must do so in a reasoned manner, and may submit an alternative proposal so that the intended operation is accepted.

### **Operations and situations that must be communicated to ARSESP**

37.4. The following acts and operations that may be performed by the CONCESSIONAIRE depend on communication to ARSESP, within 15 (fifteen) days after they are consummated, under penalty of applying the sanctions described in ANNEX F:

I. Changes in the shareholding composition of the SPECIAL PURPOSE COMPANY that do not imply TRANSFER OF SHAREHOLDING CONTROL, but

that imply transfer of at least (i) 20% (twenty percent) of the shares with voting rights or (ii) 10% (ten percent) of the shares with voting rights held by a single shareholder;

II. Changes in the voting agreements applicable to any CONTROL BLOCK, provided that they do not imply a TRANSFER OF SHAREHOLDING CONTROL;

III. Amendment to the Articles of Incorporation of the SPECIAL PURPOSE COMPANY, of an eminently formal or procedural nature;

IV. Contracting of any financing, issuance of bonds and securities, any and all debt transactions contracted by the SPECIAL PURPOSE COMPANY, which do not fall under the case of Clause 37.1, VI;

V. Application of penalties to the SPECIAL PURPOSE COMPANY, by any body or entity that has competence to do so, especially regarding the default in relation to tax, social security, safety and occupational medicine obligations, or applied by any body with competence to regulate and supervise the activities of the CONCESSIONAIRE, or even of an environmental nature;

VI. Loss of any certification essential to the execution of the object of the CONCESSION by the SPECIAL PURPOSE COMPANY; and

VII. Request, by third parties, for judicial reorganization or any other bankruptcy process or liquidation of SPECIAL PURPOSE COMPANY.

37.5. ARSESP may also, subject to the legal limits, previously waive, by written notice, the prior consent for specific cases, provided that the requirements established in this Clause are met.

## **38. CLAUSE THIRTY-EIGHT - PENALTIES**

38.1. The penalties applicable under this CONTRACT, as well as their gradation, must follow the rules established by ANNEX F and their imposition will be carried out through a sanctioning administrative process, which will comply with the rite established in State Law No. 10.177/1998, guaranteed ample defense and contradictory, under the terms and legal deadlines.

38.1.1. The penalties provided for in this CONTRACT and in ANNEX F do not exclude those that may be applied by the other regulatory and supervisory bodies, within the respective spheres of competence, regulated under the terms of the legislation in force.

38.1.2. If ARSESP issues a specific rule on sanctioning processes, the agency's regulation shall prevail over the rules of this CONTRACT and its respective ANNEXES.

38.2. The application of penalties is not to be confused with the measurement of PERFORMANCE INDICATORS and their consequences.

38.3. Failure to comply with the provisions of this CONTRACT, the ANNEXES and the NOTICE, the applicable legislation or regulations constitutes a breach of contract and will give rise, without prejudice to the administrative, civil and criminal responsibilities that may be applicable, to the application of the following contractual penalties:

I. Warning;

II. Financial fine;

III. Impediment to bid and contract with the direct or indirect PUBLIC ADMINISTRATION of the State of São Paulo for a maximum period of three (3) years;

IV. Declaration of ineligibility to bid or contract with the PUBLIC ADMINISTRATION, for a minimum period of 3 (three) years and a maximum of 6 (six) years.

38.4. The penalties provided for in this CONTRACT may be applied individually or cumulatively, depending on the severity of the act.

## **CHAPTER VIII – INTERVENTION**

### **39. CLAUSE THIRTY-NINE – INTERVENTION**

39.1. The GRANTING AUTHORITY may, without prejudice to the applicable penalties and responsibilities, at any time, intervene in the CONCESSION to ensure the regularity and adequacy of the execution of the object of the CONCESSION or the compliance by the CONCESSIONAIRE with the relevant contractual, regulatory and legal rules, pursuant to article 32 et seq. of Federal Law No. 8.987/1995. Situations that authorize intervention include:

I. Termination or interruption, in whole or in part, of the execution of activities object of the CONCESSION, by action or omission of the CONCESSIONAIRE;

II. Serious deficiencies in the CONCESSIONAIRE'S organization and/or repeated breaches of contractual, legal and regulatory obligations that compromise the proper execution of the object of the CONTRACT; and

III. Use of the CONCESSION infrastructure for illicit purposes.

39.1.1. The decision of the Granting Authority to intervene in the CONCESSION, when one of the situations provided for in Clause 39.1, involves a judgment of convenience and opportunity of the GRANTING AUTHORITY, and the GRANTING AUTHORITY may, in view of the peculiarities of the situation, decide to apply other measures provided for in the CONTRACT that, in its opinion, best serve the public interest, such as the application of penalties or the decree of forfeiture of the CONCESSION, when admissible.

39.1.2. In the event of any situation that may give rise to intervention in the CONCESSION, the Granting Authority shall notify the CONCESSIONAIRE to, within the period established, remedy the irregularities indicated, without prejudice to the application of the penalties levied.

39.1.2.1. After the period established without the CONCESSIONAIRE remedying the irregularities or taking measures that, at the DISCRETION of the Granting Authority, demonstrate the effective purpose of remedying them, it will propose the decree of intervention to the Governor of the State of São Paulo.

39.2. The intervention in the CONCESSION will be made by reasoned act of the Governor of the State of São Paulo, duly published in the DOE/SP, indicating, at least, the reasons for the intervention, the designation of the intervener, the term and the limits of the intervention.

39.3. The intervention automatically implies the compulsory and temporary transfer to the intervener of the CONCESSIONAIRE'S administration.

39.3.1. The function of the intervener may be exercised by an agent of the GRANTING AUTHORITY, specifically appointed person, collegiate or companies, with the CONCESSIONAIRE assuming the costs of the respective remuneration.

39.4. Once the intervention has been decreed, the GRANTING AUTHORITY, within 30 (thirty) days, will initiate an administrative procedure to determine the respective responsibilities and prove the causes giving rise to the intervention, ensuring the CONCESSIONAIRE the right to due process of law, especially the right to a fair hearing and adversary proceedings

39.4.1. The aforementioned administrative procedure must end within a maximum period of 180 (one hundred and eighty) days, under penalty of invalidation of the intervention.

39.5. During the intervention, the CONCESSIONAIRE undertakes to make available, immediately, to the intervener, the direct possession of the CONCESSION ASSETS, the management of the CONCESSIONAIRE'S bank accounts, and everything necessary for the full provision of the ADEQUATE SERVICE, object of the CONTRACT, and the intervener is obliged to observe the restrictions on account movements that may be contained in the financing agreements signed by the CONCESSIONAIRE, which have been presented to the consent or formal knowledge of the GRANTING AUTHORITY, within the terms and conditions provided for in this Clause.

39.6. The revenue collected during the intervention period will be used to cover the charges necessary for the normal development of the activities corresponding to the object of the CONTRACT, as well as for the payment of insurance and guarantee charges, financing charges, and for the reimbursement of administration costs.

39.7. Any additional costs arising from the intervention will be the responsibility of the CONCESSIONAIRE, and the Granting Authority may use the PERFORMANCE GUARANTEE to obtain the missing resources to cover the expenses necessary for the continuity of the proper operation, maintenance and operation of the CONCESSION, under an intervention regime.

39.7.1. If the PERFORMANCE GUARANTEE is insufficient, the CONCESSIONAIRE must reimburse the GRANTING AUTHORITY.

39.8. Once the intervention is terminated, if the CONCESSION is not extinguished, the execution of the object of this CONTRACT will again be the responsibility of the CONCESSIONAIRE, as well as the financial control of the CONCESSION, and any surplus of the revenues earned throughout the intervention period will be transferred to it, preceded by accountability by the intervener, who will be responsible for the acts performed during its management, returning to the CONCESSIONAIRE the possession of the assets that have been assumed by the intervener and the exercise of the contractual position, rights and obligations inherent to such provision.

39.9. The intervention is not a cause for termination or suspension of any obligation of the CONCESSIONAIRE to third parties, including FINANCIERS.

39.10. If it is proven that the legal and regulatory assumptions for the decree of the intervention were not observed, its nullity will be declared, and the service must immediately return to the CONCESSIONAIRE, without prejudice to the rendering of accounts by the intervener and any applicable indemnity.

39.11. The GRANTING AUTHORITY shall indemnify the CONCESSIONAIRE for any direct damages it has caused during the intervention period, provided that they arise from a duly proven unlawful act.

## **CHAPTER IX – TERMINATION OF THE CONTRACT**

### **40. CLAUSE FORTY - CASES FOR TERMINATION OF THE CONTRACT**

40.1. The CONCESSION will be terminated upon:

- I. Advent of the contractual term;
- II. Exploitation;
- III. Forfeiture;
- IV. Termination;
- V. Annulment resulting from a non-convalidable defect or irregularity found in the procedure or in the act of its granting;

VI. Bankruptcy or extinction of the CONCESSIONAIRE, or judicial reorganization, in the latter case, which impairs the performance of the CONTRACT;

VII. Fortuitous events and force majeure dealt with in this Chapter; and

VIII. Configuration of the other cases of early termination listed in Clause 6.3 of this CONTRACT.

40.2. In the event of termination of the CONCESSION, the Granting Authority, ARSESP or the agency or entity designated by the Granting Authority, according to its powers, may, depending on the event motivating the termination of the CONTRACT and as provided for in this Chapter:

I. Assume, directly or indirectly, the operation of the CONCESSION, in the place and state in which it is;

II. Occupy and use the places, facilities, equipment, materials and make use of personnel employed in the provision of services, necessary for their continuity;

III. Apply the applicable penalties; and

IV. Retain and execute the PERFORMANCE GUARANTEE and insurance, when applicable, to receive administrative fines and compensation for losses caused by the CONCESSIONAIRE.

40.3. Once the CONCESSION is terminated, the activities object of this CONTRACT will be immediately assumed.

40.3.1. In the event provided for in Clause 40.3, above, the GRANTING AUTHORITY may maintain the contracts signed by the CONCESSIONAIRE with third parties for the term and under the conditions initially adjusted, subject to current legislation.

40.4. The GRANTING AUTHORITY may promote a new tender process for the object of the CONTRACT, attributing to the future winner the burden of paying any indemnity due directly to the FINANCIERS of the former CONCESSIONAIRE, or directly to it, as the case may be.

40.4.1. The provisions of Clause 40.4 do not exclude or prejudice the CONCESSIONAIRE'S right to adopt collection measures, from the moment the indemnity becomes payable, and until its payment occurs.

40.4.2. During the term of the CONTRACT, the CONCESSIONAIRE must provide information requested by the GRANTING AUTHORITY or third parties, of interest for conducting studies aimed at promoting or continuing tender processes, which may encompass any and all aspects pertaining to the activity of operating the SERVICES and/or ANCILLARY REVENUES developed by the CONCESSIONAIRE, and non-compliance with this obligation on grounds of confidentiality of the requested information is prohibited, in which case the transfer of the respective confidentiality to whoever has access shall be ensured with the document delivery.

#### **41. CLAUSE FORTY-ONE – ADVENT OF THE CONTRACTUAL TERM**

41.1. The CONCESSION is terminated when the end of the CONCESSION term is verified, consequently ending the contractual relationship between the PARTIES, with the exception of those expressly provided for in this CONTRACT and post-contractual obligations attributed to the CONCESSIONAIRE and the GRANTING AUTHORITY.

41.2. In the event of the advent of the final term of the CONTRACT, the CONCESSIONAIRE will be entirely and exclusively responsible for the termination of any contractual relations entered into with third parties, to which it is a party, and the GRANTING AUTHORITY will not assume any responsibility or burden in relation to such contracts, except in the event of the exercise of the prerogative to subrogate itself in contracts entered into by the CONCESSIONAIRE.

41.2.1. The Granting Authority shall not assume, except in the event of the exercise of the prerogative to subrogate itself in contracts entered into by the CONCESSIONAIRE, any responsibility or burden regarding the contracts entered into by the CONCESSIONAIRE, and no indemnity shall be due to the CONCESSIONAIRE or third parties for the termination of such contractual relations.

41.2.2. The CONCESSIONAIRE shall take the necessary measures to facilitate the negotiations between the GRANTING AUTHORITY and the third parties contracted by it in order to guarantee the possibility of exercising the prerogative mentioned in Clause 41.2.

41.3. It is the CONCESSIONAIRE'S obligation to cooperate with the GRANTING AUTHORITY SO that there is no interruption in the execution of the object of the

CONCESSION, with the advent of the contractual term and consequent termination of this CONTRACT, subject to the provisions of Clauses 49 and 50.

41.4. With the advent of the contractual term, the CONCESSIONAIRE will not be entitled to any indemnity related to investments it has made for the exploration of the object of the CONCESSION, which, unless expressly provided otherwise in a contractual amendment, must be amortized within the CONCESSION TERM.

## **42. CLAUSE FORTY-TWO – GENERAL INDEMNITY RULES**

42.1. In the event of termination of this CONTRACT before the end of the CONCESSION term, the CONCESSIONAIRE shall be entitled to indemnity on the amount of the FIXED GRANT not yet amortized, and shall consider, for the purposes of calculating the indemnity, the methodological assumptions contained in this Clause.

42.2. The calculation of the indemnity carried out in the manner established in this Clause and in the subsequent ones, and its effective payment at the administrative level, when accepted by the CONCESSIONAIRE, will correspond to the complete, general and unrestricted discharge as to what is due by the Granting Authority as a result of the extinction, and the CONCESSIONAIRE cannot demand, administratively or judicially, in any capacity, other indemnities, including for loss of profits and emerging damages.

42.2.1. The CONCESSIONAIRE will not be entitled to any indemnity related to investments linked to the CONCESSION assets as a result of the extinction due to the advent of the contractual term.

42.2.2. If the indemnification amounts, calculated in accordance with the provisions of this Clause and subsequent clauses, are subject to tax incidence at the time of payment, the amount to be paid must be increased to ensure receipt by the CONCESSIONAIRE of a net-of-tax amount equivalent to the amount calculated for the indemnification, except for the amounts provided for in Clause 42.5, for which any tax incidence must be borne by the CONCESSIONAIRE.

42.3. For the calculation of the indemnity amount, the straight-line amortization of the FIXED GRANT will be considered during the CONCESSION TERM, and the depreciation period will start after the CONTRACT SIGNATURE DATE.

42.3.1. The amount of the indemnity shall be calculated according to the following formula:

$$A = OF \times (n/26) \times (1 + IPCA_{Dt\ Ctr - Dt\ Pgt\ Ind})$$

Where:

**n** = period in years remaining between the date of payment of the indemnity and the expiration of the contract, if there was no early termination of the CONTRACT.

**OF** = the value of the FIXED GRANT.

**A** = the amount of the FIXED GRANT not yet amortized.

**IPCA<sub>Dt Ctr - Dt Pgt Ind</sub>** = the accumulated percentage of the IPCA/IBGE from the date of signature of the contract until the date of payment of the indemnity.

42.4. The amount of the indemnity due to the CONCESSIONAIRE, calculated based on the methodology provided for in this Chapter, will be added or subtracted from the amount related to the balance of economic and financial imbalances, in favor, respectively, of the CONCESSIONAIRE or the Granting Authority, which are already liquid and payable after the closure of the administrative proceeding, in a decision from which there is no longer an administrative appeal.

42.5. The indemnity due to the CONCESSIONAIRE, considering the provisions of Clause 42.4, will be discounted, always in the order of preference below and regardless of the CONCESSIONAIRE'S consent:

I. The amounts received by the CONCESSIONAIRE as insurance coverage related to the events or circumstances that gave rise to the extinction;

II. The value of the fines imposed on the CONCESSIONAIRE in the scope of the execution of the CONTRACT, due to final and unappealable procedures and/or sanctioning procedures already completed, in a decision from which there is no longer an administrative appeal; and

III. The amount of material damages proven to be caused by the CONCESSIONAIRE to the GRANTING AUTHORITY, recognized in a decision no longer subject to administrative appeal.

42.5.1. The penalty amount, whose administrative proceeding is in progress, when calculating the indemnity amounts, will be withheld from the indemnity amount until the closing of the administrative proceeding with a decision from

which there is no further appeal, this amount being updated by the IPCA/IBGE, and paid to the CONCESSIONAIRE in the event of a decision favorable to it at the end of the administrative proceeding.

42.6. The CONCESSIONAIRE'S exemption in relation to the obligations arising from other financing agreements contracted by it for the fulfillment of the CONTRACT may be carried out by:

I. Assumption, by the GRANTING AUTHORITY or by third parties, by subrogation, before the FINANCIERS or creditors, by agreement of such parties, of the remaining contractual obligations of the CONCESSIONAIRE, up to the limit of the amount due to the CONCESSIONAIRE after the discounts provided for in Clause 42.5, and provided that the FINANCIERS agree; or

II. Prior indemnification to the CONCESSIONAIRE, limited to the amount of indemnity, due to the CONCESSIONAIRE after the discounts provided for in Clause 42.5, of all remaining debts that it maintains with FINANCIERS or creditors.

42.6.1. The amount related to the exemption dealt with in Clause 42.6 shall be deducted from the amount of the indemnity, and may not, under any circumstances, exceed the total amount of the indemnity due.

42.7. The general rules of indemnities provided for in this Clause are applicable to all cases of early termination, and the payment of indemnity for specific items contained in each of the early termination clauses set forth below must always be observed.

42.8. Any indemnities due to the CONCESSIONAIRE upon termination of the CONCESSION will not prevent the resumption of the CONCESSION, subject, in the case of expropriation, to the provisions of Clause 43.

#### **43. CLAUSE FORTY-THREE - EXPROPRIATION**

43.1. The GRANTING AUTHORITY may, during the term of the CONTRACT, promote its resumption, for reasons of duly justified public interest, by means of a specific authorizing law and prior payment of indemnity, under the terms provided for in this CONTRACT.

43.2. In case of expropriation, in addition to the provisions of Clause 42, the indemnity due to the CONCESSIONAIRE shall cover:

I. All charges and burdens arising from fines, terminations and indemnities that are due to suppliers, contractors and third parties in general, as a result of the breach of contractual ties, and such amounts must be compatible with those practiced in the market, especially in the case of RELATED PARTIES, and be expressly provided for in the contract or as a result of a court decision, not including in the indemnity any amounts related to lost profits or similar amounts, even if provided for in the contracts entered into by the CONCESSIONAIRE; and

II. Loss of profits, calculated in the form of Clause 43.3.

43.3. The component indicated in item II of Clause 43.2 shall be calculated according to the following formula:

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

Where:

**LC** = lost profits indicated in item II of Clause 43.2.

**A** = the amount of the unamortized FIXED GRANT, calculated as provided for in Clause 42.3.1;

**NTNB'** = gross real interest rate on the sale of National Treasury Notes – Series B (NTN-B), ex ante the deduction of Income Tax, with maturity compatible with the termination of the CONTRACT, if there was no early termination, published by the National Treasury Secretariat, considering the average of the quotations available in the 12 (twelve) months prior to the date of payment of the indemnity.

**n** = period between the date of payment of the FIXED GRANT and the payment of the indemnity, on the same basis as NTNB'.

43.4. The indemnity due as a result of the expropriation is limited to the amounts established in this Clause 43, and no other amounts are due as indemnities, loss of profits in addition to those reimbursed in this clause and/or emerging damages.

43.5. The indemnity must be disbursed until the exact moment of the resumption of the CONCESSION and as a condition for it to be resumed by the GRANTING AUTHORITY.

#### **44. CLAUSE FORTY-FOUR – FORFEITURE**

44.1. The total or partial non-performance of the CONTRACT, or the duties imposed by law or regulation, will result, at the DISCRETION of the GRANTING AUTHORITY, after ARSESP'S prior manifestation, and subject to the provisions of this CONTRACT, in the declaration of forfeiture of the CONCESSION, which will be preceded by a competent administrative proceeding, guaranteeing due legal process, especially the right to ample defense and adversary proceedings, after the possibilities of solution provided for in this CONTRACT have been exhausted, without prejudice to the application of contractual sanctions.

44.2. The decision of the Granting Authority to decree the expiration of the CONCESSION, when one of the situations provided for in Clause 44.3, involves a judgment of convenience and opportunity on the part of the GRANTING AUTHORITY, which may, in view of the peculiarities of the situation, decide to apply other measures provided for in the CONTRACT that, in its judgment, best serve the public interest, such as the application of penalties or the decree of intervention in the CONCESSION, when admissible.

44.3. The expiration of the CONCESSION may be declared in the following cases, in addition to those listed by Federal Law No. 8.987/1995, with its amendments, and without prejudice to the other cases provided for in this CONTRACT:

- I. Loss or compromise of the CONCESSIONAIRE'S economic, financial, technical or operational conditions, necessary for the full performance of the CONCESSION;
- II. Total non-performance or repeated non-compliance with obligations provided for in the CONTRACT or in the applicable legislation, which compromises the continuity of the object of the CONCESSION or the security of the CITIZEN-USERS, employees or third parties, except in the event of unforeseeable circumstances or force majeure, as provided for in this CONTRACT;
- III. Failure to comply with the obligation to reimburse the full amount of the PERFORMANCE GUARANTEE, pursuant to Clause 34.16;
- IV. Occurrence of repeated opposition to the inspection/audit exercise by the GRANTING AUTHORITY, ARSESP and the INDEPENDENT VERIFIER, in any way obstructing, hindering or making unfeasible the supervision of the CONCESSIONAIRE'S performance;

V. Fraud proven in the calculation of the payment of the INSPECTION BURDEN, VARIABLE GRANT and ANCILLARY REVENUES, especially by the artificial reduction of revenue, caused, among other hypotheses, by the absence of adequate records in the TECHNOLOGICAL PLATFORM, by the alteration of the CONCESSIONAIRE'S accounting data and by the contracting of artificially reduced prices with third parties;

VI. TRANSFER OF SHAREHOLDING CONTROL of the CONCESSIONAIRE or encumbrance of its shares, as well as transfer of the CONCESSION without prior and express consent of ARSESP, when required, subject to the terms of this CONTRACT;

VII. Failure of the CONCESSIONAIRE to comply with the subpoena of the Granting Authority to (i) regularize the execution of the object of the CONCESSION, according to the determination and the established deadlines, as the case may be; (ii) within 180 (one hundred and eighty) days, present the documentation related to TAX and LABOR REGULARITY, pursuant to art. 68 of Federal Law No. 14.133/2021;

VIII. Incidence of administrative assessments that give rise to the application of contractual fines that add, in their aggregate value, 5% (five percent) of the ESTIMATED CONTRACT VALUE in a period of 3 (three) years, considering for this purpose the fines that cannot be appealed at the administrative level and that have not been complied with;

IX. Initiation of administrative or judicial proceedings related to damages caused by the CONCESSIONAIRE to the Granting Authority, which are not insurable or whose value exceeds the amount covered by the insurance, or when the aggregate value corresponds to 5% (five percent) of the ESTIMATED CONTRACT VALUE; and

X. The sum of items VIII and IX corresponds to 8% (eight percent) of the ESTIMATED CONTRACT VALUE.

44.4. When the CONCESSIONAIRE'S breach of contract characterizes a breach of a continuous nature or default of the CONCESSIONAIRE in the fulfillment of a contractual obligation, the fact that the GRANTING AUTHORITY applies, or has applied, any of the penalties provided for in this CONTRACT and in ANNEX F, does not exclude the possibility of decreeing the forfeiture of the CONCESSION, when this CONTRACT so allows, if the CONCESSIONAIRE, despite the penalty applied, persists in a situation of breach of contract.

44.5. The declaration of forfeiture of the CONCESSION must be preceded by verification of contractual default by the CONCESSIONAIRE, in a regular administrative process, ensuring due legal process, especially the right to a fair hearing and adversary proceedings.

44.5.1. The initiation of the administrative process for decreeing the forfeiture will be preceded by a communication to the CONCESSIONAIRE, pointing out, in detail, the contractual breaches and the situation of default, granting it a period of not less than 30 (thirty) days to remedy the irregularities pointed out.

44.5.2. After the established period has elapsed without the CONCESSIONAIRE remedying the irregularities or taking measures that, at the DISCRETION of the GRANTING AUTHORITY, demonstrate the effective capacity to remedy them, it will propose the decree of forfeiture.

44.5.3. Once the administrative proceeding is instituted and the default is proven, the forfeiture will be declared by the Governor of the State of São Paulo, regardless of the payment of prior indemnity, the amount of which will be determined in the course of said administrative proceeding or in a separate administrative proceeding.

44.5.4. The declaration of forfeiture will imply the responsibility of the CONCESSIONAIRE for any and all types of liens, fines, penalties, indemnities, charges or commitments with third parties, notably in relation to labor, tax and social security obligations.

44.6. The expiration of the CONCESSION will authorize the GRANTING AUTHORITY to:

I. Assume the execution of the object of the CONTRACT, in the place and state in which it is;

II. Retain and execute the PERFORMANCE GUARANTEE to reimburse the losses suffered by the GRANTING AUTHORITY;

III. Retain any credits from the CONCESSIONAIRE arising from the CONTRACT, in cases where the PERFORMANCE GUARANTEE is not sufficient to reimburse the GRANTING AUTHORITY, and up to the limit of the damages caused; and

IV. Apply a penalty, for the decree of forfeiture, as provided for in ANNEX F.

44.6.1. The credits withheld that eventually exceed the amount due will be released when calculating and paying the indemnity due to the CONCESSIONAIRE.

44.7. The application of the penalty does not exempt the CONCESSIONAIRE from paying compensation for the damages it has caused to the GRANTING AUTHORITY or third parties, even if its effects reverberate after the termination of the CONCESSION, subject to the applicable statute of limitations.

44.8. Once the forfeiture has been declared and the respective indemnity eventually due has been paid, the Granting Authority will not BE liable for any type of liability in relation to charges, liens, obligations or commitments with third parties or with employees of the CONCESSIONAIRE, including labor and social security debts.

44.9. The indemnity due by the GRANTING AUTHORITY as a result of the expiration is limited to the amounts charged as established in this Clause and in Clause 42, and no other amounts are due as indemnities, loss of profits and/or emerging damages.

## **45. CLAUSE FORTY-FIVE – TERMINATION**

45.1. This CONTRACT may be terminated at the initiative of the CONCESSIONAIRE, in the event of non-compliance with the contractual rules by the GRANTING AUTHORITY, by means of an arbitration proceeding filed especially for this purpose, except in the event of amicable termination, which will comply with the terms of article 26 of State Law No. 7.835/1992.

45.1.1. In the event of amicable termination, the amount of compensation due to the CONCESSIONAIRE may not exceed, under any circumstances, the amount due in the event of expropriation.

### **Unilateral termination**

45.2. They may give rise to unilateral termination, regardless of agreement between the PARTIES at the time of termination, and at the initiative of either PARTY, the hypotheses described in Clause 6.3.

45.2.1. For each of the events provided for in Clause 6.3, the indemnities due shall be calculated taking into account the following elements:

I. For cases of termination of the CONTRACT resulting from the materialization of the event provided for in item I and IV of Clause 6.3, the indemnity will be calculated according to the formula contractually established for cases of expropriation, except for the loss of profits provided for in Clause 43.2, II.

II. For cases of termination of the CONTRACT resulting from the materialization of the event provided for in item II or II of Clause 6.3, the indemnity will be calculated in accordance with the rules provided for in Clause 44.

### **Termination via arbitration proceeding**

45.3. The CONCESSIONAIRE shall, prior to the initiation of an arbitration proceeding, notify the GRANTING AUTHORITY and ARSESP of its intention to terminate the CONTRACT, in the event of non-compliance with the contractual rules by the GRANTING AUTHORITY, stating the reasons for which it intends to initiate an arbitration proceeding for this purpose, under the terms provided for in the relevant legislation and regulatory rules.

45.3.1. In the event of Clause 45.3, the CONCESSIONAIRE shall grant a period of not less than 30 (thirty) days for the breach of contract to be overcome, at the administrative level.

45.4. The execution of the object of the CONCESSION by the CONCESSIONAIRE may not be interrupted or paralyzed until the final arbitration decision, decreeing the contractual termination, without prejudice to the possibility, to be evaluated by the GRANTING AUTHORITY or within the scope of the arbitration process, relaxation of obligations and compliance with the PERFORMANCE INDICATORS, in order to guarantee the financial health of the CONCESSIONAIRE.

45.5. In case of CONTRACT termination due to default by the GRANTING AUTHORITY, the indemnity due to the CONCESSIONAIRE shall be equivalent to that required in the event of takeover, and shall be calculated in the same manner.

## **46. CLAUSE FORTY-SIX – ANNULMENT**

46.1. The CONTRACT may be annulled in the event of non-remediable illegality in the tender process, in its formalization or in an essential clause that compromises the execution of the object of the CONCESSION, by means of the due administrative procedure, initiated from the notification sent from one PARTY to the other, ensuring the adversary and ample defense.

46.1.1. In case of illegality that does not result from an act performed by the CONCESSIONAIRE and that can be validated with the use of the acts performed, the CONCESSIONAIRE and the GRANTING AUTHORITY shall communicate, aiming at the maintenance of the CONTRACT.

46.2. In the event of termination of the CONCESSION by annulment:

I. If the cancellation does not occur in fact attributable to the CONCESSIONAIRE or its shareholders, current or past, the indemnity will be equivalent to that calculated for the event of early termination of the CONTRACT due to unforeseeable circumstances or force majeure, pursuant to Clause 45.2.1, item I;

II. If the cancellation is in fact attributable to the CONCESSIONAIRE or its shareholders, current or past, the indemnity will be equivalent to that calculated for the event of early termination of the CONTRACT due to forfeiture, provided for in Clause 44; and

III. If the annulment is in fact attributable to the GRANTING AUTHORITY, the indemnity will be equivalent to that calculated for the event of early termination of the CONTRACT by termination, provided for in Clause 45.

#### **47. CLAUSE FORTY-SEVEN – BANKRUPTCY, EXTINCTION OF THE CONCESSIONAIRE OR ITS JUDICIAL REORGANIZATION**

47.1. The CONCESSION will be extinguished if the CONCESSIONAIRE has its bankruptcy decreed, by a final and unappealable judgment, or in the case of judicial reorganization, in this case, which impairs the execution of the CONTRACT.

47.2. Once bankruptcy has been declared, the GRANTING AUTHORITY shall immediately assume the execution of the object of this CONTRACT.

47.3. In the event of extinction of the CONCESSIONAIRE by decree of bankruptcy or the granting of judicial reorganization, in this case, which impairs the execution of the CONTRACT, or dissolution of the CONCESSIONAIRE by resolution of its shareholders, the same provisions regarding the expiration of the CONCESSION will apply, with the initiation of the due administrative process to determine the effective loss and determine the applicable sanctions.

47.4. The eventual net assets of the extinct CONCESSIONAIRE will not be shared among its shareholders before the payment of all obligations with the GRANTING AUTHORITY.

#### **48. CLAUSE FORTY-EIGHT - FORTUITOUS EVENTS AND FORCE MAJEURE**

48.1. It is considered an act of God or force majeure, with the consequences established in this CONTRACT, the event so defined in the form of civil law and that has a direct impact on the development of the activities of the CONCESSION.

48.1.1. Failure to comply with contractual obligations, including those related to the achievement of time frames, proven to be due to unforeseeable circumstances or force majeure, under the terms of this CONTRACT and ANNEXES, will not be subject to penalty.

48.2. The PARTY that has the fulfillment of its obligations affected by unforeseeable circumstances or force majeure must notify the other PARTY of the occurrence of the event, within 48 (forty-eight) hours.

48.3. In the event of unforeseeable circumstances or force majeure, upon verification that the effects may irreversibly compromise the exploitation of the CONCESSION, either PARTY may use the option provided for in Clause 6.3, item I.

48.3.1. In the event of termination of the CONCESSION due to the occurrence of an event characterized as unforeseeable circumstances or force majeure, the indemnity due to the CONCESSIONAIRE will be determined in accordance with the rules provided for in Clause 45.2.1, item I.

48.4. Unless the GRANTING AUTHORITY or ARSESP gives other written instructions, the CONCESSIONAIRE will continue to fulfill its obligations under the CONTRACT, as far as reasonably possible and will seek, by all available means, to fulfill those obligations not prevented by the event of force majeure or unforeseeable circumstances, and the GRANTING AUTHORITY will also fulfill its obligations not prevented by the same event.

48.5. In the event of proven occurrence of unforeseeable circumstances or force majeure, without the termination of the CONCESSION under the terms of Clause 45.2.1, item I, the financial effects of the PERFORMANCE INDICATORS that have been impacted by the occurrence will be suspended, until the normalization of the situation and cessation of its effects.

48.6. The PARTIES undertake to employ all necessary measures and actions in order to minimize the effects arising from events of force majeure or unforeseeable circumstances.

## **CHAPTER X – DEMOBILIZATION**

### **49. CLAUSE FORTY-NINE – DEMOBILIZATION**

49.1. Within 24 (twenty-four) months before the end of the CONCESSION TERM, or, immediately, in the event of early termination of the CONTRACT, the CONCESSIONAIRE shall submit to ARSESP'S approval the CONCESSION DEMOBILIZATION PLAN, which shall provide for the procedure by which the demobilization will be carried out without any interruption in the execution of the object of the CONCESSION, in order to define the rules and procedures for the assumption of the provision of the operation, maintenance and management services of the YARDS by DETRAN/SP, DER/SP or by an authorized third party.

49.2. At least the following shall be provided for in the DEMOBILIZATION PLAN:

- I. The form of demobilization of any YARDS maintained by the CONCESSIONAIRE;
- II. The form of training of the personnel indicated by the GRANTING AUTHORITY or by any SUCCESSOR that will be in charge of the continuity of the provision of the SERVICES, as well as the transfer of the technical and administrative documentation and the operational guidelines related to the CONCESSION; and
- III. The form of technical and operational continuity of the TECHNOLOGICAL PLATFORM, according to the criteria established in ANNEX E.

49.3. The CONCESSIONAIRE shall be fully and exclusively responsible for the termination of any contracts to which it is a party at the end of the CONCESSION term, and the GRANTING AUTHORITY or the successor CONCESSIONAIRE shall not assume any liability or burden arising therefrom and no indemnity shall be due to the CONCESSIONAIRE.

49.3.1. In order to ensure continuity in the maintenance and operation of the CONCESSION, the PARTIES will make their best efforts to ascertain the possibilities of subrogation, by the GRANTING AUTHORITY or by a successor

CONCESSIONAIRE, in the current contracts of interest to the CONCESSION, which have been entered into by the CONCESSIONAIRE.

49.3.2. The CONCESSIONAIRE'S omission in the presentation of the DEMOBILIZATION PLAN will be considered a serious infraction giving rise to the application to the CONCESSIONAIRE of the applicable penalties.

## **50. CLAUSE FIFTY – TRANSITION**

50.1. Without prejudice to the provisions contained in ANNEX B, the CONCESSIONAIRE shall, for the smooth operation of the transition of the CONCESSION TO the GRANTING AUTHORITY or to the successor CONCESSIONAIRE:

- I. Interact with the GRANTING AUTHORITY, the successor concessionaire, ARSESP and other actors and agents involved in the operation of the CONCESSION, cooperating for the proper transmission of knowledge;
- II. Provide an updated database in an interoperable format, considering the usual market standards then applicable, covering registration and transactional data for the 5 (five) years prior to the transition, as well as other information that is necessary to ensure the continuity of the SERVICES, and must cooperate with the GRANTING AUTHORITY or the successor concessionaire so that the appropriate migration to a new compatible server is made; and
- III. Collaborate with the GRANTING AUTHORITY, the successor concessionaire and ARSESP in the preparation of any reports required for the transition process and indicate professionals in the areas of knowledge relevant to the operational transition during the assumption of services by the GRANTING AUTHORITY or the successor concessionaire, as well as assist in the planning of the staff.

50.2. If ARSESP issues a specific rule on the transition and reversal of assets upon termination of the contract, the agency's regulation shall prevail over the rules of this CONTRACT in relation to the content of Clause 50.1.

## **CHAPTER XI – SETTLEMENT OF DISAGREEMENTS**

## **51. CLAUSE FIFTY-ONE - GENERAL PROVISIONS**

51.1. The PARTIES undertake to make every effort to resolve any and all disputes or controversies arising from or related to this CONTRACT, in compliance with the principles of good faith and cooperation.

51.2. Except in cases of urgency, the dispute resolution bodies arising from this CONTRACT shall preferably observe the following order:

- I. Self-composition, assisted or not by a mediator, in the latter case according to the discipline of Clause 53;
  
- II. Decision of the ARBITRAL TRIBUNAL, pursuant to Clause 54; and
  
- III. Judicial decision, in cases not subject to arbitration, according to the discipline of Clause 54.1.

51.2.1. The PARTIES will not need to observe the order provided for in Clause 51.2 in urgent situations, risks to the safety of users, third parties, CONCESSION ASSETS, risks of perishing the right of any of the PARTIES or aggravating the situation, and may seek, directly, precautionary or satisfactory measures, with any of the mechanisms indicated in items II and III of Clause 51.2.

51.3. The PARTIES will not trigger the dispute resolution instances, without first notifying the other PARTY about the dispute, in a written document, substantiated and accompanied by the respective documents, with a proposal to resolve the divergence, for response within the period provided for in Clause 52, after which it may address its irresolution to the next competent dispute resolution instance, according to the matter to be decided.

51.4. The arbitration may only be initiated after the procedure provided for in Clause 52 or 53, if triggered.

51.5. The PARTIES may not use, to the detriment of the interests of the other PARTY, during any of the dispute settlement procedures provided for in this Chapter, documents that have been produced by the opposing PARTY specifically during business negotiations, such as minutes of meetings, proposed agreements, opinions or technical manifestations.

51.5.1. The restriction provided for in Clause 51.5 does not reach documents pre-existing to the dispute settlement procedures, or that have been produced regardless of the dispute, which may be used to defend the interests of the PARTIES in any of the dispute settlement mechanisms, regardless of the form or the time at which the PARTY has had access to such document.

51.6. The establishment of a dispute settlement procedure, through any of the mechanisms provided for in Clauses 52 to 54, does not exempt the PARTIES from the duty to follow up and comply with their contractual obligations.

51.6.1. Any breach of contract, or delay in fulfilling a contractual obligation, resulting from non-compliance with the condition set forth in Clause 51.6, will imply the consequences provided for in the CONTRACT, including the application of contractual fines, regardless of the result of the dispute.

51.7. If any decision, during the procedures provided for in items II and III of Clause 51.2, imposes on the CONCESSIONAIRE, with a binding nature, an obligation to do so, the obligation must be fulfilled by the CONCESSIONAIRE regardless of any payment, except, exclusively, if the decision itself conditions compliance with the decision to prior payment by the GRANTING AUTHORITY.

## **52. CLAUSE FIFTY-TWO – BUSINESS NEGOTIATIONS**

52.1. The PARTIES may not use the dispute resolution bodies without first formalizing to the other PARTY notification of dissatisfaction, with reasoned exposition of the dispute, proposal for solution and copy of the respective documents.

52.2. The notification of dissatisfaction will be sent to the other PARTY, in the form of the contractual communications provided for in Clause 56.5, for response, within a period of up to 15 (fifteen) business days.

52.2.1. The response to the notification of dissatisfaction must be presented with a reasoned statement of the PARTY'S position and the reasons and documents that support it, as well as an express position on the proposed solution contained in the notification.

52.2.2. The expiration of the period provided for in Clause 52.2 without submission of the response will be presumed as disagreement.

52.3. By written agreement between the PARTIES, or between the CONCESSIONAIRE and ARSESP, the deadline for responding to the notification of dissatisfaction may be suspended for negotiations.

52.3.1. If the negotiations result in self-composition, and it is not a matter that requires a contractual amendment, the PARTIES will register the agreement by apostilling the CONTRACT.

52.3.2. If the negotiations do not result in self-composition, the deadline for submitting the response to the notification of dissatisfaction will be restarted, pursuant to Clause 52.2.

52.4. The representative for the negotiations must be designated by the maximum authority of the GRANTING AUTHORITY and by the legal representatives of the CONCESSIONAIRE, in the form of its articles of incorporation.

52.5. In the event of failure of the negotiations provided for in this Clause, either PARTY may submit the dispute to another of the dispute resolution mechanisms, among those provided for in Clauses 52 to 54, without prejudice to the regular conduct, by ARSESP or the GRANTING AUTHORITY, of any administrative proceeding in progress.

### **53. CLAUSE FIFTY-THREE - MEDIATION OR CONCILIATION**

53.1. At any time, provided that the procedure provided for in Clause 52.2, either PARTY may propose the initiation of mediation, which will only be initiated or continued with the consent of both PARTIES, and such consent may also be given between the CONCESSIONAIRE and ARSESP, without the participation of the GRANTING AUTHORITY.

53.2. The mediation constitutes a procedure aimed at clarifying controversy between the PARTIES, which may or may not result in an agreement, and will comply with Federal Law No. 13.140, of June 26, 2015, without prejudice to the applicable state legislation, and may occur in accordance with any of the forms admitted therein.

53.2.1. The extrajudicial mediation will follow the procedure of the Conciliation Chamber of the State Administration – CCAE, provided for in articles 54 et seq. of State Complementary Law No. 1270/2015, if in operation at the time of the dispute, and the payment of any expenses and fees must be made by the mediation proponent.

53.2.2. If the Conciliation Chamber of the State Administration – CCAE is not in operation at the time of the dispute, the PARTIES shall elect the procedure to be observed in extrajudicial mediation, pursuant to Clause 53.3, and such choice may also be made jointly by the CONCESSIONAIRE and ARSESP, without the participation of the GRANTING AUTHORITY.

53.3. The mediation procedure will observe the rules provided for in the chamber elected to conduct the procedure, to be indicated consensually in the form of Clause 53.3.1.

53.3.1. The PARTIES may choose a non-institutional mediation procedure, in which case the procedure must be agreed in its own term between the PARTIES, the content of which must contain, at least, the rules for appointing mediator(s) and the deadlines for completing the procedure, and such option and term may also be made jointly by the CONCESSIONAIRE and ARSESP, without the participation of the GRANTING AUTHORITY.

53.3.2. The mediator(s) to be selected must comply with the requirements set forth in Clauses 54.13.1.1, 54.13.1.2 and 54.13.1.3.

53.3.3. If the consensus provided for in the previous clauses is not reached for the purpose of electing the chamber to conduct the mediation procedure, or regarding the performance of non-institutional mediation, or regarding the choice of mediators, no mediation will be established between the PARTIES.

53.4. The PARTY interested in proposing a mediation procedure will send notification, with a brief statement of the intended scope, to the opposing PARTY, which must inform its agreement within 5 (five) business days, after which the refusal will be presumed. In the event that the interested PARTY is the CONCESSIONAIRE, the notification provided for in this clause may also be sent to ARSESP, which must inform its agreement within 5 (five) business days, after which the refusal will be presumed.

53.5. Any agreement resulting from the mediation will be signed in writing, formalized in a contractual amendment or apostille to the CONTRACT, and published together with its respective motivation.

## **54. CLAUSE FIFTY-FOUR – ARBITRATION**

54.1. The PARTIES shall submit to institutional arbitration disputes over available property rights, related to the interpretation or execution of this CONTRACT, in

accordance with Federal Law No. 9.307/96, which have not been resolved by the procedure provided for in Clause 53, when initiated by the PARTIES.

54.1.1. Without prejudice to other hypotheses, controversies over available property rights are considered:

54.1.1.1. Recognition of the right and determination of the respective amount of the economic-financial imbalance of the CONTRACT in favor of either PARTY;

54.1.1.2. Recognition of hypotheses of contractual default of either PARTY, and calculation of the financial penalties applied;

54.1.1.3. Request for contractual termination, made by the CONCESSIONAIRE, due to contractual default attributed to the GRANTING AUTHORITY;

54.1.1.4. Disputes related to the performance of the CONCESSIONAIRE and the calculation of PERFORMANCE INDICATORS; and

54.1.1.5. Interpretation of the risk sharing mechanisms provided for in the CONTRACT.

54.2. Without prejudice to other hypotheses, controversies related to available property rights are not considered, and the following are not submitted to arbitration:

54.2.1. Issues regarding available non-tradable rights;

54.2.2. The nature and public ownership of the SERVICES;

54.2.3. The power of regulation and inspection, as well as its exercise by ARSESP and the GRANTING AUTHORITY;

54.2.4. The exercise of the power to impose pecuniary and administrative penalties on the CONCESSIONAIRE, except, exclusively, the evaluation of the factual assumptions of the imposition of specific penalties, or divergences regarding the calculation of pecuniary penalties;

54.2.5. The exercise of the right of expropriation or the decision to decree the expiration of the CONTRACT, or even the decision as to other forms of contractual termination at the initiative of the GRANTING AUTHORITY, except, in cases of expiration or unilateral termination of the CONTRACT, the divergences as to the occurrence of the factual assumptions that legitimize it; and

54.2.6. The immediate effort, intervention, and measures for the continuity of SERVICES.

54.3. Any losses caused in the exercise of the legally guaranteed administrative powers, as well as any right to the corresponding indemnity, may be determined through arbitration.

54.4. As a prerequisite for the initiation of the arbitration procedure, the GRANTING AUTHORITY and the CONCESSIONAIRE shall identify nominally any financier of the demand.

54.5. The arbitration shall be by law, applying the rules of the Federative Republic of Brazil, the technical rules and the rules of ARSESP, and the judgment by equity is prohibited.

54.5.1. The decisions of the ARBITRAL TRIBUNAL shall observe any judicial precedents that, under the terms of current Brazilian legislation, have binding effectiveness and impose their observance on the bodies of the Judiciary.

54.6. The PARTIES may, prior to the initiation of arbitration, request the competent judicial authority, in the manner provided for in Clause 55.1.3, to order the relevant precautionary or provisional measures.

54.6.1. The request made by one of the PARTIES to a judicial authority to obtain such measures shall not be considered as an infringement or waiver of the arbitration agreement and shall not compromise the jurisdiction of the ARBITRAL TRIBUNAL in this regard.

54.6.2. Any requests or measures implemented by the judicial authority must be notified to the ARBITRAL TRIBUNAL, by the PARTY that requested the measure, at the first opportunity to address the ARBITRAL TRIBUNAL.

54.7. The PARTY shall submit its request for arbitration before a chamber registered by the State of São Paulo for the resolution of disputes involving the Direct Administration and its municipalities, in accordance with State Decree No. 64.356/2019.

54.7.1. In the event that there is no arbitration chamber registered by the State of São Paulo, the PARTY may submit its request for arbitration before any arbitration chamber that meets the following requirements:

- I. Present available space for hearings and secretarial services, at no additional cost to the parties, in the city of São Paulo;
- II. It has been regularly constituted for at least five years;
- III. Meet the legal requirements for receipt of payment by the Public Administration of the State of São Paulo; and
- IV. Has recognized suitability, competence and experience in the administration of arbitration proceedings with the Public Administration.

54.8. The arbitration procedure shall comply with the provisions of Federal Law no. 9.307/1996 and State Decree no. 64.356/2019, the rules of the arbitration chamber adopted and the provisions contained in this CONTRACT.

54.8.1. The ARBITRAL TRIBUNAL may not consider, under any circumstances, documents that have been presented in violation of the provisions of Clause 54.5.

54.9. The language to be used in the arbitration procedure will be Brazilian Portuguese, with the possibility of using bilingual arbitration (Portuguese and another language) in duly justified cases, at the discretion of the ARBITRAL TRIBUNAL.

54.9.1. If the arbitration is bilingual, the CONCESSIONAIRE shall bear the expenses related to the translation of the documents, even when the translated materials are due to acts performed by ARSESP or the GRANTING AUTHORITY, and these costs will not make up the procedural costs and expenses for the purpose of reimbursing costs with the arbitration.

54.9.2. If there are divergences between the content of the decisions or manifestations presented by the attorneys of the PARTIES to the arbitration in

the Portuguese and foreign language versions, the content of the versions made in Portuguese will prevail.

54.10. It is permissible to produce technical documents in other languages, using sworn translation in case of divergence between the PARTIES as to their meaning.

54.11. The acts of the arbitration process will be public, safeguarding the legal hypotheses of secrecy, judicial secrecy, industrial secrecy or when essential to the security of society and the State, and must be justified in each case.

54.12. The following documents of ongoing arbitration proceedings will be made available on the World Wide Web: petitions, expert reports, arbitration term and decisions of the arbitrators.

54.12.1. The other documents of the arbitration procedure may be requested through the Integrated Citizen Information System (SIC.SP).

54.12.2. The hearings of the arbitration procedure may be reserved for arbitrators, secretaries of the arbitral tribunal, PARTIES and ARSESP, their representatives and attorneys, witnesses, technical assistants, experts, employees of the arbitration chamber and other persons previously authorized by the ARBITRAL TRIBUNAL.

54.13. The ARBITRAL TRIBUNAL SHALL be composed of three members, appointed in accordance with the rules of the arbitral chamber.

54.13.1. The appointed arbitrator shall observe the following requirements:

54.13.1.1. Be in full civil capacity;

54.13.1.2. Have technical training and professional experience recognized and compatible with their duties, with proven knowledge of the object of the CONTRACT, demonstrated through a curriculum, or other document capable of attesting to the experience obtained;

54.13.1.3. Not having, with the PARTIES or with the litigation submitted to it, relationships that characterize partiality or conflict of interest, being configured as such, but not only:

I. Cases of impediment and suspicion imposed on judges of law, provided for in the Code of Civil Procedure;

II. If the nominee carries out law activities, the existence of a demand sponsored by them, or by an office with which they are associated, against either PARTY, even if it concerns a matter not related to the object of the dispute;

III. The situations provided for in the Red and Orange Lists of the IBA – International Bar Association Guidelines, related to Conflicts of Interest in International Arbitration; and

IV. The performance, in the last six (6) months, as an officer, manager, employee, outsourced contractor, administrator or partner of the CONCESSIONAIRE, the CONCESSIONAIRE'S shareholders and its ECONOMIC GROUPS, the GRANTING AUTHORITY or any body or entity of the Public Administration of the State of São Paulo.

54.13.1.4. Assume the commitment of availability for the acts of the procedure and other activities inherent to the function.

54.13.2. Persons who are not on the list of arbitrators of the arbitral chamber may be appointed as members of the Arbitral Tribunal.

54.13.3. All nominees will be asked to compose the ARBITRAL TRIBUNAL to act in other professional activities, for the assessment of their independence and impartiality and without prejudice to the other obligations inherent to the duty of disclosure provided for in Federal Law No. 9.307, of September 23, 1996, to report on any provision of services that may put them in conflict of interest with the Public Administration.

54.13.4. All nominees will be asked to compose the ARBITRAL TRIBUNAL that exercises the law to inform about the existence of a demand sponsored by them, or by an office of which they are associated, against the Public Administration, as well as the existence of a demand sponsored by them or by an office of which they are associated, in which a topic related to that submitted to the respective arbitration procedure is discussed.

54.13.5. In the case of arbitration with multiple parties, as claimants and/or defendants, there must be a consensus on the form of appointment of an

arbitrator by the parties of the same pole. If there is no consensus, the regulation of the elected arbitration chamber must be observed.

54.14. The arbitration award will be rendered in Brazil and the acts of the procedure will be carried out in the capital of the State of São Paulo, or in another place previously agreed between the PARTIES.

54.15. If the arbitration award is not rendered by consensus between the members of the ARBITRAL TRIBUNAL, the tiebreaker criterion provided for in the regulations of the adopted arbitration chamber will be adopted.

54.16. The payment of costs and expenses related to the arbitration procedure will observe the regime of loss of suit provided for in the Code of Civil Procedure, and the conviction of the losing PARTY to reimburse the contractual attorney's fees of the winning PARTY is prohibited.

54.17. The provision of costs shall be made by the CONCESSIONAIRE, pursuant to paragraph 2 of article 18 of State Law No. 16.933/2019, regardless of the PARTY that has raised the arbitration, and, when applicable, the expenses shall be refunded according to a subsequent decision of the ARBITRAL TRIBUNAL in a final award, in accordance with the rules of the arbitration chamber's regulations.

54.17.1. If there is a need for expert evidence, an independent expert shall be appointed by mutual agreement between the PARTIES or, in the absence of an agreement, by the ARBITRAL TRIBUNAL, and the costs of the expertise, including expert fees, shall be advanced by the CONCESSIONAIRE, pursuant to Clause 54.17.

54.17.2. The PARTIES may appoint technical assistants of their confidence to accompany the production of expert evidence, with the respective costs not being subject to reimbursement, regardless of the outcome of the arbitration proceeding.

54.18. The PARTIES acknowledge that the decisions rendered by the ARBITRAL TRIBUNAL may be regularly enforced in Brazil, following the procedure for enforcement against the Public Treasury, and the Granting Authority does not have any sovereign immunity that inhibits enforcement.

54.18.1. Decisions rendered by the ARBITRAL TRIBUNAL that impose a pecuniary obligation on the GRANTING AUTHORITY will be complied with

according to the regime of precatory or obligation of small value, under the same conditions imposed on other judicial executive titles.

54.18.2. The decisions of the ARBITRAL TRIBUNAL that impose on the GRANTING AUTHORITY the obligation of economic and financial rebalancing of the CONTRACT shall GRANT THE GRANTING AUTHORITY a period for choosing the elected recomposition mechanism, among those provided for in the CONTRACT.

54.19. The arbitration award will be considered as a final decision in relation to the dispute between the PARTIES, unappealable and binding between them.

## **55. CLAUSE FIFTY-FIVE – JURISDICTION**

55.1. The Jurisdiction of the District of São Paulo, State of São Paulo, shall be competent for any and all claims that:

- 55.1.1. do not concern disposable property rights;
- 55.1.2. are excluded from arbitral jurisdiction pursuant to Clause 54.2; or
- 55.1.3. have a precautionary, anticipatory, or urgent relief nature, which cannot await the establishment of the ARBITRAL TRIBUNAL for the respective assessment, in compliance with the provisions of Clause 54.6.

## **56. CLAUSE FIFTY-SIX – FINAL PROVISIONS**

56.1. On all matters established in this CONTRACT, as well as decisions rendered by the GRANTING AUTHORITY or ARSESP, the CONCESSIONAIRE shall be entitled to comply with due administrative process, pursuant to State Law No. 10.177/1998.

56.2. This CONTRACT binds the PARTIES and their successors in all respects.

56.3. Changes eventually promoted in this CONTRACT will only be valid if entered into and signed by both PARTIES, by means of contractual Amendments and Modifications, except for the possibility of unilateral modification of the CONTRACT by the GRANTING AUTHORITY, under the terms of the applicable legislation.

56.4. If either PARTY allows, even by omission, non-compliance, in whole or in part, with any of the Clauses or conditions of the CONTRACT and its ANNEXES, this fact may not release, exempt, or in any way affect or impair the validity and effectiveness

of the same Clauses and conditions, which will remain unchanged, as if no tolerance had occurred.

56.4.1. A PARTY'S waiver of any right shall not be valid if not expressed in writing and shall be interpreted restrictively, not allowing its extension to any other right or obligation set forth in this CONTRACT.

56.4.2. The nullity or invalidity of any Clause of this CONTRACT shall not preclude the validity and production of the effects of any other Clause.

56.5. All communications related to this CONTRACT must be sent in writing, at the physical or, preferably, electronic addresses, and on behalf of the persons indicated below, according to the relevance of the recipients in each case:

For ARSESP	[•]
For the CONCESSIONAIRE:	[•]
To the GRANTING AUTHORITY	[•]

56.6. The PARTIES and ARSESP may modify the data indicated above by simple written communication to the others.

56.7. Notices and communications will be considered duly received on the date (i) contained in the acknowledgment of receipt; (ii) delivery of the judicial or extrajudicial letter; (iii) proof of facsimile delivery; (iv) proof of delivery by internationally known courier service, (v) proof of email delivery with acknowledgment of receipt to the address indicated in Clause 56.5; or (vi) protocol at the GRANTING AUTHORITY or at the address of the CONCESSIONAIRE indicated in Clause 56.5.

56.8. All documents related to this CONTRACT and the CONCESSION must be written in Brazilian Portuguese, or translated into it, by sworn translation, in the case of foreign documents.

56.8.1. In case of any conflict or inconsistency, the Portuguese language version shall prevail.

56.8.2. In the counting of the terms established in this CONTRACT, the day of commencement shall be excluded and the day of maturity shall be included, counting the calendar days, unless otherwise provided.

56.8.3. When the deadlines end on weekends, holidays or days when there is no working hours in the PUBLIC ADMINISTRATION of the State of São Paulo, the deadline will be automatically postponed to the first subsequent business day.

56.9. ARSESP shall designate a technical unit responsible for the supervision and monitoring of this CONTRACT, indicating its manager.

56.10. The CONCESSIONAIRE and the GRANTING AUTHORITY shall appoint their respective managers to monitor the CONTRACT.

IN WITNESS WHEREOF, the PARTIES, ARSESP, DETRAN-SP and DER-SP sign this CONTRACT in five (5) counterparts shared with all signatories, in the presence of two (2) witnesses, identified below, to produce their legal effects.

São Paulo, [●] [●] [●].

**PARTIES, ARSESP, DETRAN-SP, DER-SPE SIGNATURES:**